LEGISLATIVE
FISCAL BUREAU

STATE OF WISCONSIN

MARCH 2023

Summary of Governor's Budget Recommendations

2023-25 Wisconsin State Budget

2023-25 WISCONSIN STATE BUDGET

Summary of Governor's Budget Recommendations

Legislative Fiscal Bureau

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INTRODUCTION

This document provides a summary of each agency, program, and item contained in the state's 2023-25 budget as recommended by the Governor. The Governor's budget has been introduced in identical form as 2023 Assembly Bill 43 and 2023 Senate Bill 70.

An introductory portion of this document contains a Table of Contents, Index to Selected Provisions, Key to Abbreviations, and User's Guide. The Index to Selected Provisions is intended to assist the reader in locating items that one might not associate with a specific state agency.

The "2023-25 Overview" section provides a series of tables that display the Governor's recommended 2023-25 revenues, appropriations, and position levels.

Following the summary information is a section that contains summaries for each state agency and program within the bill. The agency summaries appear in alphabetical order and contain a funding and position table as well as a brief narrative description and corresponding fiscal effect, if any, of each budget provision.

The intent of the document is to summarize the Governor's 2023-25 budget as represented in AB 43/SB 70, the Executive Budget Book, and other budget materials prepared by the Department of Administration. Accordingly, the revenue and appropriation amounts of this summary are those developed by the Administration.

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2023-25 OVERVIEW

STATE AGENCY 2023-25 BUDGET SUMMARIES

INDEX TO SELECTED PROVISIONS

KEY TO ABBREVIATIONS

REVENUES

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

APPROPRIATIONS

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

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

OTHER

2021 Wisconsin Act 58	The 2021-23 biennial budget act.
AB 43/SB 70	Assembly Bill 43/Senate Bill 70, identical bills which incorporate the Governor's 2023-25 budget recommendations.
CY	Calendar year.
FY	Fiscal year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to 1,040 hours per appointment in a 12-month period.
2022-23 Adjusted Base	The total 2022-23 authorized funding level for an agency or program. The adjusted base equals 2022-23 appropriations and any supplements. It is this base that serves as the beginning point for calculating budget changes for 2023-25.
2022-23 Base Year Doubled	The 2022-23 base multiplied by two. This produces the biennial base level against which 2023-25 budget levels may be compared.

USER'S GUIDE

The following explanation of entries is keyed to the accompanying sample on entry page 5.

1 Name of agency.

2 Listed in this column are the funding sources for the amounts shown in Columns 3 through 5. Only the funding sources which are included in the agency's budget are shown.

3 The 2022-23 adjusted base represents authorized appropriation and position levels for 2022-23.

4 The Governor's recommended budget and position levels for 2023-24 and 2024-25.

5 These columns indicate the change, by amount and percentage, of the Governor's recommendation over the 2022-23 adjusted base year, doubled. For positions, the comparison is made between the recommended authorization for 2024-25 and that of 2022-23.

6 Indicates the beginning of the summary of each fiscal and statutory change to the agency's base budget and current law.

7 This uniform entry, "Standard Budget Adjustments," includes such things as full funding of continuing positions, turnover reductions, and removal of one-time funding items. The box, to the right of 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.

8 Listed here will be the bill section(s), if any, of the budget bill which relate to the provision. If the only change is to the agency's funding level (contained in the schedule of appropriations, Section 257 of the budget bill) no bill section will be listed.

WISCONSIN TECHNICAL COLLEGE SYSTEM 1

Budget Summary				5		FTE Position Summary				5
2	3	4		2023-25 Change Over		3	4		2024-25	
	2022-23	Governor		Base Year Doubled			Governor		Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$579,933,100	$623,024,900	$618,024,900	$81,183,600	7.0%	23.25	26.25	26.25	3.00	12.9%
FED	33,364,600	32,921,300	32,921,300	- 886,600	- 1.3	26.75	23.75	23.75	- 3.00	- 11.2
PR	4,724,400	4,714,000	4,714,000	- 20,800	- 0.2	5.00	5.00	5.00	0.00	0.0
TOTAL	$618,022,100	$660,660,200	$655,660,200	$80,276,200	6.5%	55.00	55.00	55.00	0.00	0.0%

6 Budget Change Items

7

1. STANDARD BUDGET ADJUSTMENTS

GPR	$133,600
FED	- 136,600
PR	- 20,800
Total	- $23,800

Governor: Provide adjustments to the base budget totaling $133,600 GPR, -$136,600 FED, and -$20,800 PR for: (a) full funding of continuing position salaries and fringe benefits ($73,900 GPR, -$3,200 FED, and $1,200 PR annually); and (b) lease and directed moves costs (-$7,100 GPR, -$65,100 FED, and -$11,600 PR annually).

2. GENERAL AID

GPR	$65,800,000

Governor: Provide an increase of $32,900,000 annually in the appropriation for state general aid for technical colleges. This additional funding would be allocated under the current law that specifies that 70% of the funding in the appropriation is distributed under the partially equalizing general aid formula and 30% is distributed under the formula established for outcomes-based funding. Base level funding is $103,284,900 annually.

3. GRANTS FOR HEALTH-CARE RELATED CREDITS TAKEN IN DUAL ENROLLMENT PROGRAMS

GPR	$4,000,000

Governor: Provide $2,000,000 annually for grants to technical colleges to reimburse the colleges for costs related to providing high school students dual enrollment courses related to health care, as determined by the System Board.

8 [Bill Sections: 348 and 672]

2023-25 OVERVIEW

TABLE 1

Summary of 2023-25 Appropriations, Compensation Reserves, and Authorizations

Fund Source	2023-24	2024-25	Total	% of Total
General Purpose Revenue	**$24,592,786,000**	**$24,516,544,400**	**$49,109,330,400**	**46.2%**
Appropriations	24,227,525,300	23,934,929,700	48,162,455,000	
Compensation Reserves	365,260,700	581,614,700	946,875,400	
Federal Revenue	**15,632,470,100**	**15,739,221,300**	**31,371,691,400**	**29.5%**
Appropriations	15,551,696,500	15,626,912,600	31,178,609,100	
Compensation Reserves	80,773,600	112,308,700	193,082,300	
Program Revenue	**7,715,610,700**	**7,641,809,300**	**15,357,420,000**	**14.5%**
Appropriations	7,573,848,600	7,444,701,300	15,018,549,900	
Compensation Reserves	141,762,100	197,108,000	338,870,100	
Segregated Revenue	**4,807,489,100**	**4,775,779,900**	**9,583,269,000**	**9.0%**
Appropriations	4,727,804,600	4,664,985,500	9,392,790,100	
Compensation Reserves	79,684,500	110,794,400	190,478,900	
Subtotal	**$52,748,355,900**	**$52,673,354,900**	**$105,421,710,800**	**99.2%**
Appropriations	52,080,875,000	51,671,529,100	103,752,404,100	
Compensation Reserves	667,480,900	1,001,825,800	1,669,306,700	
Bond Revenue			**866,787,300**	**0.8%**
General Obligation Bonding			327,073,000*	
Revenue Bonding			539,714,300	
TOTAL			**$106,288,498,100**	**100.0%**

* Excludes $1,725,000,000 of Economic Refunding Bonds.

TABLE 2

Summary of Total All Funds Appropriations and Reserves by Agency

Agency	2022-23 Base Year Doubled	2023-25 Agency Request	Governor's Recommendation 2023-24	Governor's Recommendation 2024-25	Governor's Recommendation 2023-25	2023-25 Change Over Base Doubled Amount	2023-25 Change Over Base Doubled Percent
Administration	$1,225,974,400	$1,244,912,200	$1,618,919,200	$718,649,700	$2,337,568,900	$1,111,594,500	90.7%
Agriculture, Trade and Consumer Protection	220,845,600	236,639,400	145,933,700	147,024,900	292,958,600	72,113,000	32.7
Appropriation Obligation Bonds	622,359,600	632,572,400	309,266,800	336,940,900	646,207,700	23,848,100	3.8
Board for People with Developmental Disab.	3,442,800	3,341,400	1,668,300	1,668,300	3,336,600	-106,200	-3.1
Board of Commissioners of Public Lands	3,399,600	3,738,900	1,864,100	1,881,400	3,745,500	345,900	10.2
Board on Aging and Long-Term Care	7,636,600	8,398,000	4,140,500	4,199,100	8,339,600	703,000	9.2
Building Commission	83,467,600	83,467,600	46,378,500	99,825,400	146,203,900	62,736,300	75.2
Child Abuse and Neglect Prevention Board	6,486,400	6,784,400	7,548,800	7,548,800	15,097,600	8,611,200	132.8
Children and Families	2,914,604,000	2,929,959,400	1,734,915,400	1,943,069,100	3,677,984,500	763,380,500	26.2
Circuit Courts	231,942,600	234,487,300	118,081,100	117,207,300	235,288,400	3,345,800	1.4
Compensation Reserves	---	---	667,480,900	1,001,825,800	1,669,306,700	1,669,306,700	N.A.
Corrections	2,944,268,800	3,172,798,500	1,541,350,300	1,569,133,300	3,110,483,600	166,214,800	5.6
Court of Appeals	24,769,000	24,228,800	11,983,200	12,005,500	23,988,700	-780,300	-3.2
District Attorneys	122,631,400	159,705,900	72,559,700	74,449,000	147,008,700	24,377,300	19.9
Educational Communications Board	41,810,800	42,825,700	21,467,500	21,267,400	42,734,900	924,100	2.2
Elections Commission	12,157,400	14,737,500	7,843,400	7,443,500	15,286,900	3,129,500	25.7
Employee Trust Funds	105,489,600	143,248,100	57,636,300	62,423,600	120,059,900	14,570,300	13.8
Employment Relations Commission	2,058,800	2,045,600	1,395,900	1,500,100	2,896,000	837,200	40.7
Environmental Improvement Fund	26,974,000	26,974,000	211,509,300	11,329,500	222,838,800	195,864,800	726.1
Ethics Commission	3,082,800	3,660,200	1,827,700	1,827,700	3,655,400	572,600	18.6
Financial Institutions	38,658,600	39,266,200	26,049,200	25,535,200	51,584,400	12,925,800	33.4
Fox River Navigational System Authority	250,800	250,800	125,400	125,400	250,800	0	0.0
Governor	8,716,400	9,060,800	4,530,400	4,530,400	9,060,800	344,400	4.0
Health Services	30,305,887,800	34,042,932,600	17,636,197,200	17,658,754,000	35,294,951,200	4,989,063,400	16.5
Higher Educational Aids Board	300,877,800	300,903,600	162,093,300	168,044,100	330,137,400	29,259,600	9.7
Historical Society	62,632,400	80,767,900	42,165,100	40,834,900	83,000,000	20,367,600	32.5
Insurance	567,022,600	627,241,900	319,045,000	322,529,200	641,574,200	74,551,600	13.1
Investment Board	205,462,200	205,462,200	102,731,100	102,731,100	205,462,200	0	0.0
Judicial Commission	705,600	702,000	351,700	352,400	704,100	-1,500	-0.2
Judicial Council	0	222,000	0	0	0	0	N.A.

Agency	2022-23 Base Year Doubled	2023-25 Agency Request	Governor's Recommendation 2023-24	Governor's Recommendation 2024-25	Governor's Recommendation 2023-25	2023-25 Change Over Base Doubled Amount	2023-25 Change Over Base Doubled Percent
Justice	$317,439,000	$490,324,300	$198,315,000	$211,344,900	$409,659,900	$92,220,900	29.1%
Kickapoo Reserve Management Board	2,089,600	2,048,000	1,031,700	1,031,700	2,063,400	-26,200	-1.3
Labor and Industry Review Commission	5,751,200	6,115,200	3,052,300	3,052,300	6,104,600	353,400	6.1
Legislature	184,596,600	185,190,800	92,926,200	93,174,000	186,100,200	1,503,600	0.8
Lieutenant Governor	970,200	996,400	498,200	498,200	996,400	26,200	2.7
Lower Wisconsin State Riverway Board	526,000	532,000	266,000	266,000	532,000	6,000	1.1
Medical College of Wisconsin	22,231,800	22,231,800	21,982,000	21,440,300	43,422,300	21,190,500	95.3
Military Affairs	290,711,600	356,293,200	236,060,800	189,387,500	425,448,300	134,736,700	46.3
Miscellaneous Appropriations	390,468,400	438,272,600	221,494,000	222,091,900	443,585,900	53,117,500	13.6
Natural Resources	1,134,851,800	1,150,193,200	708,511,400	626,506,500	1,335,017,900	200,166,100	17.6
Program Supplements	664,200	664,200	143,537,000	332,100	143,869,100	143,204,900	N.A.
Public Defender	229,312,200	271,183,300	134,946,900	136,956,500	271,903,400	42,591,200	18.6
Public Instruction	16,468,423,000	19,020,783,300	9,214,413,600	10,094,557,500	19,308,971,100	2,840,548,100	17.2
Public Service Commission	66,261,600	67,926,400	786,882,800	38,598,500	825,481,300	759,219,700	1,145.8
Revenue	487,397,600	483,732,700	261,594,700	258,176,600	519,771,300	32,373,700	6.6
Safety and Professional Services	122,110,600	142,789,600	73,891,500	75,797,200	149,688,700	27,578,100	22.6
Secretary of State	576,200	999,400	485,100	500,300	985,400	409,200	71.0
Shared Revenue and Tax Relief	5,859,709,800	5,903,404,900	3,160,247,300	3,910,016,400	7,070,263,700	1,210,553,900	20.7
State Fair Park Board	45,512,600	45,911,800	21,800,200	21,773,800	43,574,000	-1,938,600	-4.3
State Treasurer	260,600	822,600	180,000	197,400	377,400	116,800	44.8
Supreme Court	69,234,000	78,347,000	36,861,800	37,043,600	73,905,400	4,671,400	6.7
Tourism	36,575,400	37,906,900	75,855,900	32,272,500	108,128,400	71,553,000	195.6
Transportation	6,606,302,600	7,041,298,000	3,755,523,200	3,780,501,800	7,536,025,000	929,722,400	14.1
University of Wisconsin System	13,548,814,600	13,984,451,200	6,894,094,700	6,960,630,000	13,854,724,700	305,910,100	2.3
Veterans Affairs	285,779,800	310,899,100	157,695,600	158,711,700	316,407,300	30,627,500	10.7
Wisconsin Artistic Endowment Foundation	0	0	1,500,000	3,000,000	4,500,000	4,500,000	N.A.
Wisconsin Economic Development Corp.	83,101,400	83,101,400	196,550,700	81,550,700	278,101,400	195,000,000	234.7
Wisconsin Housing and Economic Development Authority	0	0	100,000,000	0	100,000,000	100,000,000	N.A.
Wisconsin Technical College System	1,236,044,200	1,318,688,000	660,660,200	655,660,200	1,316,320,400	80,276,200	6.5
Workforce Development	740,826,400	799,210,900	710,438,100	593,627,800	1,304,065,900	563,239,500	76.0
TOTAL	$88,330,159,000	$96,525,653,500	$52,748,355,900	$52,673,354,900	$105,421,710,800	$17,091,551,800	19.3%

TABLE 3

Summary of All Funds Full-Time Equivalent Positions by Agency

Agency	2022-23 Base	2024-25 Agency Request	Governor 2023-24	Governor 2024-25	Governor's 2024-25 Change Over 2022-23 Number	Governor's 2024-25 Change Over 2022-23 Percent
Administration	1,459.78	1,450.78	1,544.78	1,535.78	76.00	5.2%
Agriculture, Trade and Consumer Protection	641.29	641.29	658.79	658.79	17.50	2.7
Board for People with Developmental Disab.	7.00	7.00	7.00	7.00	0.00	0.0
Board of Commissioners of Public Lands	9.50	10.50	10.50	10.50	1.00	10.5
Board on Aging and Long-Term Care	44.50	47.50	47.50	47.50	3.00	6.7
Child Abuse and Neglect Prevention Board	7.00	7.00	7.00	7.00	0.00	0.0
Children and Families	821.67	794.67	811.67	808.67	-13.00	-1.6
Circuit Courts	543.00	551.00	551.00	551.00	8.00	1.5
Corrections	10,261.52	10,261.52	10,256.12	10,263.12	1.60	0.0
Court of Appeals	75.50	75.50	75.50	75.50	0.00	0.0
District Attorneys	544.90	554.20	586.70	546.70	1.80	0.3
Educational Communications Board	54.18	54.18	54.18	54.18	0.00	0.0
Elections Commission	32.00	42.00	42.00	42.00	10.00	31.3
Employee Trust Funds	275.20	291.20	291.20	291.20	16.00	5.8
Employment Relations Commission	6.00	6.00	9.00	9.00	3.00	50.0
Ethics Commission	8.00	8.00	8.00	8.00	0.00	0.0
Financial Institutions	141.54	141.54	144.04	144.04	2.50	1.8
Governor	37.25	37.25	37.25	37.25	0.00	0.0
Health Services	6,589.92	6,450.92	6,982.92	6,903.42	313.50	4.8
Higher Educational Aids Board	10.00	10.00	14.00	14.00	4.00	40.0
Historical Society	177.70	182.70	182.70	182.70	5.00	2.8
Insurance	134.83	134.83	172.33	172.33	37.50	27.8
Investment Board	290.00	290.00	290.00	290.00	0.00	0.0
Judicial Commission	2.00	2.00	2.00	2.00	0.00	0.0
Judicial Council	0.00	1.00	0.00	0.00	0.00	N.A.
Justice	747.84	818.84	772.34	765.34	17.50	2.3
Kickapoo Reserve Management Board	4.00	4.00	4.00	4.00	0.00	0.0
Labor and Industry Review Commission	18.70	18.70	18.70	18.70	0.00	0.0
Legislature	777.97	787.97	780.97	780.97	3.00	0.4
Lieutenant Governor	5.00	5.00	5.00	5.00	0.00	0.0
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	2.00	0.00	0.0
Military Affairs	604.00	587.00	617.50	613.50	9.50	1.6
Natural Resources	2,553.43	2,544.43	2,570.43	2,569.43	16.00	0.6
Public Defender	682.85	686.85	732.85	669.85	-13.00	-1.9
Public Instruction	654.00	657.00	659.00	659.00	5.00	0.8

TABLE 3 (continued)

Summary of All Funds Full-Time Equivalent Positions by Agency

Agency	2022-23 Base	2024-25 Agency Request	Governor 2023-24	Governor 2024-25	Governor's 2024-25 Change Over 2022-23 Number	Governor's 2024-25 Change Over 2022-23 Percent
Public Service Commission	161.75	161.75	169.25	169.25	7.50	4.6%
Revenue	1,178.00	1,178.00	1,219.60	1,219.60	41.60	3.5
Safety and Professional Services	242.14	312.14	321.64	320.64	78.50	32.4
Secretary of State	2.00	4.00	4.00	4.00	2.00	100.0
State Fair Park Board	47.00	47.00	47.00	47.00	0.00	0.0
State Treasurer	1.00	4.00	2.00	2.00	1.00	100.0
Supreme Court	232.85	234.10	233.10	233.10	0.25	0.1
Tourism	34.00	34.00	41.50	41.50	7.50	22.1
Transportation	3,287.41	3,287.41	3,341.41	3,341.41	54.00	1.6
University of Wisconsin System	36,534.36	36,455.13	36,473.63	36,475.66	-58.70	-0.2
Veterans Affairs	1,242.43	1,242.43	1,252.93	1,252.93	10.50	0.8
Wisconsin Technical College System	55.00	55.00	55.00	55.00	0.00	0.0
Workforce Development	1,674.45	1,603.45	1,677.45	1,821.45	147.00	8.8
TOTAL	72,916.46	72,782.78	73,787.48	73,733.01	816.55	1.1%

Full-Time Equivalent Positions Summary by Funding Source

Fund	2022-23 Base	2024-25 Agency Request	Governor 2023-24	Governor 2024-25	Governor's 2024-25 Change Over 2022-23 Number	Governor's 2024-25 Change Over 2022-23 Percent
GPR	35,613.81	35,740.41	35,952.51	35,982.41	368.60	1.0%
FED	10,978.93	10,578.48	10,888.16	10,589.96	-388.97	-3.5
PR	21,477.32	21,603.49	21,933.16	21,993.99	516.67	2.4
SEG	4,846.40	4,860.40	5,013.65	5,166.65	320.25	6.6
TOTAL	72,916.46	72,782.78	73,787.48	73,733.01	816.55	1.1%

TABLE 4

Summary of General Fund Appropriations and Reserves by Agency

Agency	2022-23 Base Year Doubled	2023-25 Agency Request	Governor's Recommendation 2023-24	Governor's Recommendation 2024-25	Governor's Recommendation 2023-25	2023-25 Change Over Base Doubled Amount	2023-25 Change Over Base Doubled Percent
Administration	$34,900,800	$34,849,600	$946,258,700	$83,925,000	$1,030,183,700	$995,282,900	2,851.7%
Agriculture, Trade and Consumer Protection	61,674,200	66,215,600	55,863,600	56,160,600	112,024,200	50,350,000	81.6
Appropriation Obligation Bonds	622,359,600	632,572,400	309,266,800	336,940,900	646,207,700	23,848,100	3.8
Board for People with Developmental Disab.	258,000	258,000	134,800	134,800	269,600	11,600	4.5
Board of Commissioners of Public Lands	3,294,200	3,633,500	1,811,400	1,828,700	3,640,100	345,900	10.5
Board on Aging and Long-Term Care	3,421,000	3,862,300	1,907,300	1,935,600	3,842,900	421,900	12.3
Building Commission	80,296,400	80,296,400	44,443,100	96,718,100	141,161,200	60,864,800	75.8
Child Abuse and Neglect Prevention Board	1,990,000	1,990,000	5,145,000	5,145,000	10,290,000	8,300,000	417.1
Children and Families	1,009,655,600	1,001,460,500	682,124,500	839,206,200	1,521,330,700	511,675,100	50.7
Circuit Courts	231,477,200	234,021,900	117,848,400	116,974,600	234,823,000	3,345,800	1.4
Compensation Reserves	---	---	365,260,700	581,614,700	946,875,400	946,875,400	N.A.
Corrections	2,690,131,600	2,890,973,200	1,400,801,100	1,428,057,000	2,828,858,100	138,726,500	5.2
Court of Appeals	24,769,000	24,228,800	11,983,200	12,005,500	23,988,700	-780,300	-3.2
District Attorneys	113,249,800	149,650,300	66,197,900	70,755,200	136,953,100	23,703,300	20.9
Educational Communications Board	11,668,400	12,190,600	5,965,900	5,754,600	11,720,500	52,100	0.4
Elections Commission	9,739,000	12,105,400	6,516,900	6,114,300	12,631,200	2,892,200	29.7
Employee Trust Funds	65,000	49,300	27,900	21,400	49,300	-15,700	-24.2
Employment Relations Commission	1,767,600	1,754,400	1,250,300	1,354,500	2,604,800	837,200	47.4
Environmental Improvement Fund	12,974,000	12,974,000	205,509,300	6,829,500	212,338,800	199,364,800	1,536.6
Ethics Commission	2,027,400	2,390,200	1,192,700	1,192,700	2,385,400	358,000	17.7
Financial Institutions	0	0	2,000,000	0	2,000,000	2,000,000	N.A.
Governor	8,716,400	9,060,800	4,530,400	4,530,400	9,060,800	344,400	4.0
Health Services	9,955,674,800*	9,182,706,000	4,670,204,600	4,945,472,800	9,615,677,400	-339,997,400	-3.4
Higher Educational Aids Board	297,243,000	297,268,800	160,251,800	166,177,300	326,429,100	29,186,100	9.8
Historical Society	44,154,000	48,700,800	28,153,100	25,693,700	53,846,800	9,692,800	22.0
Insurance	68,466,400	79,933,500	23,715,900	59,464,900	83,180,800	14,714,400	21.5
Judicial Commission	705,600	702,000	351,700	352,400	704,100	-1,500	-0.2
Judicial Council	0	222,000	0	0	0	0	N.A.
Justice	158,032,200	259,709,300	113,908,900	128,219,400	242,128,300	84,096,100	53.2
Labor and Industry Review Commission	305,200	317,200	165,800	165,800	331,600	26,400	8.7

Agency	2022-23 Base Year Doubled	2023-25 Agency Request	Governor's Recommendation 2023-24	Governor's Recommendation 2024-25	Governor's Recommendation 2023-25	2023-25 Change Over Base Doubled Amount	2023-25 Change Over Base Doubled Percent
Legislature	$179,703,600	$179,927,600	$90,401,800	$90,456,600	$180,858,400	$1,154,800	0.6%
Lieutenant Governor	970,200	996,400	498,200	498,200	996,400	26,200	2.7
Medical College of Wisconsin	21,736,800	21,736,800	21,734,500	21,192,800	42,927,300	21,190,500	97.5
Military Affairs	67,803,000	68,114,400	88,038,100	41,361,000	129,399,100	61,596,100	90.8
Miscellaneous Appropriations	325,882,400	373,686,600	189,201,000	189,798,900	378,999,900	53,117,500	16.3
Natural Resources	189,000,200	189,837,000	187,879,400	99,744,300	287,623,700	98,623,500	52.2
Program Supplements	664,200	664,200	94,240,300	332,100	94,572,400	93,908,200	N.A.
Public Defender	226,301,800	268,236,500	133,466,100	135,476,100	268,942,200	42,640,400	18.8
Public Instruction	14,451,763,600	16,990,103,000	8,190,432,800	9,070,352,400	17,260,785,200	2,809,021,600	19.4
Public Service Commission	0	0	751,750,000	3,500,000	755,250,000	755,250,000	N.A.
Revenue	385,260,600	380,990,400	198,190,900	195,268,400	393,459,300	8,198,700	2.1
Shared Revenue and Tax Relief	5,102,097,000	5,062,484,900	2,727,749,300	3,473,775,200	6,201,524,500	1,099,427,500	21.5
State Fair Park Board	3,320,600	3,320,600	1,229,800	1,303,000	2,532,800	-787,800	-23.7
State Treasurer	0	283,600	0	0	0	0	N.A.
Supreme Court	36,462,200	40,350,000	18,100,700	18,113,200	36,213,900	-248,300	-0.7
Tourism	12,974,000	14,696,100	73,166,800	29,583,400	102,750,200	89,776,200	692.0
Transportation	175,119,800	179,646,500	150,277,200	78,008,700	228,285,900	53,166,100	30.4
University of Wisconsin System	2,476,144,400	2,769,552,600	1,266,299,200	1,343,447,100	2,609,746,300	133,601,900	5.4
Veterans Affairs	3,499,800	3,649,800	1,778,800	2,042,700	3,821,500	321,700	9.2
Wisconsin Economic Development Corp.	9,101,400	9,101,400	157,050,700	42,050,700	199,101,400	190,000,000	2,087.6
Wisconsin Housing and Economic Development Authority	0	0	100,000,000	0	100,000,000	100,000,000	N.A.
Wisconsin Technical College System	1,159,866,200	1,243,264,000	623,024,900	618,024,900	1,241,049,800	81,183,600	7.0
Workforce Development	110,215,000	111,058,200	295,483,800	79,469,100	374,952,900	264,737,900	240.2
TOTAL	$40,386,903,200	$42,955,797,400	$24,592,786,000	$24,516,544,400	$49,109,330,400	$8,722,427,200	21.6%

* Includes $527,783,700 GPR for Medical Assistance (MA) that was transferred, on a one-time basis, to the MA SEG Trust Fund in 2022-23.

TABLE 5

Summary of General Fund Full-Time Equivalent Positions by Agency

Agency	2022-23 Base	2024-25 Agency Request	Governor 2023-24	Governor 2024-25	Governor's 2024-25 Change Over 2022-23 Number	Governor's 2024-25 Change Over 2022-23 Percent
Administration	59.87	59.87	87.92	87.92	28.05	46.9%
Agriculture, Trade and Consumer Protection	201.40	201.40	214.90	214.90	13.50	6.7
Board of Commissioners of Public Lands	9.50	10.50	10.50	10.50	1.00	10.5
Board on Aging and Long-Term Care	20.48	21.98	21.98	21.98	1.50	7.3
Children and Families	232.92	232.92	244.44	244.44	11.52	4.9
Circuit Courts	543.00	551.00	551.00	551.00	8.00	1.5
Corrections	9,716.22	9,723.92	9,718.52	9,725.52	9.30	0.1
Court of Appeals	75.50	75.50	75.50	75.50	0.00	0.0
District Attorneys	456.40	518.70	505.20	511.20	54.80	12.0
Educational Communications Board	25.94	25.94	25.94	25.94	0.00	0.0
Elections Commission	25.75	35.75	35.75	35.75	10.00	38.8
Employment Relations Commission	6.00	6.00	9.00	9.00	3.00	50.0
Ethics Commission	4.70	4.70	4.70	4.70	0.00	0.0
Governor	37.25	37.25	37.25	37.25	0.00	0.0
Health Services	2,642.84	2,583.74	2,751.05	2,748.72	105.88	4.0
Higher Educational Aids Board	10.00	10.00	14.00	14.00	4.00	40.0
Historical Society	112.65	116.65	116.65	116.65	4.00	3.6
Insurance	0.00	0.00	10.00	10.00	10.00	N.A.
Judicial Commission	2.00	2.00	2.00	2.00	0.00	0.0
Judicial Council	0.00	1.00	0.00	0.00	0.00	N.A.
Justice	405.58	521.78	447.08	453.28	47.70	11.8
Labor and Industry Review Commission	0.80	0.80	0.80	0.80	0.00	0.0
Legislature	758.17	768.17	761.17	761.17	3.00	0.4
Lieutenant Governor	5.00	5.00	5.00	5.00	0.00	0.0
Military Affairs	82.08	82.08	93.48	104.48	22.40	27.3
Natural Resources	222.52	222.52	225.52	225.52	3.00	1.3
Public Defender	614.85	681.85	664.85	664.85	50.00	8.1
Public Instruction	252.47	256.47	258.47	258.47	6.00	2.4
Revenue	950.15	950.15	983.15	983.15	33.00	3.5
State Treasurer	0.00	1.50	0.00	0.00	0.00	N.A.
Supreme Court	115.50	115.50	115.50	115.50	0.00	0.0
Tourism	32.00	32.00	40.50	40.50	8.50	26.6
University of Wisconsin System	17,817.99	17,706.49	17,725.99	17,728.02	-89.97	-0.5
Wisconsin Technical College System	23.25	26.25	26.25	26.25	3.00	12.9
Workforce Development	151.03	151.03	168.45	168.45	17.42	11.5
TOTAL	35,613.81	35,740.41	35,952.51	35,982.41	368.60	1.0%

TABLE 6

2023-25 General Fund Condition Statement

	2023-24	2024-25
Revenues		
Opening Balance, July 1	$7,098,760,500	$1,908,279,500
Taxes	21,730,547,000	22,545,187,900
Departmental Revenues		
Tribal Gaming Revenues	0	0
Other	715,552,200	566,394,800
Total Available	$29,544,859,700	$25,019,862,200
Appropriations, Transfers, and Reserves		
Gross Appropriations	$24,227,525,300	$23,934,929,700
Transfers to:		
Transportation Fund	137,252,100	173,358,500
Capital Improvement Fund	1,955,000,000	
Budget Stabilization Fund	500,000,000	
Transportation Facilities Rev. Obligation Repayment Fund	379,369,800	
Family and Medical Leave Benefits Insurance Fund	243,413,400	
Artistic Endowment Fund	100,000,000	
Veterans Homes Institutional Operations Account	10,000,000	
Compensation Reserves	365,260,700	581,614,700
Less Lapses	-281,241,100	-303,921,700
Net Appropriations	$27,636,580,200	$24,385,981,200
Balances		
Gross Balance	$1,908,279,500	$633,881,000
Less Required Statutory Balance	-600,000,000	-600,000,000
Net Balance, June 30	$1,308,279,500	$33,881,000

TABLE 7

Estimated 2023-25 General Fund Taxes

Tax Source	2023-24	2024-25	2023-25	% of Total
Individual Income	$9,737,547,000	$10,187,082,900	$19,924,629,900	45.0%
Sales and Use	7,603,150,000	7,817,030,000	15,420,180,000	34.8
Corporate Income/Franchise	3,056,550,000	3,183,275,000	6,239,825,000	14.1
Public Utility	372,000,000	377,000,000	749,000,000	1.7
Excise				
Cigarette	441,300,000	430,200,000	871,500,000	2.0
Tobacco Products	94,000,000	96,000,000	190,000,000	0.4
Vapor Products	15,400,000	20,000,000	35,400,000	<0.1
Liquor and Wine	69,000,000	71,000,000	140,000,000	0.3
Beer	8,600,000	8,600,000	17,200,000	<0.1
Insurance Company	237,000,000	245,000,000	482,000,000	1.1
Miscellaneous	96,000,000	110,000,000	206,000,000	0.5
TOTAL	$21,730,547,000	$22,545,187,900	$44,275,734,900	100.0%

TABLE 8

2023-25 Departmental Revenues

Agency	2023-24	2024-25	Total
Administration	$7,216,500	$7,237,000	$14,453,500
Agriculture, Trade and Consumer Protection	49,300	49,300	98,600
Appropriation Obligation Bonds	197,309,800	205,823,500	403,133,300
Board of Commissioner of Public Lands	60,000	60,000	120,000
Children and Families	45,000	45,000	90,000
Circuit Courts	31,158,200	30,845,700	62,003,900
Corrections	3,270,000	3,270,000	6,540,000
Court of Appeals	152,500	155,200	307,700
Educational Communications Board	6,900	6,900	13,800
Financial Institutions	80,738,000	79,367,400	160,105,400
Health Services	3,166,500	3,093,700	6,260,200
Higher Educational Communications Board	520,000	520,000	1,040,000
Insurance Commissioner	29,186,100	27,346,800	56,532,900
Interest Earnings	265,600,000	108,900,000	374,500,000
Military Affairs	24,500	24,500	49,000
Miscellaneous Appropriations	17,500,000	17,500,000	35,000,000
Natural resources	4,658,500	4,566,600	9,225,100
Public Defender	5,500	5,500	11,000
Public Service Commission	1,876,700	1,914,100	3,790,800
Revenue	34,072,600	36,728,800	70,801,400
Shared Revenue and Tax Relief	9,422,100	9,422,100	18,844,200
Supreme Court	31,700	30,900	62,600
Transportation	2,700,000	2,700,000	5,400,000
University of Wisconsin System	26,705,000	26,705,000	53,410,000
Workforce Development	76,800	76,800	153,600
Subtotal	$715,552,200	$566,394,800	$1,281,947,000
Tribal Gaming	0	0	0
Total	$715,552,200	$566,394,800	$1,281,947,000

TABLE 9

Summary of 2023-25 Appropriations and Reserves
By Functional Area

All Funds

Functional Area	Amount	% of Total
Human Resources	$44,821,783,800	42.5%
Education	34,983,810,800	33.2
Environmental Resources	9,204,856,300	8.7
Shared Revenue and Tax Relief	7,070,263,700	6.7
General Executive	4,135,081,200	3.9
Commerce	2,282,962,600	2.2
Compensation Reserves	1,669,306,700	1.6
General Appropriations	733,658,900	0.7
Judicial	333,886,600	0.3
Legislative	186,100,200	0.2
TOTAL	$105,421,710,800	100.0%

General Purpose Revenue

Functional Area	Amount	% of Total
Education	$21,546,505,000	43.9%
Human Resources	14,970,460,000	30.5
Shared Revenue and Tax Relief	6,201,524,500	12.6
General Executive	2,367,556,100	4.8
Commerce	1,154,089,200	2.3
Compensation Reserves	946,875,400	1.9
Environmental Resources	830,998,600	1.7
General Appropriations	614,733,500	1.3
Judicial	295,729,700	0.6
Legislative	180,858,400	0.4
TOTAL	$49,109,330,400	100.0%

TABLE 10

Summary of 2023-25 Appropriations and Reserves
By Purpose

All Funds

Purpose	Amount	% of Total
Aids to Individuals and Organizations	$39,775,183,600	37.7%
State Operations	35,371,075,500	33.6
Local Assistance	30,275,451,700	28.7
TOTAL	$105,421,710,800	100.0%

General Purpose Revenue

Purpose	Amount	% of Total
Local Assistance	$23,808,059,300	48.5%
Aids to Individuals and Organizations	13,635,928,900	27.8
State Operations	11,665,342,200	23.7
TOTAL	$49,109,330,400	100.0%

STATE AGENCY 2023-25 BUDGET SUMMARIES

ADMINISTRATION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$17,450,400	$946,258,700	$83,925,000	$995,282,900	2,851.7%	59.87	87.92	87.92	28.05	46.9%
FED	140,806,400	143,868,100	143,501,900	5,757,200	2.0	89.80	87.80	78.80	- 11.00	- 12.2
PR	399,323,200	478,580,300	441,289,500	121,223,400	15.2	1,297.56	1,356.51	1,356.51	58.95	4.5
SEG	55,407,200	50,212,100	49,933,300	- 10,669,000	- 9.6	12.55	12.55	12.55	0.00	0.0
TOTAL	$612,987,200	$1,618,919,200	$718,649,700	$1,111,594,500	90.7%	1,459.78	1,544.78	1,535.78	76.00	5.2%

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $144,200	0.00
FED	6,075,400	- 9.00
PR	1,457,200	0.00
SEG	117,800	0.00
Total	$7,506,200	- 9.00

Governor: Provide adjustments to the base totaling -$72,200 GPR, $3,226,200 FED, $725,000 PR, and $58,900 SEG in 2023-24, and -$72,000 GPR, $2,849,200 FED, $732,200 PR, $58,900 SEG, and -9.0 FED positions in 2024-25. Adjustments are for: (a) turnover reduction (-$2,512,600 PR annually); (b) removal of non-continuing elements from the base (-$380,600 FED and -9.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-$25,600 GPR, $3,141,700 FED, $3,445,500 PR, and $54,000 SEG annually); (d) reclassifications and semiautomatic pay progression ($3,700 FED and $126,100 PR in 2023-24 and $7,300 FED and $129,900 PR in 2024-25); (e) overtime ($541,900 PR annually); (f) night and weekend differential pay ($28,200 PR annually); (g) full funding of lease and directed moves costs (-$46,600 GPR, $80,800 FED, -$904,100 PR, and $4,900 SEG in 2023-24, and -$46,400 GPR, $80,800 FED, -$900,700 PR, and $4,900 SEG in 2024-25); and (h) minor transfers within the same alpha appropriation ($0 PR annually).

2. DEBT SERVICE REESTIMATE

GPR	- $215,900
PR	- 170,500
Total	- $386,400

Governor: Provide $53,900 GPR and -$167,200 PR in 2023-24 and -$269,800 GPR and -$3,300 PR in 2024-25 to reflect current law estimates of debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) educational technology infrastructure in schools ($18,700 GPR in 2023-24 and -$227,300 GPR in 2024-25); (b) educational technology infrastructure for public library boards ($200 GPR in 2023-24 and -$2,300 GPR in 2024-25); (c) Black Point Estate in Lake Geneva ($35,000 GPR in 2023-24 and -$40,200 GPR in 2024-25); (d) parking facilities in Madison (-$184,700 PR in 2023-24 and -$225,600 PR in 2024-25; and (e) buildings used to house state agencies ($17,500 PR in 2023-24 and $222,300 PR in 2024-25).

3. POSITION REALLOCATIONS

	Funding	Positions
FED	- $473,000	- 2.00
PR	473,000	2.00
Total	$0	0.00

Governor: Provide -$236,500 FED, $236,500 PR, -2.0 FED positions, and 2.0 PR positions annually.

Positions and funding would be deleted from the following DOA appropriations: (a) services to non-state governmental units ($87,800 PR and 1.0 PR position annually); (b) transportation and records ($114,400 PR and 1.0 PR position annually); (c) enterprise resource planning system ($148,700 PR and 1.5 PR positions annually); (d) federal aid ($140,500 FED and 1.0 FED position annually); (e) housing and community development federal aid, state operations ($96,000 FED and 1.0 FED position annually); and (f) general program operations, Indian gaming ($131,900 PR and 1.0 PR position annually).

Positions and funding would be provided to the following DOA appropriations: (a) materials and services to state agencies and certain districts ($286,500 PR and 3.0 PR positions annually); (b) printing, mail, communication, document sales, and information technology ($64,400 PR and 0.5 PR position annually); and (c) facilities management, police and protection function ($368,400 PR and 3.0 PR positions annually).

4. INVESTMENT AND CAPITAL GRANTS PROGRAMS

	Funding	Positions
GPR	$300,737,700	4.00

Governor: Create a continuing GPR appropriation for several grant programs formerly funded by the federal American Rescue Plan Act of 2021: the neighborhood capital investment grant program; the health care infrastructure capital grant program; and the tourism capital investment grant program. Provide $300,000,000 in 2023-24 for aids to individuals and organizations. Provide $341,400 in 2023-24 and $396,300 in 2024-25 for: (a) project position salaries, $144,700 in 2023-24 and $192,900 in 2024-25; (b) fringe benefits, $56,700 in 2023-24 and $75,400 in 2024-25; and (c) supplies and services, $140,000 in 2023-24 and $128,000 in 2024-25. Supplies and services funding would include $84,000 annually for contractual services. Provide 4.0 project positions annually (2.0 grants specialist-advanced, 1.0 program and policy analyst-advanced, and 1.0 financial specialist) to administer the grant programs.

Specify that, during the 2023-25 biennium, the $300,000,000 for aids to individuals and organizations be allocated as follows:

Neighborhood capital investment grant program. Allocate $150,000,000 in 2023-24 for grants to local and tribal governments for capital investments to deliver public services, including: (a) facilities and projects to build affordable housing; (b) increased access to transit and transportation; (c) expanded access to childcare; and (d) other local workforce needs.

Health care infrastructure capital grant program. Allocate $100,000,000 in 2023-24 for grants to local and tribal governments, nonprofit health care organizations, and health centers that qualify under the Social Security Act. Grants could be used for capital investments in health care. Allowable uses of grant funds would include infrastructure to: (a) expand access to affordable health care; (b) build facilities in areas of high need; and (c) reduce disparities in health care outcomes and services.

Tourism capital investment grant program. Allocate $50,000,000 for grants to local and tribal governments and nonprofit organizations to strengthen the state's tourism, travel, and lodging industries.

Specify that funding for each grant program may be reallocated by the Secretary of DOA between grant programs in the appropriation.

[Bill Sections: 119 thru 121, 487, and 9101(2)]

5. GRANT TO A PROFESSIONAL BASEBALL PARK DISTRICT

GPR	$290,000,000

Governor: Require the Department of Administration (DOA) to award a grant, in the amount of $290,000,000, to a local professional baseball park district, as defined under current law. [See "Professional Baseball Park District."]

6. CIVIL LEGAL ASSISTANCE GRANT PROGRAM

GPR	$60,000,000

Governor: Create an annual civil legal assistance appropriation and provide $30,000,000 million annually. Require DOA to pay the amounts appropriated to the Wisconsin Trust Account Foundation, Inc., to distribute grants to programs that provide civil legal services to indigent persons. Specify that grant funds may be used as a match for other federal and private grants, but may only be used for the purposes for which the funding was provided. The Administration indicates that eligible services may include legal services relating to eviction, unemployment compensation, consumer law, domestic violence, and health insurance matters.

[Bill Sections: 85 and 486]

7. COUNTER-DRUG AIRPLANE

	Funding	Positions
PR	$5,176,400	1.00

Governor: Provide $2,577,300 in 2023-24, $2,559,100 in 2024-25, and 1.0 position annually to purchase and maintain a new aircraft for the Department of Military Affairs. Funding would be provided for: (a) purchase of the aircraft, $2,170,900 annually; (b) salary, fringe benefits, and supplies and services for the mechanic, $76,400 in 2023-24 and $98,200 in 2024-25; and (c) other supplies and services costs, $330,000 annually. The aircraft would replace a federal aircraft that has been decommissioned and would support counter-drug, incident awareness, and rescue operations. The mechanic position would provide maintenance for the aircraft at Wisconsin Air Services within the Department of Administration. [See "Military Affairs."]

8. POSITIONS FOR UW ORGAN AND TISSUE DONATION PROGRAM AIRCRAFT

	Funding	Positions
PR	$707,700	3.00

Governor: Provide $312,500 in 2023-24, $395,200 in 2024-25, and 3.0 positions annually. Funding would support salaries, fringe benefits, and supplies and services associated with two pilots and a mechanic ($262,400 in 2023-24 and $345,200 in 2024-25) who would operate and maintain a new aircraft for the University of Wisconsin Organ and Tissue Donation Program, as well as operating costs for the aircraft. The aircraft would replace an aircraft that can no longer be used for the program and would be purchased using the Department's base funding.

9. RESOURCES FOR EMPLOYEE TRUST FUNDS INFORMATION TECHNOLOGY PROJECT

	Funding	Positions
PR	$1,515,100	3.00

Governor: Provide $731,600 in 2023-24, $783,500 in 2024-25, and 3.0 positions annually (1.0 permanent and 2.0 project) associated with the information technology modernization project of the Department of Employee Trust Funds (ETF). The project will replace ETF's insurance and pension administration systems. [See "Employee Trust Funds."]

Funding and position authority would be provided to the following appropriations in DOA: (a) personnel management general program operations, $362,600 in 2023-24, $399,200 in 2024-25, and 2.0 project positions annually; (b) printing, mail, communication, document sales, and information technology services to state agencies, $300,000 annually; and (c) financial services, $69,000 in 2023-24, $84,300 in 2024-25, and 1.0 permanent position annually. The appropriations are funded from assessments to state agencies.

According to the Department, the replacement of the insurance and pension administration systems may incur increased workload and costs for DOA, including: personnel management staff resources, to collaborate with ETF to implement changes resulting from the project; ongoing software licensing payments that DOA would intend to incur directly and assess ETF to recover costs; and ongoing workload increases for the State Controller's Office relating to new processes such as transactional and reporting activities.

10. LOCAL GOVERNMENT GRANT RESOURCE TEAM

	Funding	Positions
GPR	$959,700	5.00

Governor: Provide $411,300 in 2023-24, $548,400 in 2024-25, and 5.0 positions annually to DOA's general program operations appropriation to create a grant resource team within the Division of Intergovernmental Relations responsible for assisting local governments in navigating state and federal grant application processes. The grant resource team is intended to increase the ability of local governments to obtain federal resources.

11. DIVERSITY, EQUITY, AND INCLUSION INITIATIVES

	Funding	Positions
GPR	$583,900	1.00
PR	168,100	1.00
Total	$752,000	2.00

Governor: Provide $273,900 GPR and $73,600 PR in 2023-24, $310,000 GPR and $94,500 PR in 2024-25, and 1.0 GPR unclassified position and 1.0 PR classified position annually to administer diversity, equity, and inclusion activities overseen by DOA, as determined by the Secretary of DOA.

Equity Officers. The 1.0 GPR unclassified position, appointed by the Secretary of DOA, would serve as the state's chief equity officer, and would be placed in executive salary group 4 (an annual salary range of $85,779 to $141,544 under the 2021-23 compensation plan). The chief equity officer would be responsible for collaborating with agency equity officers to advance equity in government operations, including determining how current government practices and policies impact communities of color and individuals with disabilities. The 1.0 PR classified position would serve as the Department's agency equity officer, and would be funded from assessments to agencies for human resources services. Allocate the following: (a) $84,500 GPR and $45,000 PR in 2023-24 and $112,600 GPR and $60,000 PR in 2024-25 for permanent position salaries; (b) $33,100 GPR and $17,600 PR in 2023-24 and $44,100 GPR and $23,500 PR for fringe benefits; and $14,000 GPR and $11,000 PR in 2023-24 and $11,000 GPR and $11,000 PR in 2024-25 for supplies and services associated with the positions.

Agency equity officers would also be created in the following agencies: Agriculture, Trade, and Consumer Protection; Children and Families; Corrections; Financial Institutions; Health Services; Justice; Military Affairs; Natural Resources; Public Instruction; Revenue; Safety and Professional Services; Tourism; Transportation; Veterans Affairs; Workforce Development; the Office of the Commissioner of Insurance; and the Public Service Commission. In total, the above agencies would be provided funding of $562,900 GPR, $222,900 PR, and $191,800 SEG in 2023-24, $722,900 GPR, $286,200 PR, and $246,400 SEG in 2024-25, and position authority of 7.5 GPR positions, 3.0 PR positions, and 2.5 SEG positions annually for equity officers.

Fellowship Program and Conferences. Provide $64,300 GPR annually for LTE salaries, fringe benefits, and supplies and services to support a Governor's fellowship program, which would assign college students from diverse backgrounds to state agencies to help students gain experience working in government. Provide $18,000 GPR annually to establish a Governor's progress summit, which would include local, state, and tribal leaders and would focus on addressing equity in areas such as racial justice, education, housing, and employment. Provide $60,000 GPR annually to host a state-sponsored diversity, equity, and inclusion conference, which would focus on workshops and seminars on best practices for state and local government employees.

[Bill Sections: 563 and 2525]

12. NATIONAL AND COMMUNITY SERVICE BOARD INCREASE

	Funding	Positions
GPR	$55,100	0.00
FED	154,800	0.00
PR	220,300	1.00
Total	$430,200	1.00

Governor: Provide $25,000 GPR in 2023-24 and $30,100 GPR in 2024-25 to DOA's general program operations appropriation, and $99,900 PR in 2023-24, $120,400 PR in 2024-25, and 1.0 PR position annually to the PR appropriation for the National and Community Service Board (NSCB). Funds provided to both appropriations would be used to fulfill match requirements for federal funding from the Corporation for National and Community Service (AmeriCorps). Base funding for the PR appropriation is $337,200 PR with 1.0 PR position.

Modify the federally-funded NCSB appropriation from a continuing appropriation that is limited to the amounts in the schedule to an appropriation that allows expenditures of all monies received. Reestimate expenditures by $72,000 FED in 2023-24 and $82,800 FED in 2024-25 associated with projected program administration costs. Base funding for the appropriation is $1,165,600 FED with 7.0 FED positions.

Serve Wisconsin, Wisconsin's National and Community Service Board, has a mission to promote service, provide training, and allocate resources to programs that enrich lives and communities through service and volunteerism. The organization works with AmeriCorps programs and volunteers.

[Bill Section: 501]

13. DIRECTOR OF NATIVE AMERICAN AFFAIRS AND TRIBAL LIAISON

	Funding	Positions
GPR	$356,700	2.00

Governor: Provide $152,900 in 2023-24, $203,800 in 2024-25, and 2.0 positions annually (1.0 unclassified and 1.0 classified) to DOA's general program operations appropriation. Provide statutory authority for an unclassified position, appointed by the Secretary of DOA, to serve as the Director of Native American Affairs, responsible for managing relations between the state and tribes. The unclassified position would be placed in executive salary group 3 (an annual salary range of $79,414 to $131,040 under the 2021-23 compensation plan). The classified position would serve as the Department's tribal liaison.

Agency tribal liaisons would also be created in the following agencies: Agriculture, Trade, and Consumer Protection; Corrections; Justice; Tourism; Workforce Development; and the Public Service Commission. The Administration indicates that the Director of Native American Affairs would coordinate with the agency tribal liaisons. In total, the above agencies would be provided funding and position authority of $320,400 GPR and $60,800 PR in 2023-24, $427,500 GPR and $81,100 PR in 2024- 25, and 5.0 GPR positions and 1.0 PR position annually for tribal liaisons.

[Bill Sections: 77, 562, and 2526]

14. ADMINISTRATIVE SUPPORT TO HIGHER EDUCATIONAL AIDS BOARD

	Funding	Positions
PR	$195,200	1.00

Governor: Provide $85,600 in 2023-24, $109,600 in 2024-25, and 1.0 position annually to DOA's appropriation for materials and services to state agencies and certain districts to provide administrative support to the Higher Educational Aids Board (HEAB). The provision would be funded from assessments to HEAB for services provided. While the bill does not include language relating to the provision, the Administration indicates that the intent is to specify that HEAB would be administratively attached to the Department. Under current law, HEAB is responsible for its own administrative services.

15. REPRESENTATION FOR LAW LICENSE GRIEVANCES

	Funding	Positions
PR	$149,900	1.00

Governor: Provide funding and position authority of $65,700 in 2023-24, $84,200 in 2024-25, and 1.0 position annually to hire an attorney to represent state attorneys before the Office of Lawyer Regulation regarding grievances filed against their law licenses. The Administration indicates the attorney would represent all executive branch attorneys, excluding the UW System.

16. WISCONSIN WOMEN'S COUNCIL OPERATIONS

GPR	$96,400

Governor: Provide additional funding of $50,700 in 2023-24 and $45,700 in 2024-25 to DOA's existing appropriation for the Women's Council for limited-term employee (LTE) compensation and supplies and services to provide operational support. Funding would be for: salary and fringe benefits, $29,700 annually; and supplies and services, $21,000 in 2023-24 and $16,000 in 2024-25. According to DOA, the program and policy analyst-advanced LTE would: (a) build community relationships through education and outreach; (b) conduct listening sessions to gather qualitative data; (c) conduct surveys to gather quantitative data for use in reporting to inform potential social and policy interventions; (d) assist in the development of one or more review and advisory committees from impacted communities to assess the research findings; and (e) attend, monitor, report and engage with key stakeholders on behalf of the Women's Council. Base funding for the appropriation is $158,400 and 1.0 position.

17. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$38,800

Governor: Provide $19,400 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.

18. FUND OF FUNDS INVESTMENT PROGRAM

Governor: Require that gross proceeds from the fund of funds investment program be reinvested in venture capital funds unless otherwise directed by DOA. Currently, the program invests in venture capital funds that invest in businesses located in the state. The state contracted with an investment manager in June, 2015, to invest the amounts contributed to the Badger Fund of Funds, including the state's contribution of $25.0 million GPR. According to DOA, the state's contribution is held in escrow and is released as capital draws are requested. As of December, 2022, $34.6 million of state and private funds had been invested and the total amount in the Fund of Funds was $74.2 million.

Under current law, the gross proceeds from investments of the state's contribution must be returned to the state for deposit into the general fund. If the cumulative amount returned to the general fund reaches $25.0 million, the investment manager must pay 90% of the gross proceeds from investments of the state's contribution thereafter. Under the bill, these provisions would be repealed and no amount of money would be deposited to the general fund. To date, no proceeds have been returned to the general fund.

[Bill Sections: 110 and 111]

Housing

1. AFFORDABLE WORKFORCE HOUSING GRANTS

GPR	$150,000,000

Governor: Create an affordable workforce housing grant program funded from a biennial GPR appropriation and provide $150,000,000 in 2023-24. Under the bill, grants would be awarded to municipalities (cities, villages, and towns) to increase the availability of affordable workforce housing. Allowable uses of grant funds would include: (a) funding infrastructure for new affordable housing developments; (b) creating or enhancing an affordable housing trust fund; and (c) providing additional incentives for land use and zoning changes. Authorize DOA to promulgate rules establishing eligibility requirements and program guidelines for the grant program. According to the Administration, the recommended funding level was based on increased demand for affordable housing and program criteria that would allow grants to be used for costs relating to new residential developments, such as streets, sidewalks, and water and sewer infrastructure.

The Administration indicates that similar programs in other states have funded initiatives such as: (a) capital subsidies for affordable housing developments; (b) operating subsidies for affordable housing developments; (c) acquisition and operation of moderate-cost rental units; (d) targeted efforts to create, preserve, and expand the supply of lower-cost housing types in resource-rich areas; (e) tenant-based rental assistance; (f) security deposit assistance; (g) down payment and closing cost assistance; and (h) foreclosure prevention assistance.

[Bill Sections: 112 and 508]

2. MUNICIPAL HOME REHABILITATION GRANTS

GPR	$100,000,000

Governor: Create a municipal home rehabilitation grant program funded from a biennial GPR appropriation and provide $100,000,000 in 2023-24. Under the bill, grants would be awarded to municipalities to fund initiatives to rehabilitate and restore blighted residential properties within the municipality. Authorize DOA to establish eligibility requirements and program guidelines for the grant program. The Administration indicates that municipalities would distribute grant funds to small businesses and developers to renovate and restore qualifying properties.

[Bill Sections: 118 and 505]

3. SHELTER FOR HOMELESS AND HOUSING GRANTS

GPR	$12,600,000

Governor: Provide $6,300,000 annually to DOA's shelter for homeless and housing grants appropriation, which supports the housing assistance program (HAP) and the state shelter subsidy grant (SSSG) program. According to DOA, $5,000,000 per year would be allocated to HAP, $700,000 per year would be allocated to SSSG, and $600,000 per year would be allocated to provide housing navigation grants, as recommended by the Interagency Council on Homelessness in its February, 2022, statewide action plan. The housing navigation grants would be used to connect landlords and homeless persons to help secure housing faster.

The Department provides up to $900,000 annually in HAP grants to local units of government, nonprofit organizations, for-profit organizations, and other entities for the operation of housing and associated supportive services for individuals experiencing homelessness. Under the SSSG program, funding of up to $1,613,600 annually is provided for grants to local units of government, nonprofit organizations, for-profit organizations, federally-recognized tribes or bands, and other entities for shelter operations.

4. WHOLE-HOME UPGRADE GRANTS

GPR	$7,250,000

Governor: Create a "whole-home upgrades" grant program and provide funding of $7,250,000 in 2023-24. Under the bill, one or more grants would provide funding to Walnut Way Conservation Corporation in the City of Milwaukee, and Elevate, Inc., in the Village of Jackson (Washington County), for home improvements for low-income households in a first class city that have one or more of the following goals: (a) reducing carbon emissions; (b) reducing energy burdens; (c) creating cost savings; and (d) creating healthier living environments. Milwaukee is currently the only first class city in Wisconsin. Authorize DOA to establish eligibility requirements and program guidelines for the grant program. Specify that no grants may be awarded after June 30, 2025. The provision is intended to make improvements to single family and small multi-family (two- to four-unit) housing structures that include maintenance, weatherization, building electrification, and installation of solar energy systems.

[Bill Sections: 114 and 509]

5. RENTAL HOUSING SAFETY GRANTS

GPR	$5,000,000

Governor: Create a rental housing safety grant program funded from a biennial GPR appropriation and provide $5,000,000 in 2023-24. Under the bill, one or more grants would provide funding to a first class city for activities to improve rental housing safety. Milwaukee is currently the only first class city in Wisconsin. Allowable uses of funds would include: (a) enhancing or creating a property inspection program; and (b) developing and launching a searchable online database that discloses the history of rental properties within the city. Authorize DOA to establish program guidelines for the grant program. Specify that no grants may be awarded after June 30, 2025.

[Bill Sections: 113 and 510]

6. HOUSING QUALITY STANDARDS GRANT PROGRAM

GPR	$4,000,000

Governor: Create a housing quality standards grant program funded from an annual GPR appropriation and provide $2,000,000 annually. Under the bill, grants would be awarded to owners of rental housing units for purposes of satisfying applicable housing quality standards. The Interagency Council on Homelessness in its February, 2022, statewide action plan recommended that the program be established to increase the number of affordable rental units available throughout the state.

[Bill Sections: 115 and 503]

7. HOUSING GRANTS AND LOANS

GPR	$4,000,000

Governor: Provide $2,000,000 annually to DOA's housing grants and loans appropriation, which supports the housing cost reduction initiative homebuyer program, the homelessness prevention program (HPP), and the critical assistance program. According to DOA, $1,000,000 would be allocated to the HPP, and an additional $1,000,000 would be used to establish a diversion program, as recommended by the Interagency Council on Homelessness in its February, 2022, statewide action plan. The diversion program would provide case management, rental subsidies, utility assistance, and other services to prevent homelessness.

The Department grants $1,515,000 annually to entities for HPP and utilizes the grants as a match for federally-funded Emergency Solutions Grants. Eligible uses of HPP grants include: (a) housing payments (rent, security deposits, utilities, and moving costs); and (b) housing relocation and stabilization services.

8. HOMELESS VETERAN RENTAL ASSISTANCE PROGRAM

GPR	$2,000,000

Governor: Create a rental assistance grant program for homeless veterans funded from an annual GPR appropriation and provide $1,000,000 annually. Specify that: (a) grants be awarded to each continuum of care (CoC) designated by the U.S. Department of Housing and Urban Development; and (b) funds must be used to provide tenant-based rental assistance to homeless veterans. Tenant-based assistance is provided to individual households, rather than to particular building projects. According to DOA, the recommended funding level is based on reports from local agencies on the number of veterans seeking homelessness assistance. In addition, the funding and program were recommended by the Interagency Council on Homelessness in its February, 2022, statewide action plan.

Wisconsin has four designated CoC organizations: the Homeless Services Consortium of Dane County, the Milwaukee Continuum of Care, the Racine Continuum of Care, and the Wisconsin Balance of State Continuum of Care. The Administration indicates that DOA would work with CoCs, the Wisconsin Department of Veterans Affairs, and the U.S. Department of Veterans Affairs to distribute funding in accordance with the number of eligible veterans in each community.

[Bill Sections: 116 and 504]

9. HOMELESS CASE MANAGEMENT SERVICES

	Funding	Positions
PR	$1,151,600	1.00

Governor: Provide additional funding of $565,000 in 2023-24, $586,600 in 2024-25, and 1.0 position annually for the homeless case management services grant program. Funding would be for: (a) grants, $500,000 annually; and (b) administration, $65,000 in 2023-24 and $86,600 in 2024-25. Increase the annual limit on grants from $50,000 to $75,000 per recipient, and eliminate the statutory restriction that limits the program to 10 grants per year. The Administration indicates that the revised limit of $75,000 is based on a review of prior applications and would be sufficient to ensure that assistance is available for agencies of various sizes throughout the state.

Under current law, the program is provided $500,000 FED annually from the Department of Children and Families' federal temporary assistance for needy families (TANF) program. Under the bill, an increase of $500,000 annually would be provided under the TANF allocation. The bill would additionally increase funding in the Department of Children and Families to support the cost of administering TANF-related programs. Included in the funding increase for administration is $14,900 in 2023-24 and $36,600 in 2024-25 for the homeless case management services grant program in DOA. [See "Children and Families -- TANF and Economic Support."]

The program is currently authorized by statute to support 10 annual grants of $50,000 to shelter facilities to provide intensive case management services to homeless families. The following are eligible uses of funds: (a) financial management services; (b) employment services, including connecting parents with their local workforce development board and assisting them with using the Department of Workforce Development's website; (c) services intended to ensure continuation of school enrollment for children; and (d) services to enroll unemployed or underemployed parents in the Wisconsin Works program. Allowable uses also include partnerships between local governments, religious organizations, local businesses, and charitable organizations that deliver housing relocation services.

[Bill Sections: 117 and 1045]

10. POSITIONS TO SUPPORT HOUSING INITIATIVES

	Funding	Positions
GPR	$847,200	5.00

Governor: Provide funding and position authority to DOA's general program operations appropriation for housing as follows, for additional staff under the Division of Energy, Housing, and Community Resources (DEHCR) to administer several new housing programs and to support expanded housing programs.

Provide $233,200 in 2023-24, $310,900 in 2024-25, and 3.0 positions annually to administer affordable workforce housing grants, municipal home rehabilitation grants, whole-home upgrade grants, and rental housing safety grants.

Provide $129,900 in 2023-24, $173,200 in 2024-25, and 2.0 positions annually to administer homelessness prevention initiatives through new and expanded housing programs: HAP, SSSG, housing navigation grants, housing quality standards grants, HPP, a diversion program, and a homeless veteran rental assistance program.

In 2022-23, DEHCR is authorized 28.9 positions (8.5 GPR and 20.4 FED).

Energy and Environment

1. WATER UTILITY ASSISTANCE PROGRAM

	Funding	Positions
GPR	$10,181,300	1.00

Governor: Create a water utility assistance program to help low-income households pay water bills. Provide $5,077,700 in 2023-24, $5,103,600 in 2024-25, and 1.0 position annually for program administration and assistance to households, as described below.

Program Administration. Require DOA to administer a water utility assistance program for low-income households and to establish a payments schedule for the program. Authorize DOA to contract with a county department, local governmental agency, or private nonprofit organization to process applications and make payments. Create an annual appropriation and provide $327,700 in 2023-24, $353,600 in 2024-25, and 1.0 position annually for administration.

Application Procedure. Create a continuing appropriation and provide $4,750,000 annually for water assistance payments to households. Specify that a household may apply for assistance from the Department. Authorize DOA to reduce payments or suspend the processing of applications if, by February 1 of any year, the number of households applying for assistance exceeds the number anticipated.

Eligibility. Specify that to be eligible for assistance, a household must consist of an individual or group living together as a single economic unit whose household income does not exceed 60% of the statewide median income. In 2022-23, for the home energy assistance program under DOA, this guideline is equivalent to $61,738 annually for a household of four. A household would also be eligible if all members receive supplemental nutrition assistance benefits, supplemental security income, or state supplemental payments. Households in subsidized housing who pay utility bills would be eligible, provided that the household income is within program limits. No assistance would be provided to those imprisoned in a state prison, juvenile correctional facility, or secured residential care center. Specify that DOA may establish additional eligibility requirements and guidelines for the program.

Crisis Assistance. Specify that households eligible for water utility assistance may also be eligible for crisis assistance. Authorize DOA to define the circumstances of a crisis, determine the amount of crisis assistance provided, and delegate administration to a county department, local governmental agency, or private nonprofit organization. Under the current law program for energy assistance, crisis assistance is provided to households that experience, or are at risk of experiencing, a heating emergency (such as denial of future fuel deliveries) or an energy emergency (such as the loss of essential home energy). Program intake workers are employed by a variety of entities, including county social service agencies, to provide both emergency and prevention services. Emergency crisis services may include providing heating fuel, a warm place to stay for a few days, or other actions that would assist the household experiencing a heating emergency, while prevention services may include providing in-kind benefits such as blankets and space heaters.

The Department currently administers a low-income household water assistance program (LIHWAP) through designated one-time allocations to the state for low-income water assistance that were provided by: (a) the federal American Rescue Plan Act of 2021 (enacted March, 2021), $8,098,000; and (b) the federal Department of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, 2021 (enacted December, 2021), $10,333,100. The program does not have permanent or ongoing statutory authorization or funding beyond December 31, 2023. The Governor's recommendation for 2023-25 is based on the number of households served in program year 2022 and the current formula utilized by DOA to determine water assistance benefit payments.

[Bill Sections: 109, 506, and 507]

2. ESTABLISH THE OFFICE OF SUSTAINABILITY AND CLEAN ENERGY

	Funding	Positions
GPR	$9,342,200	2.00

Governor: Statutorily establish the Office of Sustainability and Clean Energy within the Department. The Office was established within DOA in August, 2019, by Executive Order #38. Provide funding of $9,153,200 in 2023-24, $189,000 in 2024-25, and 2.0 classified positions. The funding would be allocated as follows.

Clean Energy Grants. Provide one-time funding of $4,000,000 in 2023-24 for research grants to support clean energy production.

Office Administration. Provide $76,600 in 2023-24 and $94,500 in 2024-25 for 1.0 position annually to support the Office.

Clean Energy Small Business Incubator. Create a "clean energy small business incubator" within the Office of Sustainability and Clean Energy, funded from a biennial GPR appropriation, to provide business development, mentorship, and expertise to small businesses operating in the clean energy sector. Provide $5,000,000 in 2023-24 for grants and $76,600 in 2023-24, $94,500 in 2024-25, and 1.0 position annually to administer the incubator and grant program.

Require the incubator program to award grants to small business start-up companies that operate in the clean energy sector. Specify that the Office may establish requirements for grant recipients.

Other Responsibilities. The Office would also be responsible for: (a) promoting the development and use of clean and renewable energy; (b) advancing innovative solutions to improve the economy and environment, including initiatives that reduce carbon emissions, accelerate economic growth, and lower customer energy costs; (c) diversifying resources used to meet the energy needs of consumers and generate jobs through the expansion of the state's clean energy economy; (d) providing support to state agencies in developing or retrofitting infrastructure to reduce energy use and lessen impacts on air and water quality; (e) reporting on the status of existing clean and renewable energy efforts by the state, including economic development initiatives, and developing energy policy opportunities for consideration by the Governor and state agencies; (f) serving as the point of contact to assist businesses, local units of government, and nongovernmental organizations pursuing clean energy opportunities; (g) identifying and sharing information about clean energy funding and employment opportunities for private, state, and local governmental entities; and (h) taking other steps necessary to facilitate the above initiatives and to address barriers to implementation. Further, the Office would provide technical assistance to local units of government and private entities to assist with planning and implementing energy efficiency and renewable resources and would be authorized to charge for such services. The Office would be authorized to require a public utility to provide energy data regarding public schools. The Office would be required to consult with the Public Service Commission and permitted to request assistance from other agencies in providing assistance.

[Bill Sections: 66, 168, 169, 490, 499, and 500]

3. ESTABLISH THE OFFICE OF ENVIRONMENTAL JUSTICE

	Funding	Positions
GPR	$1,169,700	3.00

Governor: Statutorily establish the Office of Environmental Justice within DOA. The Office was established within DOA in April, 2022, by Executive Order #161. Provide $300,000 in the 2023-25 biennium to create a technical assistance grant program. Provide 3.0 positions annually (2.0 unclassified and 1.0 classified) for program administration. Funding would be allocated as follows.

Program Administration. Provide $389,800 in 2023-24, $479,900 in 2024-25, and 3.0 positions annually to administer the program. The Office would be led by an unclassified director, appointed by the Secretary of DOA, and an unclassified chief resiliency officer responsible for overseeing state and local climate resiliency and risk planning. Provide a classified staff position to support the office. Both unclassified positions would be placed in executive salary group 3 (an annual salary range of $79,414 to $131,040 under the 2021-23 compensation plan).

Grant Program. Create a biennial appropriation and provide funding of $150,000 annually to provide climate risk assessment and resiliency plan technical assistance grants. The Administration indicates the grant program would provide $125,000 annually to assist municipalities and tribal governments with developing climate risk assessment and resiliency plans to become carbon-free by 2050, and would provide $25,000 annually to develop and implement climate risk assessment and resiliency plans for state agencies and local governments.

Other Responsibilities. In addition to the grant program, the Office would be responsible for: (a) developing a statewide climate risk assessment and resiliency plan; (b) assisting state agencies, local governments, and tribal governments with the development of climate risk assessment and resiliency plants; (c) administering a climate risk assessment and resiliency plan technical assistance grant program; (d) collaborating with state agencies and entities that serve vulnerable communities to address the impact of climate change; (e) analyzing grant opportunities and enforcement of environmental laws and regulations; (f) providing guidance to state entities to address environmental issues and concerns that affect primarily low-income and minority communities; and (g) creating an annual report on issues, concerns, and problems related to environmental justice.

[Bill Sections: 65, 80, 484, 490, 559, 560, 2523, and 2524]

4. TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES

Governor: Transfer administration of one-time environmental impact fees and annual impact fees for construction and operation of high-voltage transmission lines from DOA to the Public Service Commission (PSC). The bill would transfer all assets and liabilities, employees, employee status (permanent or otherwise), tangible personal property, contracts, rules and orders, and pending matters, as determined by the Secretary of DOA. [No positions are identified for transfer because there are no full-time employees associated with the program.]

Under current law, owners of high-voltage transmission lines make a one-time payment equal to 5% of the cost of the transmission line, and annual payments equal to 0.3% of the cost of the transmission line to DOA, which then distributes the amounts in a proportional manner to local governments affected by the transmission line.

[Bill Sections: 170 thru 175, 491, 493, 2422, and 9101(1)]

Personnel Management

1. STATE EMPLOYEE PAID FAMILY AND MEDICAL LEAVE

	Funding	Positions
PR	$1,927,300	12.00

Governor: Provide $819,500 in 2023-24 and $1,107,800 in 2024-25 and 12.0 positions annually to implement a paid family and medical leave program for state employees. Funding and position authority would be provided to the DOA appropriations for financial services ($136,600 in 2023-24, $166,700 in 2024-25, and 2.0 positions annually) and personnel management general program operations ($682,900 in 2023-24, $941,100 in 2024-25, and 10.0 positions annually).

Require the administrator of the Division of Personnel Management (DPM) to develop and recommend to the Joint Committee on Employment Relations (JCOER) a program that provides 12 weeks of paid family and medical leave per year to employees whose compensation is established under the state employee compensation plan (including state constitutional and elected officials, and justices and judges), as well as deputy and assistant district attorneys, assistant state public defenders, and assistant attorneys general. Specify that, if this paid family and medical leave program were approved by JCOER, the program would become effective immediately.

Require the Board of Regents of the UW System to submit to the administrator of DPM a plan for a program to provide paid family and medical leave to UW employees, along with its recommendations for adjustments to compensation and employee benefits for UW employees for 2023-25. The plan would be subject to approval by JCOER.

Specify that, with respect to paid family and medical leave for state employees, including UW employees: (a) family leave means leave from employment for the birth or placement of a child, or to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling if the person receiving care has a serious health condition; (b) medical leave means leave from employment when an employee has a serious health condition that makes the employee unable to perform his or her employment duties or makes the employee unable to perform the duties of any suitable employment; and (c) serious health condition has the meaning provided under state family and medical leave law (a disabling physical or mental illness, injury, impairment, or condition involving inpatient care in a hospital, nursing home, or hospice, or outpatient care that requires continuing treatment or supervision by a health care provider).

In relation to this provision, compensation reserves for the 2023-25 biennium for state employee salaries and fringe benefits include increases of $16,705,600 GPR in 2023-24 and $17,373,900 GPR in 2024-25.

Note that, with respect to the definitions pertaining to family leave and medical leave, the bill would also make several modifications to state family and medical leave law, including the reasons an employee may take leave. [See "Workforce Development -- Equal Rights and Employment Regulation."] Under current law, family leave can be taken for birth or placement of a child, or to care for the employee's child, spouse, domestic partner, or parent if the person receiving care has a serious health condition. Under the bill, leave to care for a family member with a serious health condition would be expanded to include a family member who is a grandparent, grandchild, or sibling. The bill would additionally allow family and medical leave to be taken by an employee for other specified reasons. Although the bill would establish paid leave for state employees only for the birth or placement of a child, to care for a family member with a serious health condition, or due to the employee's own serious health condition, the Administration indicates that the intent would be to also include the expanded reasons for taking family and medical leave under the program for state employees. The bill would amend the allowable reasons for taking family leave under state family and medical leave law to include: (a) leave arising from a need due to covered active duty or notification of an impending call or order to covered active duty of an employee's spouse, child, domestic partner, parent, grandparent, grandchild, or sibling, if that person is a member of a regular or reserve component of the U.S. armed forces; (b) leave taken to care for the employee's child, grandchild, or sibling due to an unforeseen or unexpected short-term gap in childcare for the child; (c) leave to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling if the person receiving care is in medical isolation; and (d) leave to address issues of the employee or employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling related to being the victim of domestic abuse, sexual abuse, or stalking. The bill would also amend the allowable reasons for taking medical leave under state family and medical leave law to include cases where an employee is in medical isolation and unable to perform his or her employment duties.

Under current law, state employees may be eligible to take family and medical leave under either the Wisconsin Family and Medical Leave Act, the federal Family and Medical Leave Act (FMLA), or both. In general, state and federal FMLA leave is unpaid, though law permits the substitution of paid leave for unpaid leave in many cases. State employees other than limited-term employees are eligible for several types of paid leave, including annual leave, sabbatical leave, legal holidays, personal holidays, and sick leave. Paid leave balances, other than sabbatical leave and sick leave, do not carry over from year to year. Employees taking FMLA leave may substitute any of these types of paid leave for unpaid leave.

[Bill Sections: 2528, 9101(3), and 9147(5)]

2. PAID SICK LEAVE FOR LIMITED-TERM EMPLOYEES AND TEMPORARY UW EMPLOYEES

Governor: Provide that limited-term employees in the executive branch, excluding UW System, accrue sick leave at the same rate as permanent and project state employees, subject to proration if the employee works less than full-time.

Require the Board of Regents of the UW System to submit to the administrator of DPM a plan for a program to provide paid sick leave to temporary UW employees, along with its recommendations for adjustments to compensation and employee benefits for UW employees for 2023-25. Specify that the plan must provide sick leave benefits at the same rate that such benefits are provided to permanent and project employees of the UW System. The plan would be subject to approval by JCOER.

In relation to this provision, compensation reserves provided for the 2023-25 biennium for state employee salaries and fringe benefits assume increases of $2,182,500 GPR annually associated with limited-term employee and temporary UW employee sick leave.

Under current law, limited-term employees are not eligible for tenure, vacation, paid holidays, sick leave, performance awards, or the right to compete in promotional processes. Sick leave for permanent and project employees is accrued at the rate of 0.0625 hour per hour in pay status, not to exceed five hours in a biweekly pay period. For a full-time employee working 2,080 hours per year, this equates to 130 hours of sick leave on an annual basis. Limited-term appointments are provisional appointments or appointments for less than 1,040 hours per year. An employee working 1,040 hours per year would earn 65 hours of sick leave on an annual basis.

[Bill Sections: 2530, 2536, and 9147(3)]

3. JUNETEENTH AND VETERANS DAY HOLIDAYS

Governor: Add June 19 and November 11 to the list of holidays on which state offices of executive branch agencies (excluding UW System) are closed, and increase the number of annual paid holidays for non-UW executive branch employees from nine to 11. Remove statutory language specifying that one of 4.5 paid personal holidays for state employees is provided in recognition of Veterans Day. Specify that state offices would be closed the following day if June 19 or November 11 fall on a Sunday. The provision would take effect on the January 1 after publication of the bill.

Require the administrator of DPM to include June 19 as a paid holiday in the proposal for adjusting compensation and employee benefits for UW System employees for 2023-25, which is submitted to JCOER for review and approval. The first paid holiday under the provision would be the June 19 that occurs after the 2023-25 compensation plan for UW System is adopted by JCOER. [Note that, while the bill does not also specify that November 11 be included as a paid holiday for UW System employees, funding in compensation reserves associated with the holiday includes employees of the UW System and the Administration indicates that the intent would be for the holiday to be provided for those employees.]

In relation to this provision, compensation reserves provided for the 2023-25 biennium for state employee salaries and fringe benefits assume increases of $1,491,900 GPR in 2023-24 and $3,103,200 GPR in 2024-25 associated with the June 19 and November 11 holidays.

Under current law, state offices of executive branch agencies are closed on Saturdays, Sundays, and the following nine holidays: (a) January 1; (b) the third Monday in January; (c) the last Monday in May; (d) July 4; (e) the first Monday in September; (f) the fourth Thursday in November; (g) December 24; (h) December 25; and (i) December 31. State offices are closed the following day if January 1, July 4, or December 25 falls on a Sunday. Also under current law, state employees receive a total of 4.5 paid personal holidays annually, one of which is provided in recognition of Veterans Day. Under the bill, state employees would continue to receive 4.5 paid personal holidays.

[Bill Sections: 2537 thru 2541, 9147(4), and 9401(1)]

4. STATE EMPLOYEE VACATION HOURS

Governor: Modify the amounts of paid annual leave provided to executive branch employees other than limited-term employees (excluding UW System) based on accumulated continuous state service, as follows:

a. Reduce from five years to two years the initial service period for which employees covered by the federal Fair Labor Standards Act (FLSA) are provided 104 hours each year for a full year of service and FLSA-exempt employees are provided 120 hours each year for a full year of service.

b. Create a new service period three years in length, following the first two years, for which covered employees would be provided 120 hours each year and FLSA-exempt employees would be provided 136 hours each year.

c. Specify that, when the rate of annual leave changes during the second calendar year, the annual leave for that year would be prorated, consistent with current law provisions that apply to the fifth, tenth, fifteenth, twentieth, or twenty-fifth calendar year.

Specify that the modifications would first apply to an employee's anniversary of service that occurs on the effective date of the bill.

The bill would maintain the annual leave structure that exists for six years of service and beyond.

In relation to this provision, compensation reserves provided for the 2023-25 biennium for state employee salaries and fringe benefits assume increases of $307,700 GPR in 2023-24 and $320,100 GPR in 2024-25 associated with modifications to non-UW executive branch employee vacation allowance by years of service.

Under current law, covered employees receive 104 hours each year for the first five years and 144 hours each year for the next five years, while FLSA-exempt employees receive 120 hours each year for the first five years and 160 hours each year for the next five years. The bill would reduce the first service period by three years, create a level of annual leave between the first two existing annual leave amounts (120 hours and 136 hours, respectively), and set the service period for the new category at three years. Thus, under the bill, annual leave would increase more gradually during the first five years of service than under current law.

[Bill Sections: 2531 thru 2535 and 9301(1)]

Information Technology

1. CYBERSECURITY INITIATIVES

	Funding	Positions
GPR	$20,500,000	0.00
PR	3,160,000	6.00
Total	$23,660,000	6.00

Governor: Create an annual GPR appropriation and provide $10,250,000 GPR annually for security operations centers. Create a continuing PR appropriation for security operations centers funded from assessments to state agencies and local governments, provide 5.0 PR positions annually, and estimate expenditures of $1,419,300 PR in 2023-24 and $1,520,900 PR in 2024-25. Provide $97,500 PR in 2023-24, $122,300 PR in 2024-25, and 1.0 PR position annually to DOA's appropriation for IT services to state agencies. Funding would support: one or more state security operations centers; annual testing of cybersecurity defenses; a security event information and monitoring system; and implementation of additional cybersecurity technologies and IT security policies.

Specify that the definition of "agency" with respect to security operations centers includes the Legislature, the Courts, and state-created authorities. Define "eligible entities" to include: state agencies, local governmental units, educational agencies, federally recognized tribes and bands, critical infrastructure entities identified by DOA's Division of Enterprise Technology (DET), and any other entity identified by DOA by administrative rule. Require DOA to establish one or more security operations centers (or one or more regional security operations centers, or both) to provide for the cybersecurity of IT systems maintained by eligible entities. Specify that all security operations centers established by DOA be under the supervision and control of DET. The Division would be responsible for managing the operation of each security operations center, including managed security services guidelines and standard operating procedures. The bill would permit DET to provide managed security services to reduce the impact of cybersecurity threats, including monitoring, alerts and guidance, incident response, educational services, and dissemination of information. The Division would be responsible for collaborating with relevant entities in accordance with statewide security plans, leading executive branch agencies through cybersecurity incidents, and taking any needed action to respond to a substantial external security threat, including disconnecting the network of an eligible entity receiving managed security services.

Prohibit executive branch agencies from purchasing managed security services from any entity other than DOA unless DET determines that it cannot provide comparable managed security services at a reasonable cost and DET approves the purchase. Require DET to establish a process for making such determinations and approvals.

Authorize DOA to coordinate with campuses, institutions, and universities in establishing a security operations center. Specify that DOA may assume direct responsibility for the planning and development of IT systems for the UW System as they pertain to security operations centers if it determines it to be necessary to effectively develop or manage such a system, with or without the consent of the Board of Regents of the UW System, and that DOA may charge the Board of Regents for the costs incurred in carrying out such functions. Specify that the UW System would additionally not be excluded from other powers and responsibilities of DOA with respect to security operations centers.

Specify that DET may: enter into contracts and interagency agreements to administer security operations centers; apply for grants to administer security operations centers; and charge fees to recover costs associated with managed security services and other cybersecurity support services. Require that a security operations center could only be established at a facility if DET determines that: the facility is secure, restricted, with appropriate infrastructure and staff; all entrances and critical areas can be controlled and monitored; access can be limited to authorized individuals; security alarms can be monitored by law enforcement or other security; and operational information can be restricted to specific personnel.

Authorize DOA to license or authorize computer programs developed by security operations centers to the federal government, other states, and municipalities. Specify that DOA must protect the privacy of individuals who are the subjects of information contained in security operations centers. Require DOA to offer to eligible entities the opportunity to voluntarily obtain computer or supercomputer services from DOA or from a security operations center.

Under current law, DOA has broad authorities and responsibilities relating to IT services and executive branch agencies under state statute, excluding the UW System, which generally manages its own IT resources.

[Bill Sections: 176 thru 178, 180, 182 thru 185, 489, and 494]

2. DISTRICT ATTORNEY INFORMATION TECHNOLOGY PROGRAM

GPR	$8,800,000

Governor: Provide $4,400,000 annually to support the District Attorney Information Technology (DAIT) program, which provides IT hardware, software, and legal subscription services to the District Attorneys (DA), Assistant District Attorneys, and other District Attorney Office staff. Funding is intended to provide laptops and software for 1,600 state- and county-funded employees statewide utilizing the DAIT network ($3,000,000 annually) and to provide TIME Access, Westlaw subscription, and State Bar legal research tools for eligible DA office employees ($1,400,000 annually). Further, funding is intended to upgrade the prosecutor technology for case tracking system. Create an annual GPR appropriation for the development and operation of automated justice information systems.

[Bill Sections: 181 and 485]

3. TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT PROGRAM CHANGES

GPR	$3,385,000
SEG	- 10,786,800
Total	- $7,401,800

Governor: Create a biennial GPR appropriation to make payments to telecommunications providers under the telecommunications access for educational agencies (TEACH) program, which provides telecommunications access to school districts, private schools, cooperative educational service agencies, technical college districts, independent charter school authorizers, juvenile correctional facilities, private and tribal colleges, and public library boards at discounted rates. Provide $1,553,100 GPR in 2023-24 and $1,831,900 in 2024-25. Reduce funding from the state segregated universal service fund for the TEACH program by $5,254,000 SEG in 2023-24 and $5,532,800 SEG in 2024-25. The Administration indicates that SEG funding for the program would be reduced to offset recommended universal service fund appropriation increases under the Department of Public Instruction totaling $14,786,800 over the 2023-25 biennium. [See "Public Instruction -- Administrative and Other Funding."]

The Department indicates that the reduction of SEG funding for the program would not impact service to participating school districts and institutions, and that projected expenditures for the program in the 2023-25 biennium would be adequately funded by the combination of GPR funding and segregated universal service fund amounts. Under current law, base funding for the appropriation is $15,984,200 SEG annually. Under the bill, funding for the program from the remaining SEG appropriation and newly created GPR appropriation would total $12,283,300 annually. In fiscal year 2021-22, the state expended $13,645,100 SEG for the program. The Department indicates that, if expenditures exceed program need, federal e-rate reimbursement may be a potential source of funding. The receipt of e-rate reimbursement funds is subject to federal review and approval.

Amend the statutes to remove language relating to the information technology infrastructure grant program, which ended on June 30, 2021.

[Bill Sections: 186, 498, 502, 2150, and 2409]

4. IT SERVICES FOR CERTAIN AGENCIES

PR	$8,366,200

Governor: Provide $4,063,900 in 2023-24 and $4,302,300 in 2024-25 to support the cost of information technology services provided to several state agencies, including the Department of Safety and Professional Services (DSPS), the Wisconsin Historical Society, and the Office of the Commissioner of Insurance (OCI). The Department of Administration would assess the agencies for the cost of IT services. Funding would be allocated for services to each agency as follows.

Safety and Professional Services. Provide $283,500 of ongoing funding and $924,700 of one-time funding in 2023-24, and $292,000 of ongoing funding and $979,600 of one-time funding in 2024-25 to provide contractual IT services for DSPS. Funding would be used to hire additional contractors to upgrade, improve, and maintain DSPS IT systems in the 2023-25 biennium.

Historical Society. Provide $2,048,700 in 2023-24 and $2,223,700 in 2024-25 to support the Historical Society as a customer of DOA's Division of Enterprise Technology. The Historical Society has transitioned from a previous model of IT service through UW-Madison that was discontinued. [See "Historical Society."]

Insurance. Provide $807,000 annually for the cost of IT contractors that provide services to OCI. The Department indicates that under 2017 Act 59, when 12.5 IT positions and incumbent employees were transferred from OCI to DOA, the IT contractors were also transferred without providing additional expenditure authority to DOA for the contractors. As a result, OCI has continued to pay for the cost of the contractors, rather than having DOA pay for the contractors and assessing OCI to recover costs.

5. CENTRALIZED ONLINE SERVICES TO RESIDENTS

GPR	$2,465,000

Governor: Create an annual GPR appropriation to develop and maintain an online customer service hub. Provide $2,000,000 in 2023-24 ($465,000 ongoing and $1,535,000 one-time) and $465,000 in 2024-25. The Department indicates that the customer service hub ("Wisconsin Front Door initiative") would be a comprehensive portfolio of state resources in a consolidated and centralized format.

The proposal would modify the online experience for individuals interacting with state government in the following ways: (a) requiring only a single logon credential and account profile to access services from across state government; (b) developing a searchable, online centralized customer data hub that makes over 700 publicly-available datasets currently found on state agency websites accessible; and (c) developing online services and data-centric websites, oriented around key resident issues and interests.

[Bill Section: 488]

6. BUSINESS PORTAL WEBSITE REDESIGN

GPR	$115,000

Governor: Provide $115,000 in 2023-24 to DOA's general program operations appropriation to support a website redesign of the "one stop business portal" to improve ease of use in finding information for key audiences, including residents considering opening a business, residents actively starting a business, or existing business owners. The amount of funding is based on an estimate from the Office of Business Development in DOA for the cost contractual services to update the existing website.

Facilities

1. PAYMENT FROM SPACE RENTAL ACCOUNT TO CAPITAL IMPROVEMENT FUND

PR	$40,000,000

Governor: Provide $40,000,000 in 2023-24 to the facility operations and maintenance; police and protection functions appropriation (also known as the space rental account). The appropriation is funded with program revenue derived from rental charges to state agencies occupying state-owned space. The Administration indicates that the intent of the provision is to transfer funds from a balance in the space rental account to the capital improvement fund for state building projects enumerated in the capital budget. The bill does not amend the purpose of the appropriation to include payments to the capital improvement fund, nor does it include non-statutory language providing for a one-time transfer of revenue from the appropriation.

Under current law, expenditures from the facility operations and maintenance; police and protection functions appropriation can be made for the following purposes: (a) financing the costs of operation of state-owned or operated facilities that are not funded from other appropriations, including custodial and maintenance services; (b) minor projects; (c) utilities, fuel, heat, and air conditioning; (d) assessments levied by DOA for costs incurred and savings generated by financing energy conservation construction projects at agency facilities; (e) facility design services provided to agencies; (f) costs incurred for energy conservation audits and energy conservation construction projects at state-owned facilities; and (g) police and protection functions.

2. TRANSFER TO THE BUILDING TRUST FUND

PR-Transfer $18,000,000

Governor: Transfer $18,000,000 in 2023-24 from the capital planning and building construction services appropriation to the state building trust fund. Services funded from the appropriation are provided through DOA's Division of Facilities Development, which staffs the State Building Commission. The appropriation is funded with program revenue derived from a 4% fee assessed on most state building project budgets.

The Administration indicates that the transfer would support building project design efforts. The state building trust fund is a segregated, nonlapsible fund that is used to finance advanced planning activities for projects enumerated in the state building program.

[Bill Section: 9204(1)]

3. DIVISION OF FACILITIES DEVELOPMENT POSITIONS

	Funding	Positions
PR	$2,249,400	10.00

Governor: Provide $964,000 in 2023-24, $1,285,400 in 2024-25, and 10.0 positions annually to the capital planning and building construction services appropriation, which supports DOA's Division of Facilities Development. Funding would be provided as follows: $889,000 for salaries and fringe benefits and $75,000 for supplies and services in 2023-24; and $1,185,400 for salaries and fringe benefits and $100,000 for supplies and services in 2024-25. The positions would include construction representatives (5.0 positions), capital project principal managers (4.0 positions), and an enterprise contract officer. The positions would provide construction oversight and contract administration services for state building projects. Program revenue is derived from a 4% fee assessed on most state building project budgets. Base funding for the capital planning and building construction services appropriation is $14,941,900 and 92.0 positions.

4. POSITIONS FOR STATE CAPITOL POLICE

	Funding	Positions
PR	$1,929,200	12.00

Governor: Provide $850,100 in 2023-24, $1,079,100 in 2024-25, and 12.0 positions annually to the facility maintenance and operations; police and protection functions appropriation for the Wisconsin State Capitol Police ($623,900 for salaries and fringe benefits and $226,200 for supplies and services in 2023-24, and $831,900 for salaries and fringe benefits, $230,600 for supplies and services and $16,600 in one-time funding in 2024-25). Position authority would be for 9.0 police officers, 1.0 police detective, 1.0 police sergeant, and 1.0 police lieutenant. Funding for supplies and services and one-time expenses would include the cost of specialized equipment and other expenditures, such as uniforms, radios, body armor, and vehicle costs. The additional positions are intended to reduce the reliance of the State Capitol Police on support from outside law enforcement agencies, including the Wisconsin State Patrol and Department of Natural Resources wardens. Base funding for the State Capitol Police from the facility maintenance and operations; police and protection functions appropriation is $6,847,700 and 52.0 positions, including 25.0 police officers, 3.0 police detectives, 7.0 police sergeants, and 2.0 police lieutenants.

5. FUNDING TO SUPPORT CONTINUATION OF PAY INCREASES

PR	$723,000

Governor: Provide $368,300 in 2023-24 and $354,700 in 2024-25 to provide ongoing funding for a pilot add-on of $5.00 per hour for Wisconsin State Capitol Police positions classified as police officer or police detective. The Wisconsin State Capitol Police currently have 25.0 police officer and 3.0 police detective positions. Capitol Police operations are funded from the facility operations and maintenance; police and protection functions appropriation.

6. POSITION FOR VETERANS MUSEUM MAINTENANCE

	Funding	Positions
PR	$105,200	1.00

Governor: Provide $45,100 in 2023-24, $60,100 in 2024-25, and 1.0 position annually to the facility operations and maintenance; police and protection functions appropriation. The facilities maintenance specialist position would provide maintenance services for the Veterans Museum upon completion of the anticipated purchase of the building by the state. [See "Veterans Affairs."]

Procurement and Risk Management

1. DIVERSITY GOALS FOR STATE PROCUREMENT AND CERTAIN SPECIAL DISTRICTS

	Funding	Positions
GPR	$766,400	3.00
PR	- 63,000	0.00
Total	$703,400	3.00

Governor: Repeal statutory provisions allowing DOA to charge a fee to a business that applies for certification under the supplier diversity program. Remove the distinction of disabled veteran-owned business as it relates to procurement, and expand the program to include certification for businesses owned by veterans, individuals with disabilities, and lesbian, gay, bisexual, or transgender individuals. Amend the definition of "woman-owned business" to specify that an entity must have its principal place of business in this state, rather than specifying that the entity is currently performing a useful business function in this state. Require that DOA develop, maintain, and keep current a database of all minority businesses certified by the agency. Modify provisions that establish diversity goals and bidding preferences for state procurement, contracts, and construction and goals that apply to certain special districts to include the new certification categories.

The program currently provides certification and preferences in state agency contracting for disabled veteran-owned and minority businesses, and provides certification for woman-owned businesses. Under current law, DOA may charge a fee to each entity applying for certification. While the Department currently maintains a database of woman-owned, minority, and disabled veteran-owned businesses, it is only statutorily required to maintain a database of woman-owned and disabled veteran-owned businesses.

Business Certifications

Provide $364,200 GPR in 2023-24, $402,200 GPR in 2024-25, and 3.0 GPR positions annually to support the program expansion. As a result of repealing the certification fee, the bill would also repeal DOA's disabled veteran-owned, woman-owned, and minority business certification fees appropriation (-$31,500 PR annually).

Under the bill, DOA may certify a business, financial advisor, or investment firm as a veteran-owned business if it determines that all of the following are satisfied: (a) one or more veterans who are state residents own not less than 51% of the business or, in the case of any publicly owned business, one or more such individuals own not less than 51% of the stock of the business; (b) one or more veterans who are state residents or one or more duly authorized representatives of one or more such individuals control the management and daily business operations of the business; (c) the business has its principal place of business in this state; and (d) the business is currently performing a useful business function.

Under the bill, DOA may certify a business, financial advisor, or investment firm as a "disability-owned business" if it determines that all of the following are satisfied: (a) one or more individuals with a disability own at least 51% of the business or, in the case of any publicly owned business, one or more individuals with a disability own at least 51% of the stock of the business;

(b) one or more individuals with a disability or one or more duly authorized representatives of one or more individuals with a disability control the management and daily business operations of the business; (c) the business has its principal place of business in this state; and (d) the business is currently performing a useful business function.

Under the bill, DOA may certify a business, financial advisor, or investment firm as a lesbian, gay, bisexual, or transgender-owned entity if it determines that all of the following are satisfied: (a) one or more lesbian, gay, bisexual, or transgender individuals own at least 51% of the business or, in the case of any publicly owned business, one or more lesbian, gay, bisexual, or transgender individuals own at least 51% of the stock of the business; (b) one or more lesbian, gay, bisexual, or transgender individuals or one or more duly authorized representatives of one or more lesbian, gay, bisexual, or transgender individuals control the management and daily business operations of the business; and (c) the business is currently performing a useful business function.

State Procurement

The bill would require state agencies making purchases, and the Department when awarding construction contracts, to attempt to ensure that at least 5% of the amount expended in each fiscal year is paid, in aggregate, to businesses owned by veterans, individuals with disabilities, and lesbian, gay, bisexual, or transgender individuals. A certified firm would be eligible for a 5% bid preference on state purchases, meaning that an agency may purchase from a certified firm that submits a qualified, responsible, and competitive bid that is no more than 5% higher than the lowest responsible bid (alternatively, a competitive proposal that is no more than 5% higher than the most advantageous proposal). [Under current law, agencies must attempt to ensure at least 5% is paid to minority businesses and at least 1% is paid to disabled veteran-owned businesses. Both entities are eligible for a 5% bid preference.] The Department would be required to promulgate administrative rules relating to certification of businesses. Under both current law and the bill, DOA would be required to maintain a computer database of all certified businesses.

Other Provisions

The bill would expand diversity requirements under current law that relate to services procured, debt contracted, contracts awarded, sales made, and employees hired by certain state entities and special districts to also include goals for businesses owned by veterans, individuals with disabilities, and lesbian, gay, bisexual, or transgender individuals. Wherever a percentage of amounts expended, contracts, sales, or employees is specified, the amounts applied would be 1% for veteran-owned business, 1% for businesses owned by individuals with disabilities, and 1% for businesses owned by lesbian, gay, bisexual, or transgender individuals. The following entities would be affected: the State Building Commission, State of Wisconsin Investment Board, Department of Transportation, metropolitan sewerage district commissions, local exposition districts, local professional baseball park districts, local professional football stadium districts, and local cultural arts districts.

[Bill Sections: 86 thru 105, 130 thru 151, 157 thru 167, 190 thru 249, 492, 581 thru 583, 587 thru 597, 761, 1674 thru 1683, 1694 thru 1696, 2440 thru 2446, 2459 thru 2463, 2486 thru 2497, 2502 thru 2512, 2514 thru 2518, 2545, and 2556]

2. RISK MANAGEMENT INSURANCE PREMIUM COSTS

PR	$6,102,400

Governor: Provide $2,357,200 in 2023-24 and $3,745,200 in 2024-25 for the risk management administration appropriation to provide for actual and estimated increases in the cost of excess property and liability insurance premiums. The recommendation is based on estimated increases in excess insurance premium expenditures, including inflationary costs.

The risk management program is self-funded to insure state agencies against property, liability, and worker's compensation losses. The state also purchases excess insurance coverage from private insurance carriers for property and liability losses greater than the state's self-funded limits. Premiums for excess property and liability insurance are dependent on loss experience, general insurance market conditions, and risk exposure.

3. TRANSFER OF UW WORKER'S COMPENSATION CLAIMS ADMINISTRATION

	Funding	Positions
PR	$999,300	5.00

Governor: Transfer 5.0 positions annually from the University of Wisconsin System Office of Risk Management to DOA. Provide $508,000 in 2023-24 and $491,300 in 2024-25 to DOA's risk management administration appropriation to fund the positions. The appropriation is funded from risk management premiums charged to stage agencies, including the UW System. Specify that the transferred employees would retain the rights and status they possessed immediately before the transfer, and that transferred employees who have attained permanent status would not be required to serve a probationary period. In relation to the transfer, funding and position authority under the UW System would be reduced by $508,000 ($406,400 GPR and $101,600 PR) in 2023-24, $491,100 ($392,900 GPR and $98,200 PR) in 2024-25, and 5.0 positions (4.0 GPR and 1.0 PR) annually. [See "University of Wisconsin System."]

The self-funded risk management program insures state agencies, including UW System, against property, liability, and worker's compensation losses. The Department assesses state agencies, including the UW System, for worker's compensation costs based on claims and administrative costs for the prior fiscal year. Currently, the UW System administers worker's compensation claims for its employees. Worker's compensation claims for UW System employees are paid from the risk management costs appropriation under DOA.

[Bill Section: 9147(1)]

4. HISTORICAL AND FINE ARTS COLLECTIONS

PR	$300,000

Governor: Provide $300,000 in 2023-24 to the risk management administration appropriation to support a comprehensive inventory and valuation of state-owned historical and fine arts collections. The valuation would be performed under contract. The purpose of conducting the inventory and valuation would be to ensure that the property is adequately insured. The risk management program is funded from assessments charged to state agencies for administrative and claims costs.

Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE

Governor: Appropriate $45,084,600 in 2023-24 and $45,136,600 in 2024-25 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) appropriations for the regulation of tribal gaming in DOA [$2,098,000 in 2023-24 and $2,098,800 in 2024-25]; (b) tribal gaming law enforcement in the Department of Justice (DOJ) [$166,500 annually]; and (c) allocations totaling $42,820,100 in 2023-24 and $42,871,300 in 2024-25 to various state agencies for other programs.

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

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

Under the compacts, payments to the state may be reduced in the event of a natural or man-made disaster that affects gaming operations. In 2019-20 and 2020-21, payments were postponed because of casino closures during the COVID-19 pandemic. As a result, DOA's gaming receipts appropriation is expected to have a closing balance of -$32,957,600 in 2022-23. While negotiations regarding the timing and amount of payments have not yet concluded for all tribes, a number of postponed payments are included in the estimated tribal payments for the 2023-25 biennium. The tribal gaming receipts appropriation condition under the bill is summarized in the following table. The bill estimates that no tribal gaming revenue would be deposited to the general fund.

Tribal Gaming Receipts Appropriation Condition -- Governor

	2023-24	2024-25
Opening Balance	-$32,957,600	-$17,597,600
Estimated Tribal Payments	$59,510,300	$61,921,400
Regulatory Payments	350,000	350,000
Unobligated Funds Reversions	807,000	699,900
Total Revenue	$60,667,300	$62,971,300
Program Allocations to State Agencies	$45,084,600	$45,136,600
Program Reserves	222,700	237,100
Closing Balance	-$17,597,600	$0

As noted, allocations under the bill to state agencies, including allocations to DOA and DOJ for regulation and law enforcement, total $45,084,600 in 2023-24 and $45,136,600 in 2024-25 under the bill. Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 18 state agencies in 46 program areas, including the DOA regulation and DOJ enforcement appropriations (two of the 48 items listed are current law appropriations for which funding would not be provided). Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of the 48 program allocations listed in the table, 27 are identical amounts to those provided in the 2021-23 biennium. Of the 21 allocations that changed, nine were affected by standard budget adjustments only [identified in the table below as items #21, #22, #26, #27, #29, #30, #32, #43, and #48]. The remaining 12 are:

a. Tribal grants [item #1, create an appropriation and provide $21,024,900 annually to award grants for tribal programs and grants for tribal language revitalization and cultural preservation];

b. Grants for certain Oneida Nation and Menominee Tribe programs [item #2, create an appropriation and provide $810,000 annually];

c. UW-Green Bay and Oneida Nation programs assistance grants [item #4, provide $109,300 annually];

d. American Indian economic development, technical assistance [item #5, increase funding by $40,500 annually and provide $315,000 annually to administer a tourism marketing contract];

e. Tribal elder food assistance [item #6, create an appropriation and provide $2,000,000 annually];

f. Wisconsin grant program for tribal college students [item #19, increase of $24,100 in 2023-24 and $49,400 in 2024-25];

g. Tribal law enforcement grant program [item #23, increase of $695,000 annually]

h. State snowmobile enforcement program [item #33, convert $1,309,500 and 9.0 positions annually from tribal gaming revenue to the conservation fund];

i. Grants to replace certain race-based nicknames, logos, mascots, and team names associated with American Indians [item #34, create an appropriation and provide $200,000 annually for grants to school boards];

j. General tourism marketing [item #36, transfer $200,000 annually to DOA for administration of a tourism marketing contract and convert remaining funding of $8,767,100 annually to GPR];

k. Ashland full-scale aquaculture demonstration facility debt service [item #41, provide $107,400 in 2023-24 and $133,300 in 2024-25 for reestimated debt service costs]; and

l. General program operations for Indian gaming regulation [reduce funding and position authority by $27,000 and 0.25 position annually associated with a provision to create a GPR appropriation for gaming investigations and outreach].

2023-25 Tribal Gaming Revenue Allocations -- Governor

	Agency	Program Revenue 2023-24	2024-25	Purpose
1	Administration	$21,024,900	$21,024,900	Grants to support tribal programs, tribal language revitalization, and cultural preservation.
2	Administration	810,800	810,800	Other tribal grants for Oneida Nation and Menominee Tribe programs.
3	Administration	563,200	563,200	County management assistance grant program.
4	Administration	356,800	356,800	UW-Green Bay and Oneida Nation programs assistance grants.
5	Administration	435,000	435,000	American Indian economic development, technical assistance, and tourism promotion.
6	Agriculture, Trade and Consumer Protection	2,000,000	2,000,000	Tribal elder food assistance.
7	Children and Families	1,867,500	1,867,500	Tribal family services grants.
8	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
9	Corrections	50,000	50,000	American Indian tribal community reintegration program.
10	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
11	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
12	Health Services	445,500	445,500	Indian substance abuse prevention education.
13	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
14	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.

	Agency	Program Revenue 2023-24	2024-25	Purpose
15	Health Services	$242,000	$242,000	Indian aids for social and mental hygiene services.
16	Health Services	106,900	106,900	American Indian health projects.
17	Health Services	22,500	22,500	American Indian diabetes and control.
18	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
19	Higher Education Aids Board	505,900	531,200	Wisconsin grant program for tribal college students.
20	Higher Education Aids Board	405,000	405,000	Tribal college payments.
21	Historical Society	236,800	236,800	Northern Great Lakes Center operations funding.
22	Historical Society	341,600	341,600	Collection preservation storage facility.
23	Justice	1,390,000	1,390,000	Tribal law enforcement grant program.
24	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
25	Justice	490,000	490,000	County law enforcement grant program.
26	Justice	99,100	99,100	County-tribal law enforcement programs: state operations.
27	Kickapoo Valley Reserve Board	73,900	73,900	Law enforcement services at the Kickapoo Valley Reserve.
28	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
29	Natural Resources	201,800	201,800	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
30	Natural Resources	108,000	108,000	Management of an elk reintroduction program.
31	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
32	Natural Resources	71,800	71,800	Reintroduction of whooping cranes.
33	Natural Resources	0	0	State snowmobile enforcement program, safety training and fatality reporting.
34	Public Instruction*	200,000	200,000	Grants to replace certain race-based nicknames, logos, mascots, and team names associated with American Indians.
35	Public Instruction	222,800	222,800	Tribal language revitalization grants.
36	Tourism	0	0	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
37	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
38	Tourism	24,900	24,900	State aid for the arts.
39	Transportation	435,600	435,600	Elderly transportation grants.
40	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
41	University of Wisconsin System	293,000	318,900	Ashland full-scale aquaculture demonstration facility debt service payments.
42	University of Wisconsin System	488,700	488,700	UW-Madison physician and health care provider loan assistance.
43	Veterans Affairs	121,100	121,100	American Indian services veterans benefits coordinator position.
44	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.

	Agency	Program Revenue 2023-24	Program Revenue 2024-25	Purpose
45	Wisconsin Technical College System Board	$594,000	$594,000	Grants for work-based learning programs.
46	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	$42,820,100	$42,871,300	
47	Administration**	$2,098,000	$2,098,800	General program operations for Indian gaming regulation under the compacts.
48	Justice	166,500	166,500	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	$2,264,500	$2,265,300	
	Total Allocations	$45,084,600	$45,136,600	

*The tribal gaming receipts appropriation condition estimates under the bill assumed funding of $200,000 annually for the appropriation. Under the bill, the appropriation is funded $0 annually.
**The amounts shown were included in the tribal gaming receipts appropriation condition estimates. Under the bill, the appropriation is funded $2,097,900 in 2023-24 and $2,098,800 in 2024-25.

2. GRANTS FOR TRIBAL PROGRAMS, TRIBAL LANGUAGE REVITALIZATION, AND CULTURAL PRESERVATION

PR	$42,049,800

Governor: Create an annual PR appropriation titled "Tribal grants" and provide $21,024,900 annually, funded by tribal gaming revenues. Specify that any unencumbered balance on June 30 of each year would revert to the tribal gaming receipts appropriation.

Require DOA to award grants of equal amounts to each of the 11 federally-recognized tribes and bands in the state for use as the tribe or band deems necessary to support programs to meet the needs of members. Specify that grant funds may not be used to pay gaming-related expenses.

Require DOA to additionally award grants of equal amounts to each of the 11 federally-recognized tribes and bands in the state to promote tribal language revitalization and cultural preservation. Specify that grant funds may not be used to pay gaming-related expenses.

The Administration indicates that $15,524,900 annually would be allocated to grants for tribal programs (approximately $1,411,400 per tribe and band) and $5,500,000 annually would be allocated to grants for tribal language revitalization and cultural preservation ($500,000 per tribe and band). The amount of funding provided to the appropriation for grants was calculated with the objective of distributing to tribes and bands the full amount of tribal gaming program revenue remaining after other allocations are made.

[Bill Sections: 81, 82, 495, 512, and 516]

3. GRANTS FOR ONEIDA NATION AND MENOMINEE TRIBE PROGRAMS

PR	$1,621,600

Governor: Create an annual PR appropriation titled "Tribal grants; other" and provide $810,800 annually, funded by tribal gaming revenues. Specify that any unencumbered balance on June 30 of each year would revert to the tribal gaming receipts appropriation.

Require DOA to award grants from the appropriation, in amounts not to exceed each specified allocation, as follows: (a) $266,600 annually for grants to the Menominee Indian Tribe to support the Tribe's transit services; (b) $259,100 annually for grants to the Oneida Nation to support the "Healing to Wellness Court" program; (c) $175,000 annually to the Oneida Nation to support the Nation's collaboration with the Audubon Society relating to Great Lakes restoration projects; (d) $110,100 annually to the Oneida Nation for grants to support coordination between the National Estuarine Research Reserve System (NERR) under the federal Office for Coastal Management, and the Great Lakes tribal nations. Specify that grants to the Oneida Nation for Great Lakes restoration projects under (c) may not be awarded after June 30, 2028.

Grants under (a) are intended to improve access to youth services, court-ordered visitations, and other family services appointments. Grants under (b) would support staff and service costs for the coordinated, post-conviction substance use disorder program intended to reduce recidivism and treat addiction. Grants under (c) would support habitat restoration and a bird monitoring project. Grants under (d) would fund a coordinator position within the NERR System who would work with NERR and the Great Lakes Tribal Nations.

[Bill Sections: 83, 497, 512, and 517]

4. NATOW CONTRACT TRANSFER AND INCREASE

PR	$630,000

Governor: Provide $315,000 annually to DOA's appropriation for American Indian economic development; technical assistance to administer a marketing contract with the Great Lakes Inter-Tribal Council for Native American Tourism of Wisconsin (NATOW). Specify that the grant provided from the appropriation to the Great Lakes Inter-Tribal Council would fund both: (a) technical assistance for economic development; and (b) tourism promotion activities under the NATOW program.

Specify that the contract between the Department of Tourism and the Council that is primarily related to promotion of tourism featuring American Indian heritage and culture, as determined by the Secretary of DOA, would be transferred to DOA. Require DOA to carry out any obligations under the contract until it is modified or rescinded by DOA, to the extent allowed under the contract.

The contract is currently funded $200,000 annually from the Department of Tourism's tourism marketing; gaming revenue appropriation. Under the bill, funding for the contract would be increased by $115,000 annually. The bill would also repeal the tourism marketing appropriation funded from tribal gaming PR and replace it with GPR funds (less $200,000 associated with the transfer of the NATOW contract). [See "Tourism."] The marketing contract would be administered by DOA's Division of Intergovernmental Relations. The contract outlines services provided by NATOW, such as promotion of tribal tourism and management of tribal tourism assistance grants.

[Bill Sections: 106 thru 108 and 9143(1)]

5. GAMING INVESTIGATIONS AND OUTREACH

	Funding	Positions
GPR	$392,900	2.05
PR	- 220,600	- 1.05
Total	$172,300	1.00

Governor: Create an annual GPR gaming investigation services appropriation for investigative and outreach services for charitable and tribal gaming. Provide $185,900 GPR in 2023-24, $207,000 GPR in 2024-25, and 2.05 GPR positions annually. The appropriation would fund and expand investigative and outreach services, including: investigating public and industry complaints relating to legal and illegal gambling; developing and maintaining relationships with federal, state, tribal, and local law enforcement agencies; preparing cases for referral to law enforcement and district attorneys; providing outreach and education to governmental entities and the public; and conducting audits to ensure compliance with regulations.

Reduce funding and position authority for the general program operations; Indian gaming appropriation by $27,000 PR and 0.25 PR position annually. Reduce funding and position authority for the general program operations; raffles and bingo appropriation by $83,300 PR and 0.80 PR position annually.

[Bill Section: 511]

6. ONEIDA NATION AND UW-GREEN BAY PROGRAMMING

PR	$218,600

Governor: Provide $109,300 annually, funded by tribal gaming revenues, to the University of Wisconsin-Green Bay for educational programs developed in partnership with the Oneida Nation. Funds would support STEM-related (science, technology, engineering and mathematics) camps for up to 288 students in grades three through 11 and provide access to UW-Green Bay's college credit program for high school students. Funding of $109,300 annually was provided on a one-time basis during the 2021-23 biennium.

7. NATIVE AMERICAN ECONOMIC DEVELOPMENT; TECHNICAL ASSISTANCE GRANT PROGRAM

PR	$81,000

Governor: Provide $40,500 annually to DOA's appropriation for American Indian economic development; technical assistance to increase funding for the Great Lakes Inter-Tribal Council's technical assistance program. The program promotes economic development on tribal lands by providing management assistance for existing businesses, start-up assistance to new businesses (including the development of business and marketing plans), and technical assistance to help businesses gain access to financial support. The funding increase is intended to enable the program to expand its network of partnerships and to collaborate with regional and statewide economic development initiatives, state and federal business development programs, private businesses, and UW and college extensions including the Lac Courte Oreilles Ojibwe University and the College of Menominee Nation. The appropriation is provided base funding of $79,500 annually from tribal gaming revenues.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

	Budget Summary					FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$30,837,100	$55,863,600	$56,160,600	$50,350,000	81.6%	201.40	214.90	214.90	13.50	6.7%
FED	11,699,400	11,973,100	11,698,100	272,400	1.2	91.52	90.77	90.77	- 0.75	- 0.8
PR	31,062,400	34,162,700	34,212,900	6,250,800	10.1	217.87	222.62	222.62	4.75	2.2
SEG	36,823,900	43,934,300	44,953,300	15,239,800	20.7	130.50	130.50	130.50	0.00	0.0
TOTAL	$110,422,800	$145,933,700	$147,024,900	$72,113,000	32.7%	641.29	658.79	658.79	17.50	2.7%
BR		$7,000,000								

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $54,200
FED	1,078,200
PR	1,073,200
SEG	403,400
Total	$2,500,600

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).

2. BUREAU OF LABORATORY SERVICES

	Funding	Positions
GPR	$696,000	0.00
PR	367,400	1.00
Total	$1,063,400	1.00

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.

3. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$226,800
SEG	34,200
Total	$261,000

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

Fund	Appropriation	Annual Adjustment
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	17,100
Total		$130,500

4. TRIBAL LIAISON POSITION

	Funding	Positions
GPR	$149,900	1.00

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."]

5. EQUITY OFFICER POSITION

	Funding	Positions
GPR	$86,400	0.50

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."]

6. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES

PR	$300,000

Governor: 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

GPR	- $25,600
SEG	1,061,800
Total	$1,036,200

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.

8. POSITION REALIGNMENT

	Funding	Positions
GPR	- $5,000	0.00
FED	- 162,800	- 0.75
PR	159,200	0.75
SEG	2,200	0.00
Total	- $6,400	0.00

Governor: 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.

DATCP Position Realignment

Division/Appropriation	Fund	Annual Funding	Positions 2023-25
Food and Recreational Safety			
Food inspection	GPR	-$77,700	-0.75
Animal Health			
General program operations	GPR	10,900	0.15
Trade and Consumer Protection			
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
Agricultural Development			
General program operations	GPR	64,300	0.60
Federal funds; Wisconsin Farm Center	FED	-11,100	-0.10
Agricultural Resource Management			
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
Management Services			
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: 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: 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.

Agricultural Assistance

1. AGRICULTURAL ASSISTANCE GRANT PROGRAMS

GPR	$35,000,000

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 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

		Governor		
	Base	2023-24	2024-25	Biennium
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
Grants Subtotal	$600,000	$18,100,000	$18,100,000	$36,200,000

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 Recovery 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.

[Bill Sections: 260, 262 thru 264, 1717, 1720, and 1724 thru 1727]

2. TRIBAL FOOD SECURITY PROGRAM

PR	$4,000,000

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 Feeding Wisconsin Association of Food Banks and USDA.

[Bill Sections: 265, 515, and 1721]

3. WISCONSIN AGRICULTURAL EXPORT PROMOTION

GPR	$2,883,200

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 2021-22 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.

[Bill Section: 1718]

4. MEAT TALENT DEVELOPMENT GRANT PROGRAM

GPR	$1,237,500

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.

[Bill Sections: 259 and 1722]

5. REGIONAL FARMER SUPPORT

	Funding	Positions
GPR	$352,600	2.00

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.

6. FARMER MENTAL HEALTH ASSISTANCE

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.

7. AGRICULTURAL ECONOMIST

	Funding	Positions
GPR	$167,500	1.00

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.

8. FOOD WASTE REDUCTION GRANTS

GPR	$200,000

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.

[Bill Sections: 258 and 1723]

Environment

1. COUNTY CONSERVATION STAFF AND PROGRAM EXPANSION

GPR	$5,737,600
SEG	7,134,200
Total	$12,871,800

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	GPR		Nonpoint SEG		
Year	Base	Additional	Base	Additional	Annual Total
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.

[Bill Sections: 1712 thru 1716]

2. NITROGEN OPTIMIZATION PILOT PROGRAM

SEG	$4,800,000

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.

3. PRODUCER-LED WATERSHED PROTECTION GRANTS

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.

4. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY

BR	$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.

[Bill Section: 556]

5. SOIL AND WATER RESOURCE MANAGEMENT AIDS

SEG	$200,000

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.

6. WATER STEWARDSHIP CERTIFICATION GRANTS

GPR	$500,000

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.

[Bill Sections: 261 and 1719]

7. CLEAN SWEEP GRANTS

SEG	$500,000

Governor: 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 would be $1,000,000 under the bill.

8. BIODIGESTER PLANNING GRANTS

SEG	$500,000

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.

[Bill Sections: 270 and 1728]

9. BIODIGESTER OPERATOR CERTIFICATION GRANTS

GPR	$100,000

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.

[Bill Sections: 266 and 1729]

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.

[Bill Sections: 269, 1710, and 1711]

Regulatory Programs

1. MEAT INSPECTION PROGRAM STAFF

GPR	$953,800

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.

2. ANIMAL DISEASE RESPONSE AND PREVENTION UNIT

	Funding	Positions
GPR	$1,070,500	6.00

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.

3. DOG FACILITY, RABIES CONTROL AND HUMANE OFFICER PROGRAM STAFFING

	Funding	Positions
GPR	$320,800	1.00
PR	- 320,800	- 1.00
Total	$0	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.

4. LIVESTOCK PREMISES REGISTRATION SUPPORT

GPR	$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.

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.

[Bill Sections: 1738 thru 1740]

6. VEHICLE OWNERS CONSUMER PROTECTIONS

	Funding	Positions
GPR	$412,200	2.00

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

7. MARIJUANA REGULATION

	Funding	Positions
PR	$467,500	3.00

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."

8. AGRICHEMICAL MANAGEMENT OPERATIONS

SEG	$104,000

Governor: Provide $52,000 annually from the segregated agrichemical management fund for general program operations in the Division of Agricultural Resource Management.

9. FOOD, LODGING AND RECREATION REGULATION

PR	$96,000

Governor: 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 $11.9 million each year of the biennium under the bill.

10. BROADBAND CONSUMER PROTECTIONS

	Funding	Positions
PR	$165,300	1.00

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 its advertisements and representations to customers. Require providers to disclose factors that may influence service speed when it advertises its 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.

[Bill Sections: 1736, 1737, 2330, and 9302(1)]

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.

[Bill Section: 1733]

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.

[Bill Sections: 1173, 1202, 1229, and 3134 thru 3137]

APPROPRIATION OBLIGATION BONDS

Budget Summary						FTE Position Summary
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	There are no full time positions associated with appropriation obligation bonds.
GPR	$311,179,800	$309,266,800	$336,940,900	$23,848,100	3.8%	

Budget Change Items

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

GPR	$15,272,300
GPR-Lapse	13,963,000
Net GPR	$29,235,300

Governor: Reduce funding by $1,701,000 in 2023-24 and increase funding by $16,973,300 in 2024-25 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 second year or the following year. Compared to the base level funding of $199,760,900, a smaller payment is scheduled in 2023-24 and larger payments are scheduled in 2024-25 and 2025-26. Therefore, the GPR appropriation is decreased in 2023-24 and increased in 2024-25 compared to the biennium's base level funding.

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 2022-23, it was estimated that $12,811,800 would lapse to the general fund. The Department of Administration (DOA) anticipates lapses of $750,000 in 2023-24 and $10,910,600 in 2024-25. The net effect of these adjustments would be an increase in net expenditures of $29,235,300, as shown in the table below.

Pension Bonds

	Base Year 2022-23	2023-24	2024-25	Change to Base Year Doubled
GPR	$199,760,900	$198,059,900	$216,734,200	$15,272,300
GPR-Lapse	-12,811,800	-750,000	-10,910,600	13,963,000
Net GPR	$186,949,100	$197,309,900	$205,823,600	$29,235,300

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

GPR	$8,575,800
GPR-Lapse	19,082,200
Net GPR	$27,658,000

Governor: Reduce funding by $212,000 in 2023-24 and increase funding by $8,787,800 in 2024-25 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 the 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 $111,418,900, a smaller payment is scheduled for 2023-24 and larger payments are scheduled in 2024-25 and 2025-26. Therefore, the GPR appropriation is decreased in 2023-24 and increased in 2024-25 compared to base level funding.

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 2022-23, it was estimated that $9,807,100 would lapse to the general fund. DOA anticipates lapses of $5,000 in 2023-24 and $527,000 in 2024-25. The net effect of these adjustments would be an increase in net expenditures of $27,658,000, as shown in the table below.

Tobacco Bonds

	Base Year 2022-23	2023-24	2024-25	Change to Base Year Doubled
GPR	$111,418,900	$111,206,900	$120,206,700	$8,575,800
GPR-Lapse	-9,807,100	-5,000	-527,000	19,082,200
Net GPR	$101,611,800	$111,201,900	$119,679,700	$27,658,000

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$129,000	$134,800	$134,800	$11,600	4.5%	0.00	0.00	0.00	0.00	N.A.
FED	1,592,400	1,533,500	1,533,500	- 117,800	- 3.7	7.00	7.00	7.00	0.00	0.0%
TOTAL	$1,721,400	$1,668,300	$1,668,300	- $106,200	- 3.1%	7.00	7.00	7.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$6,200
FED	- 117,800
Total	- $111,600

Governor: Provide a reduction of $55,800 ($3,100 GPR and -$58,900 FED) annually to reflect the full funding of the following standard budget adjustments: (a) continuing position salaries and fringe benefits (-$50,700 FED annually); and (b) lease and directed moves costs ($3,100 GPR and -$8,200 FED annually) in the 2023-25 biennium.

2. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$5,400

Governor: Provide $2,700 annually to increase agency supplies and services funding. According to the Administration, the amount represents a 5% increase to supplies and services funding. The increase would be provided to BPDD since: (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 funding is provided for a similar purpose.

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$1,647,100	$1,811,400	$1,828,700	$345,900	10.5%	9.50	10.50	10.50	1.00	10.5%
FED	52,700	52,700	52,700	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$1,699,800	$1,864,100	$1,881,400	$345,900	10.2%	9.50	10.50	10.50	1.00	10.5%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $44,600

Governor: Delete $22,300 annually in the 2023-25 biennium, consisting of -$25,600 for full funding of salaries and fringe benefits of continuing positions and $3,300 for full funding of leases and directed moves.

2. VACANT POSITION ADJUSTMENT

GPR	$138,800

Governor: Provide $69,400 annually in the 2023-25 biennium, including $51,500 for salaries and $17,900 for fringe benefits. BCPL had 1.8 vacant positions at the time standard budget adjustments were calculated, reducing the salary and fringe allotments below levels at which the Board would normally recruit the positions. The Board intends to fill all positions in the 2023-25 biennium.

3. FORESTER POSITION

	Funding	Positions
GPR	$121,700	1.00

Governor: Provide $52,200 in 2023-24, including $38,700 for salary and $13,500 for fringe benefits, and $69,500 in 2024-25, including $51,600 for salary and $17,900 for fringe benefits, with 1.0 position to hire a senior forester. BCPL manages approximately 77,000 acres of timberland. These lands are managed as income-producing properties for public school library beneficiaries. BCPL currently has one full-time forester and limited-term forestry staff responsible for managing these lands.

4. INVESTMENT AND LAND MANAGEMENT EXPENSES

GPR	$130,000

Governor: Provide $65,000 annually in the 2023-25 biennium for supplies and services. 2021 Act 58 reallocated $76,500 within the Board's general operations appropriation from the supplies and services allotment to allotments for salaries and fringe benefits in each year; the reallocation was intended to accommodate additional funding for BCPL to fill vacant positions. The provision would increase the Board's supplies and services allotment to partially restore base funding for such costs as: (a) appraisals for real estate transactions; (b) due diligence on prospective investments of trust fund assets; and (c) accounting and reporting of transactions.

BOARD ON AGING AND LONG-TERM CARE

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$1,710,500	$1,907,300	$1,935,600	$421,900	12.3%	20.48	21.98	21.98	1.50	7.3%
PR	2,107,800	2,233,200	2,263,500	281,100	6.7	24.02	25.52	25.52	1.50	6.2
TOTAL	$3,818,300	$4,140,500	$4,199,100	$703,000	9.2%	44.50	47.50	47.50	3.00	6.7%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$219,300
PR	85,100
Total	$304,400

Governor: Provide $147,000 ($107,800 GPR and $39,200 PR) in 2023-24 and $157,400 ($111,500 GPR and $45,900 PR) in 2024-25 to fund the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits ($108,700 GPR and $52,900 PR annually); (b) reclassifications and semi-automatic pay progression ($8,800 GPR and $5,800 PR in 2023-24 and $12,500 GPR and $12,500 PR in 2024-25); and (c) full funding of leases and directed moves costs (-$9,700 GPR and -$19,500 PR annually).

2. ADMINISTRATIVE STAFF

	Funding	Positions
GPR	$202,600	1.50
PR	196,000	1.50
Total	$398,600	3.00

Governor: Provide $175,200 ($89,000 GPR and $86,200 PR) in 2023-24 and $223,400 ($113,600 GPR and $109,800 PR) in 2024-25 and 3.0 positions (1.5 GPR and 1.5 PR positions) beginning in 2023-24, to create 1.0 state long-term care ombudsman, 1.0 communications specialist-senior, and 1.0 executive assistant position.

Specify that the Board on Aging and Long-Term Care executive director employs, rather than serves as, the state long-term care ombudsman. Under current law, the executive director is also the long-term care ombudsman.

The Administration notes that Wisconsin is the only state in which the executive director, or equivalent, is also the state long-term care ombudsman and that in order to ensure adequate service and compliance with federal requirements, these two positions must be separated, requiring the creation of 1.0 state long-term care ombudsman position.

Further, the bill would provide 1.0 communications specialist position to enable BOALTC to reach a wider audience through updated websites, listservs, and social media, as well as 1.0 executive assistant. These positions would be an addition to the 3.0 administrative support positions that the Board currently has.

[Bill Sections: 78 and 79]

BONDING AUTHORIZATION

1. GENERAL OBLIGATION BONDING AUTHORITY SUMMARY SCHEDULE

Governor: Include a summary schedule of general obligation bonding in the bill totaling $327,073,000, as indicated in the following table. In addition, include a summary schedule of estimated debt service on general obligation bonds, which indicates that all funds debt service would total $866,877,100 in 2023-24 and $938,124,000 in 2024-25. Debt service on general obligation bonds funded with general purpose revenue would total $463,715,000 in 2023-24 and $531,273,500 in 2024-25.

Agency and Purpose	Amount
Agriculture, Trade and Consumer Protection	
Soil and Water	$7,000,000
Natural Resources	
Contaminated Sediment Removal	15,000,000
Dam Safety Projects	10,000,000
Nonpoint Source	10,000,000
Urban Nonpoint Source Cost-Sharing	11,000,000
Transportation	
Freight Rail	20,000,000
Fox River Brown County Southern Bridge	50,000,000
Blatnik Major Interstate Bridge	47,200,000
Harbor Assistance	16,000,000
Southeastern Wisconsin Mega-Projects	140,873,000
TOTAL General Obligation Bonds	$327,073,000*

*Excludes $1,725,000,000 of economic refunding bonds included in the bill.

[Bill Section: 256]

2. REVENUE OBLIGATION BONDING SUMMARY SCHEDULE

Governor: Include a summary schedule of revenue obligation bonding in the bill totaling $539,714,300, as indicated in the following table.

Purpose	Amount
Environmental Improvement Program	
Clean Water and Safe Drinking Water	$372,000,000
Transportation	
Transportation Facilities and Major Highway Projects	167,714,300
TOTAL Revenue Obligation Bonds	$539,714,300
GRAND TOTAL General and Revenue Obligation Bonds	$866,787,300

[Bill Section: 256]

BUDGET MANAGEMENT AND COMPENSATION RESERVES

Budget Change Items

1. COMPENSATION RESERVES

Governor: Provide, in the 2023-25 general fund condition statement, total compensation reserves of $667,480,900 in 2023-24 and $1,001,825,800 in 2024-25 for cost increases related to state and UW System employee salaries and fringe benefits. Total compensation reserve amounts by fund source and fiscal year are shown in the following table.

Fund Source	2023-24	2024-25
General Purpose Revenue	$365,260,700	$581,614,700
Federal Revenue	80,773,600	112,308,700
Program Revenue	141,762,100	197,108,000
Segregated Revenue	79,684,500	110,794,400
Total	$667,480,900	$1,001,825,800

The schedule of compensation reserves above indicates GPR funding that would be reserved for anticipated cost increases to state agencies and the UW System under the Administration's plans for compensation, including prior period and inflationary increases for fringe benefits. The GPR funding reserve is a component of the general fund condition statement. Amounts for FED, PR, and SEG reflect the estimated all-funds impact to state agencies (excluding UW System) of such cost increases for compensation, which would be paid from FED, PR, and SEG revenue balances in agency appropriations.

The GPR compensation reserve amounts under the bill related to state and UW System employee fringe benefits include the following: (a) $45,809,700 in 2023-24 and $85,931,300 in 2024-25 to support prior period and inflationary increases for fringe benefits; (b) $5,216,900 in 2023-24 and $5,351,400 in 2024-25 to reduce the health insurance waiting period for new permanent and project employees by one month; and (c) $2,182,500 annually to provide sick leave for limited-term employees of non-UW executive branch agencies and temporary employees of the UW System. [For additional information regarding the proposed reduction to the health insurance waiting period, see "Employee Trust Funds." For additional information regarding the proposal to provide sick leave for limited-term employees and temporary UW System employees, see "Administration -- Personnel Management."]

The GPR compensation reserve amounts under the bill related to salaries for employees include the following: (a) $114,434,800 in 2023-24 and $301,269,900 in 2024-25 intended to support a 5% general wage adjustment for state and UW System employees on July 1, 2023, as well as another 3% general wage adjustment (GWA) for state and UW System employees on July 1, 2024; (b) $63,258,300 in 2023-24 and $60,915,100 in 2024-25 to continue paying the $5 per hour high vacancy correctional security add-on and incorporate a $4 per hour pilot add-on (currently supported by American Rescue Plan Act funds) into base pay of correctional security employees; (c) $85,119,800 in 2023-24 and $82,408,200 in 2024-25 to enhance the existing correctional security pay progression, increase minimum pay for correctional officers, correctional sergeants, youth counselors/advanced, and psychiatric care technicians/advanced, and provide parity pay for security supervisors; (d) $20,240,000 in 2023-24 and $19,490,400 in 2024-25 to support market wage and parity adjustments for specific, targeted classifications; (e) $18,301,000 in 2023-24 and $17,630,200 in 2024-25 to support a $1 per hour add-on for correctional security positions at medium-security institutions and to increase the maximum-security add-on from $2 to $4 per hour; (f) $16,705,600 in 2023-24 and $17,373,900 in 2024-25 for a paid family and medical leave program for state and UW System executive branch employees that would provide 12 weeks of leave annually; (g) $9,244,800 in 2023-24 and $9,636,400 in 2024-25 for a probation and parole agent pay progression; (h) $1,121,300 in 2023-24 and $3,218,200 in 2024-25 for a pay progression that would provide seniority-based pay increases to employees in various position classifications; (i) $1,491,900 in 2023-24 and $3,103,200 in 2024-25 to establish June 19 and November 11 as paid holidays for state and UW System executive branch employees; (j) $2,129,700 in 2024-25 for information technology position market adjustments; (k) $916,200 in 2023-24 and $1,131,000 in 2024-25 to fund market adjustments for classified attorneys not eligible for pay progression; (l) $307,700 in 2023-24 and $320,100 in 2024-25 to modify the vacation allowance structure for non-UW executive branch employees with between two and five years of service to improve employee retention; and (m) $134,500 annually to fund a pay progression for Natural Resources wardens and Wisconsin State Capitol Police. [For additional information regarding the proposals to establish June 19 and November 11 as paid holidays, create a paid family and medical leave program, and modify the vacation allowance structure, see "Administration -- Personnel Management."]

The amounts budgeted in compensation reserves also include an assumed lapse of 5% in each year, reducing total funding by $19,224,300 in 2023-24 and $30,611,300 in 2024-25.

With regard to the 5% general wage adjustment on July 1, 2023, and 3% general wage adjustment on July 1, 2024, for state and UW System employees, amounts in compensation reserves: (a) are adjusted to account for groups of employees who would be ineligible to receive the pay increases (assistant and deputy district attorneys, assistant state public defenders, and assistant and deputy attorneys general), or who would receive pay increases as elected officials on a later date (state legislators, constitutional officers, and elected district attorneys); and (b) due to an inadvertent calculation error, funding in 2024-25 is $114.4 million higher than would be necessary to support the intended pay increases.

Under the Wisconsin State Constitution, the compensation of a public officer may not be increased or decreased during the term of office, except that: (a) any increase in the compensation of members of the Legislature takes effect, for all Senators and Representatives, after the next general election beginning with the new Assembly term; and (b) any increase or decrease in the compensation of Justices of the Supreme Court or judges of any other court become effective for all Justices or judges, upon the election or appointment of any Justice or judge. Further, under state statute, the salary of each elected district attorney is established at the rate that is in effect for their office in the state employee compensation plan on the second Tuesday of July preceding the commencement of their term of office. Therefore, state legislators will next be eligible for a pay increase in January, 2025; the State Superintendent would next be eligible for a pay increase when assuming office in July, 2025; other constitutional officers would be eligible for a pay increase in January, 2027; and elected district attorneys would be eligible for a pay increase when assuming office in January, 2025.

In addition, the Department of Justice is authorized under current law to utilize existing resources to support annual salary increases for assistant attorneys general under a pay progression plan. Further, additional funding for salary increases is provided separately elsewhere in the budget for assistant and deputy district attorneys, assistant attorneys general, and assistant state public defenders. Information relating to these increases may be found under sections of this document for "District Attorneys," "Justice," and "Public Defender."

Generally, compensation reserves represent reserves in the budget to provide funding for any increases in state employee salary and fringe benefit costs that may be required in the biennium, but for which funding is not included in individual agency budgets as a part of the biennial budget. The reserve funds are not allocated at the time of budget development to individual agencies because neither the amount of any salary or fringe benefit cost increases, nor the specific amount of funding needed by each individual agency, is known at the time of budget development. Typically, amounts within compensation reserves are funds to pay for: (a) the employer share of increased premium costs in the forthcoming fiscal biennium for state employee health insurance; (b) the costs of any general wage adjustments or other proposed pay increases; (c) increases in the employer share of contributions to the state retirement fund for employees' future state retirement benefits; and (d) the accumulated sick leave conversion credit program, income continuation benefits, and payments for pension obligation bonds issued to cover the state's unfunded prior service liability for retirement benefits and unfunded liability for sick leave conversion credits.

[Bill Section: 255]

2. REQUIRED GENERAL FUND STATUTORY BALANCE

Governor: Provide that the required general fund statutory balance would be $600 million beginning in fiscal year 2023-24 and in each fiscal year thereafter.

Under current law, the required balance is $100 million in 2023-24 and $105 million in 2024-25, and in future fiscal years the prior year amount plus $5 million, but not to exceed 2% of total GPR appropriations plus GPR compensation reserves for each fiscal year.

[Bill Sections: 253 and 254]

BUDGET STABILIZATION FUND

Budget Change Item

1. TRANSFER TO BUDGET STABILIZATION FUND

GPR-Transfer	$500,000,000

Governor: Transfer $500,000,000 from the general fund to the budget stabilization fund in fiscal year 2023-24. The budget stabilization fund currently has a balance of $1.76 billion.

[Bill Section: 9201(1)]

BUILDING COMMISSION

Budget Summary						FTE Position Summary
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	There are no full time positions authorized for the Building Commission.
GPR	$40,148,200	$44,443,100	$96,718,100	$60,864,800	75.8%	
PR	561,400	911,200	2,083,100	1,871,500	166.7	
SEG	1,024,200	1,024,200	1,024,200	0	0.0	
TOTAL	$41,733,800	$46,378,500	$99,825,400	$62,736,300	75.2%	

Budget Change Items

1. DEBT SERVICE REESTIMATE

GPR	$60,864,800
PR	1,871,500
Total	$62,736,300

Governor: Increase funding by $4,294,900 GPR in 2023-24 and $56,569,900 GPR in 2024-25 to reflect the reestimate of GPR debt service costs on state general obligation bonds and short-term debt issued for GPR-supported bonds. Increase funding by $349,800 PR in 2023-24 and $1,521,700 PR in 2024-25 for debt service on PR-supported bonds.

2. GPR TRANSFER TO THE CAPITAL IMPROVEMENT FUND

GPR-Transfer	$1,955,000,000

Governor: Transfer $1,955,000,000 in the 2023-25 biennium from the general fund to the state capital improvement fund. Specify that the moneys transferred under this provision would be kept separate from other moneys in the capital improvement fund and would have to be used, in lieu of bonding, to fund building projects authorized in the 2023-25 State Building Program. All earnings on or income from the investment of the transferred moneys would be deposited in the general fund. Additionally, any excess moneys that are not used to fund building projects would be transferred to the general fund.

[Bill Sections: 189 and 9251(1)]

3. PR TRANSFER TO THE CAPITAL IMPROVEMENT FUND

Governor: Increase the existing PR appropriation under DOA for facility operations and maintenance and police and protection functions by $40 million in 2023-24. The Executive Budget Book indicates that this funding is intended to be transferred to the capital improvement fund for state building projects enumerated in the capital budget. The fiscal effect of this item is shown under the Department of Administration (DOA).

4. TRANSFER TO THE BUILDING TRUST FUND

Governor: Transfer $18,000,000 from DOA's capital planning and building construction services program revenue appropriation to the building trust fund in 2023-24. The DOA program revenue appropriation receives moneys for the provision of building construction and capital planning services provided on behalf of state agencies. These amounts include amounts assessed to building program projects by the DOA Division of Facilities Development for their management of those projects and for assistance to the Building Commission in the performance of their duties. The fiscal effect of this item is shown under the Department of Administration (DOA).

[Bill Section: 9204(1)]

5. GENERAL OBLIGATION REFUNDING AUTHORITY

Governor: Increase the amount of state public debt that may be contracted to refund unpaid indebtedness for tax-supported or self-amortizing facilities by $1.725 billion, from $9.51 billion to $11.235 billion. Under current law, the Building Commission is authorized to contract public debt of up to $9.51 billion to refund unpaid premium and interest amounts for tax-supported or self-amortizing facilities. Debt incurred under this appropriation is repaid from the appropriations that provide for the retirement of public debt incurred for facilities in proportional amounts to the purposes for which the debt was refinanced. No bonds may be issued unless the true interest costs to the state can be reduced.

[Bill Section: 557]

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$995,000	$5,145,000	$5,145,000	$8,300,000	417.1%	0.00	0.00	0.00	0.00	N.A.
FED	664,900	656,700	656,700	- 16,400	- 1.2	1.00	1.00	1.00	0.00	0.0%
PR	1,568,300	1,732,100	1,732,100	327,600	10.4	6.00	6.00	6.00	0.00	0.0
SEG	15,000	15,000	15,000	0	0.0	0.00	0.00	0.00	0.00	N.A.
TOTAL	$3,243,200	$7,548,800	$7,548,800	$8,611,200	132.8%	7.00	7.00	7.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

FED	- $16,400
PR	327,600
Total	$311,200

Governor: Provide $155,600 (-$8,200 FED and $163,800 PR) annually to reflect the net effect of the following standard budget adjustments: full funding of continuing salaries and fringe benefits (-$8,200 FED and $157,200 PR annually) and full funding of lease costs ($6,600 PR annually).

2. FAMILY RESOURCE CENTERS

GPR	$8,300,000

Governor: Provide $4,150,000 annually to increase, from $995,000 to $5,145,000, annual GPR funding for grants distributed by the Board. This item is intended to increase funding for grants to family resource centers (FRCs) to expand service to all areas of the state, serve more families, and provide financial stability for FRCs.

Current law requires the Board to distribute grants to FRCs in urban and rural communities throughout the state. The FRCs use the grant funds to provide direct parent education, family support, and referrals to other social services programs and outreach programs to all families in their service areas. The Board also uses federal grant funding to support FRCs, primarily from the Community-Based Child Abuse Prevention (CBCAP) grant, which typically provides approximately $600,000 annually. The Board indicates that FRCs currently rely primarily on local government and philanthropic grant funding to maintain their operations, although these grants are often limited to specific services, programs, and population groups. The GPR appropriation affected also supports other grants the Board distributes, including for child sexual abuse prevention and abusive head trauma prevention.

CHILDREN AND FAMILIES

	Budget Summary					FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$504,827,800	$682,124,500	$839,206,200	$511,675,100	50.7%	232.92	244.44	244.44	11.52	4.9%
FED	822,280,400	919,792,700	970,751,600	245,983,500	15.0	409.24	385.72	382.72	- 26.52	- 6.5
PR	120,919,100	123,723,500	123,836,600	5,721,900	2.4	179.51	181.51	181.51	2.00	1.1
SEG	9,274,700	9,274,700	9,274,700	0	0.0	0.00	0.00	0.00	0.00	N.A.
TOTAL	$1,457,302,000	$1,734,915,400	$1,943,069,100	$763,380,500	26.2%	821.67	811.67	808.67	- 13.00	- 1.6%

Budget Change Items

TANF and Economic Support

1. TANF AND CCDF-RELATED REVENUES AND EXPENDITURES

This item presents an overview of the Administration's estimates of revenue available to fund economic support and TANF-funded programs in the 2023-25 biennium, and how funding for these programs would be budgeted under the bill. "TANF" refers to the federal temporary assistance for needy families program. "CCDF" refers to the Child Care Development Fund, which is comprised of funding the state receives under the federal Social Security Act and the Child Care and Development Block Grant (CCDBG).

Revenues. The Administration estimates total revenues for TANF-related programs at $659.0 million in 2023-24 and $662.6 million in 2024-25. State funding includes $174.7 million annually consisting of: (a) $160.4 million GPR (the state's TANF maintenance of effort amount) and a transfer of $0.7 million GPR for state child care administration; (b) $4.5 million PR; and (c) $9.1 million SEG) annually. The program revenue includes the state's share of overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, and child care licensing fees. The segregated revenue is from the utility public benefits fund. Ongoing federal funding is estimated at $484.2 million in 2023-24 and $487.9 million in 2024-25. Federal funds include monies from the TANF block grant, the child care development block grant, and recoveries of overpayments to Wisconsin Works (W-2) recipients. The carryover from the 2022-23 ending TANF balance is estimated at $460.6 million.

The following table summarizes the Governor's recommendations for the Department's TANF- and CCDF-supported programs.

Summary of TANF/CCDF Budget
Governor

	2021-22 Actual	2022-23 Adjusted Base	Governor's Budget Total 2023-24	Governor's Budget Total 2024-25	Change to Base 2023-24	Change to Base 2024-25	Item
Opening Balance (Carryover)	$360,174,400		$460,565,500	$314,802,300			
Revenue							
GPR Appropriations Base Funding	$160,848,400	$160,381,400	$161,070,100	$161,070,100	$688,700	$688,700	
FED -- TANF Block Grant	312,846,000	311,009,600	307,336,800	311,009,600	-3,672,800	0	
FED -- CCDF	158,281,000	163,919,100	172,614,100	172,614,100	8,695,000	8,695,000	
FED -- CCDF & TANF Recoveries	2,240,500	4,287,600	4,287,600	4,287,600	0	0	
PR -- Child Support Collections	2,070,100	2,749,000	2,749,000	2,749,000	0	0	
PR -- Child Care Fees	1,661,300	1,530,800	1,500,000	1,500,000	-30,800	-30,800	27
PR -- Social Services Block Grant	100,000	100,000	100,000	100,000	0	0	
PR -- Public Assistance Recoveries	38,800	160,600	160,600	160,600	0	0	
SEG -- Public Benefits Fund (SEG)	9,139,700	9,139,700	9,139,700	9,139,700	0	0	
Total Revenues	$647,225,800	$653,277,800	$658,957,900	$662,630,700	$5,680,100	$9,352,900	
Expenditures							
Child Care							
Direct Child Care Services	$281,913,200	$383,900,400	$385,628,800	$403,573,700	$1,728,400	$19,673,300	2, 3, 4, 5, 6
Quality Care for Quality Kids	16,032,600	16,683,700	42,850,900	42,647,700	26,167,200	25,964,000	8, 9, 10, 11
State Administration and Licensing	36,802,200	42,877,700	45,957,600	46,043,900	3,079,900	3,166,200	12
Employment Programs							
W-2 Benefits	27,034,100	34,000,000	30,717,200	32,913,100	-3,282,800	-1,086,900	13
W-2 Worker Supplement	437,500	2,700,000	2,700,000	2,700,000	0	0	
W-2 Service Contracts	44,983,800	57,071,200	52,580,300	59,854,900	-4,490,900	2,783,700	14
Transitional/Transform Milwaukee Jobs	5,987,200	9,500,000	11,200,000	11,200,000	1,700,000	1,700,000	15
Children First	425,300	1,140,000	1,140,000	1,140,000	0	0	
Child Welfare Programs							
Kinship Care Benefits & Assessments	24,656,900	31,441,800	43,574,100	53,719,500	12,132,300	22,277,700	16
Child Welfare Safety Services	8,819,200	10,314,300	6,282,400	6,282,400	-4,031,900	-4,031,900	17
Child Welfare Prevention Services	6,789,600	6,789,600	6,789,600	6,789,600	0	0	
Child Abuse Prevention Grant	469,500	500,000	500,000	500,000	0	0	
Substance Abuse Prevention Grant	0	500,000	500,000	500,000	0	0	
Housing Programs							
Emergency Assistance	1,694,100	6,000,000	6,000,000	6,000,000	0	0	
Homeless Grants	0	500,000	1,000,000	1,000,000	500,000	500,000	18
Case Mgt. Services for Homeless --	500,000	500,000	500,000	500,000	0	0	
Grant Programs							
Boys & Girls Clubs of America	2,713,800	2,807,000	3,307,000	3,307,000	500,000	500,000	19
GED Test Assistance	229,300	241,300	241,300	241,300	0	0	
Adult Literacy	118,100	118,100	118,100	118,100	0	0	
Legal Services	500,000	500,000	1,000,000	1,000,000	500,000	500,000	20
Families and Schools Together	199,500	250,000	500,000	500,000	250,000	250,000	21
Jobs for America's Graduates	378,300	500,000	1,000,000	1,000,000	500,000	500,000	22
Wisconsin Community Services	371,200	400,000	400,000	400,000	0	0	
Fostering Futures	437,500	560,300	560,300	560,300	0	0	
Offender Reentry	229,200	0	0	0	0	0	
Child Support Debt Reduction	0	0	3,472,000	6,944,000	3,472,000	6,944,000	23
Administrative Support							
Public Assistance and TANF Admin.	15,272,900	17,820,700	19,160,100	19,569,100	1,339,400	1,748,400	24
Local Fraud Prevention	430,600	605,500	605,500	605,500	0	0	

	2021-22 Actual	2022-23 Adjusted Base	Governor's Budget Total 2023-24	Governor's Budget Total 2024-25	Change to Base 2023-24	Change to Base 2024-25	Item
Funding Transfers to Other Agencies							
DHS -- SSI Caretaker Supplement	18,564,700	18,145,000	12,762,400	12,188,900	-5,382,600	-5,956,100	25
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	0	0	
DOR -- Earned Income Tax Credit	53,850,000	66,600,000	109,020,000	111,260,000	42,420,000	44,660,000	26
Total Expenditures	$564,493,800	$727,620,100	$804,721,100	$847,712,500	$77,101,000	$120,092,400	
Year-End Closing Balance	$442,906,400		$314,802,300	$129,720,500			

Expenditures. Under the bill, the total amount that would be budgeted for TANF-related programs would be $804.7 million in 2023-24 and $847.7 million in 2024-25. These amounts include all funds, and represent an increase from the base budget of $77.1 million in 2023-24 and an increase of $120.1 million in 2024-25. Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2023-25 biennium would be $129.7 million, which could be carried over into the 2025-27 biennium. Although not funded under the bill, the date by which DCF must submit its evaluation of the offender re-entry program would be extended from June 30, 2023, to June 30, 2024. Finally, the bill retitles TANF allocations for child welfare prevention services.

[Bill Sections: 1058, 1059, 1071, 1072, and 9406(4)]

2. DIRECT CHILD CARE SERVICES -- OVERVIEW

The following table summarizes the Governor's recommended funding that would be allocated, by statute, for direct child care services. The table includes the next four items: (a) the reestimated cost-to-continue base subsidies for the Wisconsin Shares child care subsidy program; (b) changing Wisconsin Shares authorizations based on full- and part-time authorizations, rather than on an hourly basis; (c) providing an exemption to the Wisconsin Shares income eligibility requirements for direct care workers; and (d) increased funding for tribal child care contracts.

Budget Items	Base Funding	2023-24	2024-25	Change to Base 2023-24	Change to Base 2024-25
Wisconsin Shares Reestimate	$369,045,400	$316,339,000	$316,339,000	-$52,706,400	-$52,706,400
Part/Full-Time Authorization	0	53,459,800	71,279,700	53,459,800	71,279,700
Direct Care Income Disregard	0	600,000	600,000	600,000	600,000
County Contracts	14,855,000	14,855,000	14,855,000	0	0
Tribal Contracts	0	375,000	500,000	375,000	500,000
Total	$383,900,400	$385,628,000	$403,573,700	$1,728,400	$19,673,300

[Bill Section: 1052]

3. DIRECT CHILD CARE -- WISCONSIN SHARES SUBSIDY REESTIMATE

FED	- $105,412,800

Governor: Decrease funding for direct child care services by $52,706,400 annually to reflect estimates of the funding needed to fully support subsidies under the Wisconsin Shares program in the 2023-25 biennium. Federal TANF and CCDF funding supports Wisconsin Shares subsidies.

The estimate is based on two factors which suggest that subsidy costs in the 2023-25 biennium will be less than the 2022-23 base allocation. First, Wisconsin Shares caseloads as of January, 2023, remain 15% below the pre-pandemic level in January, 2020. Second, current law restricts subsidies from exceeding a provider's market price, and thus Wisconsin Shares issuance has not yet fully reflected the subsidy increase provided under Act 58 (the 2021-23 biennial budget act). DCF estimates that approximately 1,000 providers raised their prices since January, 2022, whereas the subsidy "capped out" at 15,900 providers as of the end of July, 2022. [Under Wisconsin Shares, total reimbursement payments to any provider may not exceed the provider's market price.]

4. DIRECT CHILD CARE SUBSIDIES -- PART-TIME AND FULL-TIME AUTHORIZATIONS

FED	$124,739,500

Governor: Provide $53,459,800 in 2023-24 and $71,279,700 in 2024-25 to fund the full cost of implementing Wisconsin Shares authorizations based on part-time and full-time authorizations, instead of exact hourly authorizations. Under current practice, authorizations for child care may be for full-time care (between 35 and 50 hours per week) or part-time care (less than 35 hours per week). Additional time may also be authorized, although a child cannot be authorized for more than 75 hours per week.

Federal law requires that subsidy payments reflect generally accepted payment practices of child care providers who serve children who do not receive CCDF subsidies, including payments made based on full- or part-time reservations. The federal Administration for Children and Families conditionally approved the state's federal fiscal years 2022-2024 CCDF plan with the requirement that DCF develop new policies for rate authorizations using part-time and full-time authorizations.

According to DCF, under the new system, authorizations under 21 weekly hours would receive a part-time rate, and authorizations of 21 hours or more would receive a full-time rate. DCF estimates the cost of this change is $71.3 million on an annualized basis, with the new authorizations beginning October, 2023.

5. DIRECT CHILD CARE -- INCOME DISREGARD FOR DIRECT CARE WORKERS

FED	$1,200,000

Governor: Increase funding by $600,000 annually to support the estimated costs of disregarding up to $10,000 of income of direct care workers when applying for, and calculating Wisconsin Shares subsidies.

Initial eligibility for the child care subsidy program is limited to families with gross income of no more than 185% of the FPL ($45,991 for a family of three in 2023). In general, this includes all earned and unearned income of the individual, except: (a) assistance received for participation in W-2; (b) federal and state earned income tax credits and any federal income tax refund; (c) certain types of loans, in-kind income, and vendor payments; (e) income earned by a dependent child; (f) child support payments, if less than $1,250 per month; and (g) federal or state student financial aid or any scholarship used for tuition and books. However, under administrative rules, any income from sources that must be disregarded by federal or state law for purposes of determining eligibility for means-tested programs are not counted as income.

The bill contains no statutory changes relating the use of this disregard, as DCF would implement this change as a matter of policy. Although not specified in the bill, the Administration indicates that, for these purposes, a "direct care worker" would include a worker who is primarily paid for caregiving work, such as a personal care worker, home health aide, or certified nursing assistant.

According to DCF, the estimated cost of disregarding up to $10,000 when calculating child care subsidies for current direct care workers who participate in Wisconsin Shares is $600,000 annually. However, the income disregard policy would also apply to financial eligibility determinations. Thus, additional funding would be needed to fund the cost for subsidies paid on behalf of new families that otherwise would not be eligible. According to DCF, the fiscal effect of this policy change is indeterminate.

6. DIRECT CHILD CARE SERVICES -- TRIBAL CONTRACTS

FED	$875,000

Governor: Provide $375,000 in 2023-24 and $500,000 2024-25 to increase funding for tribal child care contracts. Nine of the state's 11 tribes currently have child care contracts with DCF to carry out state child care certification activities, Wisconsin Shares authorizations and administration, and fraud prevention and investigations. The Administration intends to increase each of the existing tribal child care contracts by $55,555, which could support at least one additional FTE position per tribe.

7. CHILD CARE PARTNERSHIP PROGRAM

GPR	$22,396,000

Governor: Provide $11,198,000 annually to create a child care partnership grant program, including $10,000,000 annually to fund grants and $1,198,000 annually to fund contracted services to administer the program. Create an annual GPR appropriation to fund the grants.

Authorize DHS to award grants to businesses that provide, or wish to provide, child care services for their employees. Specify that a grant may be used to: (a) reserve child care placements for local business employees; (b) pay child care tuition; and (c) fund other costs related to child care. Authorize DCF to promulgate rules to administer the program, including rules to determine eligibility for grants. Require grantees to provide matching funds equal to at least 25% of the amount awarded. Define "business" as any organization or enterprise operated for profit or a nonprofit corporation, and does not include a governmental entity.

[Bill Sections: 442 and 1018]

	Funding	Positions
GPR	$303,108,700	4.00
FED	38,000,000	0.00
Total	$341,108,700	4.00

8. QUALITY CARE FOR QUALITY KIDS -- CHILD CARE IMPROVEMENT PROGRAM

Governor: Provide $100,389,400 ($81,389,400 GPR and $19,000,000 FED) in 2023-24 and $240,719,300 ($221,719,300 GPR and $19,000,000 FED) in 2024-25 to establish the Child Care Counts program as a permanent child care quality improvement program. The funding increases in the bill include: (a) $100,000,000 ($81,000,000 GPR and $19,000,000 FED) in 2023-24 and $240,000,000 ($221,000,000 GPR and $19,000,000 FED) in 2024-25 to fund payments to providers; and (b) $389,400 GPR in 2023-24 and $719,300 to fund DCF's costs of administering the program, including 4.0 GPR positions, beginning g in 2023-24.

Authorize DCF to establish a program to make monthly payments and monthly per-child payments to certified child care providers, licensed child care centers, and child care programs established or contracted for by a school board. Authorize DCF to promulgate rules to implement the program, including establishing eligibility requirements and payment amounts and setting requirements for how recipients may use the payments. Specify that DCF may promulgate the rules as emergency rules without providing a finding of an emergency.

Repeal an obsolete provision that prohibits DCF from increasing the maximum payment rates for child care providers before June 30, 2013.

The Child Care Counts stabilization payments program provides monthly payments to child care providers to support the costs of maintaining high quality care and to support workforce recruitment and retention. The payment period runs in two, nine-month blocks from August, 2022, through April, 2023, followed by a subsequent nine-month payment program from May, 2023, through January, 2024. Payments for provider costs are determined based on a per child amount by age (for example each full-time infant would increase the payment by $175) plus an additional amount for each child who: (a) receives Wisconsin Shares; (b) attends during non-standard hours; or (c) participates in a Birth-to-3 child care pilot program. Payments for staff recruitment and retention are determined based on an amount per employee ($150 for each full-time and $75 per part-time worker) plus a quality incentive amount for YoungStar participating providers (for example, $350 per full-time worker for 5-Star providers). The program is funded currently from one-time supplemental and emergency CCDBG funds the state received under the federal American Rescue Plan Act (ARPA).

[Bill Sections: 441, 1019, 1027, 1028, 1054, 9106(1)]

GPR	$840,000
FED	840,000
Total	$1,680,000

9. QUALITY CARE FOR QUALITY KIDS -- WELLPOINT EARLY CHILDHOOD EDUCATION CENTER

Governor: Provide $1,680,000 ($840,000 GPR and $840,000 FED) in 2023-24 to fund a one-time grant to the Wellpoint Care Network to establish an early childhood education center in the City of Milwaukee. Create a biennial GPR appropriation for this purpose, and repeal the appropriation effective July 1, 2025.

[Bill Section: 444, 445, 1054, 9106(3), and 9406(2)]

10. QUALITY CARE FOR QUALITY KIDS -- SOCIAL EMOTIONAL LEARNING INITIATIVE

FED	$3,291,200

Governor: Provide $1,327,200 in 2023-24 and $1,964,000 in 2024-25 to fund social emotional learning (SEL) for young children. Although not specified in the bill, the Administration indicates that this item would fund: (a) training and technical assistance to early childhood education programs provided by staff in each of five preschool development regions ($864,000 in 2023-24 and $1,152,000 in 2024-25); (b) regional lead staff that provide oversight of program coaches and trainers, support community integration teams, and support data collection and analysis ($476,700 in 2023-24 and $635,600 in 2024-25); (c) statewide management staff that would provide coordination and support for SEL and quality improvement, and represent SEL efforts on groups involved in child development issues ($219,800 in 2023-24 and $302,600 in 2024-25); and (d) statewide training, materials, an evaluation, technical support, and indirect costs ($301,700 in 2023-24 and $408,800 in 2024-25. In addition to the funding increase in the bill, base funding for SEL activities ($535,000) would also be used to support these costs.

11. QUALITY CARE FOR QUALITY KIDS -- NEW PROVIDER GRANTS

FED	$10,000,000

Governor: Provide $5,000,000 annually to provide grants for pre-licensing support, including start-up costs, to applicants interested in becoming child care providers. Although not specified in the bill, DCF would increase a current pre-licensing contract (currently $340,000 annually) to offer greater technical assistance and guidance to applicants who wish to become licensed providers. Further, DCF would implement a grant targeted to new providers within the child care counts program to support new providers. The Administration indicates that this would include $500,000 set aside to fund providers in tribal areas.

12. CHILD CARE -- STATE ADMINISTRATION

	Funding	Positions
GPR	$1,377,400	0.00
FED	4,868,700	- 1.00
Total	$6,246,100	- 1.00

Governor: Increase funding by $3,079,900 ($688,700 GPR and $2,391,200 FED) in 2023-24 and $3,166,200 ($688,700 GPR and $2,477,500 FED) in 2024-25 for state administration of child care programs, including the following.

Online Licensing. Provide $994,400 FED in 2023-24 and $426,900 FED in 2024-25 for the costs of transitioning childcare provider licensing from a paper-based system to an online format.

Child Care Counts IT. Provide $212,000 FED in 2023-24 and $424,000 FED in 2023-24 for ongoing maintenance, ad-hoc requests, and other IT changes as needed for the Child Care Counts program.

Child Care Counts Call Center Operations. Provide $100,000 FED in 2023-24 and $200,000 FED in 2024-25 to support call center operations assist grant recipients troubleshoot issues with Child Care Counts applications, payments, and regulations.

Child Care Statewide Administration on the Web (CSAW). Increase funding by $688,700

GPR annually to reflect the transfer of the administrative responsibilities for, and costs of, CSAW from the Department of Health Services to DCF. CSAW is used to create authorizations for families to receive Wisconsin Shares child care subsidies. A corresponding GPR reduction is reflected under "Health Services -- FoodShare and Public Assistance Administration."

CARES. Provide $126,200 FED in 2023-24 and $200,400 FED in 2024-25 to support administrative vendor contract costs for the Client Assistance for Re-employment and Economic Support (CARES) system.

Standard Budget Adjustments. Increase CCDF funding by $958,600 FED in 2023-24 and by $1,226,200 FED in 2024-25 to reflect standard budget adjustments, including: (a) turnover reduction (-$376,700 annually); (b) full funding of continuing position salaries and fringe benefits ($968,100 annually); (c) full funding of lease and directed moves costs (-$102,600 in 2023-24 and -$128,300 in 2024-25); and (d) a realignment of funding and positions within the Department (-$146,700 annually). Finally, a funding increase of $616,500 in 2023-24 and $909,800 in 2024-25 would be for staff costs associated with health insurance, retirement, and reserves.

[Bill Section: 1053]

13. WISCONSIN WORKS BENEFITS REESTIMATE

FED	- $4,369,700

Governor: Reduce funding for Wisconsin Works (W-2) benefits payments by $3,282,800 in 2023-24 and by $1,086,900 in 2024-25 to fund projected costs in the 2023-25 biennium. Base funding for W-2 benefits is $34,000,000, so a total of $30,717,200 in 2023-24 and $32,913,100 in 2024-25 in TANF funds would be budgeted for W-2 benefits payments under the bill.

The Administration uses unemployment rates prepared by the National Association for Business Economics in a model that incorporates the relationship between unemployment rates and paid W-2 caseload as the basis for its projections.

[Bill Section: 1042]

14. WISCONSIN WORKS SERVICE CONTRACTS

FED	- $1,707,200

Governor: Decrease funding for W-2 contracts by $4,490,900 in 2023-24 and increase funding by $2,783,700 in 2024-25 to reflect estimates of funding that DCF will need to support W-2 service contracts in the 2023-25 biennium. Base funding for contracts is $57,071,200, so a total of $52,580,300 in 2023-24 and $59,854,900 in 2024-25 would be budgeted for W-2 agency contracts under the bill. W-2 service contracts fund the costs of subsidized employment placements, work support services, education and training, and agency administration. The funding increase reflects the Administration's projections of W-2 agency caseload increases.

[Bill Section: 1043]

15. TRANSFORM MILWAUKEE AND TRANSITIONAL JOBS

FED	$3,400,000

Governor: Provide $1,700,000 annually to fund projected costs of expanding eligibility for the Transform Milwaukee (TMJ) and Transitional Jobs (TJ) subsidized jobs programs. Repeal two participation qualifications for the programs: (a) the requirement that individuals be unemployed for at least four weeks prior to participating in the program; and (b) the requirement that program participants cannot be eligible for unemployment insurance benefits. Instead, specify that applicants need only not have filed for such benefits or did file and were ineligible. DCF estimates an increase of up to 125 participants for each restriction removal.

The target populations for these subsidized job programs include individuals who are at least 18 years old but younger than 25 years old, parents with a child support order, parents under a reunification plan, parents who are ex-offender, and childless older youth under age 25. The programs also target services toward older youth in foster care between the ages of 18 and 24 who were in out-of-home care after age 16. To participate in TMJ, an eligible participant must reside in Milwaukee County, while participants in TJ must reside in a participating county.

[Bill Sections: 1030, 1031, and 1048]

16. KINSHIP CARE

FED	$34,410,000

Governor: Provide $12,132,300 in 2023-24 and $22,277,700 in 2024-25 to increase funding for monthly kinship care payments. In total, the bill would provide $43,574,100 in 2023-24 and $53,719,500 in 2024-25 to fund these payments.

As an alternative to foster care and other out-of-home care placements, monthly kinship care payments are provided by counties, tribes, and DCF (in Milwaukee County) to qualifying adults to support costs of caring for their relative children. The current kinship care rate -- $300 per child per month -- equals the current Level 1 foster care payment rate.

The funding change in the bill reflects the following three adjustments.

First, decrease funding by $4,130,700 in 2023-24 and $4,208,000 in 2024-25 to reflect projected costs of kinship care payments and assessments under current law, based on projected kinship care caseloads and benefit payments.

Second, increase funding by $8,436,300 in 2023-24 and $16,824,400 in 2024-25 to fund the estimated costs of modifying the program so that kinship caregivers would receive monthly payment amounts based on the age of the child (similar to monthly payments to foster care parents), and other supplemental payments foster parents currently receive. The Administration's estimates of the cost of these changes are as follows: (a) $8,264,700 in 2023-24 and $16,482,300 in 2024-25 to fund age-based level monthly payment rates); (b) $134,100 in 2023-24 and $267,400 in 2024-25 to fund sibling exceptional payments; and (c) $37,500 in 2023-24 and $74,700 in 2024-25 to fund one-time clothing allowances)

Third, increase funding by $7,826,700 in 2023-24 and $9,661,300 in 2024-25 to expand eligibility for kinship care to like-kin relationships, first cousin once-removed, and tribal designees. [For additional information on these proposals, see Child Welfare.]

[Bill Section: 1056]

17. CHILD WELFARE SAFETY SERVICES

GPR	$8,063,800
FED	- 8,063,800
Total	$0

Governor: Increase funding for child welfare services in Milwaukee County by $4,031,900 GPR annually and decrease FED (TANF) funding for child welfare safety services by a corresponding amount.

The Division of Milwaukee Child Protective Services is currently budgeted $3,637,880 FED to contract with Children's Hospital of Wisconsin-Community Service and Wellpoint Care Network, and a network other providers that offer intensive, in-home services for families. Federal law limits the use of TANF funding for these services to no more than four-month periods for families who are at risk of having their children removed from the home. Further, federal law prevents states from funding certain services, such as medical services, with TANF funds. By funding these intensive, in-home services with GPR rather than TANF, these current limitations on program services would not apply. TANF funding of $394,020 that supports child welfare intake services in Milwaukee County would also be replaced with GPR as part of this item.

[Bill Section: 1057]

18. HOMELESS CASE MANAGEMENT SERVICES GRANTS

FED	$1,000,000

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

Current law authorizes DOA to award up to 10 grants of up to $50,000 each to any shelter program. Grantees may use these funds to provide case management services, including: (a) services related to financial management; (b) employment-related services; (c) services intended to ensure continuation of school enrollment for children; and (d) services related to the enrollment of unemployed or under-employed parents in the FoodShare employment and training program or the Wisconsin Works program. For additional information, see "Administration -- Housing and Homelessness."

[Bill Section: 1045]

19. BOYS AND GIRLS CLUBS - GPR APPROPRIATION

GPR	$2,600,000
FED	1,000,000
Total	$3,600,000

Governor: Provide $1,800,000 ($1,300,000 GPR and $500,000 FED annually to increase a grant DCF provides to the Boys and Girls Clubs of Wisconsin. Create an annual GPR appropriation for this purpose.

Although not specified in the bill, the Administration indicates that the TANF funding increase would support the Wisconsin After Three program, an after-school program designed to improve social, academic, and employment skills of low-income youth through tutoring in math and English, study habits, and exposure to career options and role models. The GPR funding is intended to support mental health and substance abuse prevention services. DCF indicates that that approximately 40% of program participants would not be meet TANF eligibility requirements, and therefore state funding is needed to provide services that cannot be funded with TANF.

[Bill Sections: 443, 1040, and 1059]

20. CIVIL LEGAL SERVICES

FED	$1,000,000

Governor: Provide $500,000 annually to increase, from $500,000 to $1,000,000, annual funding DCF provides to the Wisconsin Trust Account Foundation, Inc. (WisTAF) to distribute grants to programs that provide legal services in certain civil matters.

Modify the program to: (a) permit grant recipients to use funding to provide eligible individuals civil legal services related to evictions; (b) repeal a provision that establishes a $75,000 annual maximum award amount any program can receive in a year; and (c) repeal provisions that authorizes DCF to identify underspending in the federal block grant aids appropriation for TANF and provide up to $100,000 of such funds to WisTAF under certain conditions, including that the funding be matched by private donations. [DCF indicates it does not currently make grants described under (c), as DCF would be required to underspend the statutory TANF allocations for other programs.]

WisTAF is a nonprofit organization established by the Wisconsin Supreme Court that provides grants to civil legal aid organizations that increase access to legal services. These grants may not be used for litigation against the state and, under current law, and may only be used to support specific civil legal services (related to domestic abuse, sexual abuse, or restraining orders for certain at-risk elderly and disabled individuals) for TANF-eligible individuals with household income less than 200% of the federal poverty level ($49,720 per year for a family of three in 2023).

[Bill Sections: 1032 thru 1038, and 1047]

21. FAMILIES AND SCHOOLS TOGETHER

FED	$500,000

Governor: Provide $250,000 annually to increase funding for the families and schools together (FAST) program from $250,000 to $500,000 annually. Specify that the additional funding would be distributed only if the recipient provides matching funds.

FAST is a prevention/early intervention program for elementary school-aged children that connects schools, families and communities in five elementary schools in Milwaukee Public Schools selected by DCF. Parents participate in monthly group meetings over a period of eight weeks to enhance family functioning, strengthen infant or scholastic development, and prevent substance abuse and delinquency.

[Bill Section: 1044]

22. JOBS FOR AMERICA'S GRADUATES PROGRAM

FED	$1,000,000

Governor: Provide $500,000 annually to expand the Jobs for America's Graduates (JAG) program to up to five additional schools in rural and urban areas of the state. Total funding for the program would increase from $500,000 to $1,000,000 annually, beginning in 2023-24.

JAG is a state-based national nonprofit organization that assists youth in reaching economic and academic success. Services involve classroom instruction, adult mentoring, leadership development, guidance and counseling, job and postsecondary education placement services, links to community services, and 12-month follow-up services. In 2020-21, the JAG program served 290 students (116 of whom were funded through DCF) in Chippewa, Clark, Dane, Jackson, Marathon, Milwaukee, Monroe, and Rock Counties.

[Bill Section: 1049]

23. CHILD SUPPORT DEBT REDUCTION PROGRAM

FED	$10,416,000

Governor: Create a new statutory TANF allocation and provide $3,472,000 in 2023-24 and $6,944,000 in fiscal year 2024-25 to support a new child support debt reduction program. Direct DCF to promulgate rules to implement the program, including how the debt reduction would be apportioned among multiple child support orders.

Specify that a noncustodial parent would qualify if all of the following apply: (a) the noncustodial parent completes an eligible employment program, as defined by DCF in its rules; and (b) the custodial parent agrees to reduce child support debt owed up to the amount of the benefit paid. Provide that a noncustodial parent may not receive debt reduction more than once in a 12-month period.

[Bill Sections: 1050, 1069, 9106(4) and 9406(3)]

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

FED	$3,087,800

Governor: Increase funding by $1,339,400 in 2023-24 and $1,748,400 in 2024-25 to support the costs of administering TANF-related programs, including the following.

BRITS. Provide one-time funding of $118,300 in 2023-24 and $322,900 in 2024-25 for enhancements and system upgrades for the Benefit Recovery Investigation Tracking System (BRITS). BRITS is an IT system used by DCF, DHS, and county income maintenance staff to assist in the recovery of overpayments made under several public assistance programs. The program became operational in 2017, and additional features to the system are in development.

HOPE. Provide $187,200 annually to support a contracted position to manage implementation of a new Housing, Opportunity, Planning, and Empowerment (HOPE) program, DCF indicates that the program would provide financial literacy and empowerment services to families receiving Wisconsin Works benefits.

eWiSACWIS. Provide one-time funding of $268,800 in each year of the biennium to support the vendor contract to develop mobile solutions and other advancements to the Wisconsin statewide automated child welfare information system (eWiSACWIS).

CARES. Provide $199,200 in 2023-24 and $316,400 in 2024-25 to support administrative vendor contract costs for the Client Assistance for Re-employment and Economic Support (CARES) system.

Homeless Case Management Services. Provide $14,900 in 2023-24 and $36,600 in 2024-25 to support staffing costs for the homeless case management services grant program.

Standard Budget Adjustments. Increase TANF funding by $551,000 in 2023-24 and by $616,500 in 2024-25 to reflect standard budget adjustments, including: (a) turnover reduction (-$127,500 annually); (b) full funding of continuing position salaries and fringe benefits ($428,100 annually); and (c) full funding of lease and directed moves costs ($22,300 in 2023-24 and $11,800 in 2024-25). Finally, a funding increase of $228,100 in 2023-24 and $304,100 in 2024-25 would be for staff costs associated with health insurance, retirement, and reserves.

[Bill Section: 1046]

25. CARETAKER SUPPLEMENT

FED	- $11,338,700

Governor: Reduce funding by $5,382,600 in 2023-24 and $5,956,100 in 2024-25 to reflect a reestimate of TANF-supported 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 receiving state and federal SSI benefit payments, 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.

Base TANF funding budgeted in DCF for benefits and administration of the caretaker supplement is $18,145,000. DHS funds caretaker supplement payments with a combination of GPR and TANF transferred from DCF. The GPR budgeted for payments is provided to enable the state to continue to meet federal SSI maintenance of effort requirements.

Under the bill, a total of $12,762,400 in 2023-24 and $12,188,900 in 2024-25, funded from TANF, would be budgeted to fund caretaker supplement payments and program administration costs.

[Bill Section: 1055]

26. EARNED INCOME TAX CREDIT

FED	$87,080,000

Governor: Increase funding for the refundable portion of the earned income tax credit by $42,420,000 in 2023-24 and $44,660,000 in 2024-25. The funding would support modifications to the tax credit, which would increase the amounts qualifying individuals could claim. [See "General

Fund Taxes -- Refundable Tax Credits and Other Payments."]

Under the bill, the total TANF funding that would be budgeted to fund the refundable portion of the earned income tax credit would increase from $66,600,000 to $109,020,000 in 2023-24 and $111,260,000 in 2024-25.

[Bill Section: 1061]

27. SKILLS ENHANCEMENT GRANTS

GPR	$500,000

Governor: Increase funding for skills enhancement grants by $250,000 annually. Base funding for the program is $250,000, so $500,000 would be budgeted annually for DCF to provide as grants to community action agencies (CAAs).

CAAs use grant funds to assist eligible persons overcome barriers to employment and education, including access to transportation, child care, career counseling, job placement assistance, and financial support for education and training. These services are limited to individuals who work at least 20 hours per week and whose earned income is at or below 150 percent of the federal poverty level ($37,290 for a family of three in 2023).

28. CHILD CARE FEE REVENUE REESTIMATE

FED	$61,600
PR	- 61,600
Total	$0

Governor: Reduce child care licensing fee revenue (PR) by $30,800 annually to reflect estimates of child care licensing fee revenue to support program costs. Further, increase funding from the TANF block grant (FED) for TANF-related programs in a corresponding amount. This reestimate of program revenue and reallocation of TANF is reflected as: (a) a reduction in PR expenditures, with corresponding FED increases, for administrative standard budget adjustments of $112,200 in 2023-24 and $97,500 in 2024-25; and (b) an increase of $81,400 PR in 2023-24 and $66,700 PR in 2024-25 budgeted for program administration (supplies and services), with corresponding decreases in federal spending.

29. TANF ALLOCATIONS

Governor: Redefine "allocate" to mean, with respect to any of the programs listed in the statutory schedule of TANF-funded programs that fund a contract for services, to designate an amount of money equal to the amount under the contract that DCF is obligated to pay.

According to DCF, contract vendors often bill for the final month or quarter after services are performed and after the end of the fiscal year. This has the effect of the state budget system accounting for the previous year's TANF expenditures at the beginning of the next fiscal year. As a result, the TANF allocation is underspent in the first year and overspent in the second.

With the proposed change, the timing of expenditures would not affect the allocations specified in the statutory schedule. DCF could contract to spend the exact amounts each fiscal year without underspending caused by end of year billing cycles. Current law provisions requiring DCF to seek permission from the Joint Committee on Finance in order to reallocate funding between programs would continue to apply.

[Bill Section: 1041]

Child Welfare

1. DOMESTIC ABUSE SERVICES

GPR	$40,434,600

Governor: Provide $20,217,300 annually to increase grant funding for domestic abuse services.

First, create a new program, the Living Independently through Financial Empowerment (LIFE) program, to provide assistance to survivors of domestic abuse. Create an appropriation for the program, and authorize DCF to allocate up to $14,000,000 annually to fund the LIFE program. Specify that DCF may contract with a Wisconsin Works agency to administer the program.

Second, provide the remaining $6,217,300 per year to increase grant funding budgeted under the domestic abuse grant program DCF currently administers. Under current law, DCF provides grant funding to nonprofit organizations and public agencies that provide shelter, advocacy, counseling, 24-hour phone assistance, and community education related to domestic abuse. Under the bill, total annual funding for this grant program would increase from $12,434,600 to $18,651,900. Of this funding, the statutes currently require grants for specific purposes totaling $1,648,900.

[Bill Sections: 428 and 1039]

2. INTENSIVE FAMILY PRESERVATION SERVICES

	Funding	Positions
GPR	$33,163,400	1.00
FED	2,671,400	1.00
Total	$35,834,800	2.00

Governor: Provide $17,889,000 ($16,567,500 GPR and $1,321,500 FED) in 2023-24 and $17,945,800 ($16,595,900 GPR and $1,349,900 FED) in 2024-25 and 2.0 positions (1.0 FED and 1.0 GPR), beginning in 2023-24, to provide intensive services to promote children's safety and prevent removal from the home and stabilize children in out-of-home care and the juvenile detention system to support their placement in the least-restrictive setting appropriate. Create an appropriation for this purpose and authorize DCF to provide these services or to contract with another entity to do so, including providing training, oversight, data analysis, and funds for certification or licensing related to implementing these services. Authorize DCF to develop criteria and standards for administering these services, and exempt these criteria and standards from the administrative rulemaking process. Separately, authorize DCF to create, maintain, and require use of a clearinghouse for group care referrals.

The Administration indicates that few in-home prevention services are currently available to families. The largest prevention programs funded by the state are the Family Foundations Home Visiting program and grant programs operated by the Child Abuse and Neglect Prevention Board. DCF identifies the Intercept model developed by Youth Villages, which is listed as well-supported by evidence on the national Title IV-E prevention services clearinghouse, as an example of a service delivery structure that could be supported with this funding. The Intercept model would provide mental health interventions, 24/7 crisis support, guidance through school and legal challenges, and parent training.

This item includes $17,718,400 ($16,482,200 GPR and $1,236,200 FED under Title IV-E) annually to reflect DCF's estimate of the cost to provide intensive services through 26 locations across the state, using the Intercept model as the basis for estimates. The position authority and remaining funding ($170,600 in 2023-24 and $227,400 in 2024-25) reflects DCF's intent to add two advanced program and policy analysts to administer the program, funded with 50% Title IV-E matching.

[Bill Sections: 426, 892, and 894]

3. KINSHIP CAREGIVER SUPPORTS AND SEARCH SERVICES

GPR	$16,496,500

Governor: Provide $8,259,400 in 2023-24 and $8,237,100 in 2024-25 to provide additional support for kinship care providers and to assist in identifying potential kinship care placements.

Authorize DCF and county child welfare agencies to provide additional payments or services to support kinship care providers and create a GPR appropriation for that purpose. Authorize DCF to promulgate rules implementing such supports, including specifying eligibility criteria and qualifying costs and services.

This item includes $7,868,200 in 2023-24 and $7,845,900 in 2024-25 to fund flexible supports for kinship care providers. DCF indicates that services and financial support could provide assistance with costs of care that may otherwise jeopardize a placement or potential placement, such as clothing, food, transportation, child care, and extra-curricular activities. The funding amount reflects DCF estimates that 41% of court-ordered and voluntary kinship care placements would receive supports, at an average annual cost of $3,500 per child.

The remaining funding ($391,200 annually) reflects DCF's intent to contract for access to a national database to identify relatives of a child. DCF and county child welfare agencies would use this service to improve their ability to identify potential kinship care placements.

[Bill Sections: 437, 933, and 938]

4. FOSTER CARE AND KINSHIP CARE RATES

GPR	$1,176,100
FED	618,500
Total	$1,794,600

Governor: Provide $598,200 ($392,000 GPR and $206,200 FED) in 2023-24 and $1,196,400 ($784,100 GPR and $412,300 FED) in 2024-25 to increase base monthly rates paid to foster care providers.

Increase the base monthly rates for basic foster care (level two) and treatment foster care (levels three through five) by 5%, to the amounts shown in the table below.

	Current Rate	Proposed Rate
Up to Age Five	$420	$441
Ages Five through 11	460	483
Ages 12 through 14	522	548
Ages 15 and Over	545	572

Modify monthly rates paid to kinship care providers and foster care providers with child-specific (level one) licenses (typically relatives or others with a close relationship to the child they are fostering) so that, rather than receiving a flat $300 payment regardless of the age of the child, the kinship care or relative foster care payment would equal the same age-based rates paid to basic and treatment foster care providers.

Specify that these rate increases would take effect January 1, 2024. Increase the statutory amount paid to counties under Children and Family Aids to account for the estimated cost to counties to provide increased foster care payments.

The funding amount reflects $1,087,600 (all funds) per year for the 5% increase to basic and treatment foster care base rates and $108,800 (all funds) per year for the increase of relative foster care rates to match the age-based rates, beginning January 1, 2024. The federal share of the funding reflects estimated reimbursements under Title IV-E. Kinship care payments are fully supported by TANF funds. As summarized under an item in "TANF and Economic Support," the bill would increase FED TANF funding by $8,264,700 in 2023-24 and $16,482,300 in 2024-25 to reflect the Administration's estimate of the cost of implementing these changes in kinship care payments.

While counties, other than Milwaukee, are financially responsible for foster care payments, child welfare operations, and related services, DCF distributes Children and Family Aids (CFA) to counties to support these costs. Of the funding provided, the bill appropriates $396,200 ($259,600 GPR and $136,600 FED) in 2023-24 and $792,400 ($519,300 GPR and $273,100 FED) to increase CFA payments by the estimated cost counties would incur to provide the increased rates. Base CFA funding on an all-funds basis is $101,162,800 per year.

[Bill Sections: 916, 920, 944, 970, 9406(1)]

5. EXCEPTIONAL PAYMENTS FOR KINSHIP CARE AND RELATIVE FOSTER CARE

GPR	$12,800
FED	6,900
Total	$19,700

Governor: Provide $9,400 ($6,100 GPR and $3,300 FED) in 2023-24 and $10,300 ($6,700 GPR and $3,600 FED) in 2024-25 to increase rates paid to foster care providers with child-specific (level one) licenses, who are typically relatives or others with a close relationship to the child they are fostering, to include exceptional payments to allow siblings or a minor parent and their child to be placed together and an initial clothing allowance. Modify administrative code related to exceptional payments made to basic foster care (level two) and treatment foster care (levels three through five) providers to permit these payments to relative foster care providers.

Separately, modify statutes to permit the same exceptional payments to be made to kinship care providers, and authorize DCF to promulgate rules implementing these payments. Create administrative rules specifying that these exceptional payments may be made, subject to a maximum amount determined by DCF.

Authorize emergency payments to kinship care providers, subject to DCF approval and in amounts determined by DCF, if any of the following apply to the location where the kinship care provider lives: (a) the Governor has declared a state of emergency; (b) the federal government has declared a major disaster; (c) the state has received federal funding for child welfare purposes due to an emergency or disaster; or (d) DCF determines that conditions such as a pandemic or other public health threat, a natural disaster, or unplanned school closures of five or more consecutive days have resulted in a temporary increase in care costs. Authorize DCF to promulgate administrative rules to implement these emergency payments.

The federal share of the funding provided reflects estimated reimbursements under Title IV-E. Kinship care payments are fully supported by TANF funds. As described under "TANF and Economic Support," the bill would provide an additional $171,600 FED in 2023-24 and $342,100 FED in 2024-25 in TANF funds to make these supplemental payments to kinship care providers, beginning January 1, 2024.

While counties, other than Milwaukee, are financially responsible for foster care payments, child welfare operations, and related services, DCF distributes Children and Family Aids (CFA) to counties to support these costs. Of the funding provided, the bill provides $5,700 ($3,800 GPR and $1,900 FED) in 2023-24 and $6,400 ($4,200 GPR and $2,200 FED) to increase CFA payments by the estimated cost counties would incur to provide the exceptional payments. Base CFA funding on an all-funds basis is $101,162,800 per year.

[Bill Sections: 916, 928, 932, 939, 940, 956, 963, 964, 3397, and 3398]

6. ELIGIBILITY OF LIKE-KIN FOR KINSHIP CARE

Governor: Provide $7,826,700 in 2023-24 and $9,661,300 in 2024-25 in TANF funding, as described under "TANF and Economic Support," to expand eligible placements under the kinship care program to include adults with a strong relationship to the child similar to a familial relationship. Make statutory changes to implement this expansion, as detailed below.

Kinship care is one potential court-ordered or voluntary out-of-home care placement setting, similar to foster care or congregate care. Under current law, children can be placed with any descendant of their great-great-great-grandparents other than third cousins, cousins once removed, or more distant cousins, including step-siblings, -uncles, and -aunts, and including the spouse or former spouse of any such relative. Relatives providing kinship care do not need to be licensed as foster care providers, although they may be required to pursue licensure to continue receiving monthly kinship care payments.

The bill would permit kinship care placements with first cousins once removed and with like-kin, defined as people with a significant emotional relationship to the child or their family that is similar to a familial relationship. The bill excludes former foster parents from the definition of like-kin for this purpose, but specifies that current and former foster parents may still participate in permanency planning for children placed in a qualified residential treatment program, as under current law. For Native American children, the bill specifies that like-kin can include people identified by the child's tribe or band according to tribal law, code, resolution, or tradition.

The bill further modifies statutes to expand provisions that apply to kinship care placements with a relative to also apply to placements with like-kin, including provisions of the Children's Code and Juvenile Justice Code.

The state assumes financial responsibility for kinship care payments in every county, tribe, and band and funds monthly kinship care payments with TANF funding. DCF estimates that the expansion of kinship care to include like-kin will increase non-tribal placements by 20%, that the inclusion of caregivers identified by a tribe or band will increase tribal placements by 40%, and that the inclusion of first cousins once removed would increase all placements by half a percent. Summarized separately, the bill would increase kinship care rates to use the same age-based rates and supplements paid under non-relative foster care. The table below summarizes the estimated cost of each eligibility expansion in this item under current rates and under the proposed rates.

	Cost Under Current Rates		Cost Under Proposed Rates	
Included Group	2023-24	2024-25	2023-24	2024-25
Like-Kin	$5,462,200	$5,446,700	$6,614,700	$8,126,400
Tribal Designees	864,200	892,600	1,046,600	1,331,700
1st Cousins Once Removed	136,600	136,200	165,400	203,200
Total	$6,463,000	$6,475,500	$7,826,700	$9,661,300

[Bill Sections: 437, 820, 822, 826 thru 829, 842 thru 849, 851 thru 868, 870, 881 thru 884, 917 thru 919, 921 thru 937, 939, 941 thru 943, 945 thru 962, 964 thru 969, 993 thru 998, 1024, 3237, 3239, 3240, 3244, 3245, 3248 thru 3253, 3260, 3263 thru 3282]

7. DIVISION OF MILWAUKEE CHILD PROTECTIVE SERVICES -- AIDS PAYMENTS AND CONTRACTED SERVICES

GPR	$5,035,100
FED	3,504,000
Total	$8,539,100

Governor: Provide $4,274,300 ($2,521,100 GPR and $1,753,200 FED) in 2023-24 and $4,264,800 ($2,514,000 GPR and $1,750,800 FED) in 2024-25 to reflect reestimates of the cost of Division of Milwaukee Child Protective Services (DMCPS) aids payments and contracted services. Base funding for these costs is $111,112,300 ($70,591,000 GPR, $23,601,300 PR, and $16,920,000 FED).

This item includes the following: (a) an adjustment to the division of costs between GPR and FED to reflect updated claiming and federal matching rates (-$694,700 GPR and $694,700 FED annually); (b) a decrease in funding for out-of-home care and wraparound services, to reflect expected caseloads and service costs lower than the base budget, of $3,327,200 (-$3,175,000 GPR and -$152,200 FED) in 2023-24 and a decrease of $3,336,700 (-$3,182,100 GPR and -$154,600 FED) in 2024-25; and (c) an increase in funding for aids contracts costs, such as funding for case management, court services, placement services, and foster parent training, of $7,601,500 ($6,390,800 GPR and $1,210,700 FED) annually.

8. MILWAUKEE CARE AND TREATMENT SERVICES

GPR	$15,463,000

Governor: Provide $4,381,000 in 2023-24 and $11,082,000 in 2024-25 for services provided by DMCPS. DCF intends to use this funding to fill gaps they have identified in the continuum of care and treatment services currently available in the county. The funding reflects the following: (a) $1,820,000 in 2023-24 and $3,640,000 in 2024-25 to expand and improve access to mental, behavioral, and crisis health care services ; (b) $1,261,000 in 2023-24 and $2,522,000 in 2024-25 to expand the capabilities of assessment and stabilization centers to work with children with high needs; (c) $2,320,000 in 2024-25 to contract for a dedicated qualified residential treatment program (QRTP) facility; and (d) $1,300,000 in 2023-24 and $2,600,000 in 2024-25 to provide expanded aftercare supports for children transitioning from a residential treatment setting to a foster family home or other less restrictive setting.

DCF indicates that many children in out-of-home care currently face waitlists and restrictions to access needed mental health care and behavioral health care. All children enrolled in out-of-home care receive health care coverage through the Medical Assistance (MA) program. DMCPS additionally contracts for mobile crisis services, but does not currently have dedicated contracts for other mental and behavioral health care that could prevent crises or provide transitional support once a child in crisis has been stabilized. The provided funding reflects estimated costs to contract with additional mental, behavioral, and crisis care providers to deliver urgent services to approximately 140 children per year, beginning in calendar year 2023, for periods of 60–90 days while access to long-term service providers is secured.

Assessment and stabilization centers provide a temporary placement for youth age 12 through 17 when they first enter care, experience a crisis, or otherwise need stabilization and an assessment of what subsequent placement would best meet their needs. DMCPS currently contracts with three centers providing 20 beds total. DCF indicates that ASCs do not currently have sufficient staff, medical professionals, and physical configurations to stabilize and assess children in severe crisis or with complex needs.

QRTPs provide short-term, intensive, residential treatment to children with the highest level of mental health care need. DCF indicates that Milwaukee children with this level of need are often placed out of state or in areas of the state far from family and other supports. DCF estimates that contracting for a dedicated QRTP for DMCPS would have ongoing costs of $2,320,000 per year. The provided funding reflects $1,160,000 for start-up costs over six months beginning July 2024 and $1,160,000 for operating costs for the final six months of 2024-25.

QRTPs currently provide limited aftercare services to facilitate children's transitions back into family settings, but not all other congregate care placements do. DCF intends to use the provided funding to expand aftercare services, including maintaining contact with the same providers, extending the time over which interventions are tapered off, providing therapy, and training foster parents in medication management and crisis intervention. The funding provided reflects DCF's estimates of service costs of $26,000 per discharge from congregate care and providing expanded aftercare services for 100 discharges per year beginning in calendar year 2023.

9. MILWAUKEE CASE AIDES, MONITORING, AND ON-SITE CARE

	Funding	Positions
GPR	$1,252,500	4.60
FED	61,300	0.40
Total	$1,313,800	5.00

Governor: Provide $510,900 ($484,600 GPR and $26,300 FED) in 2023-24 and $802,900 ($767,900 GPR and $35,000 FED) and 5.0 positions (4.6 GPR and 0.4 FED), beginning in 2023-24, to improve DMCPS operations. The Administration intends to convert LTE case aide positions that assist initial assessment specialists into permanent positions ($125,700 in 2023-24 and $167,600 in 2024-25 and 2.0 positions), contract for child care services while initial assessments are being conducted ($183,000 GPR in 2023-24 and $366,000 GPR in 2024-25), and increase contract and performance monitoring capacity ($202,200 in 2023-24 and $269,300 in 2024-25 and 3.0 positions). Under this item, 8% of the costs would be supported with federal funds DCF claims under Title IV-E, which is the rate currently applied to DMCPS staff.

DCF currently uses temporary project positions to hire assistants to support the work of initial assessment specialists. These aides require less expertise and training than assessment specialists require, and allow specialists to work more quickly and efficiently by taking on tasks such as transporting and supervising children, collecting information, and clerical tasks. DCF describes the temporary nature of these positions as creating a barrier to recruiting and maintaining these staff and increasing costs of hiring and training.

Currently, when a child is removed from their home, immediate care for that child is the responsibility of the initial assessment specialist (or case aide, if available) while they complete the assessment and identify an out-of-home placement. DCF intends to contract with a child care center to provide 24/7 access to professional child care with staff and facilities equipped for children that may be distraught or have other behavioral responses to being removed from their family home. The funding in this item reflects an estimated annual cost of $366,000, beginning in calendar year 2024, for the contract.

When DMCPS places a child in out-of-home care, the case is assigned to a contracted agency to provide case management and ongoing services to the child and their family. Currently, four program and policy analysts and one manager oversee these contracts, including measuring performance and working to reduce the use of congregate care. In addition, the quality improvement section for DMCPS as a whole consists of seven staff that collect program data, analyze system needs, and assist in policy development. DCF intends to add three program and policy analysts to these sections to meet increased contract oversight workload, improve data analysis and reporting, and work to improve the quality of care in DMCPS.

10. MILWAUKEE PREVENTIVE RESPITE SHELTER

GPR	$1,098,300

Governor: Provide $366,100 in 2023-24 and $732,200 in 2024-25 for services provided by DMCPS. The Administration intends to use this funding to offer short-term respite child care and shelter for families in emergencies.

DCF describes short-term disruptions, such as medical appointments, evictions, or domestic violence, as contributing to many referrals to child protective services. As an alternative to removing children to out-of-home care in these situations, DCF intends to use this funding to contract for a 24/7 center that could provide respite child care for 10 to 12 children, or family shelter care, for up to 72 hours. The funding in the bill reflects an estimated cost of $732,200 per year, beginning in January, 2024.

11. TRIBAL HIGH-COST PLACEMENTS AND PREVENTION

GPR	$7,925,000

Governor: Provide $3,825,000 in 2023-24 and $4,100,000 in 2024-25 to increase state support for unusually high-cost out-of-home care placements ordered by tribal courts and for family services. Create two separate GPR appropriations for these purposes, to supplement existing allocations of federal grant funds and tribal gaming revenue. The funding includes: (a) $3,000,000 annually budgeted for high-cost placements; and (b) $825,000 in 2023-24 and $1,100,000 in 2024-25 for tribal family services.

Currently, counties, tribes, and bands may request funding on a case-by-case basis from the tribal high-cost pool, funded with $717,500 annually in PR from tribal gaming receipts. These funds can support (a) unexpected or unusually high-cost out-of-home care placements, such as congregate care placements, ordered by tribal courts; and (b) out-of-home placements of Native American juveniles who have been adjudicated delinquent by tribal courts. DCF restricts reimbursement to the portion of costs for a single placement that exceed $50,000 in a year. DCF indicates that typical annual requests exceed the available funding by approximately $3,000,000.

Under current law, the tribal family services program (FSP) provides annual allocations to each tribe and band that can be used to supplement a variety of human services, including domestic abuse prevention, child welfare, self-sufficiency, teen parenting, youth services, and child care. In 2023, DCF distributed $2,631,400, comprised of $1,867,500 PR from tribal gaming revenues, $408,700 FED from the MaryLee Allen Promoting Safe and Stable Families program under Title IV-B of the Social Security Act, and $355,200 FED from the community services block grant

(CSBG). DCF provides FSP funding to tribes and bands on a federal fiscal year basis. The funding provided in this item reflects an average increase of $100,000 per tribe or band, beginning in federal fiscal year 2024.

[Bill Sections: 424 and 427]

12. TRIBAL SUBSIDIZED GUARDIANSHIPS

GPR	$539,200
FED	292,600
Total	$831,800

Governor: Provide $395,800 ($256,600 GPR and $139,200 FED) in 2023-24 and $436,000 ($282,600 GPR and $153,400 FED) in 2024-25 to reimburse tribes and bands for the cost of subsidized guardianships. Modify the GPR and FED appropriations currently used to reimburse counties for these costs to authorize reimbursements to tribes and bands. Authorize DCF to enter into agreements with tribal governments to provide reimbursement for subsidized guardianships, but require that such agreements require tribes and bands to comply with all requirements for administering subsidized guardianships that apply to counties, including eligibility. Make modifications to the statutes related to subsidized guardianships to expand provisions that apply to counties to also apply to tribes and bands. Specify that a county may continue to make payments, and receive state reimbursement, for subsidized guardianships ordered by a tribal court if that county has entered into an agreement with the tribal government to do so.

The subsidized guardianship program funds payments to court-appointed guardians who provide permanent care for children with whom they have a familial or other significant emotional relationship. Subsidies are capped at the level of the foster care maintenance payment the guardian was receiving prior to the guardianship agreement. Financial responsibility for subsidized guardianships was transferred from local child welfare agencies to the state under 2021 Act 132, but the Act did not apply to subsidized guardianships ordered by a tribal court.

[Bill Sections: 432, 440, 891, 971 thru 990, 999, 1014, and 1015]

13. INDEPENDENT LIVING PROGRAM

GPR	$7,705,000

Governor: Provide $3,852,500 annually to maintain and enhance services provided to assist youth age 18 through 23 who were formerly in out-of-home care, such as foster care, transition to independent living.

Currently, the program assists young adults in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills, training in budgeting and financial management skills, substance abuse prevention, preventive health activities, and other services to support self-sufficiency. The program also provides financial assistance with costs related to room and board for youth age 18 through 23 who aged out of out-of-home care. DCF currently contracts with seven regional transitional resource agencies to provide these services statewide, and five tribes and bands. These contracts are funded with federal funds received under the Chafee Foster Care Independence Program and totaled $1,994,500 in federal fiscal year 2022. Federal law requires that states spend no more than 25% of their total

Chafee grant on room and board expenses.

The funding increase in the bill is intended to fund the following: (a) $314,200 for an inflationary increase to contract amounts; (b) $464,800 to allow service providers to hire additional independent living coordinators to reduce the average caseload; (c) $225,400 to expand the availability of assistance with room and board costs to meet demand exceeding the limit on federal funds; (d) $1,942,900 to expand eligibility to all youth who have been in out-of-home care at any time since age 16, regardless of their placement setting when they turn 18; and (e) $905,200 to maintain eligibility for young adults ages 22 and 23. The age limit for services was extended from 21 to 23 in 2021 using a one-time increase in Chafee grant funds provided in response to the COVID-19 pandemic.

Summarized separately, the budget also provides for the consolidation of the programs and appropriations of the DCF Bureau of Youth Services, including the independent living program. The funding under this item would be provided under the consolidated appropriation. This item would increase consolidated GPR funding for youth services from $4,840,100 to $8,692,600 annually.

14. HOME VISITING

GPR	$5,096,000
FED	104,000
Total	$5,200,000

Governor: Provide $1,200,000 GPR in 2023-24 and $4,000,000 ($3,896,000 GPR and $104,000 FED from Title IV-E) in 2024-25 to expand the Family Foundations Home Visiting (FFHV) program.

Under current law, DCF provides FFHV grants to county agencies, cities, nonprofit agencies, tribal organizations, and collaborations to provide voluntary home visiting services to at-risk families to prevent child abuse and neglect. Services generally follow one of three national models, known as Healthy Families America, Parents as Teachers, and Nurse-Family Partnership, each of which offer supportive in-home consultations beginning as early as pregnancy, hands-on parent guidance and training, screenings for health, development, and maltreatment risks, and early interventions to prevent maltreatment. The program is primarily supported by the federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) grant, which provided $8,564,700 in 2023. DCF is also currently budgeted $1,985,700 GPR and $6,212,100 FED from TANF per year for the program, and requires local matching funds for each grant. DCF currently contracts with 22 agencies to provide home visiting services, covering 40 counties and six tribes and bands.

DCF intends to use the additional funding in the bill to expand the geographic reach of the home visiting program by contracting with approximately 12 additional organizations to provide these services in new locations. DCF indicates that each new location could serve multiple counties, tribes, or bands. The funding reflects $100,000 per new agency in 2023-24 for start-up costs and an average of $333,300 per new agency in ongoing funding, beginning in 2024-25, for full service costs.

Prevention services such as home visiting are eligible for a 50% federal match under Title IV-E when they are provided for children who are at imminent risk of removal to out-of-home care or are pregnant or parenting while in out-of-home care. Based on available data, DCF estimates that 5.2% of children currently served by the home visiting program had an investigated allegation of maltreatment, and that a similar share would be eligible for IV-E prevention matching funds. Hence, the funding in the bill includes a 50% federal match for 5.2% of the service expenditures.

15. INFORMATION SYSTEM ENHANCEMENTS

GPR	$3,010,200
FED	1,827,600
Total	$4,837,800

Governor: Provide $2,418,900 ($1,505,100 GPR and $913,800 FED) annually, consisting of $1,935,100 ($1,204,100 GPR and $731,000 FED) in one-time funding and $483,800 ($301,000 GPR and $182,800 FED) in ongoing funding, for child welfare program operations. The Administration intends to use this funding for enhancements to the electronic Wisconsin Statewide Automated Child Welfare Information System (eWiSACWIS).

DCF and local child welfare agencies use eWiSACWIS as the database and case management system for all children involved in the child welfare system. DCF currently funds operation of the system with $5,375,500 per year, consisting of $2,321,500 GPR, $1,935,200 FED matching funding received under Title IV-E, $581,300 PR from counties assessed as their share of costs, and $537,500 FED received under TANF corresponding to the share of costs related to the kinship care caseload. The one-time funding reflects a 50% funding increase to provide system modifications to meet new federal standards and improve functionality, including implementing mobile support and improving data exchanges with local agencies. The ongoing funding reflects a 10% increase to provide ongoing maintenance and improvements. Both increases are distributed among GPR, Title IV-E, and TANF funding in proportion to their current share of costs; no increase is made to the costs assessed from counties. This item reflects only the GPR and Title IV-E funding changes, while the TANF funding ($215,000 annually in one-time funding and $53,800 annually in ongoing funding) is shown under "TANF and Economic Support."

16. STATE OUT-OF-HOME CARE AND ADOPTIONS RE-ESTIMATE

GPR	- $7,174,900
FED	3,024,600
Total	- $4,150,300

Governor: Reduce funding by $2,739,700 (-$4,055,700 GPR and $1,316,000 FED) in 2023-24 and by $1,410,600 (-$3,119,200 GPR and $1,708,600 FED) in 2024-25 to reflect a reestimate of adoption assistance, subsidized guardianship, and state foster care payments, changes in federal claiming rates in the 2023-25 biennium, and an increase to state adoption services contract costs to meet new federal requirements. The state claims federal matching funding for these costs under Title IV-E of the Social Security Act.

The state adoption assistance program funds payments to families who adopt children with special needs. Basic maintenance payments are based on uniform foster care rates specified in statute, and additional payments are based on each child's individual needs.

The subsidized guardianship program funds payments to court-appointed guardians who provide permanent care for children with whom they have a familial or other significant emotional relationship. Subsidies are capped at the level of the foster care maintenance payment the guardian was receiving prior to the guardianship agreement. Financial responsibility for subsidized guardianships was transferred from local child welfare agencies to the state under 2021 Act 132. The base funding shown in the table below reflects GPR funding transferred through a request approved by the Joint Committee on Finance; the corresponding federal appropriation was not reestimated to include base funding specific to subsidized guardianships.

The state foster care program provides temporary care for children in the custody of the state. Custody may be transferred from local child welfare agencies (or DMCPS) for children who are awaiting adoption and whose parents' parental rights have been terminated, including children who have been placed in out-of-home care for 15 of the most recent 22 months.

DCF provides pre-adoption services under the public adoptions program including case management, identification of potential adoptive families, and training, and provides post-adoption supports, services, and information under the Wisconsin adoption and permanency support (WiAPS) program. The request includes an increase in funding for these services to meet federal requirements related to re-investing savings under the federal Fostering Connections to Success and Increasing Adoptions Act of 2008.

The following table summarizes, by source, the base funding for these payments and services, the funding changes under this item, and the total funding provided.

	2023-24			2024-25		
	GPR	FED IV-E	All Funds	GPR	FED IV-E	All Funds
Adoption Assistance						
Base Funding	$44,783,900	$46,811,900	$91,595,800	$44,783,900	$46,811,900	$91,595,800
Reestimate	-2,909,800	-853,100	-3,762,900	-2,903,500	-846,100	-3,749,600
Subtotal	$41,874,100	$45,958,800	$87,832,900	$41,880,400	$45,965,800	$87,846,200
Subsidized Guardianship						
Base Funding	$5,200,000	$0	$5,200,000	$5,200,000	$0	$5,200,000
Reestimate	197,700	2,927,500	3,125,200	745,700	3,224,600	3,970,300
Subtotal	$5,397,700	$2,927,500	$8,325,200	$5,945,700	$3,224,600	$9,170,300
State Foster Care						
Base Funding	$6,503,700	$3,333,800	$9,837,500	$6,503,700	$3,333,800	$9,837,500
Reestimate	-2,414,900	-1,183,500	-3,598,400	-2,246,700	-1,095,000	-3,341,700
Subtotal	$4,088,800	$2,150,300	$6,239,100	$4,257,000	$2,238,800	$6,495,800
State Adoption Services						
Base Funding	$2,615,300	$1,633,700	$4,249,000	$2,615,300	$1,633,700	$4,249,000
Reestimate	1,071,300	425,100	1,496,400	1,285,300	425,100	1,710,400
Subtotal	$3,686,600	$2,058,800	$5,745,400	$3,900,600	$2,058,800	$5,959,400
Total						
Base Funding	$59,102,900	$51,779,400	$110,882,300	$59,102,900	$51,779,400	$110,882,300
Reestimate	-4,055,700	1,316,000	-2,739,700	-3,119,200	1,708,600	-1,410,600
Total	$55,047,200	$53,095,400	$108,142,600	$55,983,700	$53,488,000	$109,471,700

17. RUNAWAY AND HOMELESS YOUTH SERVICES

GPR	$4,040,000

Governor: Provide $2,020,000 annually for programs that provide services to runaway and homeless youth. Although not specified in the bill, the Administration indicates that the funding increase would be allocated as follows: (a) $820,000 per year for grants to organizations that provide emergency shelter, crisis supports, and case management to youth generally ages 12 through 17; and (b) $1,200,000 annually to expand a program that provides temporary housing and supportive services to youth, generally ages 17 through 21, who are at risk of becoming homeless when they age out of out-of-home care such as foster care.

Currently, DCF provides grants on a regional basis to organizations that provide residential, counseling, and other services to protect youths who have run away, are homeless, or are at risk of running away or becoming homeless and, when possible, to reunite them with their families. All programs serve youth age 12 through 17, and some serve youth as young as 10 or as old as 21. DCF currently funds this program from an appropriation of $400,000 GPR per year—which also partially supports the housing supports for youth aging out of care described below—and approximately $350,000 FED from the state's grant under the Stephanie Tubbs Jones Child Welfare Services Program, a federal grant that can be used to support a variety of child welfare services. DCF intends to use the funding increase to offer new grants to expand the capacity and geographic reach of the program, and to increase GPR funding for the current grantees to account for an anticipated decline in federal grant funding and to support an increase to grant amounts. DCF notes that grant amounts were increased beginning in 2022 with one-time funding available under the American Rescue Plan Act (ARPA).

Current law requires DCF to distribute at least $231,700 to assist youth who turn 18 while in out-of-home care to transition to a successful adulthood. DCF currently provides temporary housing and transitional supports to youth formerly in out-of-home care under the PATHS (Permanent connections, Academics, Training and employment, Housing, and Social and emotional well-being) program. This program is funded from the GPR appropriation noted above as well as a separate GPR appropriation supporting PATHS and a foster care placement continuation program. As of 2021, DCF provides PATHS grants to two organizations, totaling $481,000 GPR per year. One grantee serves north-central Wisconsin while the other serves Milwaukee County. The funding reflects the cost of additional grants of $240,000 each to provide PATHS services in each of the remaining five youth services regions of the state.

Summarized separately, the budget also provides for the consolidation of the programs and appropriations of the DCF Bureau of Youth Services, including the programs affected by this item. The funding under this item would be provided under the consolidated appropriation. This item would increase consolidated GPR funding for youth services from $4,840,100 to $6,860,100 annually.

18. QUALIFIED RESIDENTIAL TREATMENT PROGRAM TRAINING

GPR	$400,000

Governor: Provide $200,000 annually to purchase specialized training for qualified residential treatment program (QRTP) staff. QRTPs are congregate care providers that meet federal qualifications to treat youth with serious mental or behavioral needs. The 2021-23 budget provided $140,000 GPR and $60,000 FED (Title IV-E) in 2022-23 on a one-time basis for this purpose. This item would continue providing trainings on an ongoing basis.

Recent federal and state law changes created the QRTP designation and restricted reimbursement for out-of-home care placements with the intent of reducing placements in congregate care except for short-term, treatment-focused placements for the highest-acuity children. DCF indicates that these shifts will require more advanced skills from care providers, and the federal law requires QRTPs to implement trauma-informed methods. Using the one-time funding provided in 2022-23, DCF currently provides trainings related to safely reducing the use of restraints, understanding child sex trafficking, effectively responding to trauma, and other skills that make treatment more effective. DCF indicates that other topics that could be pursued with this funding include how psychotropic and other medications affect care and facility safety and management.

19. SIBLING CONNECTIONS PROGRAM

GPR	$150,000

Governor: Provide $75,000 annually to support costs of reuniting adopted children with their biological siblings who do not reside in the same home by providing them with opportunities to socialize through programs designed for this purpose, such as summer camp programs. Create an appropriation for this purpose and a statutory requirement that DCF distribute this funding.

Separately, codify a nonstatutory grant program that provides funding to counties, nonprofit organizations, or tribes for the purpose of supporting foster parents and providing normalcy for children in out-of-home care. Maintain current funding of $400,000 per year for this program.

[Bill Sections: 425, 433, 901, and 914]

20. CONSOLIDATE FUNDING AND PROGRAMS ADMINISTERED BY THE BUREAU OF YOUTH SERVICES

Governor: Consolidate several appropriations and programs administered by the Bureau of Youth Services by: (a) repealing three GPR appropriations that currently fund services for sex trafficking victims (-$3,000,000 annually), the Brighter Futures teen services program (-$864,900 annually), and services for homeless and runaway youth (-$400,000 annually); (b) transferring base funding from these appropriations ($4,264,900 annually) to an appropriation that currently funds grants for children's community programs; and (c) expanding the purposes of that appropriation to include activities and goals of the repealed appropriations.

Modify a Department of Health Services (DHS) appropriation that currently transfers $865,000 GPR annually to DCF for the Brighter Futures program to designate the purpose of the funds as grants for youth services under the newly combined youth services grants program. Similarly, modify the DCF PR appropriation that receives the transferred funds to replace references to the Brighter Futures program with references to the newly combined program. These GPR funds constitute the state match to a portion of the federal Substance Abuse Prevention and Treatment Block Grant (SABG) that DHS transfers to DCF for the Brighter Futures program, typically $1,575,000 FED annually.

Modify the purpose of an allocation of $500,000 per year in federal TANF funding, currently designated for substance abuse prevention grants under the Brighter Futures program, to fund the newly combined youth services grants program.

Create statutory language establishing the newly-combined program that requires DCF to distribute grants to state or local government agencies, nonprofit corporations, or Native American tribal governments for any of the following purposes: (a) increasing youth access to housing; (b) increasing youth self-sufficiency through employment, education and training; (c) improving youth social and emotional health by promoting healthy and stable adult connections, social engagement, and connection with necessary services; (d) preventing sex trafficking of children and youth; (e) providing treatment and services for documented and suspected victims of child and youth sex trafficking; (f) preventing and reducing the incidence of youth violence and other delinquent behavior; (g) preventing youth alcohol and other drug use and abuse; (h) preventing and reducing the incidence of child abuse and neglect; and (i) preventing and reducing the incidence of teen pregnancy.

Repeal statutory descriptions of the following programs, which would be consolidated under the newly combined program: (a) services for children who are documented victims of sex trafficking; (b) foster care placement continuation to avoid institutionalization when youth turn 18; (c) assistance for youth who turn 18 while residing in foster care to transition to successful adulthood; (d) the Brighter Futures teen services program; and (e) services for homeless and runaway youth. The activities and goals of these programs would be included in the purposes of the combined youth services grant program, as identified above, but specific requirements to operate these programs, funding allocations, and other program parameters specified in current law would be repealed. Retain a specific requirement to distribute $55,000 per year to Diverse and Resilient, Inc., a health services and youth support organization, currently specified under the Brighter Futures program. Retain a prohibition, which would now apply to all of the consolidated funding, against funding programs that provide, promote, encourage, or make referrals for abortion care.

[Bill Sections: 410, 423, 434 thru 436, 438, 568, 893, 895 thru 900, 915, 1020, 1051]

Juvenile Justice

1. JUVENILE JUSTICE AIDS FOR 17-YEAR-OLDS

GPR	$10,000,000

Governor: Provide $5,000,000 annually in a new, sum sufficient appropriation for youth aids-related purposes, but only to reimburse counties, beginning on January 1, 2024, for costs associated with juveniles who were alleged to have violated a state or federal criminal law or any civil law or municipal ordinance at age 17.

[Bill Sections: 430 and 912]

2. YOUTH JUSTICE TRAINING

GPR	$3,665,500

Governor: Provide $1,563,500 in 2023-24 and $2,102,000 in 2024-25 to create a state training program for new county youth justice workers and additional training on the Youth Assessment Screening Instrument for current youth justice workers. Funding is estimated to provide training to 145 new county youth justice workers and additional training to 270 youth justice workers.

3. JUVENILE JUSTICE REFORM REVIEW COMMITTEE

Governor: Create a Juvenile Justice Reform Review Committee with members appointed by the Governor in the Department of Children and Families (DCF). [The bill does not specify the size or membership of the Committee.] Require the Committee to study and, prior to September 16, 2024, provide recommendations to DCF and the Department of Corrections (DOC) on how to do all of the following:

1. Increase the minimum age of delinquency.

2. Eliminate original adult court jurisdiction over juveniles.

3. Modify the waiver procedure for adult court jurisdiction over juveniles and incorporate offenses currently subject to original adult court jurisdiction into the waiver procedure.

4. Eliminate the serious juvenile offender program and create extended juvenile court jurisdiction with a blended juvenile and adult sentence structure for certain juvenile offenders.

5. Prohibit placement of a juvenile in a juvenile detention facility for a status offense and limit sanctions and short-term holds in a juvenile detention facility to cases where there is a public safety risk.

6. Sunset long-term post-disposition programs at juvenile detention facilities.

7. Create a sentence adjustment procedure for youthful offenders.

8. Conform with the U.S. Constitution the statutes that mandate imposing sentences of life imprisonment without parole or extended supervision to minors.

For the 2025-27 biennial budget bill, require that DCF and DOC each include a request to implement the Committee's recommendations. Sunset the Committee on September 16, 2024.

[Bill Section: 9106(2)]

4. YOUTH JUSTICE DATA SYSTEMS

GPR	$1,882,200
FED	870,200
Total	$2,752,400

Governor: Provide $936,700 GPR and $435,100 FED in 2023-24 and $945,500 GPR and $435,100 FED in 2024-25 to develop a youth justice data and reporting system and to support continued licensing costs for the Youth Assessment Screening Instrument.

5. SRCC BONUS FUNDING FOR QUALIFYING COUNTIES

GPR	$750,000

Governor: Provide $750,000 in 2024-25 to fund the estimated bonus payment to Racine County for operational costs associated with operating a Secure Residential Care Center (SRCC) for Children and Youth. Funding would be provided to the "Community Youth and Family Aids; Bonus for County Facilities" appropriation created under 2017 Act 185.

6. YOUTH AIDS FUNDING MODIFICATIONS

Governor: Modify youth aids statutory provisions and transfer $697,200 GPR annually to the Youth Aids appropriation from the Community Intervention Program (CIP) appropriation. Base funding for youth aids is $93,305,700 GPR and funding for CIP is $3,712,500 GPR. Allow youth aids funding currently statutorily allocated for aftercare services ($2,124,800), alcohol and other drug abuse services ($1,333,400) and emergency funding for counties with a population under 45,000 ($250,000) to be allocated in the same manner as base funding for youth aids. The Department indicates that current youth aids funding includes a -$72,000 structural imbalance. The recommended changes are intended to increase total youth aids, eliminate the structural imbalance, and provide more flexibility in distribution and use of youth aids funding.

Further, rename the CIP appropriation, the Youth Justice System Improvement Program (YJSIP) appropriation. Modify YJSIP to allow use for the following purposes: (a) programs that enhance prevention, early intervention, diversion, and innovative delivery of services reduce the use of out-of-home placements and promote successful outcomes for all youth; (b) emergencies related to youth justice placement costs; and (c) activities of DCF specified under statute including: (1) development of procedures to implement youth aids; (2) development of standards for the delivery of community-based juvenile delinquency-related services; (3) provision of consultation and technical assistance to aid counties in the implementation and delivery of community-based juvenile delinquency-related services; and (4) establishment of information systems and monitoring and evaluation procedures to report periodically to the Governor and Legislature on the statewide impact of youth aids.

Repeal the current statutory provision related to youth aids which allows DCF to: (a) carry forward $500,000 or 10% percent, whichever is greater, of its funds allocated for youth aids and not encumbered or carried forward by counties by December 31, to the next two calendar years; (b) transfer moneys from or within youth aids to accomplish the carry forward; and (c) allocate these transferred moneys to counties with persistently high rates of juvenile arrests for serious offenses during the next two calendar years to improve community-based juvenile delinquency-related services. Instead, allow DCF to transfer underspending in youth aids to YJSIP. Create a continuing program revenue appropriation for receipt of monies transferred from youth aids for use in YJSIP.

[Bill Sections: 429, 431, 439, 902 thru 911, and 913]

Child Support and Departmentwide

1. LOCAL CHILD SUPPORT ENFORCEMENT

GPR	$10,000,000
FED	19,411,800
Total	$29,411,800

Governor: Provide $14,705,900 ($5,000,000 GPR and $9,705,900 FED) annually to increase state support for local administration of the child support enforcement program. Base GPR support for local child support enforcement programs is $11,060,000. With this increase, GPR support for the program would increase to $18,010,000 in calendar years 2024 and 2025. The source of the federal funding would be matching funds under Title IV-D of the Social Security Act.

Local child support enforcement agencies operations are supported from several funding sources, including state GPR allocations, federal incentive payments, state medical support incentive payments, county funds, and federal matching funds. Most administrative and enforcement costs incurred by counties are reimbursed by the federal government based on a federal financial participation (FFP) rate of 66% of eligible costs.

If the funding increase provided under this item results in counties increasing their spending on child support activities, the state would claim additional federal matching funds. However, if the effect of the funding increase is to increase the state's share of child support enforcement costs and reduce local costs of these services by a corresponding amount, no additional federal funding would be claimed by the state. The federal funding that would be provided under this item reflects the Administration's estimate of additional federal Title IV-D funds the state would claim.

2. CHILD SUPPORT IT MODERNIZATION PROJECT

GPR	$9,411,500
FED	18,269,400
Total	$27,680,900

Governor: Provide $7,163,700 ($2,435,600 GPR and $4,728,100 FED) in 2023-24 and $20,517,200 ($6,975,900 GPR and $13,541,300 FED) in 2024-25 to support replacing the Kids Information Data System (KIDS) with a modern web-based information technology (IT) system. The federal funding would be 66% matching funds under Title IV-D of the Social Security Act.

KIDS is a mainframe system made using COBOL programming that was implemented statewide in September, 1996. It is the primary IT system used for child support enforcement case and financial management functions by state, local, and tribal staff. DCF indicates that the aged architecture in KIDS is difficult to maintain and enhance, thereby increasing the complexity and expense of upgrading IT systems to meet federal performance standards. Further, according to DCF, the system is limited in terms of user interface, is unintuitive, lacks access to modern communication methods, and its automated data reporting is insufficient. DCF indicates that the total cost of the IT system, including upgrades, is estimated to be $270 million for the 12-year period from 2018-19 through 2029-30, including: planning, development, statewide implementation, hardware, software, operation, and maintenance.

3. OFFICE OF LEGAL COUNSEL

	Funding	Positions
GPR	$290,700	0.92
FED	25,400	0.08
PR	258,100	1.00
Total	$574,200	2.00

Governor: Provide $246,100 ($124,600 GPR, $10,900 FED (Title IV-E funds), and $110,600 PR) in 2023-24 and $328,100 ($166,100 GPR, $14,500 FED (Title IV-E funds) and $147,500 PR) in 2024-25 and 2.0 (0.92 GPR, 0.08 FED and 1.0 PR) positions, beginning in 2023-24, for the Office of Legal Counsel to address increased workloads.

4. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $1,574,600	0.00
FED	- 825,400	- 27.00
PR	- 1,698,400	0.00
Total	- $4,098,400	- 27.00

Governor: Decrease funding by $1,294,600 (-$795,200 GPR, $387,300 FED, and -$887,300 PR) in 2023-24 and $2,803,800 (-$779,400 GPR, -$1,213,300 FED, and -$811,100 PR) in 2024-25 to reflect the following standard budget adjustments: (a) turnover reduction (-$339,100 GPR, -$102,800 FED and -$339,800 PR annually); (b) removal of non-continuing items (-$508,000 FED and 24.0 FED positions in 2023-24 and -$2,036,900 FED and 27.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-$521,600 GPR, $813,700 FED, and $604,700 PR annually); (d) overtime ($736,900 GPR, $20,600 FED, and $4,200 PR annually); (e) night and weekend differential pay ($129,700 GPR, $11,300 FED, and $1,300 PR annually); and (f) full funding of lease and directed moves costs (-$801,100 GPR, $153,100 FED, and -$1,157,700 PR in 2023-24 and -$785,300 GPR, $80,800 FED, and -$1,081,500 in 2024-25); and (g) minor transfers between appropriations ($0).

These amounts do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program ($816,100 FED and -$112,200 PR in 2023-24 and $816,100 FED and -$97,500 PR in 2024-25), which are included in separate entries under "Economic Support and TANF-Funded Programs."

5. FUNDING AND POSITIONS REALIGNMENTS

	Funding	Positions
GPR	- $2,000	0.00
FED	1,400	0.00
PR	223,800	1.00
Total	$223,200	1.00

Governor: Increase funding by $111,900 (-$1,000 GPR, $700 FED, and $111,900 PR) annually, and provide 1.0 PR position, beginning in 2023-24, to more accurately reflect the current needs and organizational structure of DCF. The net increase of 1.0 position and associated funding shown in this item are offset in a separate item under "Economic Support and TANF-Related Programs."

6. PROGRAM REVENUE AND FEDERAL REVENUE REESTIMATES

FED	$242,200
PR	7,000,000
Total	$7,242,200

Governor: Provide $3,621,100 ($121,100 FED and $3,500,000 PR) annually to reflect the net effect of adjustments to several program revenue and federal appropriations, as summarized in the following table.

Program Revenue and Federal Funding Reestimates

			2023-24			2024-25		
	Source	Base	Reestimate	Other Items	Total	Reestimate	Other Items	Total
Children and Family Services								
Federal Program Aids	FED	$12,264,400	-$262,600	$0	$12,001,800	-$262,600	$0	$12,001,800
Federal Project Aids	FED	3,843,300	56,700	0	3,900,000	56,700	0	3,900,000
Economic Support								
Community Services Block Grant	FED	8,717,000	327,000	-5,000	9,039,000	327,000	-5,200	9,038,800
Child Care Worker Background Checks	PR	0	2,000,000	0	2,000,000	2,000,000	0	2,000,000
Interagency and Intra-Agency Programs	PR	4,583,800	-500,000	-43,700	4,040,100	-500,000	-40,300	4,043,500
General Administration								
Interagency and Intra-Agency Programs	PR	17,986,400	2,000,000	0	19,986,400	2,000,000	0	19,986,400
Subtotal FED			$121,100			$121,100		
Subtotal PR			3,500,000			3,500,000		
Total			$3,621,100			$3,621,100		

7. CYBERSECURITY

GPR	$2,371,600

Governor: Provide $1,185,800 annually to develop and implement a comprehensive cybersecurity plan for critical infrastructure, data, systems, and user accounts. The plan would include the following areas: (a) proactively managing, monitoring and tracking IT systems; (b) backup and recovery of critical systems and data; (c) strengthening digital data integrity and interoperability; (d) a contracted privacy officer to review data confidentiality; (e) cybersecurity supervision and coordination; and (e) implementation of a single "MyWisconsin" ID and authentication across state IT system.

8. EQUITY OFFICER POSITION

	Funding	Positions
GPR	$171,500	1.00

Governor: Provide $75,100 in 2023-24 and $96,400 in 2024-25 to create a 1.0 FTE agency equity officer position, beginning in 2023-24. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. For additional information, see "Administration -- General Agency Provisions."

CIRCUIT COURTS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$115,738,600	$117,848,400	$116,974,600	$3,345,800	1.4%	543.00	551.00	551.00	8.00	1.5%
PR	232,700	232,700	232,700	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$115,971,300	$118,081,100	$117,207,300	$3,345,800	1.4%	543.00	551.00	551.00	8.00	1.5%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $2,378,600

Governor: Provide an adjustment to the base of -$1,189,300 annually associated with full funding of continuing position salaries and fringe benefits.

2. CIRCUIT COURT BRANCHES FUNDING AND POSITIONS

	Funding	Positions
GPR	$2,303,600	8.00

Governor: Provide $1,107,000 in 2023-24, $1,196,600 in 2024-25, and 8.0 positions annually for the last four new circuit court branches created under 2019 Act 184. In total, Act 184 created 12 circuit court branches over a three-year period (four judges each in 2021, 2022, and 2023), at the discretion of the Director of State Courts. Position authority includes 4.0 judges and 4.0 circuit court reporters annually (a judge and court reporter each in Clark, Manitowoc, Sawyer, and Wood counties).

Since judgeships are specifically identified in the statutes, modify statutory language to update the number of judicial circuit court branches, by county, to reflect 2019 Act 184. Specifically, increase the statutory number of judicial circuit court branches in Adams, Eau Claire, Vilas, and Waushara counties (added and allocated by the Director of State Courts to begin operation on August 1, 2022), as well as Clark, Manitowoc, Sawyer, and Wood counties (added and allocated by the Director of State Courts to begin operation on August 1, 2023).

[Bill Sections: 3141 thru 3148, 9107(1)&(2), and 9407(1)]

3. CIRCUIT COURT COST PAYMENTS

GPR	$840,800

Governor: Provide $402,100 in 2023-24 and $438,700 in 2024-25 in the circuit court cost appropriation for additional support to counties. Under 2019 Act 184, the number of circuit court branches in Wisconsin will increase from 257 to 261 on August 1, 2023. Since the circuit court cost appropriation distributes funding based on the number of branches, increased funding is intended to maintain current per branch funding levels (approximately $109,700 per branch) in the 2023-25 biennium.

4. DIGITAL AUDIO RECORDING DEVICES

GPR	$1,580,000

Governor: Provide an increase of $790,000 annually in sum sufficient expenditure authority in the circuit courts appropriation to support the installation of 100 additional digital audio recording devices and to provide for on-going maintenance and replacement of associated hardware and accessories. According to the Director of State Courts, increased digital audio recording equipment would allow the courts to: (a) continue to transition to digital, rather than stenographic, court reporters (the latter of which is becoming increasingly difficult to find and hire); and (b) improve courtroom function and increase flexibility by allowing court reporters to work remotely and to cover cases in different counties or on an emergency basis, as needed.

5. PRETRIAL RISK ASSESSMENT REIMBURSEMENT

GPR	$1,000,000

Governor: Provide one-time funding of $1,000,000 in 2023-24 to reimburse counties for circuit court costs associated with implementing the use of pretrial risk assessments.

Specify that the Director of State Courts must make reimbursement payments to counties for circuit court costs related to implementing the use of pretrial risk assessments. Create a biennial circuit court costs pretrial risk assessments appropriation for this purpose. Rename the circuit court costs appropriation to the circuit court costs; generally appropriation.

[Bill Sections: 529, 530, and 3151]

6. MODIFICATION OF CERTIFICATES OF QUALIFICATION FOR EMPOYMENT

Governor: Modify statutory language to eliminate the circuit courts certificates of qualification for employment (CQE) appropriation [s. 20.625(1)(h)] and $20 application fee, and transfer the unencumbered balance to the circuit courts sale of materials and services appropriation.

Under 2019 Act 123, enacted on March 3, 2020, an individual who has been convicted of a non-violent crime and has served at least 24 months of confinement in prison or 12 months of confinement followed by 12 months of extended supervision may apply for a CQE, which provides the individual with relief for collateral sanctions and provides the employer with certain civil immunities. The Act provides that a $20 application fee be deposited into the circuit courts' certifications of qualification for employment appropriation. The Act additionally created a Council on Offender Employment, consisting of the Attorney General, the state public defender, and the chairperson of the Parole Commission (or their designees). The procedure for granting a

CQE requires the Director of State Courts (the Courts) to provide an application form and convene the Council; the Council then requests information from Corrections on the applicant's background, before making a determination on the application. Corrections is also required to prepare an annual report for the Legislature, and the Courts is required to ensure that the Wisconsin Circuit Court Access (WCCA) website provides Corrections with information necessary to complete the report. Under Act 123, the Court must permanently revoke a CQE if an offender is convicted of a felony or a Class A or B misdemeanor.

[Bill Sections: 531, 3380, 9207(1), and 9307(1)]

CORRECTIONS

	Budget Summary					FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$1,345,065,800	$1,400,801,100	$1,428,057,000	$138,726,500	5.2%	9,716.22	9,718.52	9,725.52	9.30	0.1%
FED	2,667,200	2,666,700	2,666,700	- 1,000	0.0	1.00	1.00	1.00	0.00	0.0
PR	124,401,400	137,882,500	138,409,600	27,489,300	11.0	544.30	536.60	536.60	- 7.70	- 1.4
TOTAL	$1,472,134,400	$1,541,350,300	$1,569,133,300	$166,214,800	5.6%	10,261.52	10,256.12	10,263.12	1.60	0.0%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	$12,138,000
FED	- 1,000
PR	1,135,200
Total	$13,272,200

Governor: Provide adjustments to the base totaling $6,069,000 GPR, -$500 FED, and $567,600 PR annually. Adjustments are for: (a) turnover reduction (-$13,646,800 GPR and -$489,500 PR annually); (b) full funding of salaries and fringe benefits (-$67,820,100 GPR, -$500 FED and -$1,374,200 PR annually); (c) night and weekend differential ($10,151,800 GPR and $325,200 PR annually); and (d) overtime ($77,384,100 GPR and $2,106,100 PR annually). It should be noted that all costs associated with overtime and night and weekend differential are removed in the calculation of full funding of salaries and fringe benefits. [See Item #2, "Overtime Supplement."]

In addition, request minor transfers of classified positions within the Department of Corrections' adult and juvenile general program operations appropriations, the services for community corrections appropriation, the Becky Young community corrections; recidivism reduction community services appropriation, the correctional farms appropriation, the prison industries appropriation, the interagency and intra-agency programs appropriation, the juvenile operations appropriation, and the juvenile community supervision appropriation.

2. OVERTIME SUPPLEMENT

GPR	$94,879,400
PR	519,000
Total	$95,398,400

Governor: Provide $47,439,700 GPR and $259,500 PR annually for an overtime supplement. Under standard budget adjustments each budget cycle, all funding associated with overtime is removed in the calculations of full funding of salaries and fringe benefits. The budget instructions related to overtime specify that the same dollar amounts only be restored through the standard budget adjustment for overtime. As a result, the bill provides overtime in the amount provided for the prior biennium, adjusted by the new variable fringe rate ($77,384,100 GPR and $2,106,100 PR annually). Based on 2021-22 actual hours, the bill provides supplemental funding of $47,439,700 GPR and $259,500 PR annually. In total, the bill provides $124,823,800 GPR and $2,365,600 PR annually to fund costs associated with overtime. Note that the cost of actual hours used to calculate overtime include compensation incentives implemented in the 2021-23 biennium, where applicable, as well as proposed pay increases in the 2023-25 biennium [See "Budget Management and Compensation Reserves."]

3. FUNDING FOR CONTINUED ADD-ON PAY TO RECRUIT AND RETAIN CERTAIN POSITIONS

GPR	$3,648,100
PR	136,300
Total	$3,784,400

Governor: Provide $1,858,400 GPR and $69,400 PR in 2023-24 and $1,789,700 GPR and $66,900 PR in 2024-25 to continue add-ons for non-security positions implemented in the 2021-23 biennium. Specifically, the funding is intended to allow the Department to extend: (a) a $5 per hour add-on for nurse clinicians, nurse clinicians 2-weekend, licensed practical nurses, and nursing assistants 3 at certain institutions; (b) a $3 per hour add-on for nurse clinicians working weekend shifts at certain institutions; and (c) a $3 per hour add-on for teachers at Lincoln Hills School and Copper Lake School. [For continued add-on pay for security staff, see "Budget Management and Compensation Reserves."]

4. STAFF RECRUITMENT

GPR	$370,000

Governor: Provide $185,000 annually for resources to assist with recruiting and hiring staff to fill vacant positions. Specific recruitment strategies may include the use of billboards and/or print, broadcast and social media advertisements.

5. DEBT SERVICE REESTIMATE

GPR	- $13,756,000
PR	- 84,100
Total	- $13,840,100

Governor: Adjust funding by -$6,421,900 GPR and -$43,600 PR in 2023-24 and -$7,334,100 GPR and -$40,500 PR in 2024-25 to reflect the current law estimate of debt service costs. The reestimate includes: (a) adult corrections (-$5,663,700 GPR and -$43,600 PR in 2023-24 and -$7,139,100 GPR and -$40,500 PR in 2024-25); and (b) juvenile corrections (-$758,200 GPR in 2023-24 and -$195,000 GPR in 2024-25).

6. RENT

GPR	- $871,400
PR	78,600
Total	- $792,800

Governor: Provide an adjustment of -$592,700 GPR and $34,000 PR in 2023-24 and -$278,700 GPR and $44,600 PR in 2024-25 for departmentwide rent expenses and related supplies and services expenses.

7. REALIGNMENT OF FUNDING AND POSITIONS

	Funding	Positions
GPR	$1,107,400	7.70
PR	- 1,107,400	- 7.70
Total	$0	0.00

Governor: Adjust funding and positions between appropriations to reflect various organizational modifications within the Department. The adjustments include a reallocation of: (a) $9,072,200 GPR and $12,100 PR within the Secretary's Office to allow the Department to create budgetary subunits for the currently existing research unit, reentry unit, Prison Rape Elimination Act (PREA) unit, Office of Legal Counsel, Office of Internal Affairs, and Office of Public Information; (b) $251,000 GPR from the general program operations appropriation (Bureau of Personnel and Human Resources) to the services for community corrections appropriation (Bureau of Personnel and Human Resources) to more accurately reflect human resource services by appropriation; (c) 8.0 GPR positions and associated funding ($676,800 GPR) from the general programs operations appropriation to the services for community corrections appropriation related to a previous transfer of positions; (d) 7.70 PR positions and associated funding ($553,700) to GPR positions and funding to account for a decrease in PR revenue, but an on-going utilization of the positions; (e) $490,000 GPR and 4.0 GPR positions to match the reallocation of the positions (and associated funding) from the Divisions of Community Corrections and Juvenile Justice to the Office of the Secretary in calendar year 2021; (f) $11,200 GPR to provide supplies and services to previously transferred positions; and (g) $2,210,300 GPR to align funding between the general program operations, the community corrections, and the purchased services for offenders appropriations to reflect actions in the 2021-23 budget.

		Annual Funding		Positions	
Division	Appropriation	GPR	PR	GPR	PR
Adult Institutions	General Program Operations	$1,508,500		-4.00	
Adult Institutions	Services for Community Corrections	1,507,100		14.70	
Adult Institutions	Purchased Services for Offenders	-2,078,300			
Adult Institutions	Becky Young Community Corrections; Recidivism Reduction Community Services*	0			
Adult Institutions	Home Detention Services; Supervision		-$130,200		-2.20
Adult Institutions	Administration of Restitution		-423,500		-5.50
Adult Institutions	Interagency and Intra-agency Programs*		0		
Juvenile Corrections	General Program Operations	-383,600		-3.00	
	Total	$553,700	-$553,700	7.70	-7.70

*$8,138,100 GPR would be transferred among programs within the Becky Young appropriation and $12,100 PR would be transferred among programs within the interagency and intra-agency programs appropriation, with no funding or positions being added or removed from the appropriations in total.

8. PROGRAM REVENUE REESTIMATES

PR	$19,479,300

Governor: Provide $9,575,800 in 2023-24 and $9,903,500 in 2024-25 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 those appropriations under this item and other items recommended by the Administration, and the total funding that would be budgeted for these purposes under the Governor's recommendation.

Purpose	2022-23 Base	2023-24 Funding Adjustment	2023-24 Other Budget Items	2023-24 Total	2024-25 Funding Adjustment	2024-25 Other Budget Items	2024-25 Total
Badger State Logistics	$8,605,400	$600,000	$59,500	$9,264,900	$600,000	$59,600	$9,265,000
Canteen Operations	$986,700	1,000,000	16,200	2,002,900	1,000,000	16,200	2,002,900
Correctional Farms	$7,879,700	1,600,000	250,900	9,730,600	1,600,000	251,300	9,731,000
Prison Industries	21,422,700	1,400,000	3,081,100	25,903,800	1,400,000	3,023,100	25,845,800
Telephone Company Commissions	3,404,600	1,000,000	0	4,404,600	1,000,000	0	4,404,600
General Operations	7,270,000	1,000,000	-7,200	8,262,800	1,000,000	-7,200	8,262,800
Probation, Parole, Ext. Supervision	9,302,800	2,000,000	14,600	11,317,400	2,000,000	14,600	11,317,400
Juvenile Alternate Care Services	2,752,800	741,000	0	3,493,800	913,600	0	3,666,400
Juvenile Utilities & Heating	371,800	234,800	0	606,600	389,900	0	761,700
Total PR Reestimates		$9,575,800			$9,903,500		

9. REGIONAL FACILITIES MAINTENANCE TEAM

	Funding	Positions
GPR	$1,093,900	6.00

Governor: Provide $527,900 in 2023-24, $566,000 in 2024-25, and 6.0 positions annually to create and operate a regional facilities maintenance team to support departmentwide projects outside the scope of routine maintenance. The team would travel from site-to-site and include: (a) 1.0 buildings grounds supervisor; (b) 1.0 facilities maintenance specialist; (c) 1.0 HVAC/refrigeration specialist; (d) 1.0 electrician; (e) 1.0 plumber; and (f) 1.0 electronic technician security.

10. BUREAU OF TRAINING AND STAFF DEVELOPMENT

	Funding	Positions
GPR	$815,700	5.00

Governor: Provide $386,400 in 2023-24, $429,300 in 2024-25, and 5.0 positions (4.0 staff development program specialists - senior and 1.0 staff development supervisor) annually to create and operate a new Bureau of Training and Staff Development team, with a focus on leadership development, cultural competency, and diversity awareness.

11. BUREAU OF TECHNOLOGY MANAGEMENT

	Funding	Positions
GPR	$998,100	5.00

Governor: Provide $464,600 in 2023-24, $533,500 in 2024-25, and 5.0 information systems technology services specialist positions annually for the Bureau of Technology and Management's Facilities Infrastructure and Innovative Technologies team to assist with Department initiatives such as modernizing surveillance systems and expanding wireless networks.

12. CYBERSECURITY TEAM

	Funding	Positions
GPR	$414,900	7.00

Governor: Provide $192,200 in 2023-24, $222,700 in 2024-25, and 7.0 positions annually to create a cybersecurity team in the Bureau of Technology Management. The position authority would include 6.0 information systems (IS) technical services specialists and 1.0 IS supervisor. The 7.0 permanent positions would replace 6.0 contractor positions the Department is currently using for cybersecurity-related responsibilities.

13. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$231,000

Governor: Provide $115,500 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.

14. EQUITY OFFICER POSITION

	Funding	Positions
GPR	$175,100	1.00

Governor: Provide $76,600 in 2023-24 and $98,500 in 2024-25 and 1.0 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."]

15. TRIBAL LIAISON POSITION

	Funding	Positions
GPR	$151,900	1.00

Governor: Provide $65,100 in 2023-24 and $86,800 in 2024-25 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."]

16. PREGNANCY OR POSTPARTUM INDIVIDUALS IN CORRECTIONAL FACILITIES

Governor: Establish limits on the use of restraints on individuals in the custody of a correctional facility, known to be pregnant, unless a representative of a correctional facility makes an individualized determination that restraints are reasonably necessary to ensure safety and security, in which case the representative may use only the least restrictive effective type of restraint that is most reasonable under the circumstances. In addition, provide that a representative may not: (a) restrain an individual known to be pregnant with leg irons, waist chains, or other devices that cross or otherwise touch the individual's abdomen, or handcuffs or other devices that cross or otherwise touch the individual's wrists when affixed behind the back, while being transported; (b) confine an individual known to be pregnant in solitary confinement for punitive purposes; or (c) restrain an individual who is in labor or who has given birth in the preceding three days, unless specific circumstances are present. All staff who may come in contact with a pregnant or postpartum individual at a correctional facility must receive annual training on the requirements of this provision.

Further, provide that: (a) every woman under 50 years of age is offered testing for pregnancy; (b) every pregnant individual is offered testing for sexually transmitted infections (including HIV); (c) every pregnant individual on a methadone treatment regimen is provided continuing treatment; (d) every pregnant individual and every individual who has given birth in the past six weeks is provided appropriate, relevant educational materials and resources, and has access to doula services, if there is no charge to the correctional facility; (e) every pregnant individual and every individual who has given birth in the past six months has access to a mental health assessment and evidence-based mental health treatment (including psychotropic medication and therapeutic care for depression), if needed, and is advised orally and in writing of all applicable laws and policies governing an incarcerated pregnant or postpartum person; and (f) every person who has given birth in the past 12 months whose body is producing breast milk has access to necessary supplies and has the opportunity to express breast milk, as needed.

For the purposes of the pregnant or postpartum individuals in correctional facilities provisions, provide the following definitions:

"Correctional facility" has the same meaning as provided elsewhere in statute ((a) a state prison, unless the institution is the prisoner's place of residence and no one is employed there to ensure the prisoner's incarceration; (b) a juvenile detention facility, a secured residential care center for children and youth, or a juvenile correctional facility, unless the facility is a private residence in which the juvenile is placed and no one is employed there to ensure the juvenile remains in custody; or (c) a jail, Huber facility, work camp, reforestation camp, or lock up facility).

"Doula" means a nonmedical, trained professional who provides continuous physical, emotional, and informational support during pregnancy, labor, birth, and the postpartum period.

"Doula services" means childbirth education and support services, including emotional, physical, and informational support provided during pregnancy, labor, birth, and the postpartum period.

"Postpartum" means the period of time following the birth of an infant to six months after the birth.

"Restrain" means to use a mechanical, chemical, or other device to constrain the movement of a person's body or limbs.

[Bill Section: 2694]

Adult Institutions

1. ADULT CORRECTIONAL FACILITY POPULATIONS

Governor: Estimate an average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 21,183 in 2023-24 and 21,836 in 2024-25. From this projection, the following table identifies the adjusted estimated distribution of this population.

	March 3, 2023 Actual Population	Average Daily Population 2023-24	2024-25
Institutions*	18,377	18,206	18,859
Centers	2,396	2,859	2,859
Contract Beds**	36	118	118
Total	20,809	21,183	21,836

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (390 on March 3, 2023, and 444 for 2023-24 and 2024-25).

** Contract bed populations include inmates held in federal facilities, adult inmates in Division of Juvenile Corrections facilities, temporary lock-ups of inmates from correctional centers, and inmates in Wisconsin County jails.

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

GPR	$11,735,000

Governor: Provide adjustments of -$1,674,600 in 2023-24 and $13,409,600 in 2024-25 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) $4,424,700 in 2023-24 and $6,112,600 in 2024-25 for food costs; (b) $1,766,900 in 2023-24 and $2,580,700 in 2024-25 for variable non-food costs, such as inmate wages, bedding, clothing, kitchen utensils, and other supplies; and (c) -$7,866,200 in 2023-24 and $4,716,300 in 2024-25 for inmate non-food health services. The funding for inmate health services assumes that the per capita adult inmate cost will increase from an estimated $5,089 in 2022-23 to $5,474 in 2023-24 and $5,890 in 2024-25. Health care costs include supplies and services, pharmaceutical costs, third party administrator costs, and contracting costs with the University Hospital and Clinics, the UW Medical Foundation, Waupun Memorial Hospital, St. Agnes Hospital, and other community hospitals.

3. CONTRACT BED FUNDING

GPR	- $6,100,600

Governor: Provide an adjustment of -$3,068,600 in 2023-24 and -$3,032,000 in 2024-25 related to prison contract beds. The Administration projects a total need of 100 contract prison beds annually. In addition, the Administration projects a need of 500 contract beds the Division of Community Corrections would use for extended supervision sanctions, and 18 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. Base funding for the contract bed appropriation is $19,296,300.

4. WISCONSIN RESOURCE CENTER SECURITY OPERATIONS TRANSFER

	Funding	Positions
GPR	- $17,813,800	- 110.00

Governor: Eliminate 110.0 security positions and associated funding (-$8,906,900 annually) from the Department of Corrections. Transfer assets and liabilities, position authorizations, the incumbent employees holding those positions, tangible personal property, contracts and any pending matters to the Department of Health Services (DHS). Provide increased funding and position authorization in DHS associated with the transfer. [See "Health Services -- Care and Treatment Facilities."]

[Bill Section: 9108(1)]

5. MEDICATION ADMINISTRATION PILOT PROGRAM

	Funding	Positions
GPR	$5,974,900	30.60

Governor: Provide $2,728,100 in 2023-24, $3,246,800 in 2024-25, and 30.60 positions annually to create and operate a medication administration pilot at three adult male institutions (the specific locations would be selected at the discretion of the Department). Currently, at most facilities, medications are delivered to inmates by correctional officers or sergeants. The pilot would direct institutional nurses to handle medication administration. Provided positions would include: (a) 24.9 licensed practical nurses; and (b) 5.7 nurse clinicians.

6. FUEL AND UTILITIES

GPR	$5,749,200

Governor: Provide $2,628,700 in 2023-24 and $3,120,500 in 2024-25 associated with expected changes in prices for fuel and utilities in adult correctional facilities. Current base funding for the fuel and utilities appropriation is $26,401,300.

7. INSTITUTIONAL REPAIR AND MAINTENANCE

GPR	$1,805,200

Governor: Provide $657,900 in 2023-24 and $1,147,300 in 2024-25 for repair and maintenance costs associated with services and materials for adult institutions. Funding is based on an estimated construction cost index increase of 8% every six months through 2023 and of 4% every six months, beginning in 2024. Base funding for institutional repair and maintenance is $5,340,100 annually.

8. MEDICATION-ASSISTED TREATMENT

	Funding	Positions
GPR	$5,022,600	1.00

Governor: Provide $1,106,800 in 2023-24, $3,915,800 in 2024-25, and 1.0 pharmacist position annually to expand access to medication-assisted treatment, which uses medication in combination with counseling and behavioral therapies to treat individuals with substance use disorders. The expansion would allow the Department to serve Division of Adult Institution inmates, including approximately 415 inmates in 2023-24, and 930 inmates on an annualized basis, beginning in 2024-25. Currently, while some individuals may receive an initial shot while in custody, the program only exists for Division of Community Corrections individuals. In addition, reallocate 1.0 currently vacant position for this purpose.

9. TREATMENT CAPACITY EXPANSION

	Funding	Positions
GPR	$2,862,800	36.00

Governor: Provide $1,859,400 and 34.0 positions in 2023-24 and $1,003,400 and an additional 2.0 positions in 2024-25 to expand treatment capacity in the earned release program (ERP) and substance use disorder program (SUD) to serve approximately 450 inmates on an annualized basis (about half for ERP, and half for SUD). Both ERP and SUD address risky thinking and substance use that could lead to criminal behavior. Position authority would include: (a) 2.0 probation and parole agent positions in the Division of Community Corrections; and (b) 34.0 positions (33.0 treatment specialists and 1.0 psychological associates) in the Division of Adult Institutions. In addition, reallocate an additional 21.5 currently vacant positions for this purpose (including: (a) 12.0 treatment specialists, (b) 3.5 social workers; (c) 3.0 psychological associates; (d) 1.0 probation and parole agent; (e) 1.0 office operations associate; and (f) 1.0 psychologist supervisor). Allocation of positions to specific institutions has not yet been determined.

10. TECHNICAL MOBILE LABS

GPR	$1,951,600

Governor: Provide $975,800 annually to support instructor costs at the existing six technical mobile labs. A mobile lab is a self-contained classroom inside a trailer located on institution grounds. The Department currently operates five labs in the following functional areas and at the following institutions: (a) computer numerical control (CNC) at Racine Correctional and Kettle Moraine Correctional (one at each location); (b) welding at Taycheedah Correctional; (c) electromechanical at New Lisbon Correctional; and (d) mechatronics at the Racine Youthful Offender Facility. In addition, the Department notes that a new lab is expected to arrive this summer to replace the lab at Racine, at which point the old lab will be repurposed and moved to Green Bay Correctional as an industrial maintenance lab.

11. WINDOWS TO WORK EXPANSION

GPR	$500,000

Governor: Provide $250,000 annually to expand the Windows to Work program to allow for an additional 96 participants per year. The Windows to Work program is a pre- and post-release program designed to address criminogenic needs that can lead to recidivism. While still incarcerated, inmates participate in programming including cognitive intervention, general work skills and expectations, financial literacy, community resources, job seeking, applications, and resumes. Post-release includes assistance in job search and job retention activities for approximately 12 months after release. In 2021-22, the program served 502 new enrollees, 180 transfer enrollees, and 359 continuing-participants. The program is currently budgeted at $1,892,200.

12. METAL STAMPING EXPANSION

PR	$5,963,600

Governor: Provide an increase in expenditure authority of $3,012,700 in 2023-24 and $2,950,900 in 2024-25 in the annual prison industries appropriation to expand the Bureau of Correctional Enterprise's metal stamping operations at Waupun Correctional Institution to comply with the requirements of 2021 Act 163 (which requires the issuance of new registration plates, constructed according to specific design criteria). Increased funding would support the purchase of equipment and supplies and services required by Act 163 (such as aluminum and plastic sheeting) as well as overtime costs for Bureau of Correctional Enterprises staff. [See "Transportation -- Motor Vehicles."]

13. INCREASE STAFFING IN THE WOMEN'S CORRECTIONAL CENTER SYSTEM

	Funding	Positions
GPR	$1,005,700	6.00

Governor: Provide $463,000 in 2023-24, $542,700 in 2024-25, and 6.0 positions annually to increase staffing at the Robert E. Ellsworth Correctional Center (REECC) and the Milwaukee Women's Correctional Center. The provided positions include: (a) 5.0 supervising officers at REECC; and (b) 1.0 chaplain, who will split time between the two centers.

14. CONVERT LIMITED-TERM EMPLOYEE PHARMACY TECHNICIAN POSITIONS TO FULL-TIME EMPLOYEE POSITIONS

	Funding	Positions
GPR	$472,300	10.00

Governor: Provide $153,300 and 5.0 positions in 2023-24, and $319,000 and an additional 5.0 positions in 2024-25 to convert limited-term employee pharmacy technicians to permanent pharmacy technician positions. The 10.0 total positions would be allocated to the Central Pharmacy.

15. CONVERT CONTRACTED POSITIONS TO FULL-TIME EMPLOYEE POSITIONS

	Positions
GPR	3.00

Governor: Provide an increase in position authority to convert three Bureau of Technology Management contracted positions to full-time employee positions. Reallocate $376,600 GPR from the Department's supplies and services budget ($316,600 within the general program operations appropriation and $60,000 from community corrections) to cover the difference between the contractor and full-time employee costs.

16. WISCONSIN SECURE PROGRAM FACILITY HEALTH SERVICE UNIT SUPPLIES AND SERVICES

GPR	$85,300

Governor: Provide $85,300 in 2024-25 for non-personnel costs (including $50,300 for permanent property (such as telemedicine machines, dental equipment, and dialysis machines) and $35,000 for supplies and services) related to the opening of the new health services unit at the Wisconsin Secure Program Facility (WSPF) located in Boscobel. According to the Department, the WSPF health services unit is scheduled to be substantially completed late in 2024-25.

17. FULL FUNDING OF THE CENTRAL GENERATING PLANT POSITION

PR	$8,800

Governor: Provide increased expenditure authority of $4,400 annually in the annual institutional operations and charges appropriation to fund non-salary costs funded for a partial year in 2022-23 associated with the water utility operator position at the Waupun central generating plant, provided in 2021 Act 58 (the 2021-23 biennial budget).

18. LAW ENFORCEMENT INVESTIGATIVE SERVICES

Governor: Request statutory language changes to reimburse local governments for law enforcement investigative services rendered to state prisons and juvenile correctional facilities. In addition, request a corresponding reallocation of $125,700 GPR from the adult correctional services general program operations appropriation to the adult correctional services reimbursement claims of counties containing state prisons appropriation.

Create statutory language to provide that the clerk of any town or city (including 1st Class cities (Milwaukee)) that is entitled to reimbursement must make a certified claim against the state, without direction from the county board or common council, in all cases in which reimbursement is directed upon forms prescribed by the Department of Administration. The forms must contain information required by the clerk and must be filed annually with the Department of Corrections, on or before June 1st.

Under current law, reimbursement claims of counties containing state prisons or juvenile correctional facilities may only be made by county clerks for certain expenses incurred or paid by the county in reference to all matters growing out of actions and proceedings involving prisoners in state prisons or juveniles in juvenile correctional facilities. The proposed changes would broaden the requirements to include expenses relating to actions and law enforcement investigative services, and to allow any jurisdiction (county, city, village, or town) to submit a claim for reimbursement. In addition, modify the reimbursement claims of counties containing state prisons and juvenile correctional facility appropriation titles to also include municipalities.

Reallocate $125,700 GPR annually from the Division of Adult Institutions' general program operations appropriation to the reimbursement claims of counties or municipalities containing state prisons appropriation. Currently, the Department is reimbursing the Village of Allouez for local law enforcement investigative services provided to Green Bay Correctional Institution ($60,000 annually, as required by 2019 Act 9) as well as Dodge County for local law enforcement investigative services provided to the various correctional facilities within the county (approximately $65,700 annually, based on actual costs, as agreed upon by the county and the Department). The reallocation would move these amounts to the reimbursement claims appropriation.

[Bill Sections: 122, 395, 396, 1158, 1164, 1167, and 1168]

Community Corrections

1. OPENING AVENUES TO REENTRY SUCCESS EXPANSION

GPR	$8,796,500

Governor: Provide $3,449,600 in 2023-24 and $5,346,900 in 2024-25 to expand the Opening Avenues to Reentry Success (OARS) program to serve an additional 177 individuals annually. The OARS program began as a pilot program in 2011, providing intensive case management and mental health services to serious mentally ill offenders. Services are provided based on each offender's needs and may include intensive case management and supervision, assistance with obtaining and maintaining safe affordable housing, resources for medication and access to psychiatric care, treatment addressing criminogenic needs, access to local transportation, budgeting, and financial resources, employment, and education. A second, "OARS 2" pilot program began in 2020, which functions similarly to OARS, with the primary difference being the eligibility requirements (OARS has a pre-release component for inmates, but OARS 2 participants must be at least 30 days post-release).

The OARS program is jointly administered with the Department of Health Services, which provides treatment services under contract. [See "Health Services -- Behavioral Health" for OARS position expansion.] In 2021-22, the OARS program (including OARS 2) served 430 participants. The program is currently budgeted at $4,128,400.

2. ALTERNATIVE TO REVOCATION EXPANSION

GPR	$6,670,900

Governor: Provide $2,227,700 in 2023-24 and $4,443,200 in 2024-25 to expand available options for residential community alternatives to revocation by 100 additional beds. Available options for placement in a community alternative to revocation include placement in a specialized treatment program (such as sex offender treatment or domestic violence treatment), a residential services program (halfway house), or a residential treatment center. The Department currently contracts for 389 residential community beds that the Division of Community Corrections may use for alternative to revocation placements.

3. GLOBAL POSITIONING SYSTEM (GPS) SEX OFFENDER TRACKING

GPR	$646,900
PR	33,900
Total	$680,800

Governor: Provide $198,500 GPR and $10,400 PR in 2023-24 and $448,400 GPR and $23,500 PR in 2024-25 to monitor sex offenders who are on GPS tracking. The Department is statutorily required to monitor certain sex offenders, including sex offenders on lifetime supervision (who are tracked until they are deceased). As a result, the total number of individuals tracked by the Department continues to increase. As of February 1, 2023, the Department was monitoring 3,000 individuals by GPS. The Governor projects the GPS-monitored population to increase by 264 individuals by the end of 2023-24 and by an additional 212 individuals by the end of 2024-25.

4. GLOBAL POSITIONING SYSTEM (GPS) TRACKING ESTIMATE

GPR	$398,800
PR	19,200
Total	$418,000

Governor: Provide $199,400 GPR and $9,600 PR annually to fund non-salary costs funded for a partial year in 2022-23 associated with GPS tracking.

5. NOTIFICATION TO CRIME VICTIMS

Governor: Modify current law to require the Department of Corrections or the Parole Commission to notify any member of a deceased victim's family who was younger than 18 years old at the time the crime was committed but is now 18 years or older, if the perpetrator of the crime is released on parole or extended supervision. Under current law, only adult members of the victim's family or the parent or legal guardian of the victim are notified.

[Bill Sections: 2703 and 2704]

Adult Sentencing

1. EARNED RELEASE PROGRAM CRITERIA AND ELIGIBILITY

Governor: Modify statutory language to change the name of the Wisconsin substance abuse program to the Wisconsin earned release program and to change the language of "substance abuse" to "substance use disorder" under program provisions. In addition, make the following modifications to the program:

a. Earned Release Program Eligibility. Modify current law to allow the Department of Corrections, rather than the sentencing court, to determine eligibility in the earned release program. In considering program eligibility, specify that the Department must considerer a prior determination by the sentencing court, if applicable. Repeal statutory language that allows an inmate sentenced before July 26, 2003, to petition the sentencing court to determine earned release program eligibility. [Under the bill, the Department would be able to make program eligibility determinations for these individuals.]

b. Earned Release Program - Vocational Readiness Training Program. Expand the earned release program to include not only substance use disorder programs, but also vocational readiness training programs. For the purposes of the Wisconsin earned release program, define "vocational readiness training program" to mean an educational, vocational, treatment, or other evidence-based training program to reduce recidivism. Specify that the Department must provide vocational readiness training programs as an eligible program for earned release at any correctional facility the Department deems appropriate.

The Department must inform the sentencing court when an eligible inmate serving a bifurcated sentence has completed a substance use disorder treatment program or a vocational readiness training program. Upon being informed, as under current law, the court must modify the inmate's sentence by shortening the confinement portion of a sentence and lengthening the extended supervision period by a corresponding amount.

Specify that, for individuals serving an indeterminate sentence, upon successful completion of a substance use disorder treatment program, the Parole Commission must parole an inmate, regardless of time served, and must require the parolee to participate in an intensive supervision program for drug abusers, as a condition of parole. Conversely, the Department may place intensive sanction program participants in a substance use disorder treatment program (although the Department is not required to notify the court, and the court is not required to modify the participant's sentence, in this circumstance).

c. Administrative Rules. Specify that the Department of Corrections must update its administrative rules to implement earned release for completion of a vocational readiness training program, including specification of eligibility to participate criteria for persons sentenced before the effective date of this provision.

[Bill Sections: 2683 thru 2693 and 9108(2)]

2. EARNED RELEASE COMPLIANCE CREDIT

Governor: Establish the earned compliance credit to require a person with a qualifying offense, upon revocation of extended supervision or parole, to be given credit toward the service of his or her sentence for each day the person spent on extended supervision or parole without violating a condition or rule of extended supervision or parole, prior to the violation that resulted in the revocation. Define "qualifying offense" to mean any offense but not including: (a) a crime against life and bodily security (Chapter 940 of the statutes); (b) sexual assault of a child; (c) repeat acts of sexual assault of the same child; (d) physical abuse of a child; (e) sexual exploitation of a child; (f) trafficking of a child; (g) causing a child to view or listen to sexual activity; (h) incest with a child; (i) child enticement; (j) use of a computer to facilitate a child sex crime; (k) soliciting a child for prostitution; (l) sexual assault of a child placed in substitute care; or (m) sexual assault of a child by a school staff person or a person who works or volunteers with children.

Specify that earned compliance credit amounts must be calculated and applied by the appropriate reviewing authority (DOA's Division of Hearings and Appeals, or the Secretary of the Department of Corrections if the individual has waived a revocation hearing) when determining time remaining on a bifurcated sentence. In addition, a person released to extended supervision after service of the period of time specified by the reviewing authority is subject to all conditions and rules imposed until the expiration of the time remaining on the bifurcated sentence.

Specify that the earned release compliance credit does not apply to a person required to register as a sex offender and may only be used for the time spent in the community for qualifying offenses, if a person is serving more than one sentence. However, specify that a convicted offender made available to another jurisdiction must be credited with service of his or her Wisconsin sentence, including any earned compliance credit, for the duration of custody in the other jurisdiction.

Specify that a person who is serving a sentence for qualifying offense and who is in custody upon revocation of extended supervision or parole on the effective date of this provision may petition to be given earned compliance credit. Upon proper verification of the facts alleged in the petition, the earned compliance credit must be applied retroactively. If the Department is unable to determine whether credit should be given, or otherwise refuses to award retroactive credit, the person may petition the sentencing court for relief. Specify that this provision applies regardless of the sentencing date. Individuals subject to the sex offender registry remain ineligible for the earned release credit under this provision.

Modify statutory language to include the earned compliance credit to the revoked parolee tolling period provisions. Under current law, the sentence of a revoked parolee or person on extended supervision resumes running on the day he or she is received at a correctional institution, subject to sentence credit for the period of custody in a jail, correctional institution, or any other detention facility, pending revocation.

[Bill Sections: 2695 thru 2700, 2705, 3375, 3377, and 9108(3)]

3. EXPUNGEMENT OF CRIMINAL RECORDS

Governor: Modify expungement of criminal records and related provisions, as follows:

a. Expungement of Criminal Record Modifications. Modify the current expungement statutes to remove the provisions related to differentiated treatment of persons under the age of 25, and instead provide that a court may order that a criminal case be expunged after a conviction by one of the following methods: (1) at the time of sentencing, the court may order the record expunged upon successful completion of the sentence, if the court determines that the person has not previously had a record expunged under this provision and that the person will benefit and society will not be harmed by the disposition; or (2) the person may file a petition in the county of conviction requesting the record be expunged, if at least one year has passed since successful completion of his or her sentence, there are no criminal charges pending against the person, the person has not previously had a record expunged under this provision, and the person has not exceeded the maximum number of petitions allowed.

Under the bill, a person has successfully completed the sentence if: (1) the person completed all periods of incarceration, parole, or extended supervision to which he or she was sentenced; (2) paid all fines, costs, fees, surcharges, and restitution assessed; (3) completed any court-ordered community services; (4) the person has not been convicted of a subsequent crime; and (5) if probation was imposed, the probation has not been revoked. Specify that if a sentence is completed involving incarceration or probation, the detaining or probationary authority must issue and forward to the court of record a certificate of discharge that indicates whether the person successfully completed his or her sentence. If the person has been incarcerated, the detaining authority must forward a copy of the certificate the Department of Corrections.

In addition, a person is ineligible for expungement if there are criminal charges pending against the person, the person has exceeded the maximum number of petitions allowed (two), or the conviction at issue: (1) is for a crime for which the maximum period of imprisonment is more than six years (Class H felony or higher); (2) is a violation of traffic crimes (Chapters 341 to 348); (3) the court ordered the record ineligible for expungement at sentencing; (4) a violation of stalking (any class), criminal trespass to dwellings, or if the court noted in the record that the property damage was a business or (5) a violation of a domestic abuse temporary responding order or injunction. Current law provisions prohibiting expungement for a violent felony remains unchanged under the bill.

Provide that the court must review the petition and determine if the person is eligible. If the court determines the person is eligible, the petition is forwarded to the District Attorney. If the District Attorney requests a hearing within 90 days after reviewing the petition, the court must schedule a hearing to review the petition. If the District Attorney waives the hearing, or at least 90 days has passed, the court may review the petition with or without a hearing. If a hearing is held, the sentencing judge must be the judge to review the petition, if practicable. Specify that the court may order the record expunged if the person will benefit and society will not be harmed by the disposition. If the record is not expunged, the person may file a second petition, along with a $100 fee to the Clerk of Circuit Court, only if two years have passed since the first petition was filed. No person may file more than two petitions per record.

Under current law, a court may expunge a criminal record if: (1) the person is under the age of 25 at the time of the commission of the offense for which the person has been found guilty; (2) the offense is not a violent felony and carries a maximum period of imprisonment of six years or less (Class H felony or less); (3) the person has not been previously convicted of a felony; and (4) the court ordered at the time of sentencing that the record be expunged upon successful completion of the sentence (if the court determines the person will benefit and society will not be harmed by the disposition). The court must order at the time of sentencing that the record be expunged upon successful completion of the sentence if the offense was for a violation of certain invasion of privacy provisions and the person was under the age of 18 at the time the crime was committed. The current law expungement provisions do not apply to certain specified crimes.

Under current law, a person has successfully completed the sentence if the person has not been convicted of a subsequent offense and, if on probation, the probation has not been revoked and all probation conditions have been satisfied. Upon successful completion of the sentence, the detaining or probationary authority must issue a certificate of discharge which must be forwarded to the court, having the effect of expunging the record. If the person has been imprisoned, the detaining authority must forward a copy of the certificate of discharge to the Department of Corrections. Current law specifies that a court may also expunge a record for certain crimes upon motion to the court.

b. Victim Notification and Rights. Include expungement proceedings and hearings as events for which victims and witnesses have the right to require reasonable attempts to be made to notify the victim of hearings or court proceedings. Specifically, the District Attorney must make a reasonable attempt to notify the victim of the petition (including obtaining the victim address information from the Clerk of the Circuit Court), and must inform the victim that he or she may waive the requirement and that, if waived, the court may review the petition without a hearing. In addition, specify that the District Attorney must inform the victim of manners in which he or she may provide written statements concerning the petition and that, if the victim does not waive the hearing requirement, he or she may appear at the hearing. If the victim waives the hearing requirement, the District Attorney may inform the court that there is no objection to waving the requirement.

c. Employment Discrimination Due to Criminal Record. Provide that employment discrimination because of conviction record includes, but is not limited to, requesting an applicant, employee, member, licensee, or any other individual, on an application form or otherwise, to supply information regarding a crime for which the record has been expunged. Specify that a request to supply information regarding criminal convictions must not be construed as a request to supply information regarding a crime for which the record has been expunged. Renumber current statutes related to discrimination because of an arrest record.

Specify that it is employment discrimination for an employer or licensing agency to engage in any act of employment discrimination on the basis of an expunged conviction record. Specify that this provision also applies to discrimination by licensing agencies in licensing provisions. Specify that a record for a crime expunged is not considered a conviction for employment purposes or for purposes of the issuance of a license by a licensing agency. Further, specify that it is not employment discrimination for the law enforcement standard board to refuse to certify, recertify, or allow to particular in a preparatory training program or to decertify an individual who has an expunged conviction record. These provisions do not apply to the extent that they conflicts with federal law.

d. Applicability. The treatment of the created or modified expungement of criminal records provisions first apply to a conviction for which sentencing has occurred, but for which the record has not been ordered or expunged on the effective date of these provisions. The treatment of other provisions impacted by this bill first apply on the first day of the 13th month beginning after publication.

e. *Definitions.* For the purposes of the expungement provisions, define "Record" to mean a criminal case file.

The expungement provisions are intended to include the provisions of 2021 Assembly Bill 69 and Assembly Amendment 1 to Assembly Bill 69.

[Bill Sections: 1934, 1936 thru 1941, 3316, 3366 thru 3373, 3379, 9351(1) and 9451(1)]

4. IMMUNITY FOR CERTAIN CONTROLLED SUBSTANCES OFFENSES

Governor: Modify the statutory title for "Immunity from Criminal Prosecution" to add "and Revocation of Parole, Probation, or Extended Supervision." In addition, modify provisions under this title to provide that an "aider" may not have his or her parole, probation, or extended supervision revoked for the possession of drug paraphernalia, a controlled substance, controlled substance analog, or of a masking agent under the circumstances surrounding or leading to the commission of an act that qualifies a person as an aider, if the aider's attempt to obtain assistance occurs immediately after the aider believes the other person is suffering from an overdose or other adverse reaction.

Specify that no aided person may have his or her parole, probation, or extended supervision revoked under the circumstances surrounding or leading to the commission of an "aider" act if the aided person completes a treatment program as a condition of his or her parole, probation, or extended supervision or, if programming is unavailable or would be financially prohibitive, if the aided person agrees to be imprisoned in the county jail for not less than 15 days. In addition, specify that if an aided person is subject to prosecution for the possession of drug paraphernalia, a controlled substance, controlled substance analog, or of a masking agent under circumstances surrounding or leading to the commission of an act that qualifies a person as an aider, the district attorney must offer the aided person a deferred prosecution agreement that includes the completion of a treatment program. This provision does not apply to an aided person who is on parole, probation, or extended supervision and fails to meet the above-mentioned treatment program or county jail conditions.

Under current law, an "aider" means a person who: (a) brings another person who is, or is reasonably believed to be, suffering from an overdose to a fire station or healthcare facility and makes contact with staff; (b) summons and makes contact with a law enforcement officer, ambulance, emergency medical services practitioner, or other health care provider in order to assist another person who is, or is reasonably believed to be, suffering from an overdose; or (c) calls "911," or where the number is not available, calls a number for an emergency medical service provider and makes contact with an individual answering the number, with the intent to obtain assistance for another person who is, or is reasonably believed to be, suffering from an overdose.

This provision permanently restores the expanded immunities temporarily provided under 2017 Act 33. The provisions under Act 33 expired on August 1, 2020.

[Bill Sections: 3334 thru 3336]

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES

Governor: Under the bill, the juvenile correctional facility average daily population (ADP) is estimated to be 93 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.

	March 3, 2023	Average Daily Population	
Facilities	Actual Population	2023-24	2024-25
Lincoln Hills School	48	50	50
Copper Lake School	5	12	12
Mendota Juvenile Treatment Center	28	26	26
Grow Academy	6	5	5
Total Juvenile Correctional Facility	87	93	93

2. STATUTORY DAILY RATES

Governor: Establish the statutory daily rate at $1,246 in 2023-24 and $1,268 in 2024-25 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. The current daily rate for 2022-23 is $1,178. 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.

[Bill Sections: 2680 and 2681]

3. SERIOUS JUVENILE OFFENDER FUNDING

GPR	$7,567,100

Governor: Provide $1,567,700 in 2023-24 and $5,999,400 in 2024-25 related to juvenile institution care, alternate care, and community supervision for serious juvenile offenders (SJO). Increased costs are associated with an increase in the statutory daily rate for the estimated populations. The estimated ADP for the SJO population would be 75 in 2023-24 and 82 in 2024-25. Base funding for the program is $19,205,300 GPR annually. The following ADPs for the SJO appropriation, are projected for the 2023-25 biennium:

Average Daily Population

Type of Care	Serious Juvenile Offenders January, 2023	2023-24	2024-25
Juvenile Corrections Facilities	24	42	51
Community Supervision Program	63	33	31
Total ADP	87	75	82
Alternate Care*	17	11	11

* 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. POPULATION AND INFLATIONARY COSTS

PR	$222,500

Governor: Modify population-related funding for juvenile corrections by $87,700 in 2023-24 and $134,800 in 2024-25, as follows: (a) $132,900 in 2023-24 and $138,800 in 2024-25 for food costs at juvenile correctional facilities; (b) $31,000 annually for variable non-food costs (such as clothing, laundry, and personal items); and (c) -$76,200 in 2023-24 and -$35,000 in 2024-25 for juvenile health costs.

5. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE

PR	$1,084,400

Governor: Provide $447,300 in 2023-24 and $637,100 in 2024-25 related to payments to the Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center (MJTC). Base funding for MJTC is $1,365,500 GPR and $4,068,600 PR.

6. AGE OF JUVENILE JURISDICTION

Governor: Modify current law, first applicable to acts committed on the day after publication of the bill, to specify that persons who have not attained the age of 18 years are subject to the procedures specified in the Juvenile Justice Code and, on being adjudicated delinquent, subject to an array of dispositions under that code including placement in a juvenile correctional facility. Similarly, modify from 17 to 18 the age at which a person who is alleged to have violated a civil law or municipal ordinance is subject to the jurisdiction and procedures of the circuit court or, if applicable, the municipal court. Specify that the provisions would become effective on January 1, 2024.

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

[Bill Sections: 818, 819, 886 thru 890, 2126, 2263 thru 2265, 2338, 2339, 2678, 2679, 2701, 3235, 3236, 3241 thru 3243, 3247, 3255, 3257 thru 3259, 3261, 3262, 3283, 3285 thru 3297, 3308, 3311 thru 3315, 3337 thru 3340, 3350 thru 3354, 3388, 3389, 9308(1), and 9408(1)]

COURT OF APPEALS

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$12,384,500	$11,983,200	$12,005,500	- $780,300	- 3.2%	75.50	75.50	75.50	0.00	0.0%

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $780,300

Governor: Provide adjustments to the base totaling -$401,300 in 2023-24 and -$379,000 in 2024-25 associated with: (a) full funding of continuing position salaries and fringe benefits (-$309,300 annually); and (b) full funding of lease and directed moves costs (-$92,000 in 2023-24 and -$69,700 in 2024-25).

DISTRICT ATTORNEYS

	Budget Summary					FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$56,624,900	$66,197,900	$70,755,200	$23,703,300	20.9%	456.40	505.20	511.20	54.80	12.0%
FED	0	2,668,000	0	2,668,000	0.0	46.00	46.00	0.00	- 46.00	- 100.0
PR	4,690,800	3,693,800	3,693,800	- 1,994,000	- 21.3	42.50	35.50	35.50	- 7.00	- 16.5
TOTAL	$61,315,700	$72,559,700	$74,449,000	$24,377,300	19.9%	544.90	586.70	546.70	1.80	0.3%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $5,353,100	0.00
FED	2,668,000	- 46.00
PR	- 1,519,800	- 4.00
Total	- $4,204,900	- 50.00

Governor: Provide adjustments to the base totaling -$2,969,700 GPR, $2,668,000 FED, and -$759,900 PR, and -4.0 PR positions in 2023-24, and -$2,383,400 GPR and -$759,900 PR, and -4.0 PR and -46.0 FED positions in 2024-25. Adjustments are for: (a) turnover reduction (-$1,219,700 GPR annually); (b) removal of non-continuing elements from the base (-$889,400 FED and -$607,500 PR and -4.0 PR positions in 2023-24 and -$3,557,400 FED and -$607,500 PR and -46.0 FED and -4.0 PR positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-$2,405,900 GPR, $3,557,400 FED, and -$152,400 PR, annually); (d) reclassifications and semiautomatic pay progression ($560,900 GPR in 2023-24 and $1,147,200 GPR in 2024-25); and (e) night and weekend differential pay ($95,000 GPR annually). Note that positions removed under non-continuing element were supported with federal ARPA funds.

2. RESTORE TURNOVER

GPR	$2,439,400

Governor: Provide $1,219,700 annually to restore the turnover reduction applied in standard budget adjustments.

3. SALARY ADJUSTMENTS

GPR	$14,026,800

Governor: Provide $7,013,400 annually to increase the starting salary of all Assistant District Attorneys (ADAs) to $35 an hour and provide an hourly increase of $7.76 ($16,140 annually) to all ADAs and Deputy District Attorneys. Further, include non-statutory language specifying that, notwithstanding statutory provisions that establish maximum annual salary increases in connection with pay progression, salary increases in 2023-24 and 2024-25 may be more than 10% annually.

[Bill Section: 9101(4)(a)]

4. PAY PROGRESSION

GPR	$1,672,100

Governor: Provide $1,672,100 in 2024-25 to support the pay progression plan 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 ($56,659 as of January 3, 2023) and the highest annual salary ($136,781 as of January 3, 2023). The value of one hourly salary step equals $4,722 annually. Notwithstanding the creation of a 17 hourly salary step pay progression plan, the 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 one step.

5. DISTRICT ATTORNEY COMPENSATION

GPR	$854,300

Governor: Provide $854,300 in 2024-25 to increase the hourly compensation of elected district attorneys by $7.76 ($16,140 annually) beginning with the start of their new term (January, 2025) to match the raise provided to ADAs and DDAs. Salaries for elected District Attorneys (ranging from $106,288 to $145,288 based on county population) are established in the state's compensation plan which is approved by the Joint Committee on Employment Relations.

6. ADDITIONAL GPR PROSECUTOR POSITIONS

	Funding	Positions
GPR	$8,945,000	54.80
PR	- 474,200	- 3.00
GPR	$8,470,800	51.80

Governor: Provide $3,750,200 GPR and 48.8 GPR positions in 2023-24, and $5,194,800 GPR and 54.8 GPR positions in 2024-25, to provide additional prosecutors to District Attorney offices across the state. In addition, modify funding by -$237,100 PR annually and -3.0 PR positions.

a. *New State Prosecutor Positions*. Provide $3,421,600 GPR in 2023-24, $4,562,100 GPR in 2024-25, and 44.9 GPR positions annually, to provide additional ADAs requested by the following 16 offices:

County	Recommended GPR ADA Positions	Current Prosecutor Position Authority	Current FED ADA Positions*	Resulting Prosecutor Position Authority
Brown	6.0	17.0	2.5	25.5
Clark	2.0	2.0	0.0	4.0
Dane	10.0	30.0	3.0	43.0
Dodge	1.0	5.0	0.0	6.0
Eau Claire	2.0	11.0	1.0	14.0
Fond du Lac	0.5	9.0	1.5	11.0
Grant	1.0	2.0	0.0	3.0
Marathon	1.0	13.0	2.0	16.0
Marinette	1.0	3.0	0.0	4.0
Milwaukee	4.0	124.5	16.0	144.5
Monroe	2.0	5.0	0.5	7.5
Sauk	2.0	6.0	0.5	8.5
St. Croix	1.0	7.0	0.5	8.5
Walworth	3.0	6.0	0.5	9.5
Waukesha	7.4	20.0	1.5	28.9
Waupaca	1.0	4.0	0.0	5.0
Total	44.9			

* Positions expire at the end of 2024.

b. Convert PR and FED-Funded ADA Position Authority to GPR. Provide $237,100 GPR and -$237,100 PR and 3.0 GPR and -3.0 PR positions in 2023-24, $515,900 GPR and -$237,100 PR in 2024-25 and 8.5 GPR and -3.0 PR positions, to convert funding for certain prosecutor positions from program revenue to general purpose revenue as identified below. [Note that the federal funding for positions converted are removed as part of standard budget adjustments as non-continuing items.]

County	Recommended PR to GPR Positions	Recommended FED to GPR Positions*	Total Converted Positions
Fond du Lac	1.0	1.5	2.5
Kenosha	0.0	2.0	2.0
Milwaukee	2.0	0.0	2.0
Outagamie	0.0	2.0	2.0
Total	3.0	5.5	8.5

* Position starts in 2024-25.

c. Increase Existing Part-Time ADA Position Authority: Provide $91,500 GPR and 0.9 GPR positions in 2023-24, and $116,800 GPR and 1.4 GPR positions in 2024-25 to increase part-time prosecutor positions in the following three counties: (a) Langlade 0.5 GPR position in 2024-25 (0.5 to 1.0 position); (b) Oneida 0.5 GPR position (0.5 to 1.0 position); and (c) Ozaukee 0.4 GPR position (0.6 to 1.0 position).

7. SUPPLIES AND SERVICES

GPR	$1,118,800

Governor: Provide $559,400 annually to support the costs of various Department of Administration (DOA) assessments including charges for personnel services, financial services, DOA overhead, risk management and state accounting system. As part of the District Attorneys salary and fringe benefits appropriation, $223,200 annually is allocated to supplies and services. Payments for special prosecutors ($155,100 in 2021-22) are also made from the appropriation's supplies and services allocation.

8. DEPUTY DISTRICT ATTORNEY ALLOCATIONS

Governor: Allow counties with a population between 200,000 and 750,000 to appoint up to four deputy district attorneys instead of three. This provision would affect Brown, Dane, and Waukesha counties.

[Bill Section: 3385]

9. DISTRICT ATTORNEY INFORMATION TECHNOLOGY PROGRAM

Governor: Provide $4,400,000 GPR annually in the Department of Administration to support the District Attorney Information Technology (DAIT) program, which provides IT hardware, software, and legal subscription services to the District Attorneys (DA), Assistant District Attorneys, and other District Attorney Office staff. Funding is intended to provide laptops and software for 1,600 state- and county-funded employees statewide utilizing the DAIT network ($3,000,000 annually) and to provide TIME Access, Westlaw subscription, and State Bar legal research tools for eligible DA office employees ($1,400,000 annually). Further, funding is intended to upgrade the prosecutor technology for case tracking system. [See "Administration -- Information Technology."]

10. REPRESENTATION FOR LAW LICENSE GRIEVANCES

Governor: Provide funding and an attorney position in the Department of Administration an attorney to represent state attorneys before the Office of Lawyer Regulation in the event that a grievance against their law license is filed ($65,700 PR in 2023-24 and $84,200 PR in 2024-25 with 1.0 PR position annually). [See "Administration -- General Agency Provisions."]

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$5,834,200	$5,965,900	$5,754,600	$52,100	0.4%	25.94	25.94	25.94	0.00	0.0%
PR	15,071,200	15,501,600	15,512,800	872,000	2.9	28.24	28.24	28.24	0.00	0.0
TOTAL	$20,905,400	$21,467,500	$21,267,400	$924,100	2.2%	54.18	54.18	54.18	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$542,600
PR	872,000
Total	$1,414,600

Governor: Modify the base budget by $269,600 GPR and $430,400 PR in 2023-24 and $273,000 GPR and $441,600 PR in 2024-25 for: (a) full funding of continuing salaries and fringe benefits ($173,300 GPR and $211,700 PR annually); (b) $4,300 GPR and $18,300 PR in 2023-24 and $7,300 GPR and $20,200 PR in 2024-25 for reclassifications and semiautomatic pay progression; (c) $73,300 GPR and $12,000 PR annually for overtime; (d) $8,700 GPR and $3,400 PR annually for night and weekend differential pay; and (e) $10,000 GPR and $185,000 PR in 2023-24 and $10,400 GPR and $194,300 PR in 2024-25 for full funding of lease and directed move costs.

2. DEBT SERVICE REESTIMATE

GPR	- $589,700

Governor: Reestimate debt service funding by -$181,200 in 2023-24 and -$408,500 in 2024-25. Base level funding is $1,949,500 annually.

3. FUEL AND UTILITIES REESTIMATE

GPR	$96,200

Governor: Provide $41,800 in 2023-24 and $54,400 in 2024-25 to reestimate the Board's fuel and utilities budget to reflect anticipated changes in prices and statistically normal weather conditions. Base level funding is $818,300 annually.

4. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$3,000

Governor: Provide $1,500 GPR 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. Of the total amount, $700 annually would be provided in the Board's general program operations appropriation and $800 annually would be provided in the appropriation for transmitter operation.

ELECTIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$4,869,500	$6,516,900	$6,114,300	$2,892,200	29.7%	25.75	35.75	35.75	10.00	38.8%
FED	851,200	882,800	885,500	65,900	3.9	3.25	3.25	3.25	0.00	0.0
PR	357,900	443,600	443,600	171,400	23.9	3.00	3.00	3.00	0.00	0.0
SEG	100	100	100	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$6,078,700	$7,843,400	$7,443,500	$3,129,500	25.7%	32.00	42.00	42.00	10.00	31.3%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$381,500
FED	65,900
PR	171,400
Total	$618,800

Governor: Provide adjustments to the base totaling $189,300 GPR, $31,600 FED, and $85,700 PR in 2023-24 and $192,200 GPR, $34,300 FED, and $85,700 PR in 2024-25. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($171,500 GPR, $16,100 FED, and $71,400 PR annually); (b) reclassifications and semiautomatic pay progression ($42,700 GPR, $4,300 FED, and $14,300 PR in 2023-24 and $42,700 GPR, $5,800 FED, and $14,300 PR in 2024-25); and (c) full funding of lease and directed moves costs (-$24,900 GPR and $11,200 FED in 2023-24 and -$22,000 GPR and $12,400 FED in 2024-25).

2. OFFICE OF ELECTION TRANSPARENCY AND COMPLIANCE

	Funding	Positions
GPR	$1,938,000	10.00

Governor: Provide $902,000 in 2023-24, $1,036,000 in 2024-25, and 10.0 positions annually to create and operate an Office of Election Transparency and Compliance attached to the Elections Commission. The Office would operate under the direction and supervision of a director, who would be appointed in the classified service by the administrator or interim administrator of the Elections Commission. As directed by the Commission by resolution, the Office would: provide assistance and research to the Commission concerning complaints filed under statutes pertaining to violation of election law; as directed by the administrator, provide assistance and research to the Commission on procedures at polling places, election processes, and audits of election systems and equipment including accessibility audits; and respond to public inquiries and record requests and inquiries and requests for assistance made by a member, committee, or house of the state Legislature.

Funding would include: (a) $552,000 in 2023-24 and $736,000 in 2024-25 for 10.0 positions to staff the Office; (b) $300,000 annually for voting and auditing equipment; and (c) $50,000 in 2023-24 for one-time purchase of computers and office supplies. Position authority would include: (a) 1.0 director; (b) 4.0 program and policy analysts; (c) 2.0 information systems (IS) data services senior positions; (d) 1.0 IS systems development senior position; (e) 1.0 legislative liaison; and (f) 1.0 communications specialist advanced position. According to the administration, the Office of Election Transparency and Compliance is intended to increase confidence in election operations.

[Bill Sections: 6 and 75]

3. BADGER BOOK GRANTS

GPR	$400,000

Governor: Provide $400,000 in 2023-24 to allow the Elections Commission to award grants to counties and municipalities for the purchase of election supplies and equipment, including electronic poll books (also called "Badger Books"). Create an annual local aids for the purchase of election supplies and equipment appropriation in the Elections Commission for this purpose.

[Bill Sections: 5 and 521]

4. VOTER IDENTIFICATION TRAINING APPROPRIATION MODIFICATION

Governor: Modify the voter identification training appropriation to broaden the language so that funds may be used for all elections training purposes, rather than just voter identification training. The modified appropriation would be titled, "County and municipal clerk training" and funds would be used for training of county and municipal clerks concerning the administration of elections as outlined in Chapters 5 through 10 and 12 of the statutes, including voter identification requirements provided in 2011 Act 23. The Commission indicates that voter identification training is generally incorporated into various training programs conducted by staff, rather than being regularly offered as a stand-alone training. In 2022-23, the annual voter identification training appropriation is budgeted $82,600 GPR.

[Bill Section: 519]

5. REIMBURSEMENT FOR SPECIAL PRIMARY AND ELECTION COSTS

Governor: Require the Elections Commission to reimburse counties and municipalities for costs incurred in the administration of special primaries and special elections for state or national office. Create a sum sufficient GPR appropriation titled "local aids for special elections" to provide reimbursements.

As a sum sufficient appropriation, the Commission would be authorized to spend any amount necessary for reimbursements, subject to the following restrictions. Costs would be eligible for reimbursement if the Commission determined: costs are reasonable; rates did not exceed the rates paid for similar costs at a primary or election that is not a special primary or election; and, in the case where the election coincides with a primary or election that is not a special primary or election, the cost does not exceed the amount that would be incurred if the primaries or elections did not coincide. Only the following costs would be reimbursable: (a) rental payments for polling places; (b) election day wages paid to election officials working at the polls; (c) costs for the publication of required election notices; (d) printing and postage costs for absentee ballots and envelopes; (e) costs for the design and printing of ballots and poll books; (f) purchase of ballot bags or containers, including ties or seals for chain of custody purposes; (g) costs to program electronic voting machines; (h) purchase of memory devices for electronic voting machines; (i) wages paid to conduct a county canvass; and (j) data entry costs for a statewide voter registration system. The bill would incorporate the provisions of 2021 Assembly Bill 21/Senate Bill 21.

[Bill Sections: 4 and 520]

6. SPECIAL ELECTION DATES FOR CERTAIN FEDERAL OFFICES

Governor: Require that a vacancy in the office of a U.S. Senator or Representative be filled as soon as practicable as follows: (a) at a special election to be held on the third Tuesday in May following the date of the vacancy with a special primary to be held concurrently with the spring primary on the third Tuesday in February (the first day for circulating nomination papers would be November 1, and the last day would be no later than 5:00 p.m. on the first Tuesday in December preceding the primary); (b) at a special election to be held on the second Tuesday in August following the date of the vacancy with a special primary to be held on the third Tuesday in May (the first day for circulating nomination papers would be February 1, and the last day would be no later than 5:00 p.m. on the first Tuesday in March); or (c) at a special election to be held on the Tuesday after the first Monday in November following the date of the vacancy with a special primary to be held on the second Tuesday in August (timing of the circulation of nomination papers, as under current law for partisan primaries, would be April 15 preceding the general election to no later than 5:00 p.m. on June 1 preceding the partisan primary). As under current law, a vacancy filled would be for the remainder of the unexpired term. In addition, modify the definitions of "special primary" and "spring primary" to include reference to these provisions. Under the bill, a November special election would not be held in any year in which the general election is held for that office; instead, the vacancy would be filled at the partisan primary and general election.

The administration indicates that the provision would clarify scheduling and ensure special elections "are scheduled with sufficient time to comply with federal requirements for sending ballots to military and overseas voters." Federal law requires states to transmit absentee ballots to military and overseas voters no later than 45 days before an election for federal office. Under current law, if a vacancy occurs in the office of a U.S. Senator or Representative prior to the second Tuesday in April in a year in which a general election is held, the vacancy must be filled at a special primary and special election. Statute does not prescribe the specific dates for such a special primary or special election. Also under current law, if the vacancy occurs between the second Tuesday in April and the second Tuesday in May of that year, the office must be filled at the partisan primary and general election.

[Bill Sections: 2, 3, 40 thru 44, and 188]

7. RECOUNT FEES

Governor: Modify the appropriation for recount fees from an annual to a continuing PR appropriation. Under current law, the Elections Commission is required to reimburse counties for the actual costs of conducting a recount. The appropriation is funded by fees collected from the candidate that filed the recount petition.

[Bill Section: 522]

8. AUTOMATIC VOTER REGISTRATION

GPR	$172,700

Governor: Provide $156,100 in 2023-24 and $16,600 in 2024-25 to register all eligible electors as soon as practicable using the process described below.

Agreement with DOT. Require the Commission and the Department of Transportation (DOT) to revise the existing agreement between the agencies relating to matching voter information to provide for the electronic transfer of information to facilitate the registration of all eligible electors. The Department would be required to begin transferring information no later than the first day of the ninth month after the effective date of the bill.

The agreement must provide for the transfer of the following, no less often than weekly: (a) the full name of each individual who holds a current operator's license or identification card issued by DOT; (b) the individual's name history, current address, address history, date of birth, and license or identification card number; (c) a copy of the document the individual provided as proof of citizenship; (d) a statement indicating that DOT verified the citizenship; and (e) the most recent date that each item of information was provided or obtained by DOT.

Require that the application forms for a license or identification card inform the applicant that information will be made available to the Elections Commission and allow the applicant to elect not to share the information. Specify that the Commission maintain the confidentiality of all information obtained from DOT and only use the information for the purpose of registrations. Further, specify that this provision would not preclude DOT from sharing this information with the Commission for the current law purposes of online voter registration or for any other purpose other than automatic voter registration. [See "Transportation -- Motor Vehicles."]

Assistance from DOA. Require the Department of Administration to assist with information technology systems development to facilitate the registration of eligible electors.

List Maintenance. Require the Commission to compare the information from DOT with the voter registration list and use all feasible means to facilitate the registration of eligible electors based on the following procedures:

a. Enter each individual's name on the registration list, provided that the Commission has obtained from reliable sources the required information and the individual appears to be eligible to vote but is not registered. Attempt to obtain from reliable sources the necessary information required to complete an individual's registration. Attempt to contact the individual if necessary to obtain the information needed to complete registration. Under current law, municipal and county clerks, rather than the Commission, are responsible for maintaining the voter registration list.

b. Mail a notice to each individual added to the registration list. The notice must be printed in English, Spanish, and other languages spoken by a significant number of state residents, as determined by the Commission. The notice must inform the individual that his or her name has been added to the registration list, provide the individual's current address, inform the individual that he or she may request to be deleted and provide instructions for doing so, provide instructions for notifying the Commission of a change in name or address, and provide instructions for obtaining a confidential listing.

c. Attempt to contact electors to resolve discrepancies if the information from DOT does not match the voter registration list. If the Commission is unable to contact the elector, the information in the registration list would be maintained.

d. If a name is removed from the registration list or the status of the elector is changed from eligible to ineligible, other than to remove a duplicate entry or change the status of a deceased individual to ineligible, mail a notice of the change by first class postcard informing the person that he or she may apply to be added again if the person is a qualified elector.

e. If the status of the elector is changed from eligible to ineligible and the elector's name or residence has not changed, the Commission may not change the individual's name to eligible status unless the Commission verifies eligibility and the elector wishes to change his or her status to eligible.

f. In addition, any individual may file a request with the Commission to be excluded or deleted from the registration list and may later revoke the request. The Commission must ensure that an individual who has filed a request to be excluded or deleted from the list is excluded or removed and is not added at a later time unless the request is revoked.

Report to Legislature. No later than July 1, 2025, require the Commission to report the following to the appropriate standing committees of the Legislature and to the Governor: (a) progress in implementing a system to ensure the complete and continuous registration of all eligible electors, including the operability and utility of information integration with DOT; and (b) an assessment of the feasibility and desirability of the integration of registration information with information maintained by other state agencies, including at a minimum the Departments of Health Services, Children and Families, Workforce Development, Revenue, Safety and Professional Services, and Natural Resources; the University of Wisconsin System; the Technical College System Board; and the technical colleges within each technical college district.

[Bill Sections: 7, 20, 179, 1698, 2746, and 9112(1)&(2)]

9. VOTER REGISTRATION MODIFICATIONS

Governor: Require municipal clerks or their agents to promptly add the names of qualified electors who register late in person to the statewide official registration list. Modify current law provisions related to filing registration forms to create an exception for electronic registration and specifically require that such records be maintained by the Commission and made available for inspection by the municipal clerk, clerk's agent, or board of election commissioners. In addition, modify current law provisions related to the information clerks are required to record to include an indication that information was verified in lieu of proof of residence for an elector who registers by electronic application.

Under current law, an elector who registers to vote electronically is not required to provide proof of residence if, at the time of registration, the elector provides the number of a current and valid operator's license or identification card issued by the Department of Transportation, together with the elector's name and date of birth, and the Commission is able to verify the information using the electronic system.

[Bill Sections: 24 thru 26 and 30]

10. STUDENT PROOF OF IDENTIFICATION FOR VOTING

Governor: Modify provisions related to identification (ID) cards used for voting to: (a) specify that an expired identification card issued by an accredited university or college may be used if the student provides proof of current enrollment; (b) remove the requirement that a student presenting an unexpired identification card issued by an accredited university or college must establish that he or she is currently enrolled at the university or college; and (c) require that every technical college and University of Wisconsin System institution issue student identification cards that qualify as identification for the purpose of voting no later than August 1, 2023.

The administration indicates that the modifications to student ID requirements are intended to reflect recent federal case law. Under current statute, an unexpired student ID meeting certain criteria may be used for voting if the student also establishes current enrollment. However, in July, 2020, the U.S. Court of Appeals for the Seventh Circuit held that the requirement to present proof of enrollment with an unexpired identification card was unconstitutional and is, therefore, unenforceable. As a result, under current practice, if a qualifying student ID is unexpired, proof of enrollment is not required. However, if the student ID is expired, the voter must also provide a valid proof of enrollment document.

[Bill Sections: 1, 9142(1), and 9147(2)]

11. HIGH SCHOOL VOTER REGISTRATION REQUIREMENT

Governor: Require the municipal clerk of each municipality to notify the school board of each school district in which the municipality is located that public high schools must be used for voter registration for enrolled students and members of the high school staff. Specify that the school board and the municipal clerk must agree on the appointment of at least one qualified elector at each high school (the special school registration deputy), and the municipal clerk must review the duties and responsibilities of the position with the appointee.

Under the bill, students and staff may register at the high school on any day that classes are regularly held. The school registration deputies must promptly submit completed registration forms to the appropriate municipal clerk, at which time, the municipal clerk must add the eligible electors to the registration list. The registration form must be filed in such a way that when a student attains the age of 18 years old, the student is automatically registered to vote. If a registration form is rejected by the municipal clerk, the registrant shall be notified of the rejection, along with the reason(s) for the rejection. If applicable, a rejected registrant may reapply.

The principal of any private high school or of any applicable tribal school may request that the municipal clerk appoint a special school registration deputy in the same manner as public schools. The clerk must appoint a special school registration deputy if the clerk determines that the school has a substantial number of students residing in the municipality. These provisions would reinstate prior law (repealed under 2011 Act 240).

[Bill Sections: 21 and 22]

12. TEMPORARY IDENTIFICATION CARDS FOR VOTING -- VALID PERIOD

Governor: Extend from 60 to 180 days the period for which identification card receipts issued by the Department of Transportation for the purposes of voting remain valid as a temporary identification card. [See "Transportation -- Motor Vehicles."]

[Bill Section: 2771]

13. EARLY CANVASSING OF ABSENTEE BALLOTS

Governor: Authorize municipal clerks and municipal board of election commissioners to begin canvassing absentee ballots the day before an election. Under current law, absentee ballots may not be canvassed until election day.

The early canvassing of absentee ballots would be subject to the following requirements: (a) prior to early canvassing, the municipality must notify the Elections Commission in writing and must consult with the Commission concerning administration; (b) early canvassing may be conducted only between 7:00 a.m. and 8:00 p.m. on the day before the election, and ballots may not be tallied until after polls close on election day; (c) members of the public must have the same right of access to a place where absentee ballots are being canvassed early as is provided under current law for canvassing absentee ballots on election day; (d) when not in use, equipment used and the areas where programmed media and absentee ballots are stored must be secured with tamper-evident security seals in a double-lock location; (e) subject to criminal penalty as a Class I felony, no person may act in any manner that would give him or her the ability to know or provide information on the results from the ballots before the close of polls on election day; and (f) certain notices must be provided before each election at which the municipality intends to early canvass absentee ballots. The bill specifies that certain actions required to canvass absentee ballots, such as tallying the returns for each office, may not be completed prior to election day. In addition, for procedures related to an absentee ballot request for a sequestered juror, require the municipal clerk or agent of the clerk to deliver properly completed ballots to the election inspectors of the proper ward or election district (instead of the polling place).

Modify voting and recording absentee ballot law to specify that, when the inspectors open the ballot envelope and announce the name or identification serial number of the absentee elector, it must be done in the same room where votes are being cast or in the place where absentee ballots are being canvassed early (under current law, only the former is a location option). In addition, modify absent voting procedure law to specify that the ballot must be returned so that it is delivered to the election inspectors of the proper ward or election district (under current law, the ballot must be returned so that it is delivered to the polling place). Finally, modify statutes relating to testing of equipment, requirements for programs, and ballots to remove the language "either at the polling place or at a central counting station" and to replace the language "not more than 10 days prior to the election day on which the equipment is to be utilized" with "not more than 10 days prior to the day on which the equipment is to be utilized in an election" to effectuate the proposed early canvassing of absentee ballot provisions.

[Bill Sections: 9, 10, 17, 29, 32 thru 34, 36, 38, and 39]

14. CENTRAL COUNTING AT COUNTY SEAT

Governor: Specify that proceedings at each central counting location must be under the direction of the municipal clerk or an election official designated by the clerk, unless the central counting location is at the county seat, in which case the proceedings must be under the direction of the county clerk or an official designated by the county clerk.

Under current law, proceedings at a central counting location at the county seat are under the direction of the municipal clerk, or an election official designated by the clerk, unless the municipal clerk delegates the responsibility to supervise the location to the county clerk.

[Bill Section: 10]

15. IN-PERSON ABSENTEE VOTING

Governor: Eliminate the restriction on how soon a person may complete an absentee ballot in person. Under current law, an individual may complete an absentee ballot in person no earlier than 14 days before the election.

[Bill Section: 29]

16. RESIDENCY REQUIREMENT FOR VOTING

Governor: Specify that an otherwise eligible voter must be a resident of Wisconsin and of the municipality where the elector is voting for 10 consecutive days before an election, rather than for 28 days as under current law, and may submit an application form no sooner than nine days before an election, rather than no sooner than 27 days as under current law.

[Bill Sections: 11 thru 16, 18, 19, 23, 27, 28, 31, 35, and 37]

17. VOTER BILL OF RIGHTS

Governor: Create a statutory "voter bill of rights" and require that municipal clerks and boards of election commissioners post it at each polling place.

The bill of rights would inform voters that they have the right to: (a) vote if registered and eligible to vote; (b) inspect a sample ballot before voting; (c) cast a ballot if in line when the polling place closes or, if voting by in-person absentee ballot on the last day for which such voting is allowed, when the municipal clerk's office closes; (d) cast a secret ballot; (e) get help casting a ballot if disabled; (f) get help voting in a language other than English as provided by law; (g) get a new ballot, up to three ballots in all, if the voter makes a mistake on the ballot and has not yet cast the ballot; (h) cast a provisional ballot as provided by law; (i) have the voter's ballot counted accurately; (j) vote free from coercion or intimidation; and (k) report any illegal or fraudulent election activity.

[Bill Section: 8]

EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$32,500	$27,900	$21,400	- $15,700	- 24.2%	0.00	0.00	0.00	0.00	0.0%
SEG	52,712,300	57,608,400	62,402,200	14,586,000	13.8	275.20	291.20	291.20	16.00	5.8
TOTAL	$52,744,800	$57,636,300	$62,423,600	$14,570,300	13.8%	275.20	291.20	291.20	16.00	5.8%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	$1,342,800

Governor: Provide adjustments to the base totaling $671,400 annually for: (a) turnover reduction, -$634,600 annually; (b) full funding of continuing position salaries and fringe benefits, $1,306,700 annually; (c) overtime, $45,600 annually; (d) night and weekend differential pay, $72,300 annually; and (e) full funding of lease and directed moves costs, -$118,600 annually.

2. RETIRED EMPLOYEES BENEFIT SUPPLEMENT REESTIMATE

GPR	- $15,700

Governor: Reduce estimated expenditures by $4,600 in 2023-24 and $11,100 in 2024-25 to reflect decreased amounts necessary to pay benefit supplements for retirees who first began receiving annuities before October 1, 1974. These supplements were authorized by Chapter 337, Laws of 1973, 1983 Wisconsin Act 394, and 1997 Wisconsin Act 26. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. Current base level funding for the appropriation is $32,500.

3. INSURANCE ADMINISTRATION SYSTEM AND DATA MANAGEMENT

	Funding	Positions
SEG	$11,736,800	7.00

Governor: Provide $3,626,300 in 2023-24, $8,110,500 in 2024-25, and 7.0 positions annually (4.0 permanent and 3.0 project) for the following: (a) insurance administration system ongoing costs ($4,344,100 in 2024-25); (b) consulting services to assist with implementation of pension and insurance administration systems ($2,160,000 annually); (c) data management expenses ($950,400 annually); and (d) $515,900 in 2023-24 and $656,000 in 2024-25 for positions to assist with data management (2.0 permanent positions annually), IT development and quality assurance (2.0 permanent positions annually), and temporary trust fund specialist position coverage while existing subject matter experts participate in IT systems implementation and improvement (3.0 four-year project positions annually).

The insurance administration system, currently in development under contract, will replace the Department's current health insurance administration system as well as provide support for administration for other insurance programs, including life insurance, income continuation insurance, and supplemental benefits.

Funding for consulting services would be for planning and project oversight, business process reengineering, and organization change management. Data management expenses include costs for data integration, data quality improvement, and data governance.

4. SERVICE LEVELS TO MEET EMPLOYER AND MEMBER GROWTH

	Funding	Positions
SEG	$989,600	7.00

Governor: Provide $437,800 in 2023-24 and $551,800 in 2024-25 and 7.0 trust fund specialist positions annually to expand the service capacity of ETF to meet growth over the past 10 years in the number of employers and members (retirees and inactive members in particular). The Department would assign the positions to the following areas of responsibility: (a) call center, 2.0 positions, to manage increase volume and length of calls; (b) member services, 2.0 positions, to provide retirement estimates and appointments; (c) employer services, 2.0 positions, to support employers and retirees with matters relating to health insurance and supplemental programs; and (d) benefit services, 1.0 position, to address workload relating to retirement services, such as processing retirement applications and transactions.

5. SUPPORT FOR FINANCIAL AND ACTUARIAL FUNCTIONS

	Funding	Positions
SEG	$325,800	2.00

Governor: Provide $143,600 in 2023-24, $182,200 in 2024-25, and 2.0 positions annually (1.0 actuarial analyst and 1.0 accountant-advanced) to address increased workload in financial and actuarial duties relating to retirement and insurance programs administered by the Department for state and local employees. The actuarial analyst would be responsible for: ensuring accurate data is maintained and utilized for actuarial valuations; providing leadership in actuarial functions and projects; managing the work of consulting actuaries; providing support for actuarial research and analysis; and overseeing data quality of financial data in support of the Department's data management program. The accountant-advanced position would be responsible for: processing annuity payments, vendor payments, qualified domestic relations orders, service purchase requests, and additional retirement contributions; assisting employers with accounting compliance requirements; ensuring that financial reporting requirements and deadlines are met; and enforcing compliance with tax laws and regulations.

6. EXPENDITURE AUTHORITY FOR AUDITS CONDUCTED BY LEGISLATIVE AUDIT BUREAU

SEG	$191,000

Governor: Provide $17,000 in 2023-24 and $174,000 in 2024-25 to ETF's administration appropriation, allotted to one-time financing, to fund two statutorily-required audits performed or contracted for by the Legislative Audit Bureau: (a) an actuarial audit of the Wisconsin Retirement System, performed once every five years; and (b) an audit of Governmental Accounting Standards Board statements 74 and 75, pertaining to the supplemental health insurance conversion credit program and retiree life insurance. Funding would be one-time in nature and would not remain in the agency's base for the 2025-27 biennium.

7. INCOME CONTINUATION INSURANCE PREMIUMS AND BENEFITS

Governor: Specify that the following changes be made to the income continuation insurance (ICI) program for state employees, effective January 1, 2025.

Premium Determination. Require an employee to pay the difference, if any, between the premium for the waiting period selected by the employee and that of the premium for the longest waiting period available for the employee to select or, if different, an amount determined under a collective bargaining agreement. Eliminate references to ICI premium determination in Chapter 13 of the statutes, as it relates to sick leave accrued by members of the Legislature, and in Chapter 757 of the statutes, as it relates to sick leave accrued by Supreme Court justices and judges of the Court of Appeals and Circuit Courts.

Under current law, a teacher employed by the UW Board of Regents pays 100 percent of the premium if the teacher has less than one year of state service, and pays no premium for coverage subject to a 180-day waiting period if the teacher has at least one year of state service. For all other insured employees, current law specifies that the employer share of the premium would be determined by the number of days of sick leave the employee has accumulated as follows: (a) 10 days of sick leave, 67 percent; (b) 65 days of sick leave, 77 percent; (c) 91 days of sick leave, 85 percent; and (d) 130 days of sick leave, 100 percent. Current law specifies that any employee for whom an employer contribution of 77 percent or more was paid would continue to be eligible for that percentage of employer contribution until the employee is eligible for a higher level, even if the accumulation of sick leave is subsequently reduced.

Benefits. Eliminate the requirement that the ICI program include separate provisions for short-term insurance with a benefit duration of no more than one year, and long-term insurance covering injury or illness of indefinite duration. Specify that an employee is eligible for benefits upon completion of a waiting period selected by the employee from available options provided.

Under current law, the program must provide both short- and long-term benefits. Under the bill, the program would provide for full or partial payment of the financial loss or earnings incurred as a result of injury or illness, with no specific requirement regarding the duration of injury, illness, or related benefits. Current law provides that an employee is eligible for benefits upon exhaustion of no more than 130 days of accumulated sick leave and completion of the waiting period established under the program.

Electing Coverage. Specify that an eligible employee may become covered by the ICI program by electing coverage within 30 days of initial eligibility, to be effective as of the first day of the month that first occurs during the 30-day period. Under the bill, an employee who does not elect coverage within 30 days of initial eligibility, or who subsequently cancels the insurance, may not later become insured unless the employee furnishes evidence of insurability.

Under current law, an eligible employee may become covered by the ICI program by electing coverage within 30 days of initial eligibility or by electing coverage within 60 days of initially becoming eligible for a higher level of employer contribution towards the premium cost. Current law specifies that an employee who does not elect coverage at one of these times, or who subsequently cancels the insurance, may not later become insured unless the employee furnishes evidence of insurability.

The bill would maintain statutory provisions that allow an employer other than the state to offer to its employees an ICI plan through ETF, and which permit ETF to establish by rule different eligibility standards or contribution requirements for those employees and employers.

[Bill Sections: 46, 709 thru 711, 732, 734, 736 thru 739, 3150, 9313(1), and 9413(1)]

8. POLICY AND OVERSIGHT OF DISABILITY PROGRAMS

Governor: Create statutory provisions establishing the long-term disability insurance (LTDI) program, which is currently authorized under administrative rule. Transfer oversight authority relating to the income continuation insurance (ICI) program and the LTDI program from the Group Insurance Board (GIB) to the Employee Trust Funds (ETF) Board. Specify that the transfer of oversight for these disability benefit programs would include tangible personal property, contracts, rules, and pending matters primarily related to the income continuation insurance program and long-term disability insurance program, as determined by the Secretary of ETF. Specify that the ETF Board may apportion excess moneys available through operation of the ICI and LTDI programs to reduce premium payments in following contract years or to establish reserves to stabilize costs in subsequent years.

Under current law, the GIB has authority over the ICI program (an optional plan with short- and long-term disability benefits) and the LTDI program, while the ETF Board has authority over the disability annuity program under s. 40.63 of the statutes and the duty disability program. Under the bill, the ETF Board would be responsible for overseeing all disability programs administered by ETF. In addition, under current law, the GIB is required to apportion excess moneys for all group insurance plans to reduce premium payments in following contract years or to establish reserves to stabilize costs in subsequent years. The bill would specify that this requirement regarding program reserves, which is currently applicable to the ICI and LTDI programs as overseen by the GIB, would be permissive rather than mandatory.

[Bill Sections: 696 thru 700, 702 thru 705, 717, 733, 735, 736, 740, 741, and 9113(3)]

9. OFFICE OF INTERNAL AUDIT

Governor: Create an Office of Internal Audit, administratively attached to ETF, under the direction and supervision of an internal auditor appointed by the ETF Board in the classified service, to provide independent assurance that the public employee trust fund assets under control of ETF are safeguarded for the purpose of ensuring the fulfillment of benefit commitments. Specify that the internal auditor and any staff appointed by the auditor would report directly to the ETF Board. Further, specify the following responsibilities for the internal auditor: (a) develop and implement policies, principles, and directives for the Office; (b) determine the qualifications of staff for the Office and appoint such staff in the classified service; (c) plan and conduct 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; and (d) monitor ETF's compliance with applicable legal requirements and contracts entered into by ETF and the ETF Board. Specify that the internal auditor may review any activity, information, or record of ETF that relates to administration of the trust funds. Provide that the individual holding the position of internal auditor in ETF on the day before the effective date of the bill would continue to serve in that position until an internal auditor is appointed by the ETF Board, and that individuals holding positions as staff internal auditors would continue to serve in those positions until staff of the Office of Internal Audit are appointed by the internal auditor, in the manner specified in the bill.

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 2022-23.

[Bill Sections: 67, 68, 695, 701, and 9113(1)&(2)]

10. DISTRIBUTION OF TRUST FUND EARNINGS

Governor: Specify that the net gain or loss of the variable retirement investment trust of the WRS be distributed to each participating account in the same ratio as each account's average balance within the trust is out of the total average balance of all participating accounts in the trust. Further, specify that distributions from the market recognition account to each participating account in the core retirement investment trust of the WRS be made in the same ratio as each account's average balance is out of the total average balance of all participating accounts in the trust. Under current law, distributions are required to be made on the basis of the average daily balances of each participating account and the average daily balance of all participating accounts in each of the trusts. The administration indicates that the bill would align statutes with the current practice of calculating a simple average balance using beginning and end-of-year balances.

[Bill Sections: 706 and 707]

11. HEALTH INSURANCE WAITING PERIOD

Governor: Specify that state employers must pay the employer contribution toward health insurance premiums for an employee other than a limited-term employee beginning on the first day of the second month after the date on which the person begins employment with the state. Under current law, state employers begin paying the employer contribution on the first day of the third month after the date on which the person begins employment. The bill would not modify current law with respect to limited-term employees, requiring that employers begin to contribute toward health insurance premiums on the first day of the seventh month after the date on which the employee first becomes a WRS participant.

In relation to this provision, compensation reserves for the 2023-25 biennium for state employee salaries and fringe benefits assume increases of $5,216,900 GPR in 2023-24 and $5,351,400 GPR in 2024-25 associated with the reduced health insurance waiting period.

[Bill Sections: 708 and 9313(4)]

12. DOMESTIC PARTNER BENEFITS ADMINISTERED BY ETF

Governor: Specify that, under Chapter 40 of the statutes (Public Employee Trust Fund), a WRS participant may register a domestic partnership with ETF, defined as a relationship between two individuals that satisfies all of the following: (a) each individual is at least 18 years old and otherwise competent to enter into a contract; (b) neither is married to, or in a domestic partnership with, another individual; (c) they are not biologically more closely related than would be allowed by law in the case of marriage; (d) they consider themselves to be members of each other's immediate family; (e) they agree to be responsible for each other's basic living expenses; and (f) they share a common residence. [Domestic partnerships are not defined in terms of the gender or sex of the partners and may, therefore, be between members of the opposite sex or members of the same sex.] Repeal the statutory provision excluding domestic partners from the standard sequence for deferred compensation survivorship benefits. Repeal statutory provisions excluding domestic partners and children of domestic partners from health insurance coverage; duty disability benefits; and domestic relations orders issued by a court assigning all or part of a participant's accumulated assets held in a deferred compensation plan to a domestic partner or former domestic partner to satisfy a family support obligation. Specify that the provisions relating to the standard sequence for deferred compensation survivorship benefits and the treatment of duty disability death benefits would first apply to a surviving domestic partner of a participant who dies on the effective date of the bill.

Under 2017 Act 59, statutory Chapter 40 domestic partnership registrations were closed to new applications, effective September 23, 2017, and the following Chapter 40 benefits that had been extended to domestic partners were discontinued: health insurance coverage for domestic partners and their dependent children (health insurance coverage was continued for domestic partner survivors of employees or retirees whose date of death occurred prior to January 1, 2018); inclusion in the standard sequence for deferred compensation survivorship benefits; authority for a court to issue a domestic relations order assigning all or part of a participant's accumulated assets held in a deferred compensation plan to a domestic partner or former domestic partner to satisfy a family support obligation; option to purchase long-term care insurance policies through the GIB; and duty disability survivorship benefits (unless the date of the disability occurred prior to January 1, 2018).

[Bill Sections: 692, 693, 724, 725, 729 thru 731, 742 thru 750, and 9313(2)&(3)]

13. REHIRED ANNUITANTS

Governor: Specify that a Wisconsin Retirement System (WRS) participant who retires on or after the effective date of the bill, would have a break-in-service requirement of 30 days between termination of employment and again working for a WRS employer (as an employee or contractor) to qualify for an annuity or lump sum payment. Further, specify that a rehired annuitant, including an annuitant who retired between July 2, 2013, and the effective date of the bill, could provide employee services without suspending annuity payments and without resuming participation in the WRS if: (a) at the time of terminating employment, the individual does not have an agreement to return to employment or enter into a contract with a WRS employer; and (b) the individual elects on a form provided by ETF to not become a participating WRS employee. Specify that, no later than 60 days after the effective date of the bill, a WRS participant who already has a suspended annuity could make an irrevocable election to continue the suspension by notifying ETF on a form provided by the agency. In addition, eliminate obsolete statutory provisions relating to rehired annuitants hired in critical positions, which applied only during the public health emergency declared by the Governor on March 12, 2020.

Under current law, any WRS participant who retires on or after July 2, 2013, has a break-in-service requirement of 75 days between termination of employment and becoming a participating employee with a WRS employer. This separation from WRS employment must occur for an individual who applied for an annuity or lump sum payment to continue to qualify for an annuity or to retain the lump sum payment. Also under current law, any WRS participant who retires on or after July 2, 2013, must suspend their annuity and become a participating WRS employee if they are employed in covered employment, or enter into a contract with a WRS employer, and are expected to work at least two-thirds of what is considered full-time employment by ETF.

[Bill Sections: 712 thru 716, 718 thru 723, 2727, and 9113(5)]

14. 2025-27 REQUEST FOR PENSION ADMINISTRATION SYSTEM FUNDING

Governor: Require the Department to include a request for funding for the modernization of the pension administration system in its September, 2024, agency budget request for the 2025-27 biennium. The pension administration system would replace several legacy systems, including systems for issuing benefit payments, administering disability and duty disability benefits, storing retirement account information, calculating retirement benefits, and producing retirement system statistics.

[Bill Section: 9113(4)]

EMPLOYMENT RELATIONS COMMISSION

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$883,800	$1,250,300	$1,354,500	$837,200	47.4%	6.00	9.00	9.00	3.00	50.0%
PR	145,600	145,600	145,600	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$1,029,400	$1,395,900	$1,500,100	$837,200	40.7%	6.00	9.00	9.00	3.00	50.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $7,800

Governor: Provide standard budget adjustments to the base totaling -$4,800 in 2023-24 and -$3,000 in 2024-25. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-$6,600 annually); (b) full funding of lease and directed moves costs ($1,800 in 2023-24 and $3,600 in 2024-25); and (c) minor transfers within the same alpha appropriation ($2,500 annually from permanent property to supplies and services).

2. GENERAL OPERATIONS FUNDING

GPR	$88,400

Governor: Provide $44,200 annually to increase supplies and services funding for current operations of the Commission. Of this amount, $5,200 is for the state operations inflationary increase, and the remaining $39,000 is primarily for supplies and services costs associated with increased risk management liability insurance premiums due to a large claim made in a previous year. Higher premiums are expected through fiscal year 2028. Base funding for supplies and services is currently $104,800.

3. COLLECTIVE BARGAINING MODIFICATIONS

	Funding	Positions
GPR	$497,700	2.00

Governor: Provide $214,700 in 2023-24, $283,000 in 2024-25, and 2.0 positions annually to implement expanded collective bargaining rights for state and local government employees. Funding would be for: (a) permanent position salaries, $150,000 in 2023-24 and $200,000 in 2024-25; (b) fringe benefits, $54,700 in 2023-24 and $73,000 in 2024-25; and (c) supplies and services, $10,000 annually.

Frontline Workers. Define "frontline worker" to mean an employee who the Commission finds has regular job duties that: (a) include interacting with members of the public or with large populations of people; or (b) directly involve the maintenance of public works.

Specify that municipal frontline workers, and municipal employees in a collective bargaining unit that contains a frontline worker, may collectively bargain over wages, hours, and conditions of employment. The bill would amend statutory provisions relating to methods for peaceful settlement of disputes currently applicable to municipal transit employees (mediation, grievance arbitration, voluntary impasse resolution, and interest arbitration) to include collective bargaining units containing frontline workers. Under current law, only municipal public safety employees and certain municipal transit employees are able to collectively bargain over wages, hours, and conditions of employment.

Specify that state frontline workers, and state employees in a collective bargaining unit that contains a frontline worker, may collectively bargain over the following matters to the point of impasse: (a) wage rates, the assignment and reassignment of classifications to pay ranges, determination of an incumbent's pay status resulting from position reallocation or reclassification, and pay adjustments upon temporary assignment of classified employees to duties of a higher classification or downward reallocations of a classified employee's position; (b) fringe benefits consistent with prohibited subjects of bargaining; (c) hours; and (d) conditions of employment. Under current law, only state public safety employees are able to collectively bargain to the point of impasse over (a), (b), (c) and (d). [Statutes regarding settlement of state employee disputes under grievance arbitration and mediation generally reference collective bargaining agreement disputes and labor disputes. These statutes would apply to collective bargaining units containing frontline workers.]

Provide that the Commission may place frontline workers in a collective bargaining unit with employees who are not frontline workers if the Commission determines it is appropriate. Specify that, if the Commission places frontline workers in a collective bargaining unit with employees who are not frontline workers, the collective bargaining unit would be treated as if all employees in the unit are frontline workers. Under the bill, the Commission may not determine that a public safety employee or municipal transit employee is a frontline worker, may not place public safety employees in a collective bargaining unit with employees who are not public safety employees, and may not place municipal transit employees in a collective bargaining unit with employees who are not municipal transit employees.

Pension Contributions. Under the bill, state and municipal employees in collective bargaining units containing frontline workers could bargain over the employer "pickup" of employee-required pension contributions. Under current law and under the bill, state and municipal employers are prohibited from paying employee-required retirement contributions on behalf of a public safety employee if the employee first becomes an employee of the state or municipality on or after July 1, 2011. The bill does not amend these prohibitions or create similar language that would apply to collective bargaining units containing frontline workers.

Health Care Coverage. Under the bill, state employees in collective bargaining units containing frontline workers could bargain over fringe benefits, consistent with prohibited subjects of bargaining. Under current law and under the bill, state public safety employees have the right to collectively bargain over fringe benefits such as health insurance. Also under the bill, municipal employees in collective bargaining units containing frontline workers could bargain over fringe benefits, including health insurance premiums, other costs, and the design and selection of health care coverage plans, except that municipal employers that participate in a health plan offered by the Group Insurance Board would be prohibited from paying more than 88% of health insurance premiums. Under current law and under the bill, municipal public safety employees have the right to collectively bargain over health insurance premiums, but are prohibited from collectively bargaining over other costs and payments associated with health care coverage plans and the design and selection of health care coverage plans.

Union Dues Provisions. Amend the definition of "fair-share agreement" for municipal employment relations to include an agreement between a municipal employer and a labor organization that represents a frontline worker, which would require all or any of the employees in the collective bargaining unit containing a frontline worker to pay their proportionate share of the cost of the collective bargaining process and contract administration measured by the amount of dues uniformly required of all members. Under current law, the definition of "fair-share agreement" only applies to such agreements between a municipal employer and a labor organization that represents public safety or transit employees.

Amend the definition of "fair-share agreement" for state employment relations to include an agreement between a state employer and a labor organization that represents a frontline worker, which would require all of the employees in the collective bargaining unit containing a frontline worker to pay their proportionate share of the cost of the collective bargaining process and contract administration measured by the amount of dues uniformly required of all members. Amend the definition of "maintenance of membership agreement" for state employment relations to include an agreement between a state employer and a labor organization that represents a frontline worker, which would require all of the employees in the collective bargaining unit containing a frontline worker whose dues were being deducted from earnings at the time the agreement took effect to continue to have dues deducted for the duration of the agreement, and which would also require that dues will be deducted from the earnings of all such employees who are hired on or after the effective date of the agreement. Under current law, the definitions of "fair-share agreement" and "maintenance of membership agreement" only apply to such agreements between a state employer and a labor organization that represents public safety employees.

Election of Representatives. Specify that the representative for any collective bargaining unit containing state or municipal employees must be chosen by a vote constituting the majority of the employees who are voting in the election. Under current law, the representative of a collective bargaining unit that does not contain public safety or municipal transit employees must be chosen by a vote constituting at least 51% of the total membership of the unit. The bill would extend the standard that currently applies to electing representatives for collective bargaining units that contain public safety or municipal transit employees to all state and municipal collective bargaining units, regardless of the types of employees represented.

Annual Certification. Repeal the requirement that the Commission conduct an annual election to certify the representative of each collective bargaining unit that contains state or municipal employees who are not public safety or municipal transit employees.

Right to Consultation. Provide that general state and municipal employees who are not in a collective bargaining unit containing a frontline worker have the right to have their employer consult with them, through a representative of their own choosing, with no intention of reaching an agreement, with respect to wages, hours, and conditions of employment. Specify that the right to be consulted may be exercised either when the employer proposes or implements policy changes affecting wages, hours, or conditions of employment or, if no changes are proposed or implemented, at least quarterly.

State Employers. For the purposes of state employment labor relations, define "employer" to mean the State of Wisconsin, including an authority, and define "authority" to mean: the Wisconsin Aerospace Authority, Health and Educational Facilities Authority, Bradley Center Sports and Entertainment Corporation, UW Hospitals and Clinics Authority, Wisconsin Housing and Economic Development Authority, Fox River Navigational System Authority, Wisconsin Economic Development Corporation, or Lower Fox River Remediation Authority. Under the bill, employees of these entities would have the same collective bargaining rights as employees of state agencies.

Under current law and under the bill, responsibility for state employer functions is assigned to the Department of Administration's Division of Personnel Management for all collective bargaining units other than those of the UW System and the charter school established by UW-Parkside. The Board of Regents of the UW System and the Chancellor of UW-Madison are responsible for state employer functions relating to UW System and UW-Madison employee collective bargaining units. The governing board of the charter school established by UW-Parkside is responsible for state employer functions relating to the collective bargaining unit containing instructional staff employed by the Board of Regents of the UW System who provide services for the charter school.

Miscellaneous Provisions. Provide that a collective bargaining agreement may modify, waive, or replace any of the provisions of s. 118.22 of the statutes relating to renewal of teacher contracts as they apply to teachers in the collective bargaining unit, but neither the employer nor the bargaining agent for the employees would be required to bargain such modification, waiver, or replacement. Require that, if a school board wishes to increase the total base wages of its general municipal employees (those that are not in a collective bargaining unit containing a frontline worker) by a greater percentage than the change in the consumer price index, it must adopt a resolution to that effect, and the resolution may not take effect unless it is approved in a referendum called for that purpose. Specify that actions taken under statutory provisions relating to State Superintendent interventions in low-performing school districts and schools must be consistent with applicable collective bargaining agreements. Specify that the responsibility of a school board of a common or union high school district to establish rules scheduling the hours of a normal school day does not eliminate a school district's duty to bargain with its employees' collective bargaining representative over any calendaring proposal which is primarily related to wages, hours, or conditions of employment. Modify school district annual reporting requirements regarding payroll and related benefit costs to reflect the right of employees to collectively bargain.

Require a long-term care district, with respect to a newly-hired employee, to abide by the terms of a collective bargaining agreement between a county and a collective bargaining unit that is in effect and covers an individual on the date the individual begins employment with the district until the agreement expires or until adoption of a collective bargaining agreement with the district that covers the individual, whichever occurs first, if: (a) the county that previously employed the individual had participated in creating the district; (b) at the time of the offer, the county had not withdrawn or been removed from the district; and (c) the individual while employed by the county performed duties relating to the same or a substantially similar function for which the individual is offered employment by the district.

Initial Applicability. For employees who are covered by a collective bargaining agreement that contains provisions inconsistent with the provisions of the bill, those bill provisions would first apply on the day on which the agreement expires or is terminated, extended, modified, or renewed, whichever occurs first.

[Bill Sections: 397, 496, 558, 726, 796, 1910, 1953 thru 1989, 1991 thru 2022, 2140, 2141, 2154, 2155, 2218, 2220, 2527, and 9351(3)]

4. LOCAL GOVERNMENT EMPLOYEE GRIEVANCE PROCEDURE MODIFICATIONS

	Funding	Positions
GPR	$258,900	1.00

Governor: Provide $112,400 in 2023-24, $146,500 in 2024-25, and 1.0 position annually to serve as an impartial hearing officer under modified grievance procedures for local government employees. Funding would be for: (a) permanent position salaries, $75,000 in 2023-24 and $100,000 in 2024-25; (b) fringe benefits, $27,400 in 2023-24 and $36,500 in 2024-25; and (c) supplies and services, $10,000 annually.

Require that any civil service system that is established under any provision of law, and any grievance procedure established between June 30, 2011, and October 1, 2011, must contain: (a) a grievance procedure that addresses employee terminations, employee discipline, and workplace safety; and (b) a just cause standard of review for employee terminations, including a refusal to renew a teaching contract with a teacher employed by a school board, technical college district board, cooperative educational service agency board, or county children with disabilities education board.

Require that any grievance procedure created by a local governmental unit between June 30, 2011, and October 1, 2011, must contain a provision indicating that the grievant is entitled to representation throughout the grievance process, and a provision indicating that the employer must pay all fees and costs associated with the grievance process, except for fees and costs for representation. Specify that, with regard to the current requirement that a grievance procedure include a hearing before an impartial hearing officer, the hearing officer must be from the Employment Relations Commission.

Under current law, in provisions that are codified in general municipality law pursuant to 2011 Act 10, the statutes require a local governmental unit (a political subdivision of the state, a special purpose district in the state, an agency or corporation, of a political subdivision or special purpose district, or a combination or subunit of any of the foregoing) that did not have a civil service system on June 29, 2011, to establish a grievance system no later than October 1, 2011. To comply with the required grievance system, a local governmental unit could establish either: (a) a civil service system under any provision authorized by law, to the greatest extent practicable, if no specific provision for the creation of a civil service system applies to that local governmental unit; or (b) a grievance procedure. Any civil service system that is established under any provision of law, and any grievance procedure that is created under the above provisions, must contain at least all of the following provisions: (a) a grievance procedure that addresses employee terminations; (b) employee discipline; and (c) workplace safety. The statutes do not specify that a just cause standard of review be applied to employee terminations. If a local governmental unit creates a grievance procedure under these provisions, the procedure must contain at least all of the following elements: a written document specifying the process that a grievant and an employer must follow; a hearing before an impartial hearing officer; and an appeal process in which the highest level of appeal is the governing body of the local governmental unit.

[Bill Sections: 1193 thru 1197]

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary						FTE Position Summary
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	
GPR	$6,487,000	$205,509,300	$6,829,500	$199,364,800	1,536.6%	Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.
SEG	7,000,000	6,000,000	4,500,000	- 3,500,000	- 25.0	
TOTAL	$13,487,000	$211,509,300	$11,329,500	$195,864,800	726.1%	
BR		$372,000,000				

Budget Change Items

1. LEAD SERVICE LINE REPLACEMENT FUNDING

GPR	$200,000,000

Governor: Provide $200,000,000 in 2023-24 in a new continuing appropriation in the safe drinking water loan program of the Environmental Improvement Fund (EIF) to allocate to projects involving forgivable loans (grants) for replacing private lead service lines connected to public water systems. Create a legislative finding and determination that the prevalence of lead service lines in connection to public water systems poses a public health hazard and that processes for reducing lead entering drinking water from such pipes requires additional treatment of wastewater. Further, declare it is in the public interest, and the public policy of the state, to assist private users of public water systems in replacing lead service lines.

Water service lines, also known as laterals, connect a building to the water mains in the street, and carry drinking water from the public water system to the individual building. Water service lines were often constructed with lead as late as the 1980s in some areas. Lead in water service lines can leach into drinking water and damage the health of people drinking the water. In general, maintenance or replacement of the portion of the lateral that extends from the water main to the curb stop is the responsibility of the public water system, and the remaining portion of the lateral that extends from the curb stop to the building is the responsibility of the property owner.

The current safe drinking water loan program provides financial assistance to local governments that own public water systems or to the private owner of a community water system that serves a local government. The current program does not provide financial assistance to private users of public water systems.

Beginning in 2016-17, federal law authorized the state to use a portion of capitalization grant proceeds for principal forgiveness for private lead service line replacements. Since 2016-17, the state has awarded $102.5 million in principal forgiveness for private lead service line replacements. All funds came from federal sources. Additionally, the Infrastructure Investment and Jobs Act (IIJA) provides an annual capitalization grant for lead service line replacement for five years. Beginning in 2022-23 through 2026-27, Wisconsin is expected to receive $48,319,000 each year under this program. Of this, 49%, or $23,676,300, will be available for principal forgiveness each year. The remaining 51% will be available as low-interest loans to municipalities.

Additionally, municipalities may administer programs approved by the Public Service Commission to provide grants or loans to water utility customers for costs of replacing the property owner's side of a lead service line. The bill would authorize utilities to provide grants that would cover 100% of the cost of lead service line replacements. [See "Public Service Commission -- Departmentwide and Utility Regulation."]

[Bill Sections: 50, 351, and 2648]

2. REVENUE OBLIGATION BONDING AUTHORITY

BR	$372,000,000

Governor: Increase revenue obligation bonding authority by $372,000,000 for the clean water fund and safe drinking water loan program within the EIF. The clean water fund program provides low-interest loans to municipalities for planning, designing, constructing or replacing a wastewater treatment facility, or for nonpoint source pollution abatement or urban storm water runoff control projects. The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction, or modification of public water systems.

State revenue obligation bonds are issued to pay a required state match to the federal capitalization grant for each program. Federal law requires states to provide a 20% match to receive most capitalization grants and a 10% match for certain supplemental grants provided through the IIJA. Debt service payments are made from loan repayments.

Under current law, the program is authorized to issue up to $2,551,400,000 in revenue obligation bonds. The bill would increase that amount to $2,923,400,000. In the EIF biennial finance plan published in late 2022, the Departments of Administration (DOA) and Natural Resources (DNR) indicated this level of bonding would be required to support capitalization grant matches and other financial assistance estimated through the 2025-27 state fiscal biennium.

[Bill Section: 2647]

3. LAND RECYCLING LOAN PROGRAM -- ENVIRONMENTAL FUND REPAYMENTS

Governor: Transfer the outstanding liability for the land recycling loan program (LRLP) loan to the segregated dry cleaner environmental response program (DERP) fund from the DERP to the environmental management account of the environmental fund. The LRLP is a component of the clean water fund and provided financial assistance to local governments for the investigation and remediation of contamination at sites or facilities owned by the local government if the contamination affected, or threatened to affect, groundwater or surface water. The program entered into 10 financial assistance agreements and disbursed $13.5 million. The program has not entered into a new financial assistance agreement since 2008; the final program loan is expected to be retired in 2027.

2009 Act 28 authorized DOA and DNR to transfer up to $6.2 million from the LRLP to the DERP, which reimburses property owners for a portion of the costs of cleaning up discharges of dry cleaning solvents. The transfer must be repaid and accrues interest based on the rate earned for state investment fund earnings. DERP must pay a minimum of $1,000 per year on the loan. As of February, 2023, $13,000 in principal has been repaid on the loan and $5,900 in interest has been repaid. A total of $522,100 in unpaid interest has accrued; $6,709,100 is outstanding on the loan.

The bill would fold DERP revenues and expenditures into the environmental management account under a program to remediate contaminated properties, known as Revitalize Wisconsin. The program would provide funding to DERP-eligible sites and to other private owners or local governments that possess contaminated properties but did not cause a discharge or environmental contamination at the property. [See "Natural Resources -- Waste, Remediation and Air."]

[Bill Sections: 350 and 599]

4. DEBT SERVICE REESTIMATE

GPR	- $635,200
SEG	- 3,500,000
Total	- $4,135,200

Governor: Reestimate GPR general obligation debt service by -$977,700 in 2023-24 and -$342,500 in 2024-25. This includes adjustments of: (a) -$602,200 in 2023-24 and $695,200 in 2024-25 for the clean water fund; and (b) -$375,500 in 2023-24 and -$352,700 in 2024-25 for the safe drinking water loan program.

In addition, delete $1,000,000 EIF SEG in 2023-24 and $2,500,000 EIF SEG in 2024-25 from the annual appropriation for clean water fund debt service. Annual clean water fund SEG debt service would be $6,000,000 in 2023-24 and $4,500,000 beginning in 2024-25.

Environmental Improvement Fund Debt Service

		2023-24		2024-25	
	Base	Change to Base	Total	Change to Base	Total
Clean Water Fund					
GPR	$2,756,600	-$602,200	$2,154,400	$695,200	$3,451,800
SEG	7,000,000	-1,000,000	6,000,000	-2,500,000	4,500,000
Subtotal	$9,756,600	-$1,602,200	$8,154,400	-$1,804,800	$7,951,800
Safe Drinking Water Loan Program					
GPR	$3,730,400	-$375,500	$3,354,900	-$352,700	$3,377,700
Total	$13,487,000	-$1,977,700	$11,509,300	-$2,157,500	$11,329,500

ETHICS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$1,013,700	$1,192,700	$1,192,700	$358,000	17.7%	4.70	4.70	4.70	0.00	0.0%
PR	527,700	635,000	635,000	214,600	20.3	3.30	3.30	3.30	0.00	0.0
TOTAL	$1,541,400	$1,827,700	$1,827,700	$572,600	18.6%	8.00	8.00	8.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $8,600
PR	- 5,400
Total	- $14,000

Governor: Provide adjustments to the base totaling -$7,000 annually (-$4,300 GPR and -$2,700 PR) associated with: (a) full funding of continuing position salaries and fringe benefits (-$1,900 GPR and -$2,700 PR annually); and (b) full funding of lease and directed moves costs (-$2,400 GPR annually).

2. CAMPAIGN FINANCE INFORMATION SYSTEM WEBSITE REPLACEMENT

GPR	$366,600
PR	220,000
Total	$586,600

Governor: Provide $183,300 GPR and $110,000 PR annually to create a campaign finance reporting website to replace the existing campaign finance information system. The Ethics Commission is required by law to maintain an online, publicly available campaign finance reporting system that displays all contributions and disbursements in order to promote transparency in campaign financing. The funding would be one-time, and would be used to hire two information technology contractors for the 2023-25 biennium. The program revenue expenditure authority would be funded from a campaign finance filing fee balance in the general program operations appropriation for campaign finance and ethics code administration.

FINANCIAL INSTITUTIONS

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$0	$2,000,000	$0	$2,000,000	N.A.	0.00	0.00	0.00	0.00	N.A.
PR	18,329,700	23,099,700	24,585,700	11,026,000	30.1%	138.54	141.04	141.04	2.50	1.8%
SEG	999,600	949,500	949,500	- 100,200	- 5.0	3.00	3.00	3.00	0.00	0.0
TOTAL	$19,329,300	$26,049,200	$25,535,200	$12,925,800	33.4%	141.54	144.04	144.04	2.50	1.8%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$610,000
SEG	- 100,200
Total	$509,800

Governor: Provide adjustments to the base budget for: (a) turnover reduction (-$302,600 PR annually); and (b) full funding of continuing position salaries and fringe benefits ($667,400 PR annually and -$61,000 SEG annually); and (c) full funding of lease and directed moves costs (-$59,800 PR and $10,900 SEG annually).

2. DEPARTMENT OPERATIONS

PR	$6,786,200

Governor: Provide $3,393,100 annually for the Department's central duties including: (a) the maintenance and upgrade of critical information technology infrastructure, financial examiner travel and training costs, and accreditation costs ($3,284,200); and (b) limited-term-employee salary and fringe costs ($108,900).

3. SMALL BUSINESS RETIREMENT SAVINGS PROGRAM

	Funding	Positions
GPR	$2,000,000	0.00
PR	144,200	1.00
Total	$2,144,200	1.00

Governor: Provide $2,000,000 GPR and $63,200 PR in 2023-24 and $81,000 PR in 2024-25 and 1.0 PR position annually to establish and administer the Small Business Retirement Savings Program for certain privately-employed individuals who are not offered an employer-sponsored retirement plan. Funding would be used for: (a) start-up costs modeled on similar programs in other states ($2,000,000 GPR in 2023-24); (b) position salaries and fringe benefits ($53,200 PR in 2023-24 and $71,000 PR in 2024-25); and (c) supplies and services ($10,000 PR annually). The position would be used to staff the Small Business Retirement Savings Board. This recommendation is related to the 2021 final report of the Governor's Task Force on Retirement Security.

a. *Small Business Retirement Savings Program - General*. Establish a Small Business Retirement Savings Program, a GPR general program operations appropriation, and a PR program operations appropriation for all moneys received for the program. In addition, add the Small Business Retirement Savings Program to the list of moneys received by the Department exempt from the general program operations appropriation annual lapse to the general fund.

b. *Small Business Retirement Savings Board*. Create a Small Business Retirement Savings Board to establish and oversee the program. The Board would consist of seven members including the Secretary of the DFI (or his or her designee), one member appointed by the State Investment Board, and the following five members, each of whom must have a "favorable reputation for skill, knowledge, and experience in the field of retirement savings and investments": (a) two members appointed by the Governor, one of whom has excellence relating to small businesses; (b) one member appointed by the Speaker of the Assembly; (c) one member appointed by the Majority Leader of the Senate; and (d) one member appointed by the Secretary of DFI. All members except the Secretary of DFI would be appointed for four-year terms.

Modify statutory language to include the Small Business Retirement Savings Board in the list of entities exempt from statutory contractual services determinations, and to expand purchasing powers to allow the Board to enter into vendor contracts.

Specify that the Board may: (a) create or impose any requirement or condition not inconsistent with the requirements of the program that the Board considers necessary for the effective functioning and widespread utilization of the program; (b) enter into contracts or other arrangements for necessary services; (c) promulgate rules; and (d) exercise any other powers necessary to establish, oversee, or otherwise carryout the purposes of the program. Require DFI to provide assistance to the Board, including staff, equipment, and office space. Specify that the Board must solicit competitive sealed proposals, then select and contract with a vendor to provide investment, accounting and record keeping, and any other professional services considered necessary by the Board to administering the program. The Board must design the program to: (a) allow eligible employees to contribute to their accounts through payroll deductions and require participating employers to withhold employee wages, through payroll deductions, employees' account contributions, and remit those contributions directly to the investment administrator; (b) allow the investment administrator to pool accounts as the trustee of account contributions and earnings; (c) limit the investment advisor fee to a fixed monthly amount approved by the Board and keep the administrative costs of the program low; (d) not require a minimum account balance, if the employee makes contributions each pay period; (e) allow account consolidation and rollover; (f) allow an account owner to continue the account after separating from employment with a participating employer, if the account owner has a positive balance; and (g) incorporate maximum contribution limits established by the Board in accordance with IRS contribution limits for Roth IRAs, separately and in combination with traditional IRAs, as well as any similar contribution limits for account types other than a Roth IRA.

c. *Employer Participation and Responsibilities*. Specify that a private employer may participate in the program if: (a) the employer does not offer a retirement savings plan to all employees; (b) the employer provides notice to the Board and certifies that the employer has 50 or fewer employees; and (c) the employer has at least one Wisconsin resident employee. After electing to participate, the employer must provide notice to each eligible employee of the right to decline participation in the program, and must enroll eligible employees in the program, unless an employee declined to participate.

d. *Employee Enrollment and Contribution Options*. Specify that the program must allow enrolled eligible employees the option to make contributions to a Roth IRA account, or any other investment account type, if other account types are offered. Within each account type, the program must provide at least five investment options, including: (a) a stable value or capital preservation fund; (b) an automatically rebalanced target date index or age-based fund; and (c) low-costs funds focused on income generation, asset growth, and balancing risk and return. The investment administrator must offer each enrolled eligible employee a tool to identify risk tolerance and projected retirement date, as an aid to the employee, prior to selecting investment account(s). The program would require the first $1,000 of an enrolled eligible employee's contributions to be deposited in a stable value or capital preservation fund, and thereafter, contributions must be deposited into a target date index or age-based fund, unless the employee selects a different investment option. In addition, during the employee's first year of enrollment, the employer must deduct five percent of the employee's gross wages each pay period, increasing by one percent per year until a maximum rate of 10 percent is reached, unless the employee directs otherwise (no rate may be less than one percent). The payroll deduction would be remitted to the investment administrator as the employee's account contribution percent is reached. However, the participating employer must make a good faith effort to establish the payroll deduction at a rate that will not result in the employee's total annual contributions exceeding maximum contribution limits established by the Board in accordance with the federal contribution limits for Roth IRAs, although the participating employer would not be responsible if excess contributions occur.

e. *Recordkeeping*. Specify that the Board must establish recordkeeping requirements (including the nature and extent of the services and performance metrics for measuring compliance) for the investment administrator, and require the maintenance of separate records and accounting for each account.

f. *Abandoned Accounts*. Specify that an account would be considered abandoned if: (a) there has been no account activity for at least six months and the account balance is less than $250; or (b) there has been no account activity for at least two years. The investment administrator must close abandoned accounts and disburse the account balance to the individual who established the account.

g. *Definitions*. For the purpose of the Small Business Retirement Savings Program, create statutory language to define "account," "Board," "eligible employee," "investment administrator," "participating employer," "Roth IRA" and "Traditional IRA."

[Bill Sections: 69, 126, 127, 128, 271 thru 274, 2448, and 9116(1)]

4. CHARITABLE AND PROFESSIONAL ORGANIZATIONS TECHNOLOGY PROJECT

PR	$1,115,900

Governor: Provide $1,115,900 in 2024-25 for modernization of the Department's charitable and professional organizations technology systems. The upgrades are intended to allow the Department to accept annual reports from approximately 11,000 active charitable organizations electronically, rather than on paper, and allow fund-raising costs as a percentage of donations received to be automatically added to the publicly-available database.

5. SECURITIES FILING TECHNOLOGY PROJECT

PR	$1,038,900

Governor: Provide $1,038,900 in 2024-25 to update and enhance the Department's securities filing technology systems. Under current law provisions related to the sale of securities in Wisconsin, securities must be: (a) registered with the DFI Division of Securities; (b) exempt from registration; or (c) submitted to the Division via a notice filing. Currently, over 20,000 active mutual funds with an annual renewal process are filed electronically, but the information must then be manually entered into the federal system. This project is intended to eliminate the need for manual entry between systems.

6. UNIFORM COMMERCIAL CODE AND TRADEMARK FILING SYSTEM TECHNOLOGY PROJECT

PR	$724,500

Governor: Provide $724,500 in 2023-24 for modernization of DFI's Uniform Commercial Code and trademark processing and filing technology systems. In April, 2019, DFI and a third-party vendor signed an initial term of five years with two options to extend the contract by one year upon mutual agreement of the parties. The extended contract will expire on March 15, 2024, unless the parties exercise their second and final option to extend the contract for an additional year. The new contract would include a one-time implementation fee of $724,500 in the 2023-25 biennium and annual software service costs in the 2025-27 biennium.

7. AGENCY EQUITY OFFICER

	Funding	Positions
PR	$83,800	0.50

Governor: Provide $36,700 in 2023-24 and $47,100 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."]

8. TRANSFER TO THE SECRETARY OF STATE

GPR-REV	- $220,000
PR-REV	- 220,000

Governor: Increase the annual transfer of revenue from the Department's general program operations appropriation to the Secretary of State from $150,000 to

$260,000. [See "Secretary of State."]

Under current law, with some exceptions, all moneys received by the Department, other than by 88 percent of moneys received by the Office of Credit Unions and the Department's Division of Banking is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year transfers to the general fund. Annually, $150,000 of the amounts received under this appropriation is transferred to the Secretary of State. This provision would reduce the amount transferred to the general fund by $110,000 annually.

9. ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) SAVINGS ACCOUNT PROGRAM

	Funding	Positions
PR	$522,500	1.00

Governor: Provide $247,500 in 2023-24 and $275,000 in 2024-25 and 1.0 position annually to implement and administer a qualified Achieving a Better Life Experience (ABLE) savings account program under section 529A of the Internal Revenue Code for qualified expenses incurred by individuals with disabilities. Currently, the Department administers two section 529 college savings plans for Wisconsin residents: Edvest and Tomorrow's Scholar.

Under current federal law, states may create a qualified ABLE program, which provides tax-exempt savings accounts, used for qualified disability expenses (including education, housing, and transportation costs). In addition, state law allows a deduction for an eligible contribution deposited into an ABLE account of any state. Wisconsin currently does not operate its own ABLE program, but allows state residents to make contributions to the ABLE programs of other states.

Require the Department to implement and administer an ABLE program, either directly or by entering into a formal or informal agreement with another state, or with an entity representing an alliance of states, for the residents of Wisconsin. The Department would be required to review ABLE state partnership programs offered by other states and determine the best option for Wisconsin residents (either implementing a program directly, or entering into an agreement for a program) no later than the first day of the 10th month, beginning after the effective date of the bill.

Specify that if an agreement is entered into, a party contracting with the Department may be required to: (a) develop and implement the ABLE program in accordance with section the Internal Revenue Code requirements and modify the program, as necessary, to allow participants to qualify for the federal income tax benefits or treatment provided under section 529A; (b) engage the services of vendors; (c) work with organizations with expertise in supporting individuals with disabilities and their families; and (d) take any other action necessary to implement and administer the program.

In addition, specify that the Department is required to: (a) include information on ABLE accounts on its website; (b) keep personal and financial information related to ABLE accounts confidential; and (c) pay for all expenses incurred under this provision from the Department's general program operations appropriation. The Department may also promulgate rules to implement and administer the program. Stipulate that any amount remaining in a Wisconsin ABLE account upon the account's termination must be returned to the account owner's estate.

Note that under 2021 Act 119, DFI was required to study and report on establishing a qualified ABLE program, including examination of the advantages and disadvantages of certain options and review and evaluation of related issues. The Department submitted the report to the Legislature on September 1, 2022.

[Bill Sections: 1370 and 2447]

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary						FTE Position Summary
		Governor		2023-25 Change Over Base Year Doubled		
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	There are no state authorized positions for the Fox River Navigational System.
SEG	$125,400	$125,400	$125,400	$0	0.0%	

GENERAL FUND TAXES

1. GENERAL FUND TAX CHANGES

Governor: The following table shows the general fund tax changes recommended by the Governor, along with their fiscal effects in the 2023-25 biennium. The table does not include tax law changes that are estimated to have a minimal fiscal effect. The table also does not include changes to expenditures of refundable tax credits, because those are paid from appropriations rather than recorded as reductions in tax revenues.

2023-25 General Fund Tax Changes

	2023-24	2024-25	2023-25 Biennium
Income and Franchise Taxes			
Family and Individual Reinvestment Credit	-$418,789,500	-$421,028,700	-$839,818,200
Limit MAC for Manufacturers	348,700,000	306,400,500	655,100,500
IRC Update - TCJA	188,000,000	199,200,000	387,200,000
Capital Gains Limitation	185,200,000	154,200,000	339,400,000
Family Caregiver Credit	-96,747,700	-98,349,000	-195,096,700
Expand Child and Dependent Care Credit	-27,280,800	-27,829,900	-55,110,700
Interactive Effects	11,800,000	12,200,000	24,000,000
Pre-Tax Treatment of Paid Family Leave	--	-20,450,000	-20,450,000
Expand Retirement Income Subtraction	-8,100,000	-8,100,000	-16,200,000
Expand Refundable Research Credit	-16,100,000	--	-16,100,000
Universal Changing Station Credit	-5,300,000	-10,600,000	-15,900,000
Limit Private School Tuition Deduction	6,500,000	6,500,000	13,000,000
Expand Low-Income Housing Credit	-1,450,000	-7,250,000	-8,700,000
Limit Dividends Received Deduction	3,200,000	3,200,000	6,400,000
First-Time Homebuyer Deduction	--	-4,800,000	-4,800,000
Repeal NOL Carryback	2,900,000	1,500,000	4,400,000
IRC Update - Changes Since 2020	-400,000	1,400,000	1,000,000
Flood Insurance Premiums Credit	-400,000	-400,000	-800,000
Expand Disability Income Subtraction	-260,000	-260,000	-520,000
Repeal Working Families Credit	125,000	125,000	250,000
Subtotal--Income and Franchise	$171,597,000	$85,657,900	$257,254,900
General Sales and Use Tax			
Sales Tax on Prewritten Software	$18,100,000	$40,900,000	$59,000,000
Exemption for Diapers/Hygiene Products	-13,700,000	-19,100,000	-32,800,000
Sales Tax on Recreational Marijuana	--	10,200,000	10,200,000
Exemption for Renewable Energy Storage	-1,700,000	-2,500,000	-4,200,000
Exemption for Breastpumps	-510,000	-680,000	-1,190,000
Exemption for Planning/Counseling Services	-400,000	-600,000	-1,000,000
Exemption for Gun Safes and Locks	-230,000	-310,000	-540,000
Repeal Exemption for Farm-Raised Deer	90,000	120,000	210,000
Subtotal--General Sales and Use Tax	$1,650,000	$28,030,000	$29,680,000

	2023-24	2024-25	2023-25 Biennium
Excise Taxes			
Increase Tax on Vapor Products	$9,200,000	$13,200,000	$22,400,000
Increase Tax on Little Cigars	2,300,000	3,200,000	5,500,000
Subtotal--Excise Taxes	$11,500,000	$16,400,000	$27,900,000
Tax Enforcement Provisions			
Delinquent Tax Collection Agents - 11.0 FTE	$4,000,000	$16,100,000	$20,100,000
Advanced Technology System	--	7,600,000	7,600,000
Subtotal--Tax Enforcement Provisions	$4,000,000	$23,700,000	$27,700,000
Total Tax Changes	$188,747,000	$153,787,900	$342,534,900

Income and Franchise Taxes

1. FAMILY AND INDIVIDUAL REINVESTMENT CREDIT

GPR-Tax - $839,818,200

Governor: Create a nonrefundable individual income tax credit called the family and individual reinvestment credit, beginning in tax year 2023, equal to a minimum dollar amount or a percentage of the claimant's net tax liability subject to phaseout based on the claimant's Wisconsin adjusted gross income (AGI) and filing status.

Set the credit equal to the greater of 10% of the claimant's net tax liability, defined as the claimant's income tax liability after the application of nonrefundable tax credits, but prior to the application of the nonrefundable credit for taxes paid to other states, or: (a) $100 if the claimant's filing status is single or head-of-household and the claimant's AGI is less than $100,000; (b) $100 if the claimant's filing status is married-joint and the combined AGI of the claimant and the claimant's spouse is less than $150,000; and (c) $50 if the claimant's filing status is married-separate and the claimant's AGI is less than $75,000. If the claimant's AGI, or combined AGI in the case of married-joint filers, exceeds the preceding income thresholds but is less than $120,000 for single or head-of-household filers, $175,000 for married-joint filers, and $87,500 for married-separate filers, set the credit equal to the claimant's net tax liability multiplied by a percentage calculated as follows: (a) subtract the applicable income threshold from the claimant's AGI, or combined AGI in the case of married-joint filers; (b) divide the difference by $20,000 if the claimant's filing status is single or head-of-household, $25,000 if the claimant's filing status is married-joint, or $12,500 if the claimant's filing status is married-separate; (c) subtract that fraction from 1.0; and (d) multiply that fraction by 10%. Under this structure, the 10% credit would proportionally phase down between $100,000 and $120,000 for single and head-of-household filers, $150,000 and $175,000 for married-joint filers, and $75,000 and $87,500 for married-separate filers, and would phase out completely at the higher income threshold for each filer type. The following table shows how the credit would be calculated for a hypothetical married-joint taxpayer under certain AGI and net tax liability scenarios.

**Family and Individual Reinvestment Credit Calculations,
Hypothetical Married-Joint Taxpayer**

Wisconsin AGI	$70,000	$140,000	$170,000
Adjusted Net Tax Liability	800	3,200	3,200
Initial Credit (10% of Adjusted Net Tax Liability)	80	320	320
Greater of $100 or Initial Credit	100	320	320
Phase-Out Reduction	NA	NA	-256
Final Credit	$100	$320	$64

Limit the credit to claims filed within four years of the unextended due date for which the tax return was due. Prohibit part-year residents and nonresidents from claiming the credit, and allow only one credit per household per year, except permit married-separate filers to each claim the credit, as provided above, and permit married persons living apart and treated as single under the Internal Revenue Code (IRC) to claim the credit as if the individual were a single or head-of-household claimant. Define household as a claimant and an individual related to the claimant as husband or wife. Prohibit individuals who may be claimed as a dependent on a return of another taxpayer from claiming the credit. Specify that current law provisions which apply to Ch. 71 of the statutes and relate to Department of Revenue (DOR) enforcement authority, and to assessments, refunds, appeals, collection, interest, and penalties, would also apply to this credit. Decrease individual income tax collections by an estimated $418,789,500 in 2023-24 and $421,028,700 in 2024-25 and annually thereafter.

[Bill Sections: 1411 and 1438]

2. MANUFACTURING AND AGRICULTURE TAX CREDIT LIMITATION

GPR-Tax $655,100,500

Governor: Limit the amount of qualified production activities income (QPAI) from manufacturing activities a claimant may use as the basis for claiming the manufacturing and agriculture tax credit (MAC), as described below. The limit would not apply to income derived from agricultural activities.

Under current law, for corporate filers, the MAC is equal to 7.5% multiplied by the lesser of a claimant's: (a) eligible QPAI, as defined under the IRC, derived from manufacturing or agricultural property in Wisconsin; (b) income apportioned to Wisconsin for state corporate income/franchise tax purposes; or (c) income determined as taxable under state combined reporting provisions. For business owners who file under the individual income tax, the credit is equal to 7.5% of the claimant's eligible QPAI that is derived from manufacturing or agricultural property in Wisconsin. There is no maximum amount of MAC that can be claimed in a tax year. However, the credit may not be used by individual filers to offset taxes on other sources of income. Further, the amount of income on which the MAC is calculated must be reduced by the amount of QPAI that is claimed under the credit for taxes paid to another state.

Pass-through entities, such as partnerships, limited liability companies (LLCs), and tax-option (S) corporations, cannot claim the MAC under current law. Instead, the credit computed by those entities can pass through to the partners, members, or shareholders. Partnerships, LLCs, and S corporations that elect to be taxed at the entity level may not claim the MAC (and neither can their owners).

The bill would limit the amount of QPAI from manufacturing activities a claimant may use to compute the MAC to no more than $300,000. This provision would effectively provide for a maximum MAC claim of $22,500 for income derived from manufacturing activities. For example, a sole proprietor or a C corporation could only claim a total of $22,500 on their own manufacturing income. According to DOR, a pass-through entity would be able to compute the credit up to a maximum of $22,500, and pass through that amount in the aggregate to its partners, members, or shareholders. Because an individual can own an interest in multiple pass-through entities, an individual would be able to claim a maximum of $22,500 for each pass-through business in which the individual has an ownership interest, such that an individual could potentially claim more than $22,500 in the aggregate. [A technical amendment would be needed to apply the MAC limitation as intended to claimants whose entire QPAI is earned in Wisconsin.]

The provision would first apply for taxable years beginning after December 31, 2022. The administration estimates that the provision would increase state tax revenues by $348,700,000 in 2023-24 and $306,400,500 in 2024-25.

[Bill Sections: 1417, 1418, and 1481 thru 1483]

3. IRC UPDATE - TAX CUTS AND JOBS ACT OF 2017

GPR-Tax	$387,200,000

Governor: Update references to the IRC under the individual income and corporate income/franchise taxes to adopt certain provisions of the Tax Cuts and Jobs Act of 2017 (TCJA), P.L. 115-97, as amended by subsequent federal legislation, for taxable years beginning after December 31, 2022. [An amendment would be needed to accomplish the Administration's intent so that the TCJA provisions would not be excluded for taxable years beginning after 2022.] The bill would adopt the following TCJA items with a revenue effect shown in the table below: (a) loss limitation for taxpayers other than corporations; (b) accounting rules for accrual method taxpayers; (c) limitation on the deduction for business interest; (d) limitation on the deduction for entertainment, amusement, and recreation expenses; (e) limitation on the deduction of Federal Deposit Insurance Corporation (FDIC) premiums; and (f) modification of the limitation on the deduction for highly paid individuals. According to the Administration, state adoption of these provisions would increase state income and franchise tax revenues by $188,000,000 in 2023-24 and $199,200,000 in 2024-25.

2023-25 Biennium Fiscal Effect
(Millions)

TCJA Provision as Amended	2023-24	2024-25
Loss limitation for taxpayers other than corporations	$51.3	$48.0
Accounting rules for accrual method taxpayers	3.6	3.3
Limitation on the deduction for business interest	109.6	123.2
Limitation on the deduction for entertainment, amusement, and recreation	14.1	15.0
Limitation on the deduction for FDIC premiums	5.9	6.1
Modification of the limitation for highly paid individuals	3.5	3.6
Total	$188.0	$199.2

[Bill Sections: 1539 and 1540]

4. IRC UPDATE - FEDERAL LEGISLATION ENACTED IN 2021 AND 2022

GPR-Tax	$1,000,000

Governor: Update references to the IRC under the individual income and corporate income/franchise taxes. For taxable years beginning after December 31, 2022, adopt the selected IRC provisions included in the following federal laws that were enacted in 2021 and 2022: (a) American Rescue Plan Act of 2021 (ARPA); (b) Paycheck Protection Program Extension Act of 2021; (c) Surface Transportation Extension Act of 2021; (d) Further Surface Transportation Extension Act of 2021; (e) Infrastructure Investment and Jobs Act; (f) Consolidated Appropriations Act of 2022; (g) Supreme Court Security Funding Act of 2022; and (h) Inflation Reduction Act of 2022.

Provide that, beginning in tax year 2022, changes to Section 529 of the IRC related to college savings plans are automatically adopted for state tax purposes. Under current law, Wisconsin generally conforms to Section 529 provisions enacted as of December 31, 2020.

Adopt several revisions to state tax statutes to simplify the legal references to the federal IRC. Under current law, the IRC is defined for state tax purposes under several different sections of state statutes for different types of taxpayers (such as individuals, partnerships, LLCs, S corporations, and insurance companies). The bill would consolidate these provisions, generally defining the term "internal revenue code" in one location in the state statutes. Further, the bill would recreate a conformity section so as to simplify the list of specific provisions subject to static conformity to the IRC in effect as of a certain date (such as depreciation conforming to the IRC in effect on January 1, 2014), and those provisions continuously conforming to all subsequent changes to the IRC (such as Section 179 expensing).

According to the Administration, state adoption of these provisions would reduce state income and franchise tax revenues by $400,000 in 2023-24 and increase revenues by $1,400,000 in 2024-25. However, it should be noted that this item would adopt Section 9675 of ARPA, specifying that most student loans discharged after December 31, 2020, and before January 1, 2026, would not be included in gross income for income tax purposes. The Administration indicates that the fiscal effect of this provision is assumed to be minimal due to recent court decisions (*Biden v. Nebraska* and *Department of Education v. Brown*) which vacated the federal student loan discharge program that would have discharged up to $10,000 (or up to $20,000 for Pell Grant recipients) of student loan debt for borrowers that satisfy certain income limits. However, if the student loan discharge program were upheld on appeal, state adoption of ARPA Section 9675 could result in foregone revenues of several hundred million dollars in the 2023-25 biennium (depending on the outcome of future court cases).

[Bill Sections: 1353 thru 1358, 1361, 1362, 1434, 1446 thru 1450, 1453, 1488, 1490 thru 1494, and 1538 thru 1540]

5. LIMIT CAPITAL GAINS EXCLUSION

GPR-Tax	$339,400,000

Governor: Limit the current law exclusion for 30% of an individual's net long-term, nonfarm capital gain as follows, beginning in tax year 2023. Prohibit an individual with federal AGI above the following thresholds from claiming the exclusion: (a) $400,000 for single and head-of-household filers, estates, and trusts; (b) $533,000 for married-joint filers; and (c) $266,500 for married-separate filers. However, if an individual's federal AGI, less 30% of the capital gains otherwise eligible for the exclusion, is below the applicable AGI threshold listed above, the individual's exclusion would be reduced by the amount by which their federal AGI exceeds the applicable threshold amount. Increase individual income tax collections by an estimated $185,200,000 in 2023-24 and $154,200,000 in 2024-25 and annually thereafter.

For example, consider a single filer with federal AGI of $450,000, including net long-term, nonfarm capital gains of $200,000. Subtracting 30% of the $200,000 in gains ($60,000) yields an adjusted federal AGI of $390,000, which is below the threshold at which single filers can no longer claim the exclusion under the proposal. In this scenario, the filer could claim the 30% exclusion of $60,000, reduced by the amount by which their federal AGI of $450,000 exceeds the applicable threshold of $400,000 ($50,000), resulting in an allowable exclusion of $10,000.

Under current law, a capital gains exclusion is provided for 60% of the net capital gain from the sale of farm assets and 30% of the net capital gain from the sale of other assets, provided those assets are held more than one year or are acquired from a decedent. Gains from assets held one year or less are fully taxed. The Governor's recommendation would not limit the net capital gain exclusion: (a) for filers electing to be taxed at the entity level; or (b) from the sale of farm assets.

[Bill Sections: 1374 thru 1377]

6. FAMILY CAREGIVER CREDIT

GPR-Tax	- $195,096,700

Beginning in tax year 2023, create a nonrefundable individual income tax credit equal to 50% of the qualified expenses incurred by an individual to benefit a qualified family member. Specify that a qualified family member would mean an individual who: (a) is 18 years of age or older during the relevant tax year; (b) requires assistance with one or more daily living activities, as certified in writing by a physician (defined as a licensed physician who specializes in family practice, general internal medicine, general pediatrics, obstetrics and gynecology, or psychiatry); and (c) is the claimant's family member (defined as a spouse or an individual related by blood, marriage, or adoption within the 3rd degree of kinship).

Define qualified expenses to mean amounts paid by a claimant in the relevant tax year for items that relate directly to the care or support of a qualified family member, including: (a) the improvement or alteration of the claimant's primary residence to enable or assist the qualified family member to be mobile, safe, or independent; (b) the purchase or lease of equipment to enable or assist the qualified family member to carry out one or more activities of daily living; and (c) the acquisition of goods or services, or support, to assist the claimant in caring for the qualified family member, including employing a home care aide or personal care attendant, adult day care, specialized transportation, legal or financial services, or assistive care technology. However, specify that qualified expenses do not include: (1) general food, clothing, or transportation expenses; (2) ordinary household maintenance or repair expenses that are not directly related or necessary for the care of the qualified family member; or (3) any amount that is paid or reimbursed by insurance or other means.

Specify that the maximum credit that may be claimed in each tax year with regard to a particular qualified family member is $500 ($250 for married-separate filers). Provide that, if more than one individual may claim the family caregiver credit for a particular qualified family member, the maximum credit would have to be apportioned among all eligible claimants based on the ratio of their qualified expenses to the total amount of qualified expenses incurred on behalf of that particular qualified family member, as determined by DOR.

Stipulate that no credit would be allowed for married-joint claimants with federal AGI above $170,000, and that no credit would be allowed for all other filers with federal AGI above $85,000. Provide that, for married-joint claimants with federal AGI above $150,000, the credit amount for which they would otherwise be eligible (subject to the $500 maximum credit limitation) would be reduced by the ratio of the amount by which their federal AGI exceeds $150,000 divided by $20,000. Specify that, for all other filers with federal AGI greater than $75,000, the credit amount for which they would otherwise be eligible (subject to the $500 maximum credit limitation, or $250 for married-separate filers) would be reduced by the ratio of the amount by which their federal AGI exceeds $75,000 divided by $10,000.

Specify that no family caregiver tax credit would be allowed unless it were claimed within four years of the unextended due date of the income tax return to which the claim relates. Prohibit nonresidents and part-year residents of Wisconsin from claiming the credit. Direct that no credit would be allowed for a tax year covering a period of less than 12 months, except for a tax year that was closed because of the death of the taxpayer. Specify that current law provisions which apply to the individual income tax relating to DOR's enforcement authority, and to assessments, refunds, appeals, collection, interest, and penalties, would also apply to this credit. Reduce individual income tax collections by an estimated $96,747,700 in 2023-24 and $98,349,000 in 2024-25 and annually thereafter.

[Bill Sections: 1429 and 1440]

7. EXPAND CHILD AND DEPENDENT CARE CREDIT

GPR-Tax - $55,110,700

Governor: Beginning in tax year 2023, increase the nonrefundable credit for child and dependent care expenses from 50% to 100% of the corresponding federal credit claimed on the claimant's federal income tax return in the same tax year. Reduce estimated individual income tax collections relative to current law by $27,280,800 in 2023-24 and $27,829,900 in 2024-25 and annually thereafter.

Federal law provides an individual income tax credit for child and dependent care expenses that are paid for the purpose of enabling a taxpayer to be gainfully employed. The maximum amount of expenses that can be claimed for the federal credit is $3,000 if the claimant has one qualifying child (under the age of 13) or dependent (generally an individual who is physically or mentally unable to care for himself or herself) and $6,000 if the claimant has more than one qualifying child and/or dependent. The credit is calculated as a percentage of eligible expenses, with the percentage ranging from 35% to 20%, depending on the claimant's federal AGI. Eligible expenses are reduced dollar-for-dollar for any amounts excluded as dependent care assistance benefits under separate provisions of state and federal law. The state credit acts as a supplement to the federal credit and reimburses between 10% and 17.5% of the claimant's eligible expenses.

[Bill Sections: 1435 and 1436]

8. PRE-TAX CONTRIBUTIONS FOR FAMILY MEDICAL LEAVE BENEFITS

GPR-Tax - $20,450,000

Governor: Provide an income and franchise tax subtraction for payroll taxes paid under the family medical leave program. Separate provisions of the bill would create a paid family and medical leave program that provides 12 weeks of benefits for qualified employed and self-employed individuals. Beginning on January 1, 2025, the bill requires each individual employed in this state by an employer that regularly employs at least 50 individuals, including an individual employed by the state, and any self-employed individual who elects coverage under the family and medical leave benefits insurance program to contribute to the trust fund a percentage of his or her wages from employment or income from self-employment. Under the bill, each employer must contribute the same amount as an employee. The bill requires the Department of Workforce Development to collect those contributions into a trust fund in the same manner as it collects contributions to the unemployment reserve fund under current law. [For additional information, see "Department of Workforce Development."]

The Administration estimates that the subtraction for the payroll tax contributions would reduce income and franchise tax collections by $20,450,000 in 2024-25 and $40,900,000 in 2025-26 and annually thereafter. However, the income and franchise tax subtraction was not included in the bill. An amendment would be needed to accomplish the Governor's intent.

9. EXPAND RETIREMENT INCOME EXCLUSION

GPR-Tax - $16,200,000

Governor: Expand the current law exclusion for income received from a qualified retirement plan by a person aged 65 or older who meets certain income requirements, beginning in tax year 2023. Provide that the maximum annual exclusion is increased to $5,500. Provide that the federal AGI amount at which the exclusion is eliminated is increased to: (a) $30,000 for single and head-of-household filers; and (b) $60,000 for married filers. This provision would reduce individual income tax collections by an estimated $8,100,000 annually, beginning in 2023-24.

Under current law, an exclusion is provided for payments or distributions received each year by an individual from a qualified retirement plan under the IRC, or from an individual retirement account established under specified provisions of federal law, if the individual: (a) is at least 65 years of age before the close of the taxable year to which the exclusion relates; and (b) has federal AGI below $15,000 if a single or head-of-household filer, or below $30,000 (income combined with their spouse) if a married filer. The maximum exclusion under current law is $5,000.

[Bill Sections: 1367, 1368, 1380, 1381, and 1534]

10. UNIVERSAL CHANGING STATIONS CREDIT

GPR-Tax	- $15,900,000

Governor: Create a nonrefundable income and franchise tax credit, beginning in tax year 2023, equal to 50% of the amount the claimant paid during the taxable year to install a universal changing station. No claimant could claim a credit of more than $5,125 in a taxable year. It is estimated that this provision would reduce income and franchise tax revenues by $5,300,000 in 2023-24 and $10,600,000 in 2024-25 and annually thereafter.

A "claimant" would mean a sole proprietor, a partner of a partnership, a member of an LLC, a shareholder of an S corporation, a C corporation, and an insurance company. However, to be eligible for the credit, the claimant must have employed no more than 30 full-time employees and have had gross receipts that did not exceed $1,000,000 in the preceding taxable year. "Full-time employee" would mean an individual who is employed for at least 30 hours per week for 20 or more calendar weeks during a taxable year.

The bill would define a "universal changing station" as a powered and height-adjustable adult changing table that is either floor mounted or wall mounted with a safety rail and can be used by an individual with a disability of either sex and the individual's care provider for personal hygiene and that the changing table: (a) can lower to a height of 8 inches and raise to a height of 34 inches; (b) is at least 31 inches wide by 72 inches long; and (c) supports at least 350 pounds. No credit could be claimed unless the universal changing station is installed in a single-occupant restroom that measures at least 8 feet by 10 feet, with adequate space for a wheelchair and a care provider to maneuver; is equipped with a waste receptacle, a toilet, a lavatory, a soap dispenser, and a paper towel dispenser; and complies with accessibility standards under the federal Americans with Disabilities Act.

Partnerships, LLCs, and S corporations would not be able to claim the credit, but the eligibility for, and the amount of, the credit would be based on the amounts paid by the entity. A partnership, LLC, or S corporation would have to compute the amount of credit that each of its partners, members, or shareholders may claim and provide that information to each of them. Partners, members, and shareholders could claim the credit in proportion to their ownership interests. According to the Administration, it is intended that the $5,125 limitation on claims would apply to a claimant regardless of the number of universal changing tables installed or the number of businesses the claimant owns which install them.

[Bill Sections: 1369, 1428, 1439, 1445, 1452, 1486, 1487, 1489, 1495, 1516, and 1517]

11. LIMIT PRIVATE SCHOOL TUITION DEDUCTION

GPR-Tax	$13,000,000

Governor: Limit the current law deduction for tuition expenses paid for a student to attend an eligible institution, beginning in tax year 2023. Prohibit individuals with Wisconsin AGI at or above the following thresholds from claiming the deduction: (a) $100,000 for single and head-of-household filers; (b) $150,000 for married-joint filers; and (c) $75,000 for married-separate filers. Increase individual income tax collections by an estimated $6,500,000 in 2023-24 and annually thereafter.

Under current law, an individual may deduct up to $4,000 per year per pupil enrolled in kindergarten through grade eight, and $10,000 per year per pupil enrolled in grades nine through twelve. The pupil must be a dependent of the claimant for federal income tax purposes and must be enrolled in kindergarten or grades one through twelve of a private school (as defined in state law) which meets all the criteria for a private school. The deduction is not allowed if the tuition expenses are paid using a distribution from a 529 account. Under current law, the deduction is not limited based on the taxpayer's AGI.

[Bill Sections: 1378 and 1379]

12. STATE LOW-INCOME HOUSING TAX CREDIT INCREASE

GPR-Tax	- $8,700,000

Governor: Increase the limit on the total amount of state low-income housing credits that may be certified by the Wisconsin Housing and Economic Development Authority (WHEDA) from $42 million to $100 million. In addition, increase the maximum number of years the tax may be claimed from six years to 10 years. Further, require that to be eligible for a state housing credit, qualified low-income housing developments must be allocated the federal low-income housing tax credit and financed with tax-exempt bonds that are subject to the federal volume cap. However, authorize WHEDA to waive, in the Authority's federally required Qualified Action Plan (QAP), the requirements of tax-exempt bond financing and federal credit allocation, to the extent that WHEDA anticipates that sufficient tax-exempt private activity bond volume cap under federal law will not be available to finance low-income housing projects in any year. [See "Wisconsin Housing and Economic Development Authority."]

2017 Wisconsin Act 176 created a state nonrefundable low-income housing tax credit (LIHTC). The credit is claimable against the state individual income tax, the corporate income/franchise tax, and the insurance premiums tax. WHEDA awards the credit as a match to the federal 4% low-income housing tax credit, which provides a credit equal to 4% of the cost of a project each year for 10 years, generally equal to at least 30% of the present value of construction costs associated with a project. Properties receiving state and federal housing tax credits must reserve at least 20% of units for households with incomes below 50% of county median income, or 40% of units for households with average incomes below 60% of county median income, for at least 30 years. Credits are awarded through a competitive application process, whereby WHEDA assigns scores to the applications based on criteria laid out in the Authority's QAP. Awards are limited to $1.4 million per project. WHEDA is also required by law to give preference to developments located in cities, towns, or villages with populations fewer than 150,000.

Under the current program, WHEDA may award up to $7 million in state tax credits annually, claimable for six years, for a maximum program total of $42 million annually once the program is fully implemented. The bill would increase the program total to $100 million, claimable over 10 years. The Administration estimates the provision would decrease state income and franchise tax revenues by $1,450,000 in 2023-24 and $7,250,000 in 2024-25, fully phasing in to a decrease of $58 million in 2033-34. Combined with the $42 million limit under current law, the credit is estimated to decrease state tax revenues by $100 million annually beginning in 2033-34. The bill as introduced does not specify the initial applicability of changes to the credit.

Under current law, eligible projects are required to be financed with tax-exempt bonds. The bill would require eligible projects to be awarded federal low-income housing credits and be financed with certain tax-exempt bonds that are issued under the state's share of federal volume cap for private economic development or housing purposes. WHEDA could waive these requirements due to having insufficient tax-exempt private activity bonding available under the federal volume cap in a given year.

[Bill Sections: 1426, 1427, 1484 1514, 1515, 1564, 1565, and 2557 thru 2559]

13. DIVIDENDS RECEIVED DEDUCTION LIMITATION

GPR-Tax	$6,400,000

Governor: Specify that corporations may not use the dividends received deduction in computing a net business loss under the state corporate income/franchise tax. Under current law, in determining gross income, corporations may deduct from income dividends received from a corporation with respect to its common stock if the corporation receiving the dividends owns, directly or indirectly, during the entire taxable year, at least 70% of the total combined voting stock of the payor corporation. The bill would specify that this deduction may not be used in computing a net business loss (which may be carried forward for use in up to 20 future tax years under current law). The provision would first apply to taxable years beginning after December 31, 2022. It is estimated that this provision would increase corporate income/franchise tax revenues by $3,200,000 annually, beginning in 2023-24.

[Bill Sections: 1454, 1455, 1496, and 9337(7)]

14. FIRST-TIME HOMEBUYER SAVINGS ACCOUNTS

GPR-Tax	- $4,800,000

Governor: Create a program, administered by DOR, allowing an individual to become an account holder by creating an account, either individually or jointly with his or her spouse, to pay or reimburse the eligible costs of a first-time homebuyer. Require the accounts to be created at any financial institution, defined as any bank, trust company, savings institution, savings bank, savings and loan association, industrial loan association, consumer finance company, credit union, or any benefit association, insurance company, safe deposit company, money market mutual fund, or similar entity authorized to do business in Wisconsin. Specify that eligible costs would mean the down payment and allowable closing costs, defined as disbursements listed in a settlement statement for the purchase of a single-family residence in Wisconsin by a beneficiary. Limit the program to individuals who reside in Wisconsin and who did not have a present ownership interest, either individually or jointly, in a single-family residence (defined as a residence intended for occupation by a single family unit that is purchased by a beneficiary for use as his or her principal residence) during the 36-month period prior to the month of purchase of a single family residence that is located in Wisconsin.

When an account is created, require the account holder to designate a single account beneficiary who is a first-time homebuyer and who may be the account holder. Allow the account holder to change the beneficiary at any time. Allow individuals to jointly own accounts with their spouses. Provide that an individual may be the account holder of more than one account, but prohibit the account holder from having more than one account that designates the same beneficiary. Permit an individual to be the beneficiary of more than one account. Limit account contributions to cash and marketable securities, and allow persons other than account holders to contribute to accounts. However, stipulate that only the account holder may take the subtraction created under the bill for first-time homebuyer account contributions.

Authorize account holders to withdraw funds from accounts to: (a) pay eligible costs for the benefit of the beneficiary; or (b) reimburse the beneficiary for eligible costs that the beneficiary incurred and paid. Prohibit account holders from using account funds to pay any expenses incurred by the account holder in administering the account, but permit financial institutions to deduct service fees from accounts.

Require account holders each year to submit the following information related to the account to DOR, on forms prepared by the Department, with the account holder's income tax return: (a) a list of account transactions during the tax year, including the account's beginning and ending balances; (b) the 1099 form issued by the financial institution relating to the account; and (c) a list of eligible costs, and other costs, for which account funds were withdrawn during the tax year. Authorize account holders to withdraw and transfer funds to a different financial institution without incurring a withdrawal penalty or affecting the account holder's Wisconsin AGI, provided the transfer occurs immediately and the funds are deposited in a first-time homebuyer savings account at that institution. Require account holders to dissolve an account not later than 120 months (10 years) after its creation, and require financial institutions to distribute any proceeds in dissolved accounts to the account holder. Require proceeds to be distributed to the account holder's estate if the account holder dies while funds remain in the account.

Create the following adjustments to federal AGI when calculating Wisconsin AGI under the state individual income tax. Authorize account holders to subtract from federal AGI the amount of any deposits by the account holder into their accounts, as well as any interest, dividend, or other gain accruing in the account if the interest, dividends, or other gain is redeposited into the account.

Limit the subtraction for each account holder to $5,000 of deposits per year, or $10,000 of deposits per year if the account holder is a married-joint filer, for each account that the account holder creates and to which the account holder makes a deposit (the amount of interest, dividends, or other gains accruing to and subsequently redeposited in the account that may be subtracted from taxable income is not limited). Specify that the subtraction does not apply for any amounts which are transferred to an account at another financial institution. Prohibit an account holder from claiming the subtraction for more than a total of $50,000 of deposits into any account for each beneficiary. Require account holders to increase their AGI to include any distribution of proceeds from a dissolved account, and require account holders' estates to increase the AGI of the estate to include any distribution to an account holder's estate after the death of an account holder. In addition, require account holders to increase their AGI to reflect any amount withdrawn from an account for any reason other than payment or reimbursement of eligible costs, unless the withdrawal is the result of a transfer to an account at a different financial institution, or unless the disbursement is pursuant to a filing for bankruptcy protection. Impose a penalty of 10% on any amounts added to AGI under the preceding provisions.

For federal tax purposes, no deduction for contributions is, or would be, allowed, and the interest earnings that would accrue to accounts would be subject to federal income tax. Since the accounts would be taxable on the "front end," no federal tax would be imposed at the time of withdrawal. Nor would withdrawals trigger a state tax liability, provided the proceeds are used for eligible costs.

Require DOR to prepare and distribute any forms that an account holder would be required to submit and any other forms that the Department believes would be necessary to administer the program and the program's adjustments to income, described above. In addition, require DOR to prepare and distribute program informational materials to financial institutions and potential homebuyers.

Finally, require DOR to impose a penalty on withdrawals from accounts that would be additions to income, as described above, and direct the Department to administer the penalty as it assesses, levies, and collects income and franchise taxes. Specify that the preceding provisions would first apply beginning in tax year 2023. The Administration anticipates that few accounts would be established by the conclusion of calendar year 2023. Therefore, this provision would reduce estimated individual income tax collections by a minimal amount in 2023-24, $4,800,000 in 2024-25, $6,600,000 in 2025-26, and $7,500,000 in 2026-27 and annually thereafter.

[Bill Sections: 1371, 1382, 1442, 1443, 1537, and 9337(6)]

15. REPEAL NET OPERATING LOSS CARRYBACK

GPR-Tax	$4,400,000

Governor: Repeal current law provisions under the individual income tax that allow a net operating loss (NOL) to be carried back for two tax years as an adjustment to federal AGI, beginning in tax year 2023. NOL carrybacks are not allowed under the state's corporate income/franchise tax, and generally, are not allowed for federal tax purposes. Generally, an NOL results when a taxpayer's business deductions exceed the taxpayer's gross income. This provision would not affect current law provisions that allow taxpayers to carry forward NOLs for up to 20 years. This provision would increase individual income tax collections by an estimated $2,900,000 in 2023-24 and $1,500,000 in 2024-25. Over time, the revenue gain from the elimination of loss carrybacks would be offset by the revenue loss due to larger amounts of loss carry forwards.

[Bill Sections: 1383 thru 1386, 1532, 1533, and 9337(5)]

16. FLOOD INSURANCE PREMIUMS CREDIT

GPR-Tax	- $800,000

Governor: Create a nonrefundable individual income tax credit for flood insurance premiums beginning in tax year 2023. Provide that a claimant may claim a credit equal to 10% of the amount of premiums the claimant paid during the tax year for flood insurance. Define flood insurance as a flood insurance policy that covers the principal dwelling of the claimant. Specify that the credit amount could not exceed $60 per tax year.

Specify that no flood insurance premiums tax credit would be allowed unless it were claimed within four years of the unextended due date of the income tax return to which the claim relates. Prohibit nonresidents and part-year residents of Wisconsin from claiming the credit. Direct that no credit would be allowed for a tax year covering a period of less than 12 months, except for a tax year that was closed because of the death of the taxpayer. Specify that current law provisions which apply to the individual income tax and relate to DOR's enforcement authority, and to assessments, refunds, appeals, collection, interest, and penalties, would also apply to this credit. This provision would reduce individual income tax collections by an estimated $400,000 annually, beginning in 2023-24.

[Bill Sections: 1430 and 1441]

17. EXPAND DISABILITY INCOME EXCLUSION

GPR-Tax	- $520,000

Governor: Expand the current law exclusion for certain disability payments received by individuals under age 65 to equal up to $5,500 per year (per disabled spouse if a married-joint filer) or the amount of disability pay reported as income, whichever is less, beginning in tax year 2023. Provide that the exclusion is also made available to otherwise eligible married-separate filers. Increase the maximum federal AGI amounts used to determine eligibility for the exclusion to be less than: (a) $30,000 for single and head-of-household filers; (b) $60,000 for married-joint filers; or (c) if a married-separate filer, $60,000 of total income combined for both spouses. Stipulate that, for filers with federal AGI above these thresholds, no exclusion is permitted. This provision would reduce individual income tax collections by an estimated $260,000 annually, beginning in 2023-24.

Under current law, an exclusion is provided for disability payments, other than disability payments that are paid from a retirement plan, if the individual: (a) is under the age of 65 before the close of the taxable year to which the claim for the exclusion relates; and (b) retired on disability and was permanently and totally disabled upon retirement. If the individual is married, they must choose the married-joint filing status in order to claim the exclusion. The exclusion equals up to $100 of disability income per week, or $5,200 per year (per disabled spouse if a married-joint filer). The exclusion is reduced dollar-for-dollar for the amount by which the taxpayer's federal AGI exceeds $15,000 (exclusion is eliminated for AGI above $20,200, or $25,400 for married-joint filers if both spouses are disabled). For purposes of the exclusion, permanently and totally disabled means an individual who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual is not considered permanently and totally disabled unless proof is furnished in such form and manner, and at such times, as DOR prescribes.

[Bill Sections: 1372 and 1373]

18. SUNSET WORKING FAMILIES CREDIT

GPR-Tax	$250,000

Governor: Sunset the working families credit under the individual income tax, beginning in tax year 2023. Estimate increased individual income tax collections of $125,000 annually, beginning in 2023-24.

Under current law, taxpayers with Wisconsin AGI below $9,000 ($18,000 for married-joint filers) may claim a nonrefundable credit equal to their net tax liability. The credit phases out over the next $1,000 in income until eliminated when AGI exceeds $10,000 ($19,000 married-joint). The credit eliminates state income taxes for single taxpayers with AGI below $9,000 and married couples filing joint returns with AGI below $18,000. This credit is claimed by very few taxpayers because most individuals and families at these income levels do not have a net tax liability due to the standard deduction, personal exemptions, and other credits.

According to DOR, the only filers who claim the credit at present are certain married couples where: (a) one spouse is a Wisconsin resident; (b) the other spouse is a nonresident; and (c) the couple's federal AGI exceeds the Wisconsin resident spouse's Wisconsin AGI. These nonresidents/part-year residents can claim the credit because their state sliding scale standard deduction is based on the greater of Wisconsin AGI or federal AGI, whereas the working families credit is based on Wisconsin AGI alone. If the couple has a federal AGI large enough to significantly reduce or eliminate their state standard deduction, but the Wisconsin resident spouse's Wisconsin AGI is low enough to receive the working families credit, the credit may be claimed.

[Bill Section: 1410]

19. ABLE ACCOUNT TERMINATION ADDBACK

Governor: Provide a statutory modification to stipulate that any amount remaining in a Wisconsin Achieving a Better Life Experience (ABLE) account upon the account's termination that is returned to the account owner's estate would be added back to taxable income. Current law provides identical treatment for any such amounts that remain in the account of a qualified ABLE program of any other state (at present, no Wisconsin ABLE program exists). The provisions that would authorize the creation of an ABLE program in Wisconsin are set forth under separate sections of the bill. [See "Financial Institutions."]

[Bill Section: 1370]

20. DETERMINING HEALTH CARE ELIGIBILITY VIA INDIVIDUAL INCOME TAX RETURNS

Governor: Require DOR to include certain questions and explanatory information on each individual income tax return related to eligibility for certain state and federal health care programs, beginning in tax year 2024. Based on the individual's responses to these questions, require DOR to provide that person's contact information and other relevant information from that person's individual income tax return to the Department of Health Services to perform an evaluation of that person's eligibility for certain programs. [See "Health Services -- Public Assistance Administration."]

[Bill Sections: 1366, 1530, and 9319(1)]

21. TAX LAW CHANGE INTERACTIVE EFFECTS

GPR-Tax	$24,000,000

Governor: Increase income and franchise tax collections by an estimated $11,800,000 in 2023-24 and $12,200,000 in 2024-25 to account for the interactive effects of proposed income and franchise tax changes under the Governor's budget.

General Sales and Use Taxes

1. SALES TAX ON THE ACCESS TO PREWRITTEN COMPUTER SOFTWARE

GPR-Tax	$59,000,000

Governor: Impose the general sales and use tax on the sale of the right to access and use certain prewritten computer software.

Under current law, "prewritten computer software" means computer software, including prewritten upgrades, that is not designed and developed by the author or other creator to the specifications of a specific purchaser. The sale and purchase of prewritten computer software, where the purchaser takes possession of the software, is currently subject to the sales and use tax. In addition, the entire sales price of a bundled transaction is subject to the sales tax (with certain exceptions), unless the retailer can reasonably identify the nontaxable portion of the price. However, the sale of the right to access and use prewritten computer software (without taking possession) is considered a nontaxable service under current law.

Under the bill, the sale of the right to access and use prewritten computer software, where possession of the prewritten computer software is maintained by the seller or a third party, including sales made on a per use, per user, per license, subscription, or some other basis, would become a taxable service. This provision would include the sale of the right to access and use prewritten computer software to perform data processing and information services, regardless of whether the primary purpose of the transaction is the processed data. Processed data would include processing for checks, images, forms, surveys, payrolls, claims, and other similar activities. The Administration indicates that this provision would establish parity on the sale and use of prewritten computer software, regardless of whether the software is owned by the purchaser or is accessed via a subscription or through the internet (Software as a Service).

The provision would take effect on the first day of the sixth month beginning after publication of the bill. The Administration estimates that this expansion of the sales and use tax would increase state tax revenues by $18,100,000 in 2023-24 and $40,900,000 in 2024-25 and annually thereafter.

[Bill Sections: 1583 and 9437(7)]

2. SALES TAX EXEMPTION FOR DIAPERS AND FEMININE HYGIENE PRODUCTS

GPR-Tax	- $32,800,000

Governor: Provide an exemption from the general sales and use tax for sales of diapers and feminine hygiene products.

Define the following terms under the general sales and use tax:

a. "Diaper" would mean an absorbent garment worn by humans who are incapable of or have difficulty controlling their bladder or bowel movements.

b. "Feminine hygiene products" would mean tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle. However, "feminine hygiene products" would not include "grooming and hygiene products."

c. "Grooming and hygiene products" would mean soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and screens.

The provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by $13,700,000 in 2023-24 and $19,100,000 in 2024-25 and annually thereafter.

[Bill Sections: 1575 thru 1577, 1586, 1587, 1601, and 9437(5)]

3. SALES TAX ON MARIJUANA

GPR-Tax	$10,200,000

Governor: Provide an exemption from the general sales and use tax for sales of medical marijuana, if the purchaser holds a valid tax exemption certificate that indicates they are a member of the medical marijuana registry. The state sales and use tax would apply to retail sales of usable (recreational) marijuana.

Under current law, sales of marijuana are subject to the sales tax as tangible personal property. However, taxes generally are not collected and remitted on such sales, as marijuana is an illegal substance. The bill would legalize the sale of marijuana for medical and recreational purposes. As a result, sales tax would be collected by retailers on legal recreational marijuana sales. Retail excise taxes imposed on marijuana would be included in the sales price subject to the state sales and use tax.

The provision would take effect on the effective date of the bill. However, the Administration indicates that it did not estimate a fiscal effect until 2024-25, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made. The Administration estimates the sales and use tax on recreational marijuana would increase state tax revenues by $10,200,000 in 2024-25 and annually thereafter.

The legalization of the sale of marijuana, the creation of the medical marijuana registry, and the imposition of excise taxes on marijuana would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

[Bill Section: 1602]

4. SALES TAX EXEMPTION FOR ENERGY SYSTEMS

GPR-Tax	- $4,200,000

Governor: Expand the current law exemption from the state sales and use tax to include tangible personal property used to store or facilitate the storage of electrical or heat energy produced by a solar, wind, or biogas renewable energy system.

Under current law, an exemption from the sales and use tax exists for a product that has as its power source wind energy, direct radiant energy received from the sun, or gas generated from anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or 600 British thermal units per day. The exemption also applies to the sale of electricity or energy produced by these products, but does not apply to an uninterruptible power source that is designed primarily for computers.

The bill would modify current law so the exemption applies to solar, wind, and waste energy systems that produce usable electrical or heat energy, rather than solely to products whose power source is solar, wind, or waste energy. The bill specifies that tax exempt solar power systems, wind energy systems, and waste energy systems would include tangible personal property sold with the systems that is used primarily to store or facilitate the storage of electrical or heat energy produced by the systems. Therefore, the exemption would apply to products producing power from renewable energy sources, as well as products used to store that energy, relative to current law. The exemption would not apply for sales of tangible personal property designed for any use other than for a solar, wind, or waste energy system. Sales of an uninterruptible power source designed primarily for computers would remain taxable under the bill.

The bill would also make the following modifications to the current law exemption:

a. Specify that, to qualify for the exemption, energy systems must <u>continuously</u>, rather than <u>per day</u>, produce at least 200 watts of alternating current or 600 British thermal units;

b. Clarify that tax exempt energy produced by the systems includes electrical and <u>heat</u>

energy; and

c. Specify that the production of electrical or heat energy must come directly from sun, wind, or gas generated from anaerobic digestion of animal manure or other agricultural waste.

The provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would decrease state tax revenues by $1,700,000 in 2023-24 and $2,500,000 in 2024-25 and annually thereafter.

[Bill Sections: 1596 thru 1598 and 9437(1)]

5. SALES TAX EXEMPTION FOR BREASTFEEDING EQUIPMENT

GPR-Tax	- $1,190,000

Governor: Provide an exemption from the general sales and use tax for breast pumps, breast pump kits, and breast pump storage and collection supplies. This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by $510,000 in 2023-24 and $680,000 in 2024-25 and annually thereafter.

[Bill Sections: 1603 and 9437(5)]

6. SALES TAX EXEMPTION FOR CERTAIN PLANNING AND COUNSELING SERVICES

GPR-Tax	- $1,000,000

Governor: Provide a sales and use tax exemption for landscape planning and counseling services that pertain to the restoration, reclamation, or revitalization of prairie, savanna, or wetlands, if such services are provided under a separate and optional fee distinct and identifiable from other taxable services.

Under current law, all services are exempt from the state sales and use tax unless specifically made taxable by statute. State law specifies that the sale of landscaping and lawn maintenance services is taxable, including: (a) landscape planning and counseling; (b) lawn and garden services, such as planting, mowing, spraying, and fertilizing; and (c) shrub and tree services. The bill would specify that landscaping and lawn maintenance services do not include planning and counseling services, if the planning and counseling services are provided for a separate and optional fee from any other services and the services are for the restoration, reclamation, or revitalization of prairie, savanna, or wetlands to improve: (1) biodiversity; (2) the quality of land, soils, or water; or (3) other ecosystem functions.

The bill would define a "separate and optional fee" as a fee charged to receive a distinct and identifiable product if either of the following would apply.

a. The fee is in addition to fees that the seller charges for other distinct and identifiable products sold to the same buyer, the fee is separately set forth on the invoice given by the seller to the buyer, and the seller does not require the buyer to pay the fee if the buyer chooses not to receive the additional distinct and identifiable product for which the fee applies.

b. The seller charges a single amount for multiple distinct and identifiable products and offers the buyer the option of paying a lower amount if the buyer chooses not to receive one or more of the distinct and identifiable products. The separate and optional fee would have to be a single amount the seller charges for the multiple distinct and identifiable products, less the reduced amount the seller charges to the buyer because the buyer chooses not to receive one or more of the products.

According to the Administration, the bill is intended to specify that the exemption for qualifying planning and counseling services provided for a separate and optional fee would apply to tangible personal property physically transferred, or transferred electronically, to the customer in conjunction with those services. Instead, the provider of the exempt services and property would be subject to the sales and use tax when they purchase the tangible personal property. [A technical amendment is needed to reflect this intent and to remove cross-references to services that are unnecessary in accomplishing the intent of this provision.]

The provision would take effect on the first day of the third month following publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by $400,000 in 2023-24 and $600,000 in 2024-25 and annually thereafter.

[Bill Sections: 1578, 1581, 1582, 1584, 1585, and 9437(2)]

7. SALES TAX EXEMPTION FOR GUN SAFES, TRIGGER LOCKS, AND GUN BARREL LOCKS

GPR-Tax	- $540,000

Governor: Provide an exemption from the general sales and use tax for sales of gun safes, trigger locks, and gun barrel locks. Specify that the exemption for gun safes would only apply to gun safes that are specifically designed for the storage of guns and would not apply to other items used for gun storage (such as locking gun cabinets and racks). This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by $230,000 in 2023-24 and $310,000 in 2024-25 and annually thereafter.

[Bill Sections: 1604 and 9437(5)]

8. REPEAL SALES TAX EXEMPTION FOR FARM-RAISED DEER

GPR-Tax	$210,000

Governor: Repeal the exemption from the general sales and use tax for farm-raised deer sold to a person who is operating a hunting preserve or game farm in this state. This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates the repeal of this exemption would increase state tax revenues by $90,000 in 2023-24 and $120,000 in 2024-25.

[Bill Sections: 1600 and 9437(6)]

9. SALES TAX EXEMPTION FOR LOCAL PROFESSIONAL BASEBALL PARK DISTRICTS

Governor: Provide an exemption from the general sales and use tax for sales to a local professional baseball park district established under state law (which would be modified and expanded under the bill). The Administration estimates that this provision would have a minimal effect on general fund tax collections. Separate provisions of the bill would make various changes to professional baseball park districts. [For additional information, see "Professional Baseball Park District."]

[Bill Section: 1590]

10. SALES TAX EXEMPTION FOR IMPROVEMENTS TO BASEBALL PARK DISTRICTS AND DEVELOPMENTS

Governor: Provide an exemption from the general sales and use tax for sales of building materials used to construct, develop, improve, renovate, repair, or maintain property that constitutes a baseball park development, as created and defined under separate provisions of the bill. Such baseball park development property would include property operated by a professional baseball team, including the following facilities: (a) retail; (b) hospitality; (c) commercial and residential; (d) health care; and (e) any others that are functionally related or auxiliary.

Expand the current law exemption from the sales and use tax to include sales of building materials used to improve, repair, or maintain a home stadium for any professional athletic team participating in a multistate league that is exempt from property taxation (including baseball park development property). Under current law, sales of building materials to owners, contractors, subcontractors, or builders, if these materials are used solely to construct, develop, or renovate a home stadium for any professional athletic team participating in a multistate league are exempt from the sales and use tax. This provision would expand that exemption to also include sales of building materials used for improvements, repairs, or maintenance of such stadiums.

The Administration estimates that this provision would have a minimal effect on general fund tax collections. [For additional information, see "Professional Baseball Park District".]

[Bill Sections: 1282, 1595, and 2466]

11. SALES TAX EXEMPTION FOR TRANSIT AUTHORITIES

Governor: Provide an exemption from the general sales and use tax for sales to any transit authority that would be created under separate provisions of the bill. The Administration estimates that this provision would have a minimal effect on general fund tax collections. [For additional information, see "Regional Transit Authorities."]

[Bill Section: 1589]

Excise Taxes and Other Taxes

1. VAPOR PRODUCTS TAX

GPR-Tax	$22,400,000

Governor: Convert the vapor products tax from a unit-based tax to a price-based tax. Impose the tax at the rate of 71% of the manufacturer's established list price to distributors in this state and expand the definition of vapor products subject to tax. Specify that the tax would be imposed without diminution by volume or other discounts on domestic products. Clarify that, for vapor products imported from another country, the rate of tax is 71% of the amount obtained by adding the manufacturer's list price to the federal tax, duties, and transportation costs to the United States.

Under current law, vapor products are taxed at a rate of 5¢ per milliliter of the liquid. A taxable vapor product is defined as a noncombustible product that produces vapor or aerosol for inhalation from the application of a heating element to a liquid or other substance that is depleted as the product is used, regardless of whether the liquid or other substance contains nicotine. Under this definition, the tax on vapor products applies to a liquid or other substance that functions as part of a vapor product or is sold with a vapor product as one packaged item. Liquids sold separately from a heating element are not subject to the tax.

The bill would modify the definition of a vapor product to mean a noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that can be used to produce vapor from a solution or other substance, regardless of the product's shape or size or whether the product contains nicotine. A vapor product would include an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device, and would include any cartridge or other container of a solution or other substance that is intended to be used with such a device, regardless of whether the solution or other substance contains nicotine. Therefore, in contrast to current law, the tax on vapor products would apply both to the vapor product device and to the liquid, whether sold separately or together.

A vapor product would not include certain products regulated as a drug or device under federal law, of which it has been determined that the health benefits outweigh the known risks. DOR indicates the intent of this provision is to exempt products approved for smoking cessation by the federal Food and Drug Administration from the definition of taxable vapor products.

The provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this provision would increase state tax revenues by $9,200,000 in 2023-24 and $13,200,000 in 2024-25 and annually thereafter. The Administration did not estimate any change to cigarette and tobacco tribal refunds as a result of this provision (at present, the state has not entered into any agreements to refund vapor products taxes to tribes).

[Bill Sections: 2276, 2281, 2282, 2286, 2287, 2291, and 9437(4)]

2. IMPOSE CIGARETTE TAX ON LITTLE CIGARS

GPR-Tax	$5,500,000

Governor: Change the tobacco products tax imposed on little cigars to be set at the same rate as the excise tax rate currently imposed on cigarettes as follows. Current law makes no distinction between little cigars and other cigars for purposes of the tobacco products tax. The bill would specifically define cigars and little cigars. A little cigar would mean a cigar that has an integrated cellulose acetate filter and is wrapped in a substance containing tobacco. A cigar would mean a roll, of any size or shape, of tobacco for smoking that is made wholly or in part of tobacco, regardless of whether the tobacco is pure, flavored, adulterated, or mixed with an ingredient if the roll has a wrapper made wholly or in part of tobacco. Little cigars would be enumerated in the definition of tobacco products.

Under current law, an excise tax is imposed on the sale, use, storage, offering, possession with intent to sell or remove for consumption, or other disposition of tobacco products, including cigars and little cigars, at the rate of 71% of the manufacturer's established list price to distributors, not to exceed 50¢ per cigar or little cigar. While the tax on cigars would remain taxed at the same rate imposed under current law, the bill would impose a tax on little cigars at a rate of 126 mills per little cigar ($1.26 per 10), regardless of weight. [A mill equals one-tenth of one cent. Therefore, a rate of 126 mills per little cigar = $2.52 per pack of 20.] For little cigars, the tax rate would be the same as that levied on cigarettes weighing not more than three pounds per thousand under current law. In addition, the cigar tax limit under current law of 50¢ per cigar or little cigar would no longer apply to the taxation of little cigars under the bill.

The following administrative and enforcement provisions under current law governing the taxation of cigarettes would also apply to the administration and enforcement of the tax on little cigars: (a) the imposition of an inventory tax on little cigars held in inventory for sale or resale; (b) the affixing of stamps to each package of little cigars prior to their first sale in Wisconsin to denote tax paid; (c) discounts for purchasers of tax stamps at 0.8% of the tax paid; (d) penalties, including imprisonment, for possessing little cigars for which no tax has been paid; (e) the placement of a security bond with DOR, in the amount determined by the Department, if taxes are not paid; (f) the requirement that manufacturers, distributors, and sellers of little cigars obtain a seller's permit; (g) prohibiting the transfer of stamps to another person; (h) refunds for unusable stamps; (i) the option for distributors to claim a bad debt deduction for little cigar taxes written off as uncollectible; (j) the treatment of a little cigar permittee as a preferred creditor of any tax amounts owed by a purchaser of little cigars; (k) record-keeping requirements at each level of the little cigar distribution chain; (l) the treatment as theft: any little cigar tax monies fraudulently withheld, appropriated, or otherwise used; (m) the prohibition of house to house sales of little cigars; (n) the treatment of any sale of little cigars without a permit as a public nuisance; and (o) the restriction of municipalities from adopting any little cigar regulations that are not in strict conformity with state law. The inventory tax in "a" would be calculated by multiplying the number of little cigars and the number of un-affixed stamps held in inventory by the difference between the prior tax rate and the new tax rate.

The provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that imposing the cigarette tax on little cigars would increase state tax revenues by $2,300,000 in 2023-24 and $3,200,000 in 2024-25 and annually thereafter. As noted, an inventory tax on little cigars would be imposed under the Governor's recommendation. However, the Administration did not include any revenues associated with the imposition of the inventory tax. The Administration estimated a minimal change in tribal refunds as a result of this provision.

[Bill Sections: 2275, 2277, 2278, 2280, 2284, 2285, 2289, 2290, 2292, 2293, and 9437(3)]

3. DEFINE MANUFACTURER'S LIST PRICE

Governor: Define manufacturer's list price as the total price of tobacco products charged by the manufacturer or other seller to an unrelated distributor. The total price would include all charges by the manufacturer or other seller that are necessary to complete the sale, and could not be reduced by any cost or expense incurred by the manufacturer or other seller, such as fees, delivery, freight, transportation, packaging, handling, marketing, federal excise taxes, and import fees or duties, regardless of whether such cost or expense is separately stated on an invoice. The total price also could not be reduced by the value or cost of discounts or free promotional or sample products. A manufacturer or other seller would be considered related to a distributor if the two parties have significant common purposes and have either substantial common membership or, directly or indirectly, have substantial common direction or control. [A technical amendment is needed to accomplish the Governor's intent that this definition also apply to vapor products.]

Current law does not specifically define manufacturer's list price for purposes of the tobacco products tax. The Administration indicates an explicit statutory definition is needed to clarify in state law the calculation of the excise taxes on these products. This provision is intended to take effect on the first day of the third month beginning after publication of the bill. [The Administration indicates that a technical amendment is needed to specify the delayed effective date of this provision.]

[Bill Sections: 2279, 2283, and 2288]

4. REAL ESTATE TRANSFER FEE EXEMPTION FOR RELATED ENTITIES

Governor: Expand the current law exemption from the real estate transfer fee for certain conveyances between family-owned business entities and their respective owners to include conveyances between: (a) uncles and their nieces and nephews; (b) aunts and their nieces and nephews; and (c) first cousins.

Under current law, the real estate transfer fee is imposed on the seller of real estate at a rate of $3.00 per $1,000 of value. The county where the property is located retains 20% of revenues from the fee and remits the remaining 80% to the state. Certain exemptions from the fee are provided, including exemptions for conveyances between certain family-owned corporations, partnerships, or LLCs and their respective shareholders, partners, or members, if the transfers are for: (a) no consideration except the assumption of debt or stock of the corporation if the corporation owned the property for at least three years; or (b) the assumption of debt or an interest in the partnership or LLC. Such conveyances are exempt under current law if the shareholders, partners, or members are related to each other as spouses, lineal ascendants, lineal descendants, or siblings, whether by blood or by adoption, or as spouses of siblings. Under the bill, such transfers would also be exempt from the real estate transfer fee if made between: (1) uncles and their nieces and nephews; (2) aunts and their nieces and nephews; and (3) first cousins.

The provision would first apply to real estate transfer fee returns filed on the effective date of the bill. The Administration estimates the provision would reduce general fund tax collections by an indeterminate amount.

[Bill Sections: 1572 thru 1574 and 9337(11)]

5. NOTICE OF UTILITY TAXES BY CERTIFIED MAIL

Governor: Eliminate the requirement that ad valorem public utility tax notices be sent by certified mail. Under current law, DOR must annually assess the value of property of all ad valorem public utility companies, including railroads, air carriers, pipeline companies, telephone companies, and conservation and regulation companies, for purposes of levying and collecting public utility taxes. The Department is required to provide, via certified mail, the following information: (a) a notice to each company assessed of the amount of its assessment or adjustment; (b) a notice of a scheduled hearing or presentation requested by the company; (c) any order from DOR after the requested hearing; and (d) the notice of tax due, including any reassessment of tax due. The bill would remove reference to a specific mode of communication, allowing DOR to choose how notices are provided to assessed companies. The Administration indicates that delivery by certified mail is no longer necessary, as quick and secure electronic communications are now available.

[Bill Sections: 1552 and 1557 thru 1560]

General Fund Tax Transfers

1. GENERAL FUND TAX TRANSFERS TO THE TRANSPORTATION FUND

Governor: Under current law, 0.25% of estimated general fund taxes that are designated as "Taxes" in the general fund summary published in the biennial budget act are transferred to the transportation fund. This provision would be retained, and the associated transfer would be $54,326,400 in 2023-24 and $56,363,000 in 2024-25 under the Governor's budget.

Additional tax transfers proposed under the bill are discussed in the following entries. The table below shows total general fund tax transfers to the transportation fund under the bill.

General Fund Tax Transfers to the Transportation Fund

	2023-24	2024-25
Current Law 0.25% Transfer	$54,326,400	$56,363,000
Automotive Parts Sales Tax Transfer	43,625,700	52,895,500
Electric Vehicle Sales Tax Transfer	39,300,000	55,100,000
Total General Fund Tax Transfers	$137,252,100	$164,358,500
Transfers as % of General Fund Taxes	0.63%	0.73%

2. TRANSFER OF SALES TAX GENERATED BY AUTOMOTIVE PART SALES

Governor: Require the Secretary of the Department of Administration (DOA) to transfer, annually, from the general fund to the transportation fund, an amount approximating the difference between the sales tax generated from the sale of automotive parts, accessories, tires, and repair and maintenance services in 2020-21 and the amount of sales tax generated from such sales in the fiscal year of the transfer. [A technical amendment would be needed to clarify the Administration's intent that 2019-20 (rather than 2020-21) would be the base year for this calculation.] Specify that this amount would be calculated by DOA and the first transfer would occur on June 30, 2024. The Administration estimates transfers of $43,625,700 in 2023-24 and $52,895,500 in 2024-25. [For additional information, see "Transportation -- Transportation Finance."]

[Bill Section: 125]

3. TRANSFER OF SALES TAX GENERATED BY ELECTRIC VEHICLE SALES

Governor: Require the DOA Secretary to transfer, annually, from the general fund to the transportation fund, an amount approximating the sales tax generated by the sale of electric vehicles in this state. Specify that this amount would be calculated by DOA and the first transfer would occur on June 30, 2024. Further specify that, beginning in 2025-26, the amount transferred could not exceed 120% of the previous year's transfer, or $75,000,000, whichever is less. The Administration estimates transfers of $39,300,000 in 2023-24 and $55,100,000 in 2024-25. [For additional information, see "Transportation -- Transportation Finance."]

[Bill Section: 124]

Refundable Tax Credits and Other Payments

1. EARNED INCOME CREDIT REESTIMATE

GPR	$3,312,000
PR	- 6,473,000
Total	- $3,161,000

Governor: Increase estimated GPR expenditures for the state earned income tax credit (EITC) by $954,000 in 2023-24 and $2,358,000 in 2024-25. Decrease PR expenditures for the EITC by $4,875,000 in 2023-24 and $1,598,000 in 2024-25. Base GPR funding for the EITC is currently estimated at $25,500,000, and estimated base PR funding is $66,600,000. Total GPR funding for the EITC is estimated at $26,454,000 in 2023-24 and $27,858,000 in 2024-25. Total PR funding for the EITC is estimated at $61,725,000 in 2023-24 and $65,002,000 in 2024-25.

Under current law, the state EITC is paid from two sources: (a) a sum sufficient GPR appropriation; and (b) federal funding from the Temporary Assistance to Needy Families (TANF) program. TANF funding may be used under current law to finance the refundable portion of the state EITC, while GPR is used to finance the nonrefundable portion.

2. EXPAND EARNED INCOME CREDIT

GPR	$37,420,000
PR	87,080,000
Total	$124,500,000

Governor: Expand the state EITC for eligible claimants with one qualifying child and with two qualifying children. Specify that the percentage of the federal EITC that may be claimed as a state credit would be increased to 16% for claimants with one qualifying child and to 25% for claimants with two qualifying children, beginning in tax year 2023. Increase estimated state GPR expenditures by $18,280,000 in 2023-24 and $19,140,000 in 2024-25. Increase PR expenditures from the TANF program by $42,420,000 in 2023-24 and $44,660,000 in 2024-25.

Under current law, the state EITC is provided as a percentage of the federal EITC that varies based on the claimant's number of qualifying children. The credit percentages are 4% for one qualifying child, 11% for two qualifying children, and 34% for three or more qualifying children. The state EITC is not available to taxpayers without qualifying children.

[Bill Sections: 1432, 1433, and 1542]

3. HOMESTEAD CREDIT REESTIMATE

GPR	- $7,900,000

Governor: Decrease estimated expenditures under the homestead tax credit program by $2,300,000 in 2023-24 and $5,600,000 in 2024-25. Compared to base funding of $47,300,000, estimated expenditures would be $45,000,000 in 2023-24 and $41,700,000 in 2024-25.

Under current law, the homestead credit is provided as a property tax relief mechanism for lower-income homeowners and renters. The credit is refundable, such that if the amount of the credit exceeds a claimant's tax liability, a check is issued to the claimant for the difference.

4. HOMESTEAD CREDIT EXPANSION

GPR	$99,400,000

Governor: Increase the income threshold above which no credit is allowed (maximum income level) to $35,000, and reduce the rate at which the credit phases out (phase-out rate) to 5.614%, beginning in tax year 2023. Direct that the following formula factors of the credit would be indexed for inflation annually, beginning in tax year 2024: (a) the income threshold for the maximum credit; (b) the maximum income level to receive the credit; and (c) the maximum allowable property taxes or rent constituting property taxes. Calculate the indexing adjustment in each year as an increase based on the percentage change in the consumer price index (CPI). Calculate the percentage as the change in the 12-month average of the index for the period ending in July of the previous year, relative to the claim, and beginning with the previous August, and the 12-month average of the index for the period August, 2021, through July, 2022. Prohibit the adjustment from occurring unless the percentage is a positive amount. Define the CPI as the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor. Statutory modifications would be made to clarify the current law provisions under which a claimant cannot claim the credit if the claimant does not have earned income during the calendar year, unless the claimant or the claimant's spouse is disabled or is over the age of 61. This provision would increase estimated state GPR expenditures by $43,200,000 in 2023-24 and $56,200,000 in 2024-25.

Under current law, the maximum income level is $24,680, and the phase-out rate is 8.785%. The other formula factors of the credit under current law are as follows: (a) the maximum allowable property taxes or rent constituting property taxes is $1,460; (b) the income threshold for the maximum credit is $8,060; and (c) the percentage of property taxes reimbursed is 80%. These factors produce a maximum credit of $1,168. The formula factors were last modified in tax year 2010.

According to the Administration, the intent of this provision is to index for inflation beginning in tax year 2023: (a) the maximum allowable property taxes or rent constituting property taxes; and (b) the income threshold for the maximum credit. Annually thereafter, these parameters, as well as the proposed maximum income level of $35,000 for tax year 2023, would be indexed for inflation. The bill would need to be amended to accomplish the Administration's intent.

[Bill Sections: 1520 thru 1528 and 9337(2)]

5. REFUNDABLE RESEARCH CREDIT REESTIMATE

GPR	- $15,000,000

Governor: Decrease funding for refundable research tax credit claims by $7,500,000 annually. With the adjustments, estimated total funding would decrease from $21,000,000 to $13,500,000 annually. For comparison, DOR reports that credit usage for fiscal year 2022-23 through January, 2023, is $13.8 million.

The state provides research credits to businesses equal to a percentage of the increase in a business's qualified research expenses, as defined under the IRC, for research conducted in Wisconsin. For taxable years beginning on or after January 1, 2020, up to 15% of the amount of new credits computed may be claimed as a refundable credit. The remaining portion of the credit is nonrefundable. The amounts shown above reflect only the estimated cost of the refundable portion of research credit claims.

6. INCREASE REFUNDABLE PORTION OF RESEARCH CREDIT

GPR	$64,400,000
GPR-Tax	- $16,100,000

Governor: Modify the partially refundable research tax credit (including the engine and energy efficiency credits), as computed under current law, to increase the refundable portion from up to 15% of the credit amount to up to 50% of the credit amount. Specify that this provision would first apply to new research credit claims for taxable years beginning after December 31, 2023. Estimate decreased income and franchise tax revenues of $16,100,000 GPR-Tax in 2023-24 and increased expenditures for refundable research credit claims of $64,400,000 GPR annually, beginning in 2024-25.

[Bill Sections: 1406 thru 1408, 1474, 1475, 1512, and 1513]

7. ENTERPRISE ZONE CREDIT REESTIMATE

GPR	- $65,360,000

Governor: Decrease funding by $23,398,000 in 2023-24 and $41,962,000 in 2024-25 for the sum sufficient appropriation for refundable enterprise zone tax credits to reestimate anticipated claims during the 2023-25 biennium. The reestimate reflects projections of credit claims for major economic development projects for which WEDC has, to date, contracted and amended tax credit awards. With the adjustments, estimated total funding would decrease from base funding of $77,500,000 to $54,102,000 in 2023-24 and $35,538,000 in 2024-25. 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.

8. ENTERPRISE ZONE LIMIT

Governor: Modify the procedure used for designating zones under the enterprise zone tax credit program to generally conform with the law previous to 2017 Act 369, as described below.

Under current law, WEDC may designate an unlimited number of enterprise zones, with each designation subject to approval by the Joint Committee on Finance under a 14-day passive review process. WEDC must notify the Committee in writing of its intent to designate a new enterprise zone, including a description of the new zone and the purpose for which WEDC proposes to designate the new zone. Further, the Committee must approve a zone before WEDC may designate a new enterprise zone, but WEDC may designate an unlimited number of zones, so long as each zone is so approved by the Committee.

The bill would repeal these provisions. Instead, the bill would allow WEDC to designate new zones under the enterprise zone tax credit program without the approval of the Committee, but would specify that no more than 30 zones may be designated in total (the same limit in effect prior to Act 369). The bill would restore the pre-Act 369 provision that, if WEDC revokes all certifications for tax benefits within a previously designated enterprise zone, WEDC may cancel the designation of that enterprise zone. After canceling the designation of an enterprise zone, WEDC may designate a new enterprise zone subject to the proposed 30-zone limit. As of the day of introduction of the bill, there were 19 zones open under contract, of which 18 were currently active that may still be verified for additional credits. The foregoing provisions would not require

WEDC to revoke a certification for tax benefits that is in effect on the effective date of the bill.

The Governor's recommendation does not include any estimated increased (or decreased) expenditures as a result of this provision.

[Bill Sections: 2575 thru 2577 and 9149(1)]

9. VETERANS PROPERTY TAX CREDIT REESTIMATE

GPR	- $500,000

Governor: Decrease funding for the veterans and surviving spouses property tax credit by $1,000,000 in 2023-24 and increase funding by $500,000 in 2024-25. Compared to base funding of $50,000,000, total funding for the credit is estimated at $49,000,000 in 2023-24 and $50,500,000 in 2024-25.

Under current law, the credit is equal to 100% of real and personal property taxes paid on a principal dwelling by eligible veterans and surviving spouses. The credit is refundable, such that if the amount of the credit exceeds the claimant's tax liability, the balance is paid to the claimant by check via a sum sufficient GPR appropriation. A claimant cannot claim the credit if they also file a claim for the property tax/rent credit (nonrefundable), homestead credit (refundable), or farmland preservation credit (refundable) in the same tax year.

10. VETERANS PROPERTY TAX CREDIT FOR 70% DISABILITY RATING

GPR	$43,200,000

Governor: Extend eligibility for the current law veterans and surviving spouses property tax credit to otherwise eligible veterans with a service-connected disability rating of at least 70%, and to the unremarried surviving spouses of such veterans, beginning in tax year 2023. Stipulate that the credit amount for veterans with a service-connected disability rating of less than 100% is calculated by multiplying the disability rating by the amount of property taxes the claimant could otherwise claim. Under this provision, GPR expenditures for the credit are estimated to increase by $21,100,000 in 2023-24 and $22,100,000 in 2024-25 and annually thereafter.

Under current law, the veterans and surviving spouses property tax credit is equal to 100% of real and personal property taxes paid on a principal dwelling by eligible veterans and surviving spouses. An eligible veteran is a person who: (a) served on active duty in the U.S. armed forces; (b) was a resident of Wisconsin at the time of entry into that service or had been a Wisconsin resident for any consecutive five-year period after entry; (c) is a resident of Wisconsin for purposes of receiving veterans benefits; and (d) has a service-connected disability rating of 100% or a 100% disability rating based on individual employability. An eligible unremarried surviving spouse includes persons: (1) who receive federal dependency and indemnity compensation as a result of the deceased spouse's active duty service; (2) whose spouse died while on active duty in the U.S. armed forces, the National Guard, or the U.S. armed forces reserves; or (3) whose deceased spouse had a service-connected disability rating of 100% or an equivalent rating based on individual employability. For a surviving spouse to be eligible for the credit, the deceased veteran must have been a Wisconsin resident at the time of entry into service, or a Wisconsin resident for any consecutive five-year period preceding death and after entry into service.

[Bill Sections: 1419, 1420, 1425, and 9337(4)]

11. VETERANS PROPERTY TAX CREDIT FOR RENTERS

GPR	$10,300,000

Governor: Expand the veterans and surviving spouses property tax credit by providing the credit to eligible renters, beginning in tax year 2023. An eligible claimant could claim the credit for 100% of their rent constituting property taxes. "Rent constituting property taxes" would have the same definition as under the current law property tax rent credit (generally 25% of rent if heat is not included in rent, or 20% of rent if heat is included). For married-separate filers, each spouse could claim the rent credit based on 50% of the total rent constituting property taxes paid during the taxable year for the eligible veteran's principal dwelling.

Under current law, a renter may claim the credit if they make property tax payments directly to the municipality (if the landlord does not remit such payments on their behalf). This provision would increase estimated state GPR expenditures by $5,100,000 in 2023-24 and $5,200,000 in 2024-25 and annually thereafter.

[Bill Sections: 1422 thru 1424 and 9337(3)]

12. ILLINOIS-WISCONSIN RECIPROCITY REESTIMATE

GPR	$42,884,000

Governor: Increase the estimated payment under the Illinois-Wisconsin individual income tax reciprocity agreement by $21,442,000 in 2023-24 and 2024-25 to reflect anticipated payments to Illinois in the 2023-25 biennium. Compared to base funding of $118,000,000, total funding is estimated at $139,442,000 in 2023-24 and 2024-25.

13. BUSINESS DEVELOPMENT CREDIT REESTIMATE

GPR	- $6,464,000

Governor: Reduce funding by $4,796,000 in 2023-24 and $1,668,000 in 2024-25 for the sum sufficient appropriation for business development tax credits to reestimate anticipated claims during the 2023-25 biennium. The reestimate reflects the Administration's 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 decrease from base funding of $11,700,000 to $6,904,000 in 2023-24 and $10,032,000 in 2024-25. For comparison, DOR reports that credit usage for fiscal year 2022-23 through January, 2023, is $11.3 million.

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.

14. BUSINESS DEVELOPMENT JOB TRAINING CREDIT

Governor: Modify the business development job training tax credit as follows. Under current law, a business may be certified to receive tax credits for up to 50% of eligible training costs, as determined by WEDC, to undertake activities to enhance an employee's general knowledge, employability, and flexibility in the workplace; develop skills unique to the person's workplace or equipment; or develop skills that will increase the quality of the business's product. The bill would delete the eligible activities for what the job training would have to include and replace them with the following activities: (a) upgrading or improving the job-related skills of an eligible employee; (b) training an eligible employee on the use of job-related new technologies; or (c) providing job-related training to an eligible employee whose employment with the person represents the employee's first full-time job.

The Administration indicates that the changes are intended to more closely align the business development tax credit program with the enterprise zone tax credit program. The Administration did not estimate a fiscal effect associated with this provision.

[Bill Sections: 2571 and 2572]

15. BUSINESS DEVELOPMENT CORPORATE HEADQUARTERS CREDIT

Governor: Remove the requirement that, for employee wages eligible to earn the corporate headquarters credit under the business development tax credit, the job duties associated with an eligible employee's position must involve the performance of corporate headquarters functions for taxable years beginning after December 31, 2022.

Under current law, for the corporate headquarters credit, a business can earn an amount, as determined by WEDC, equal to a percentage of the amount of wages that the business paid to an employee in an eligible position in the taxable year. Eligible positions must be created or retained in connection with the business's location or retention of its corporate headquarters in Wisconsin, and the job duties associated with the eligible position must involve the performance of corporate headquarters functions. WEDC's policies and procedures set the percentage to up to 10% of the annual wages of eligible positions created or retained in connection with a corporate headquarters location/retention in Wisconsin, but credits cannot be earned for wages in excess of $100,000 per year. The bill would expand eligible positions to all employees at the headquarters, regardless of their duties. The Administration did not estimate a fiscal effect associated with this provision.

[Bill Sections: 1403, 1404, 1471, 1472, 1509, and 1510]

16. BUSINESS DEVELOPMENT CREDIT FOR RENEWABLE ENERGY

Governor: Create a new tax credit under the refundable business development tax credit program, administered by WEDC, for taxable years beginning after December 31, 2023, equal to up to 25% of the claimant's energy efficiency or renewable energy project expenditures on real or personal property located in Wisconsin. Specify that, when making an award, WEDC would have to ensure that the percentage of expenditures taken into account positively correlates to the scale of the project. According to the Administration, WEDC would award larger credit percentages for larger projects, up to a maximum of 25%. The credit would first apply to awards made on and after January 1, 2024. The Administration did not estimate a fiscal effect associated with this provision.

[Bill Sections: 1405, 1473, 1511, 2573, and 9349(1)]

17. WAGE THRESHOLDS FOR ENTERPRISE ZONE AND BUSINESS DEVELOPMENT CREDITS

Governor: Modify the wage threshold for the enterprise zone and business development tax credit programs, as described below.

Under current law, WEDC is responsible for awarding tax credits, certifying taxpayers, allocating and verifying tax credits, and performing other general administrative functions related to both the business development and enterprise zone tax credit programs. Typically, WEDC will certify a business as eligible via a contract that specifies a maximum amount of tax benefits that may be earned by the business by successfully completing specified goals.

Enterprise Zone Credit - Current Law. The refundable enterprise zone tax credit for job creation can be claimed for up to a percentage of the increase in wages resulting from creating full-time jobs in the zone. Specifically, the credit is an amount equal to a percentage (up to 7%, as determined by WEDC) multiplied by: (a) the number of the claimant's new full-time employees; and (b) the creditable wage amount. New full-time employees are equal to the number of employees in the zone in the taxable year minus the number of employees in the base year (or, if the difference is smaller, the new employees in the state minus base year employees in the state). The creditable wage amount is the average zone payroll minus the average eligible wage amount. The average zone payroll is the total wages of full-time employees employed in the zone in the taxable year, excluding wages in excess of $100,000, divided by the number of full-time employees employed in the zone in the taxable year. The average eligible wage amount is currently $22,620 for Tier I and $30,000 for Tier II counties and municipalities. Counties and municipalities are designated as Tier I or Tier II by WEDC, based on certain economic indicators.

A similar refundable credit for job retention can be claimed for an amount equal to the percentage, up to 7% as determined by WEDC, of the claimant's zone payroll (excluding wage amounts that are over $100,000) paid in the tax year to full-time employees who were employed in the enterprise zone and whose annual wages were greater than the eligible wage amount (described above).

Business Development Credit - Current Law. The refundable business development tax credit can be claimed for eligible expenses for increased employment, retaining employees, employee training, capital investment, and corporate headquarters location or retention in Wisconsin. Certified businesses can earn a refundable job creation or job retention credit for up to 10% of the amount of wages paid to an eligible employee (full-time job) in a tax year. If the employee is employed in a full-time job at the claimant's business in an "economically distressed area," as determined by WEDC, an additional credit may be awarded for up to 5% of such wages.

WEDC uses the same definition for an "economically distressed area" as a "Tier I" county or municipality as under the enterprise zone tax credit program. For purposes of the credit, a full-time job means a regular, non-seasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay equal to at least 150% of the federal minimum wage ($22,620) and benefits that are not required by state or federal law. Credits cannot be earned for wages over $100,000 per year.

Governor's Recommendation. The bill would modify the enterprise zone and business development tax credit programs for contracts executed after December 31, 2023, as follows.

a. For enterprise zone job creation and job retention credits, the bill would increase the wage thresholds from $22,620 for Tier I and $30,000 for Tier II counties and municipalities to $32,000 and $42,390, respectively. Similarly, a "full-time employee" would be defined as an individual employed in a regular, nonseasonal full-time position for which the individual receives annual pay that is more than $32,000 in a Tier I county or municipality or more than $42,390 in a Tier II county or municipality and receives benefits that are not required by federal or state law.

b. For the business development job creation and job retention credits, for contracts entered into after December 31, 2023, a "full-time job" would be defined to remove the 2,080 hour requirement and, instead, would mean a regular, nonseasonal full-time position for which an individual receives pay that is equal to at least $32,000 and receives benefits that are not required by federal or state law. A "full-time job" would not include initial training before an employment position begins.

c. The bill would increase the maximum wage threshold such that zone payroll under the job creation and job retention credits for the enterprise zone tax credit programs would include wages paid to any full-time employee up to $141,300 (rather than $100,000) as creditable wages. For the business development job creation and job retention tax credits, the maximum wages taken into account would be limited by statute to $141,300 per eligible employee per year.

d. For both tax credits, beginning on January 1, 2025, the wage thresholds and limits described above would be adjusted for inflation each year based on the change for the month of August in the prior year compared to the month of August in the year preceding the prior year of the U.S. CPI for all urban consumers, U.S. city average, as determined by the U.S. Department of Labor. Further, the bill would specify that each amount so adjusted must be rounded to the nearest multiple of $10 if the revised amount is not a multiple of $10, or, if the revised amount is a multiple of $5, increased to the next higher multiple of $10. [A technical modification would be needed to accomplish the Governor's intent to adjust the threshold described under "b" for inflation.]

The Administration did not estimate a fiscal effect associated with the changes to the enterprise zone and business development tax credit programs described above.

[Bill Sections: 1388 thru 1402, 1456 thru 1470, 1497 thru 1508, 2567 thru 2570, 2574, and 2578]

18. JOBS CREDIT REESTIMATE

GPR	- $1,290,000

Governor: Reduce funding by $582,000 in 2023-24 and $708,000 in 2024-25 for the sum sufficient appropriation for jobs tax credits to reestimate claims during the 2023-25 biennium. The reestimate reflects projections for credit claims for economic development projects for which WEDC has awarded tax credits. With the adjustments, estimated total funding would decrease from base funding of $1,000,000 to $418,000 in 2023-24 and $292,000 in 2024-25.

Pursuant to 2015 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.

19. OIL PIPELINE TERMINAL TAX DISTRIBUTION REESTIMATE

GPR	$5,920,200

Governor: Increase estimated payments by $3,054,100 in 2023-24 and $2,866,100 in 2024-25. With these increases, oil pipeline terminal tax payments would equal $9,054,100 in 2023-24 and $8,866,100 in 2024-25, relative to base level funding of $6,000,000. The oil pipeline terminal tax distribution provides payments to municipalities where oil pipeline terminal facilities are located. At present, the state has two oil pipeline terminal facilities, which are located in the City of Superior and the Village of Kronenwetter. The payment equals a proportionate share of the pipeline company's state tax payment based on the terminal facility's cost as a percentage of the gross book value of the pipeline company in Wisconsin.

20. CIGARETTE AND TOBACCO PRODUCTS TAX REFUNDS REESTIMATE

GPR	- $2,826,000

Governor: Decrease funding for cigarette and tobacco products tax refunds by $1,160,000 in 2023-24 and $1,666,000 in 2024-25 to reflect lower estimates of the sum sufficient appropriation amounts required to reimburse Native American tribes under present law. With these adjustments, estimated total funding in the cigarette and tobacco products tax refunds appropriation would decrease from base funding of $29,700,000 to $28,540,000 in 2023-24 and $28,034,000 in 2024-25.

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 under an agreement entered into between DOR and each tribe. For tobacco products or vapor 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 under these agreements. 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 the tribe.

21. EITM ZONE CREDIT REESTIMATE

GPR	- $2,484,400

Governor: Reduce funding by $245,700 in 2023-24 and $2,238,700 in 2024-25 for the sum sufficient appropriation for refundable electronics and information technology manufacturing (EITM) zone tax credits (Foxconn). Total funding would decrease from base funding of $8,570,700 to $8,325,000 in 2023-24 and $6,332,000 in 2024-25.

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. The estimate reflects the Administration's review of the jobs, payroll, and capital expenditure targets established under the amended contract dated April 20, 2021, that WEDC entered into with certain Wisconsin corporations that are affiliated with Foxconn.

22. MARIJUANA TAX REFUNDS

GPR	$2,200,000

Governor: Allow DOR to enter into an agreement with federally-recognized American Indian tribes in this state: (a) for the administration and enforcement of marijuana excise taxes and regulation; and (b) to provide refunds of the excise taxes imposed on marijuana sold on tribal land by, or to, enrolled members of the tribe residing on the tribal land. Create a new sum sufficient GPR appropriation to pay refunds to eligible tribes for marijuana excise taxes collected, including interest and penalties, and provide $2,200,000 in 2024-25 as an estimate of the amounts that would be refunded to the tribes.

The legalization of the sale and taxation of marijuana would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

[Bill Sections: 537 and 2294]

23. CLAIM OF RIGHT CREDIT REESTIMATE

GPR	- $56,000

Governor: Decrease funding for the claim of right (repayment) credit by $28,000 in 2023-24 and 2024-25. Compared to base funding of $150,000, total funding for the credit is estimated at $122,000 in 2023-24 and 2024-25.

GOVERNOR

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$4,358,200	$4,530,400	$4,530,400	$344,400	4.0%	37.25	37.25	37.25	0.00	0.0%

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	$344,400

Governor: Provide adjustments to the base budget totaling $172,200 annually in the 2023-25 biennium associated with full funding of continuing position salaries and fringe benefits.

HEALTH SERVICES

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base*	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$4,977,837,400	$4,670,204,600	$4,945,472,800	- $339,997,400	- 3.4%	2,642.84	2,751.05	2,748.72	105.88	4.0%
FED	7,721,514,300	10,074,591,800	10,146,473,400	4,778,036,600	30.9	1,522.77	1,540.59	1,401.59	- 121.18	- 8.0
PR	1,828,706,200	1,984,661,100	1,911,782,700	239,031,400	6.5	2,422.31	2,689.28	2,751.11	328.80	13.6
SEG	624,886,000	906,739,700	655,025,100	311,992,800	25.0	2.00	2.00	2.00	0.00	0.0
TOTAL	$15,152,943,900	$17,636,197,200	$17,658,754,000	$4,989,063,400	16.5%	6,589.92	6,982.92	6,903.42	313.50	4.8%

*Includes $527,783,700 GPR and -$527,783,700 SEG to reverse a one-time transfer from the general fund to the Medical Assistance Trust Fund in 2022-23.

Budget Change Items

Medical Assistance -- Eligibility and Benefits

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 Governor's bill.

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, and 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 2023-25 biennium under the bill, compared to the base level funding for the program. For the purposes of the table, as well as for all fiscal changes summarized under MA services, the appropriation base is shown as already adjusted by a fund source reallocation decision item that increases the GPR MA appropriation and decreases a SEG MA appropriation by $527,783,700 annually. This reallocation reverses a non-recurring transfer from the general fund to the Medical Assistance trust fund and an accompanying funding switch, from the GPR appropriation to the SEG appropriation, that was included the 2021-23 budget act (Act 58). Since neither this Act 58 transaction, nor the reversal of that transaction under the bill, has a net impact on the use of general fund revenues for the program, this decision item is incorporated into the base to make the presentation of the other funding changes more clear.

The cost-to-continue item reflects the Administration's estimates of MA costs in the 2023-25 biennium, without eligibility or other program changes. In addition, the table shows other items that would affect funding for MA, categorized as eligibility changes, benefit changes, and provider reimbursement rate increases.

TABLE 1

Summary of MA Benefits Funding, Governor's Recommendations

	GPR	FED	PR	SEG	Total
2023-24					
Base Funding	$3,989,935,800	$6,891,808,500	$1,336,421,400	$624,531,700	$12,842,697,400
Cost-to-Continue	$119,124,000	$633,051,500	$46,004,200	$281,844,100	$1,080,023,800
Eligibility Changes					
Full Medicaid Expansion	-$295,976,200	$575,660,600	$0	$0	$279,684,400
Expansion Fed. Incentive	-553,488,600	553,488,600	0	0	0
Postpartum Extension	5,674,800	11,275,100	0	0	16,949,900
Reimbursement Changes					
HCBS Rate Continuation	$15,405,600	$27,709,400	$0	$0	$43,115,000
Family Care Direct Care	15,000,000	29,802,900	0	0	44,802,900
Personal Care Direct Care	15,000,000	29,802,900	0	0	44,802,900
Home and Comm. Services	0	0	0	0	0
Hospital Access Payments	0	265,506,200	0	0	265,506,200
Critical Access Hospital	0	3,607,100	0	0	3,607,100
Hospital Rates	7,605,400	15,110,900	0	0	22,716,300
Pediatric Supplement	2,693,600	7,306,400	0	0	10,000,000
Graduate Medical Education	627,800	1,247,200	0	0	1,875,000
Primary Care	21,110,400	41,943,300	0	0	63,053,700
Emergency Physician	3,624,300	7,200,900	0	0	10,825,200
Outpatient Behavioral Hlth.	1,897,200	3,769,500	0	0	5,666,700
Autism Treatment	1,364,400	2,710,800	0	0	4,075,200
Lead Poisoning Prevention	309,300	614,600	0	0	923,900
Benefit Changes					
Community Support Program	$19,239,100	$0	$0	$0	$19,239,100
Residential Room and Board	8,309,500	0	0	0	8,309,500
Community Health Benefit	0	0	0	0	0
Community Health Worker	0	0	0	0	0
Cont. Glucose Monitoring	0	0	0	0	0
Health Information Exchange	4,092,600	8,131,400	0	0	12,224,000
School Telehealth Origination	1,220,300	2,424,600	0	0	3,644,900
Certified Peer Specialists	0	0	0	0	0
Acupuncture	0	0	0	0	0
Assertive Comm. Treatment	0	1,552,900	0	0	1,552,900
Psychosocial Rehabilitation	0	0	0	0	0
Doula Services	0	0	0	0	0
Other Adjustments					
Program Revenue Reestimate	0	0	4,808,000	0	4,808,000
Administrative Transfers	-423,600	0	0	0	-423,600
Total Change to Base	-$607,590,100	$2,221,916,800	$50,812,200	$281,844,100	$1,946,983,000
2023-24 Total	$3,382,345,700	$9,113,725,300	$1,387,233,600	$906,375,800	$14,789,680,400

	GPR	FED	PR	SEG	Total
2024-25					
Base Funding	$3,989,935,800	$6,891,808,500	$1,336,421,400	$624,531,700	$12,842,697,400
Cost-to-Continue	$261,743,800	$443,601,100	-$59,598,400	-$14,270,500	$631,476,000
Eligibility Changes					
Full Medicaid Expansion	-$195,568,500	$588,898,000	$0	$0	$393,329,500
Expansion Fed. Incentive	-575,169,300	575,169,300	0	0	0
Postpartum Extension	5,960,500	11,503,500	0	0	17,464,000
Reimbursement Changes					
HCBS Rate Continuation	$65,570,900	$118,245,100	$0	$0	$183,816,000
Family Care Direct Care	15,000,000	28,949,600	0	0	43,949,600
Personal Care Direct Care	15,000,000	28,949,600	0	0	43,949,600
Home and Comm. Services	15,153,600	29,337,200	0	0	44,490,800
Hospital Access Payments	0	265,506,200	0	0	265,506,200
Critical Access Hospital	0	3,426,700	0	0	3,426,700
Hospital Rates	15,506,100	29,926,400	0	0	45,432,500
Pediatric Supplement	2,739,100	7,260,900	0	0	10,000,000
Graduate Medical Education	639,900	1,235,100	0	0	1,875,000
Primary Care	43,040,400	83,067,000	0	0	126,107,400
Emergency Physician	7,389,200	14,261,000	0	0	21,650,200
Outpatient Behavioral Hlth.	3,868,100	7,465,300	0	0	11,333,400
Autism Treatment	2,781,700	5,368,700	0	0	8,150,400
Lead Poisoning Prevention	315,300	608,600	0	0	923,900
Benefit Changes					
Community Support Program	$21,516,500	$0	$0	$0	$21,516,500
Residential Room and Board	8,309,500	0	0	0	8,309,500
Community Health Benefit	7,679,300	14,820,700	0	0	22,500,000
Community Health Worker	6,562,000	12,664,600	0	0	19,226,600
Cont. Glucose Monitoring	4,641,700	8,958,300	9,600,000	0	23,200,000
Health Information Exchange	2,888,800	5,575,200	0	0	8,464,000
School Telehealth Origination	2,499,000	4,823,000	0	0	7,322,000
Certified Peer Specialists	1,268,100	2,447,400	0	0	3,715,500
Acupuncture	1,092,200	2,107,800	0	0	3,200,000
Assertive Comm. Treatment	0	1,552,900	0	0	1,552,900
Psychosocial Rehabilitation	691,900	1,335,300	0	0	2,027,200
Doula Services	449,300	867,100	0	0	1,316,400
Other Adjustments					
Program Revenue Reestimate	$0	$0	$4,808,000	$0	$4,808,000
Administrative Transfers	-427,400	0	0	0	-427,400
Total Change to Base	-$258,858,300	$2,297,931,600	-$45,190,400	-$14,270,500	$1,979,612,400
2024-25 Total	$3,731,077,500	$9,189,740,100	$1,291,231,000	$610,261,200	$14,822,309,800

Table 2 summarizes the proposed funding changes on a biennial basis, by type of change, in relation to the appropriation base, doubled for the purposes of the comparison.

TABLE 2

Biennial Summary of MA Benefits Funding

	GPR	FED	PR	SEG	Total
Base Doubled	$7,979,871,600	$13,783,617,000	$2,672,842,800	$1,249,063,400	$25,685,394,800
Cost-to-Continue	380,867,800	1,076,652,600	-13,594,200	267,573,600	1,711,499,800
Eligibility Changes	-1,608,567,300	2,315,995,100	0	0	707,427,800
Reimbursement Changes	319,379,300	1,076,751,900	0	0	1,396,131,200
Benefit Changes	42,722,800	50,448,800	9,600,000	0	102,771,600
Other Adjustments	-851,000	0	9,616,000	0	8,765,000
Total Change to Base	-$866,448,400	$4,519,848,400	$5,621,800	$267,573,600	$3,926,595,400
Total 2023-25 Funding	$7,113,423,200	$18,303,465,400	$2,678,464,600	$1,516,637,000	$29,611,990,200

Table 3 shows actual and projected average monthly enrollment by major eligibility group under the cost-to-continue scenario. The federal Families First Coronavirus Response Act of 2020 provided an enhanced Medicaid matching rate (an increase of 6.2 percentage points) in response to the COVID-19 pandemic. As a condition of receiving the additional matching funds, states were required to maintain Medicaid eligibility for any person who was enrolled in the program as of March 18, 2020, or who later became eligible for coverage. This "continuous eligibility" policy has resulted in steady enrollment increases over the past three years, but will expire after March 31, 2023. The state's income maintenance agencies will then begin a twelve-month process of redetermining eligibility for all current MA beneficiaries. The Administration's cost-to-continue estimate assumes decreasing enrollment during that period, so that the average monthly enrollment is projected to be at or below 2022-23 levels in both years of the 2023-25 biennium in most eligibility categories.

TABLE 3

Actual and Projected Monthly Average Enrollment by Group

	Actual 2021-22	Projected 2022-23	Estimates 2023-24	Estimates 2024-25
Elderly, Blind, Disabled MA				
Elderly	84,069	87,829	87,201	87,502
Disabled, Non-Elderly Adults	151,294	153,760	153,680	153,755
Disabled Children	34,406	35,104	35,519	35,834
EBD Total	269,769	276,692	276,400	277,092
BadgerCare Plus				
Children	553,737	582,821	503,745	453,413
Parents	224,583	243,733	192,925	161,082
Childless Adults	258,253	286,744	211,342	163,806
Pregnant Women	32,508	36,820	26,131	19,078
BadgerCare Plus Total	1,069,080	1,150,117	934,142	797,379
Other Full Benefit MA				
Foster Care/Subsidized Adoption	25,657	27,713	24,081	21,765
Well Woman	518	541	503	479
Total Full Benefit Enrollment	1,365,024	1,455,064	1,235,127	1,096,715
Limited Benefit Groups				
Family Planning Only	45,421	49,073	41,467	36,407
Medicare Cost Sharing Assistance	16,248	15,657	16,272	16,648
Total Enrollment	1,426,693	1,519,795	1,292,866	1,149,770

Table 4 shows actual and projected SEG revenues to the MA trust fund (MATF) under the bill, as well as anticipated MATF expenditures. MATF revenues are used for the nonfederal share of MA benefits, offsetting an equal amount of GPR. In most years, the Department fully spends the SEG appropriation for MA benefits in order to minimize the amount of GPR needed for MA benefits. However, the Department plans to manage the use of SEG and GPR expenditure authority differently in the 2021-23 biennium, related to a federal initiative for the improvement of home and community-based services (HCBS) for eligible elderly and disabled persons. Under the federal program, the state received a 10.0 percentage point increase to its federal Medicaid matching rate for HCBS services during the 12-month period from April 1, 2021 to March 31, 2022. This enhanced matching rate generated state funds savings of $404.5 million, which, under the federal program, must be spent by March 31, 2025, to enhance the state's HCBS programs. Of this amount, the Department projects that $117.0 million will be spent in the 2021-23 biennium, leaving approximately $287.5 million to be spent in the 2023-25 biennium. If the HCBS state savings were to accrue to the GPR appropriation for MA, the surplus would lapse to the general fund, requiring a GPR appropriation increase in 2023-24 to complete the HCBS expenditure plan. Instead, the Department has adjusted SEG expenditures in the 2021-23 biennium by spending more GPR, rather than SEG, than otherwise would have been the case, so as to leave $287.5 million in the unexpended balance of the MATF at the end of the biennium. As shown in the table, this surplus will then be available in the fund for MA HCBS expenditures in the 2023-25 biennium.

One change in MATF revenues is notable. The 2021-23 budget included revenue transfers from the general fund to the MATF of $174,665,900 in 2021-22 and $527,783,700 in 2022-23 (identified as "Transfer from General Fund" in the table). This additional fund revenue resulted in corresponding increases in the MATF SEG appropriation for MA benefits and decreases to the GPR appropriation for MA. Since this transfer is non-recurring, the MATF will no longer realize general fund transfer revenues in the 2023-25 biennium. The bill includes an item that reallocates $527,783,700 between SEG and GPR sources to account for this change in revenues, an adjustment which is included in the appropriation base for the purpose of Table 1.

TABLE 4

Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2021-22 through 2024-25

	Actual	Projection	Estimates	
	2021-22	2022-23	2023-24	2024-25
Beginning Balance	$61,391,900	$237,666,500	$287,452,300	$0
Provider Assessments				
Hospital Assessment*	$195,144,300	$189,290,000	$155,142,100	$150,578,300
Nursing Home/ICF-IID Bed Assessment	57,225,900	55,509,200	53,613,500	51,949,900
Critical Access Hospital Assessment*	1,795,700	1,741,800	1,009,000	846,700
Federal Funds Claiming				
County Nursing Home Cert. Pub. Expenditures	23,350,400	$28,000,000	$27,160,000	$26,345,200
UW Intergovernmental Transfer	15,683,200	15,900,900	15,806,000	15,806,000
UW Certified Public Expenditures	0	1,900,000	1,900,000	1,900,000
Other				
Transfer from General Fund	$174,665,900	$527,783,700	$0	$0
Transfer from Permanent Endowment Fund	126,809,900	110,139,600	101,523,900	95,817,200
Interest Earnings**	264,200	-450,000	-450,000	-450,000
Total Available	$656,331,500	$1,167,481,700	$643,156,800	$342,793,300
Expenditures				
County Nursing Home Supplement***	$11,530,000	$0	$0	$0
MA Benefits	407,135,000	880,029,400	643,156,800	342,793,300
Year-End Balance	$237,666,500	$287,452,300	$0	$0

* Assessment revenue is first deposited in separate trust funds and a portion is used to make supplemental hospital payments. The amounts shown are the transfers to the MA trust fund after these supplemental payments are made.
** Negative interest earnings reflect negative cash balances that occur at times during the year.
*** Any amount of county nursing home certified public expenditure revenue collected in excess of budget projections is paid as a supplement to counties in the following year.

Table 5 shows the actual and projected federal medical assistance percentage (FMAP) rates applicable to MA benefit expenditures in each fiscal year from 2022-23 through 2024-25. The enhanced FMAP applicable during the COVID-19 pandemic will phase out by the end of calendar year 2023, but still increases the weighted average in 2023-24. In addition to the FMAP for regular

Medicaid (Title 19 of the federal Social Security Act), the table also shows the higher rate applicable to expenditures for children eligible under the Children's Health Insurance Plan (CHIP or Title 21).

TABLE 5

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

State Fiscal Year	Title 19 (Most MA Services)	Title 21 (Children's Health Insurance Plan)
2022-23		
State	34.06%	23.84%
Federal	65.95	76.16
2023-24		
State	38.48%	26.94%
Federal	61.52	73.06
2024-25		
State	39.13%	27.39%
Federal	60.87	72.61

Table 6 shows the annual income eligibility levels, by household size, at various percentages of the 2023 federal poverty level (FPL). The current BadgerCare Plus income eligibility threshold is 100% for adults and 306% for pregnant women and children, whereas the standard for full Medicaid expansion is 138%. The other percentages shown, 160%, 200%, and 240%, are used for the different eligibility tiers in the SeniorCare program.

TABLE 6

Annual Household Income at Various Percentages of the 2023 Federal Poverty Level,
By Household Size

	Percentage of FPL					
Household Size	100%	138%	160%	200%	240%	306%
One	$14,580	$20,120	$23,328	$29,160	$34,992	$44,615
Two	19,720	27,214	31,552	39,440	47,328	60,343
Three	24,860	34,307	39,776	49,720	59,664	76,072
Four	30,000	41,400	48,000	60,000	72,000	91,800
Five	35,140	48,493	56,224	70,280	84,336	107,528

2. MEDICAL ASSISTANCE COST-TO-CONTINUE ESTIMATE

GPR	$380,867,800
FED	1,076,652,600
PR	- 13,594,200
SEG	267,573,600
Total	$1,711,499,800

Governor: Provide $1,080,023,800 ($119,124,000 GPR, $633,051,500 FED, $46,004,200 PR, and $281,844,100 SEG) in 2023-24 and $631,476,000 ($261,743,800 GPR, $443,601,100 FED, -$59,598,400 PR, and -$14,270,500 SEG) in 2024-25 to fund projected MA benefits under a cost-to-continue scenario (no program changes to benefits or eligibility). The funding adjustments are based on the Administration's projections of caseload changes and changes in the use and cost of providing medical and long-term care services. The cost-to-continue estimate is developed using projections for enrollment and average cost per beneficiary for all service categories, among other factors. The estimates for the 2023-25 biennium build on the Administration's expenditure and enrollment projections for the remainder of 2022-23.

The major assumptions underlying the Administration's cost-to-continue estimate are described below.

Federal Medical Assistance Percentage (FMAP). The FMAP determines the federal matching rate for Medicaid benefit expenditures. The FMAP formula is based on the state's per capita personal income in relation to the national average. Historically, Wisconsin's FMAP has been approximately 60%, although it was increased by 6.2 percentage points since the beginning of 2020, under provisions of the federal Families First Coronavirus Relief Act (FFCRA). That enhanced rate will be phased down over the course of calendar year 2023, returning to the standard formula, beginning in 2024. Under the phase-out schedule, states will receive the 6.2 percentage point increase in the first quarter, a 5.0 point increase in the second quarter, a 2.5 point increase in the third quarter, and a 1.5 point increase in the fourth quarter. The FMAP projections for each fiscal year are shown in Table 5 of the previous item.

Although the FMAP will be lower in the 2023-25 biennium without the enhanced formula, than in the 2021-23 biennium, the 2021-23 budget for MA was established with the expectation that the enhanced rate would already have expired by 2022-23. Thus, the current appropriation base for MA reflects the assumption that the FMAP would be 60.32 under the standard formula (the weighted average for the state fiscal year). In comparison to that rate, the Administration's FMAP projections for the two state fiscal years of the 2023-25 biennium (61.52% and 60.87%) are higher. Consequently, in isolation, the FMAP has a slight negative effect on state funding requirements, relative to the base funding level.

Caseload. As a condition of receiving the enhanced FMAP under FFCRA, states were required to follow a continuous enrollment policy, meaning that, with limited exceptions, no person who was enrolled as of March 18, 2020, or who became eligible after that date, could be disenrolled. Because of this policy, enrollment in full benefit MA categories has grown steadily since March of that year, by over 98% for pregnant women, by 87% childless adults, by 54% for parents, by 30% for children, and by 12% for elderly and disabled individuals. The continuous enrollment policy ends on March 31, 2023, at which point all current enrollees will be subject to eligibility review over the following twelve months. Thus, the Administration's cost-to-continue estimate assumes that enrollment in all categories will decline over a period extending from May of 2023 through May of 2024, before resuming more typical patterns. By the end of the biennium, the Administration projects that the number of children, parents, and pregnant women will be at or close to the number who were enrolled in these categories in March of 2020, while the number childless adults will be 5% higher and the number of elderly and disabled beneficiaries will be 3% higher than in March of 2020.

Cost and Utilization of Services and Provider Reimbursement. The cost of most acute care services delivered on a fee-for-service basis are estimated separately by enrollee eligibility category and service. For the purposes of these calculations, the Administration determines the actual, average service cost for each enrollment category and applies a service cost and utilization growth factor for 2022-23 and the two years of the 2023-25 biennium. The average growth factors are generally based on recent service utilization and cost trends.

The cost-to-continue scenario is based on a continuation of current provider reimbursement rates for most services, although there are some exceptions. Prescription drugs, for instance, are reimbursed on an actual cost basis, so anticipated changes in the cost of retail drugs are reflected in average per enrollee costs. Similarly, growth in inpatient and outpatient hospital costs reflect the inflationary increases in payment rates that are applied as part of the Department's annual hospital rate setting methodology.

Finally, the cost-to-continue estimate reflects a reduction in reimbursement payments for certain home and community-based services (HCBS). The reimbursement rates for these HCBS services were increased by 5%, effective January 1, 2022, as part of an HCBS enhancement plan. Since this increase was provided as part of the expenditure plan for federal enhancement funds, the higher payments were only guaranteed through March 31, 2024. The cost-to-continue estimate reflects a return to the prior payment rates for HCBS services, which would be a reduction from their current levels. The cost to continue the current HCBS rates is included in a separate item (summarized under Medical Assistance -- Long-Term Care).

Managed Care Capitation Rates. The Administration assumes that monthly managed care capitation rates will increase by 2% annually in 2024 and 2025, above the 2023 rates, for payments to health maintenance organizations for acute care services under BadgerCare Plus and SSI Medicaid, and by 2.7% annually in 2024 and 2025 for the capitation rates for long-term care services provided under Family Care. Capitation rates in 2023, which will determine payments for the first six months of the biennium, were less than 2022 rates for all managed care groups, reflecting lower average medical claims experience.

IRIS Caseload and Costs. The Administration assumes that monthly enrollment in IRIS (Include, Respect, I Self-Direct), an alternative to Family Care for long-term care services, will increase by approximately 7% annually. Average monthly IRIS enrollment is expected to be 27,000 in 2023-24 and 28,870 in 2024-25, up from 25,180 in 2022-23. Average, per-beneficiary costs are expected to increase by 4.7% in 2024 and 3.0% in 2025, with total costs, on an all funds basis, estimated at $1,104.2 million in 2023-24 and $1,215.1 million in 2024-25, up from $982.2 million in 2022-23.

Nursing Home Reimbursement. The Administration projects that fee-for-service nursing home bed days will decrease by approximately 15% per year. Payments to nursing homes reflect acuity adjustments to the reimbursement rate (2.5% in 2023-24 and an additional 3.0% in 2024-

25). On an all funds basis, total nursing home payments, excluding payments to the Veterans Homes and State Centers for Individuals with Intellectual Disabilities, are estimated at $455.9 million in 2023-24 and $397.2 million in 2024-25, compared to an estimated $516.5 million in 2022-23.

Medicare Premiums for Dual Eligibles and Medicare Part D Clawback Payments. Estimates of premium payments for Medicare dual eligibles are based on out-year projections developed by the federal Medicare Board of Trustees. Medicare Part B premiums are anticipated to increase by 6.3% in 2024 and 6.2% in 2025. The program pays monthly Part B premiums for approximately 140,000 dual eligible members. Medicare premium payments (all funds) are estimated at $327.6 million in 2023-24 and $347.7 million in 2024-25.

The Medicare Part D clawback is a GPR payment made to the federal government to offset a portion of federal prescription drug coverage under Medicare Part D, in lieu of prescription drug coverage that, prior to Part D, was provided through MA for dual eligible members. The per-beneficiary payment is indexed to the price of drugs. For the drug price index, the Administration relied on clawback projections developed by the Federal Funds Information for States for 2023 and the Medicare Trustee's projections; the Administration projects that the number of dual eligible beneficiaries will grow by 3.9% in 2023-24 and by 4.5% in 2024-25. Total clawback payments are estimated at $360.4 million GPR in 2023-24 and $410.0 million GPR in 2024-25.

Children's Long-term Support (CLTS) Waiver. The Department anticipates increases in enrollment in the CLTS waiver program as counties continue to enroll children in the program. Total CLTS enrollment is expected to be 17,800 by the end of 2022-23, increasing to a monthly average of 18,200 in 2023-24 and 18,700 in 2024-25. Annual per beneficiary costs are anticipated to be $14,256 in both years of the biennium (including administrative costs), which is the same as estimated average costs in 2022-23. CLTS costs, on an all funds basis, are estimated at $237.8 million in 2023-24 and $248.1 million in 2024-25, up from $220.5 million in 2022-23.

Home and Community Based Services (HCBS) Enhancement Plan. A provision of the American Rescue Plan Act included federal incentives for states to improve their HCBS programs for elderly and disabled individuals. Under the provision, states received a 10.0 percentage point increase in the FMAP for base HCBS expenditures during a 12-month period from April 1, 2021 to March 31, 2022. States are required to spend the state funds savings resulting from the enhanced federal matching funds to improve HCBS programs over a two-year period, from April 1, 2022, through March 31, 2024 (subsequently extended to March 31, 2025). States were required to submit a plan to the Centers for Medicare and Medicaid Services (CMS) with an expenditure plan for HCBS enhancements. For Wisconsin, the enhanced FMAP resulted in state savings of $404.6 million.

Under Wisconsin's expenditure plan, the Department anticipates spending $117.1 million of this savings for HCBS initiatives in the 2021-23 biennium, leaving $287.5 million for expenditure in 2023-24. The Department intends to leave an unexpended surplus in the MA trust fund of $287.5 million at the end of the 2021-23 biennium, in order to carry over the funding needed for the remaining plan expenditures into the 2023-25 biennium. The cost-to-continue estimate includes the anticipated HCBS plan expenditures in the overall calculation of MA funding needs for 2023-

24, which results in the carry-over funds being appropriated as SEG in the program. In addition to this SEG funding increase, the cost-to-continue item includes a FED increase of $191.2 million in 2023-24, to reflect the matching funds for the portion of HCBS plan expenditures that are eligible for federal financial participation.

3. FULL MEDICAID EXPANSION

GPR	- $1,619,519,900
FED	2,295,264,400
Total	$675,744,500

Governor: Adjust funding for medical assistance benefits and program enrollment services to reflect the fiscal effect of adopting full Medicaid expansion, effective on July 1, 2023. The following table shows the funding changes by fund source and by funding purpose under the bill.

Full Medicaid Expansion
Governor's Recommendations

	2023-24	2024-25	Biennial Total
MA Benefits Funding			
GPR	-$849,464,800	-$770,737,800	-$1,620,202,600
FED	1,129,149,200	1,164,067,300	2,293,216,500
Subtotal	$279,684,400	$393,329,500	$673,013,900
Enrollment Services			
GPR	$340,500	$342,200	$682,700
FED	1,021,400	1,026,500	2,047,900
Subtotal	$1,361,900	$1,368,700	$2,730,600
Total Funding Change			
GPR Total	-$849,124,300	-$770,395,600	-$1,619,519,900
FED Total	1,130,170,600	1,165,093,800	2,295,264,400
Total	$281,046,300	$394,698,200	$675,744,500

Statutory Changes to Implement Full Medicaid Expansion. Increase the income eligibility threshold under the BadgerCare Plus for parents and caretakers from 100% of the federal poverty level (FPL) to 133% of the FPL. Specify that an adult who is under the age of 65, has a household income that does not exceed 133% of FPL, and who is not otherwise eligible for MA or for the Medicare program is eligible for benefits under BadgerCare Plus (a "childless adult").

Require DHS to comply with all federal requirements to qualify for the highest available enhanced federal medical assistance percentage and to submit any amendment to the state medical assistance plan, request for a waiver of federal Medicaid law, or other approval request required by the federal government to do so. Repeal current law provisions related to childless adult eligibility through federal waiver authority and a requirement that the Department comply with the waiver provisions, to reflect that childless adults would be eligible under standard Medicaid authority. Require DHS to submit any necessary request to the federal Department of Health and Human Services to modify or withdraw from the childless adult demonstration project to reflect the incorporation of childless adults into BadgerCare Plus. Repeal a current law provision that prevents DHS from expanding MA program eligibility to qualify for enhanced federal matching funds under the Affordable Care Act (ACA). Specify that these provisions take effect on July 1, 2023.

Background. To meet the standard for full Medicaid expansion under federal law, a state must establish the income eligibility threshold at 138% of the federal poverty level (FPL) for adults between the ages of 19 and 64. [By federal statutes, the full expansion threshold is 133% of the FPL. However, federal income counting rules include a standard 5% disregard to account for various household expenditures, effectively making the threshold equivalent to 138% of the FPL.] Wisconsin does not meet this standard since the state currently has an income eligibility threshold of 100% of the FPL for parents and childless adults. The bill changes are necessary to implement the full expansion eligibility thresholds.

Under the ACA, states that adopt full Medicaid expansion are eligible to receive a 90% federal matching rate (the medical assistance percentage, or FMAP) for Medicaid benefit costs associated with adults age 19 to 64 who are considered "newly eligible" for coverage. An eligibility group is determined to be "newly-eligible" if members of the group were not eligible to receive full Medicaid benefits as of December 1, 2009. For Wisconsin, parents would not be considered to be "newly eligible" since the state covered parents up to 200% of the FPL on that date. However, childless adults would meet the "newly-eligible" definition since they were not eligible for full coverage on that date. Furthermore, although the state has provided full benefits coverage to childless adults up to 100% of the FPL since 2014, all childless adults would be considered "newly-eligible" with the adoption of full Medicaid expansion, and so their costs would be eligible for the enhanced FMAP if the state adopts the full Medicaid expansion eligibility standards.

Under a provision of the American Rescue Plan Act of 2021(ARPA), any non-expansion states that adopts full Medicaid expansion becomes eligible for a temporary 5.0 percentage point increase to the state's standard FMAP. This federal incentive matching rate is applicable for the two years following implementation, and applies to most Medicaid expenditures that would otherwise be subject to the standard FMAP.

The state would incur increased costs for the nonfederal share of benefits for the additional parents and childless adults that would be covered with full expansion (those within the 100% of FPL to 138% of FPL range), but the state savings associated with qualifying for the 90% FMAP for childless adults is greater. The reduction in GPR funding under the bill reflects the net change for both of these factors.

The funding adjustments for MA benefits under the bill reflect both the ongoing changes associated with the state qualifying for the 90% FMAP for childless adults (net effect), and the two-year ARPA incentive provision. The following table shows the fiscal changes for each of these components.

Changes to MA Benefits, by Component

	2023-24	2024-25	Biennium
Full Expansion, 90% FMAP Effect			
GPR	-$295,976,200	-$195,568,500	-$491,544,700
FED	575,660,600	588,898,000	1,164,558,600
Two-Year ARPA Incentive			
GPR	-$553,488,600	-$575,169,300	-$1,128,657,900
FED	553,488,600	575,169,300	1,128,657,900
Total MA Benefits Change			
GPR	-$849,464,800	-$770,737,800	-$1,620,202,600
FED	1,129,149,200	1,164,067,300	2,293,216,500
All Funds	$279,684,400	$393,329,500	$673,013,900

The Administration projects that by adopting the full expansion eligibility limits, the number of parents enrolled would, by the end of 2023-24, increase by 61,000 and the number of childless adults enrolled would increase by 28,600, for a total increase of 89,600. These increases are relative to the Department's baseline enrollment estimates, rather than relative to current enrollment. With the expiration of the continuous enrollment and the resumption of regular eligibility processes, the baseline enrollments for all BadgerCare Plus groups is expected to decrease during the biennium. Consequently, although adopting full Medicaid expansion would result in enrollment increases relative to the baseline estimates, the totals would be below current enrollment levels.

[Bill Sections: 407, 1074, 1081, 1082, 1120 thru 1123, 1127, 3394, 9119(1), and 9419(1)]

4. POSTPARTUM ELIGIBILITY EXTENSION

GPR	$11,635,300
FED	22,778,600
Total	$34,413,900

Governor: Provide $16,949,900 ($5,674,800 GPR and $11,275,100 FED) in 2023-24 and $17,464,000 ($5,960,500 GPR and $11,503,500 FED) in 2024-25 to reflect the estimated cost of providing one year post-partum coverage for pregnant women. Specify that, if approved by the federal government, a woman who is determined to be eligible under the BadgerCare Plus program as a pregnant woman remains eligible for benefits until the last day of the month in which the 365th day after the last day of the pregnancy falls, instead of the last day of the month in which the 90th day after the last day of the pregnancy falls.

Under current law, DHS is required to submit a request for federal approval of a state Medicaid plan amendment or federal waiver to extend postpartum eligibility for pregnant women until the last day of the month in which the 90th day following the pregnancy falls. Until such a request is approved, or if such a request is denied, postpartum eligibility lasts until the last day of the month in which the 60th day following the pregnancy falls. The Department submitted a federal waiver request in in June of 2022, but the federal Centers for Medicare and Medicaid Services has not yet acted on the request (as of the date of the introduction of the bill). Consequently, the 60-day standard remains in effect. As amended by the bill, DHS would be required to submit a request for approval of the one-year postpartum coverage. Federal law permits states to adopt a one-year postpartum coverage period for pregnant women as an optional eligibility category. Since selecting this option could be implemented with an amendment to the state Medicaid plan, no federal waiver would be required.

The current income eligibility threshold for pregnant women is 306% of the federal poverty level (FPL). Women whose household income is below 100% of the FPL may retain eligibility following pregnancy, as either a parent or, if she is not a parent of a child in the household, as a childless adult. Women whose household income is above 100% of the FPL are no longer eligible for coverage following the last day of the month in which the 60^{th} day after the last day of the pregnancy falls. Therefore, this item would affect the eligibility for women whose household income is between 100% of the FPL and 306% of the FPL, allowing them to retain eligibility for an additional 10 months.

The Administration estimates that, if approved, the monthly average number of pregnant women with coverage under BadgerCare Plus would increase by 6,700 in 2023-24 and by 4,300 in 2024-25, relative to the total enrollment baseline. Under the Administration's cost-to-continue projections (no change to eligibility), the baseline enrollment of pregnant women is expected to be 26,100 in 2023-24 and 19,100 in 2024-25.

The funding increase in the bill reflects a two-year increase in federal matching rates that the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In addition, the number of women affected by the coverage extension would increase since fewer women would otherwise be covered under the full expansion item. The Administration estimates that the funding required for extending postpartum coverage without full Medicaid expansion would be $20,783,800 ($7,997,600 GPR and $12,786,200 FED) in 2023-24 and $21,414,200 ($8,379,400 GPR and $13,034,800 FED) in 2024-25.

[Bill Sections: 1106, 1107, 1118, 1124, and 1125]

5. HOSPITAL ACCESS PAYMENTS -- ACUTE CARE HOSPITALS

FED	$531,012,400

Governor: Modify the formula used to determine the amount of hospital supplement payments distributed each year to acute care hospitals to specify that the total shall equal the amount of revenue collected under the hospital assessment divided by 44.21%, instead of, as under current law, the amount of the assessment collected divided by 61.68%. This change would have the effect of increasing the total hospital supplements distributed annually by $265,558,500, from $672,028,700 to $937,587,200.

Provide $265,506,200 FED annually to reflect an estimate of the increase in federal matching funds that the state would receive for hospital access payments and other hospital supplements under provisions of the bill, due to changes in the effective federal matching rate for supplements that would apply as the result of: (a) adopting full Medicaid expansion; and (b) making hospital access payments for hospital services rendered to childless adults.

Under current law, DHS collects an assessment on hospitals (excluding psychiatric hospitals) based on a percentage of patient revenues. For acute care hospitals, the assessment rate is set each year so that the total amount collected equals $414,507,300. In 2021-22, for instance, the assessment percentage was 0.78% of patient revenues.

DHS is required to annually make supplemental hospital payments under MA that, in total, equals the amount of hospital assessment revenue collected, divided by 61.68%, which is $672,028,700. Of this amount, $654,228,700 is used for hospital access payments, while the remaining $17,800,000 is used for other hospital supplemental payments. Hospital access payments are flat rate payments made in addition to the base reimbursement for inpatient and outpatient services. The amount of the payment is determined each year by dividing the total access payment pool by the estimated number of hospital services. However, in order to comply with "budget neutrality" provisions of the federal waiver that governs coverage for childless adults, access payments are not made for hospital services rendered to childless adult enrollees. Consequently, childless adult services are excluded from the rate calculation.

Access payments and other supplements are eligible for federal matching funds, with the nonfederal share being paid with hospital assessment revenue. Under the current law matching rate, for instance, the hospital payments in 2023-24 will be made with $258.6 million SEG (hospital assessment fund revenue) and $413.4 million FED.

The change to the hospital supplement formula summarized under this item would increase supplement payments by $265.6 million annually, a 39.5% increase. This increase in total supplement payments is approximately equal to the estimated amount of additional federal matching funds that the state would receive as the result of adopting full Medicaid expansion. [Due to slight differences between the percentages used to calculate the fiscal effect and the rounded percentage included in the bill's formula, there are slight differences between the increase in total payments, the estimated increase in federal matching funds, and the amount of the FED increase reflected in the bill.]

The reason that the state would receive a higher federal matching rate is related to the coverage of services for childless adults. With expansion, childless adults would be covered under standard federal eligibility rules, rather than under the federal waiver, meaning that federal budget neutrality requirements applicable to the waiver would no longer apply. This would allow the Department to begin making access payments for hospital services rendered to childless adults, which it would do by spreading the hospital access pool across all hospital services, rather than excluding services to childless adults. Since services provided for childless adults (including hospital access payments) would become eligible for a 90% FMAP with full expansion, the weighted average of the federal matching rate for all access payments would increase. Furthermore, the state would also qualify for a two-year federal incentive for adopting full expansion, equal to a 5.0 percentage point increase for most other MA expenses, including all other hospital access payments. Through the combination of these changes, the Administration estimates that the weighted average FMAP for access payments would increase by approximately 11 percentage points during the 2023-25 biennium.

The following table compares the calculation of total hospital supplements, including the applicable federal and state shares, under current law with the formula change under the bill. The table is presented using the Administration's estimates of the weighted average FMAP that would apply with the adoption of full Medicaid expansion. As noted earlier, due to rounding differences, the resulting changes in the federal share of payments differ slightly from the increases in the total, and also does not exactly match the FED increases in the bill. Consequently, while the intent was to hold SEG amount constant, the amount of SEG required for the payments may change slightly from the current law scenario.

	Current Law Formula		Bill Formula With Full Medicaid Expansion	
	2023-24	2024-25	2023-24	2024-25
Assessment Revenue	$414,507,300	$414,507,300	$414,507,300	$414,507,300
Divided by…	61.68%	61.68%	44.21%	44.21%
Equals Total Supplements	$672,028,700	$672,028,700	$937,587,200	$937,587,200
		Increase in Total Payments	$265,558,500	$265,558,500
Weighted Avg. FMAP*				
For Access Payments	61.52%	60.87%	72.42%	71.95%
FED Share	$413,432,100	$409,063,900	$679,000,700	$674,594,000
SEG Share	$258,596,600	$262,964,800	$258,586,500	$262,993,200
		Increase in Federal Match	$265,568,600	$265,530,100

* For the full expansion columns, the average FMAP reflects the estimated weighted average when childless adults are included in the access payment pool, and also includes the 5.0 percentage point federal incentive for adopting full Medicaid expansion.

[Bill Section: 1076]

6. HOSPITAL ACCESS PAYMENTS -- CRITICAL ACCESS HOSPITALS

FED	$7,033,800

Governor: Modify the formula used to determine the amount of access payments distributed each year to critical access hospitals to specify that the total shall equal the amount of revenue collected under the critical access hospital assessment divided by 44.21%, instead of, as under current law, the amount of the assessment collected divided by 61.68%. This change would have the effect of increasing the total amount of critical access hospital access payments by 39.5%. For the 2023-25 biennium, the distribution of critical access hospital access payments would increase by an estimated $3,607,800 in 2023-24 and by $3,427,400 in 2024-25. Under the current law formula, the critical access hospital access payment total is estimated at $9,130,000 in 2023-24 and $8,673,500 in 2024-25, and the formula change would increase payments to $12,737,700 in 2023-24 and $3,427,400 in 2024-25.

Provide $3,607,100 FED in 2023-24 and $3,426,700 FED in 2024-25 to reflect an estimate of the increase in federal matching funds that the state would receive for hospital critical access hospital payments under provisions of the bill, due to changes in the effective federal matching rate for supplements that would apply as the result of: (a) adopting full Medicaid expansion; and

(b) making critical access hospital access payments for hospital services rendered to childless adults.

Critical access hospitals are a class of hospital which have 25 or fewer beds, generally in rural areas. Like for acute care hospitals, DHS collects a hospital assessment from critical access hospitals, using the same percentage rate that is used for the acute care hospitals. Since this rate decreases each year, the amount collected also decreases.

As with the acute care hospital access payments, the formula change summarized under this item would increase the total payments. However, with the effect of adopting full Medicaid expansion and making access payments for childless adults the effective federal matching rate for those payments would increase. Thus, the increase in federal matching funds is approximately equal to the increase in the access payment total. The following table compares the current law formula with the formula under the bill. Also as with the acute care hospital supplement calculations, the increase in total payments differs slightly from the increase in federal match due to rounding of percentages used for the calculation.

	Current Law Formula		Bill Formula With Full Medicaid Expansion	
	2023-24	2024-25	2023-24	2024-25
Est. Assessment Rev.	$5,631,400	$5,349,800	$5,631,400	$5,349,800
Divided by…	61.68%	61.68%	44.21%	44.21%
Equals Total Supplements	$9,130,000	$8,673,500	$12,737,800	$12,100,900
		Increase in Total Payments	$3,607,800	$3,427,400
Weighted Avg. FMAP*				
For Access Payments	61.52%	60.87%	72.42%	71.95%
FED Share	$5,616,800	$5,279,600	$9,224,700	$8,706,600
SEG Share	$3,513,200	$3,393,900	$3,513,100	$3,394,300
		Increase in Federal Match	$3,607,900	$3,427,000

* For the full expansion columns, the average FMAP reflects the estimated weighted average when childless adults are included in the access payment pool, and also includes the 5.0 percentage point federal incentive for adopting full Medicaid expansion.

[Bill Section: 1077]

7. HOSPITAL REIMBURSEMENT RATE INCREASE

GPR	$23,111,500
FED	45,037,300
Total	$68,148,800

Governor: Provide $22,716,300 ($7,605,400 GPR and $15,110,900 FED) in 2023-24 and $45,432,500 ($15,506,100 GPR and $29,926,400 FED) in 2024-25 to support reimbursement rate increases for hospital services under MA. Require DHS, if the state has adopted full Medicaid expansion, to increase the reimbursement rates paid for hospital services by $7,605,400 as the state share of payments, in addition to the applicable federal matching funds, in 2023-24, and by $15,506,100 as the state share of payments, in addition to the applicable federal matching funds, in 2024-25. Specify that the Department shall limit payment to hospitals to the upper payment limit under the Medicare program if the increase to the reimbursement under this item would otherwise exceed that limit.

The funding that would be provided under this item is based on an estimate, using 2022 cost and payment data, of the increase to base inpatient and outpatient hospital payments that would be needed so that total payments, including hospital supplements, would equal 85% of total hospital costs that can be allocated to MA patients. This calculation is done for all hospitals in aggregate; the actual percentage would vary by hospital. The proposed increase to payments would begin with the calendar year 2024 hospital rates.

The federal matching funds that are associated with the GPR allocations under this item are based on the assumption that the state would adopt full Medicaid expansion, and so would become eligible for a two-year, 5.0 percentage point increase to the state's standard FMAP. To provide the same level of total funding for hospital payments without this incentive would require $8,741,200 GPR and $13,975,100 FED in 2023-24 and $17,777,700 GPR and $27,654,800 FED in 2024-25.

[Bill Section: 9119(8)]

8. PEDIATRIC HOSPITAL SUPPLEMENT

GPR	$5,432,700
FED	14,567,300
Total	$20,000,000

Governor: Specify that DHS may, using a method determined by the Department, distribute $10,000,000 in each fiscal year to free-standing pediatric teaching hospitals located in Wisconsin for which 45% or more of their total inpatient days are for MA recipients. Currently, Children's Hospital of Wisconsin is the only hospital in the state that would be eligible for this payment.

Provide $10,000,000 ($2,693,600 GPR and $7,306,400 FED) in 2023-24 and $10,000,000 ($2,739,100 GPR and $7,260,900 FED) in 2024-25 for making this payment. The estimated split between GPR and FED funding for these payments is based on the federal matching rate applicable for expenditures under the children's health insurance program (CHIP), which is 73.06% in 2023-24 and 72.61% in 2024-25.

Require DHS to distribute $2,000,000 from existing appropriations to acute care hospitals located in Wisconsin that have inpatient days in the hospital's acute care and intensive care pediatric units (excluding neonatal intensive care units) that exceed 12,000 days in the second calendar year prior to the hospital's current fiscal year. DHS already makes such payments under terms in the state's Medicaid plan, but the terms are not established in state statute. Since these payments are currently made from the MA program budget, no additional funds are provided by the bill. Currently, UW Hospital and Clinics and Children's Hospital of Wisconsin receive these supplemental payments.

[Bill Section: 1079]

9. GRADUATE MEDICAL EDUCATION SUPPLEMENT

GPR	$1,267,700
FED	2,482,300
Total	$3,750,000

Governor: Provide $1,875,000 ($627,800 GPR and $1,247,200 FED) in 2023-24 and $1,875,000 ($639,900 GPR and $1,235,100 FED) in 2024-25 to increase grants paid to hospitals to fund the creation of new accredited graduate medical training programs and the addition of positions to existing programs in hospitals serving a rural or underserved community. Increase a statutory limit on the term of grants provided for new training programs for rural hospitals from three years to five years. Under current law, grants to expand existing residency programs are subject to per-hospital and per-position annual limits. Increase the per-hospital limit from $225,000 GPR (approximately $575,000 all funds) to $450,000 GPR (approximately $1,150,000 all funds). Increase the per-position limit from $75,000 GPR (approximately $191,700 all funds) to $150,000 GPR (approximately $383,400 all funds).

Under current law, residency positions must be in one of the following disciplines to qualify for grant funding: (a) family medicine; (b) pediatrics; (c) psychiatry; (d) general surgery; and (e) internal medicine. Hospitals in the City of Milwaukee are ineligible for grants to establish new residency programs.

The base GPR funding for graduate medical training grants is $3,313,000, an amount that is generally eligible for federal Medicaid matching funds at the applicable FMAP. The Administration's fiscal estimate for this item (GPR and FED share) is based on the cost of increasing the per-position grant by $75,000 for 25 positions, for a total of $1,875,000 annually.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing the specified increases to graduate medical education grants would require $721,500 GPR and $1,153,500 FED in 2023-24 and $733,700 GPR and $1,141,300 FED in 2024-25.

[Bill Sections: 2302 and 2303]

10. PRIMARY CARE REIMBURSEMENT RATE INCREASE

GPR	$64,150,800
FED	125,010,300
Total	$189,161,100

Governor: Provide $63,053,700 ($21,110,400 GPR and $41,943,300 FED) in 2023-24 and $126,107,400 ($43,040,400 GPR and $83,067,000 FED) in 2024-25 to support reimbursement rate increases for primary care medical services under MA. Require DHS, if the state has adopted full Medicaid expansion, to increase the reimbursement rates paid for primary care services by $21,110,400 as the state share of payments, in addition to the applicable federal matching funds, in 2023-24, and by $43,040,400 as the state share of payments, in addition to the applicable federal matching funds, in 2024-25. The funding provided under this item is based on an estimate of the amount needed to increase the reimbursement rates for primary care services to 80% of the amount that Medicare pays for primary care services, with an effective date of January 1, 2024.

The federal matching funds that are associated with the GPR allocations under this item are based on the assumption that the state would adopt full Medicaid expansion, and so would become eligible for a two-year, 5.0 percentage point increase to the state's standard FMAP. To provide the same level of total funding for hospital payments without this incentive would require $24,263,100 GPR and $38,790,600 FED in 2023-24 and $49,345,800 GPR and $76,761,600 FED in 2024-25.

[Bill Section: 9119(9)]

11. EMERGENCY PHYSICIAN REIMBURSEMENT RATE INCREASE

GPR	$11,013,500
FED	21,461,900
Total	$32,475,400

Governor: Provide $10,825,200 ($3,624,300 GPR and $7,200,900 FED) in 2023-24 and $21,650,200 ($7,389,200 GPR and $14,261,000 FED) in 2024-25 to increase the reimbursement rates for emergency physician services. The funding provided under this item is based on an estimate of the amount needed to increase the reimbursement rates for emergency physician services to 50% of the amount that Medicare pays for emergency physician services, with an effective date of January 1, 2024.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same reimbursement rate increases would require $4,165,500 GPR and $6,659,700 FED in 2023-24 and $8,471,700 GPR and 13,178,500 FED in 2024-25.

12. OUTPATIENT BEHAVIORAL HEALTH AND DAY TREATMENT REIMBURSEMENT RATE INCREASES

GPR	$5,765,300
FED	11,234,800
Total	$17,000,100

Governor: Provide $5,666,700 ($1,897,200 GPR and $3,769,500 FED) in 2023-24 and $11,333,400 ($3,868,100 GPR and $7,465,300 FED) in 2024-25 to support reimbursement rate increases for outpatient mental health and substance abuse services and for child-adolescent day treatment services. The bill does not include statutory or nonstatutory provisions dictating the specific manner in which these rate increases are to be implemented. Instead, the Administration indicates that the intent is that the Department would determine how to utilize the funding provided to increase the reimbursement rates for these services.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same level of total funding for reimbursement rate increases would require $2,180,500 GPR and $3,486,200 FED in 2023-24 and $4,434,700 GPR and 6,898,700 FED in 2024-25.

13. AUTISM SERVICES REIMBURSEMENT RATE INCREASE

GPR	$4,146,100
FED	8,079,500
Total	$12,225,600

Governor: Provide $4,075,200 ($1,364,400 GPR and $2,710,800 FED) in 2023-24 and $8,150,400 ($2,781,700 GPR and $5,368,700 FED) in 2024-25 to support an increase to the reimbursement rate for autism treatment services. The funding provided under this item is based on an estimate of the cost to increase the reimbursement rate by 43%. The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same reimbursement rate increase would require $1,568,100 GPR and $2,507,100 FED in 2023-24 and $3,189,300 GPR and 4,961,100 FED in 2024-25.

14. LEAD INVESTIGATION SERVICES

GPR	$624,600
FED	1,223,200
Total	$1,847,800

Governor: Provide $923,900 ($309,300 GPR and $614,600 FED in 2023-24 and $923,900 ($315,300 GPR and $608,600 FED) in 2024-25 to reflect an increase in the number of dwelling lead investigations that would be conducted by local public health departments as the result of a proposed change to the blood lead level threshold for children under six years of age that triggers such an investigation, as well as an increase to the reimbursement rate for lead investigations.

A separate item, summarized under Health Services -- Public Health, would require local public health departments to conduct a lead investigation of a child's dwelling whenever a blood lead level test result for a child under six years of age indicates a level of lead in the blood that is 3.5 or more micrograms per 100 milliliters of blood. Under current law, the health department may, but is not required to, conduct such an investigation if the test shows a level of lead that is 5.0 or more micrograms per 100 milliliters of blood. The Administration's fiscal estimate assumes that, with the new threshold and the lead investigation requirement, the volume of lead investigations for children enrolled in MA would increase from approximately 100 annually to 650 annually. In addition, the Administration assumes that the maximum reimbursement for an investigation would be increased from $800 to $1,500, to more closely match the public health departments' costs.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, funding the additional cost for lead investigations would require $355,500 GPR and $568,400 FED in 2023-24 and $364,300 GPR and $559,600 FED in 2024-25.

15. COMMUNITY SUPPORT PROGRAM

GPR	$40,755,600

Governor: Provide $19,239,100 in 2023-24 and $21,516,500 in 2024-25 for MA services provided under the community support program (CSP), reflecting a shift from counties to the state for the responsibility of paying the nonfederal share of CSP services. Require DHS to provide reimbursement payments to counties for CSP services for both the federal and nonfederal share of the payment, instead of, under current law, only the federal share. Delete CSP services from a list of county services for which counties may submit a cost report to DHS for a partial cost reconciliation payment.

The community support program is a county-based psychosocial rehabilitation program under MA, commonly used for persons with schizophrenia, bipolar disorder, schizoaffective disorder, or recurrent major depression. Approximately 4,000 individuals receive CSP services per year. Specific treatment services include individual, family, and group psychotherapy, medications, and crisis intervention. Services are delivered using a treatment team approach, with each individual having a case manager who maintains a clinical treatment relationship with the client on a continuing basis. Currently, the MA reimbursement payment to counties consists of only the federal matching funds, meaning that counties are responsible for the nonfederal share. This item would shift the responsibility for the nonfederal share to the state, paid with GPR budgeted in the MA program. The fiscal effect this item is based on the average nonfederal share of CSP reimbursement payments in 2020-21 and 2021-22, with a growth rate of 5% in 2023-24 and an additional 10% in 2024-25, based on the assumption that CSP services would be more consistently offered across all counties if the state is responsible for the nonfederal share of payments.

[Bill Sections: 1083, 1084, 1104, and 1105]

16. RESIDENTIAL SUBSTANCE USE DISORDER ROOM AND BOARD FUNDING

GPR	$16,619,000

Governor: Provide $8,309,500 annually in the GPR appropriation for Medical Assistance to support the room and board costs of MA enrollees receiving residential substance use disorder treatment. Specify that room and board costs for residential substance use disorder treatment is a reimbursable service category under MA.

MA provides coverage of residential substance abuse disorder treatment for individuals who need a 24-hour, structured environment that is removed from their normal social routine. While the program reimburses residential treatment providers for services, the costs of room and board are not reimbursable, as federal Medicaid law does not provide coverage of room and board costs in a residential treatment facility. Consequently, room and board costs must be covered through other sources, such as the individual's county social services department. This item would provide funding for a GPR-only reimbursement of room and board costs under MA.

The funding for this item is based on the assumption that current utilization of residential substance use treatment would increase by 10% as the result of providing coverage of room and board costs. However, the Administration also estimates that utilization of inpatient hospital substance use treatment would decrease by 25%, partially offsetting the additional cost. The cost of room and board is covered under the reimbursement of inpatient hospital services.

[Bill Section: 1108]

17. INTEGRATED STABILIZATION, INTOXICATION MONITORING, AND DETOXIFICATION FACILITY SERVICES

Governor: Establish detoxification and stabilization services as a covered service under the

Medical Assistance program. Define a *detoxification and stabilization service* as any one of the following (defined terms in italics):

(a) an *adult residential integrated behavioral health stabilization service*, defined as a residential behavioral health treatment service, delivered under the oversight of a medical director, that provides withdrawal management and intoxication monitoring, as well as integrated behavioral health stabilization services, and includes nursing care on site for medical monitoring available on a 24-hour basis. Specify that an adult residential integrated behavioral health stabilization service may include the provision of services including screening, assessment, intake, evaluation and diagnosis, medical care, observation and monitoring, physical examination, determination of medical stability, medication management, nursing services, case management, drug testing, counseling, individual therapy, group therapy, family therapy, psychoeducation, peer support services, recovery coaching, recovery support services, and crisis intervention services, to ameliorate acute behavioral health symptoms and stabilize functioning;

(b) a *residential withdrawal management service*, defined as a residential substance use treatment service that provides withdrawal management and intoxication monitoring, and includes medically managed 24-hour on-site nursing care, under the supervision of a physician. Specify that a residential withdrawal management service may include the provision of services, including screening, assessment, intake, evaluation and diagnosis, medical care, observation and monitoring, physical examination, medication management, nursing services, case management, drug testing, counseling, individual therapy, group therapy, family therapy, psychoeducation, peer support services, recovery coaching, and recovery support services, to ameliorate symptoms of acute intoxication and withdrawal and to stabilize functioning. Specify that a residential withdrawal management service may also include *community-based withdrawal management* and intoxication monitoring services; or

(c) a *residential intoxication monitoring service*, defined as a residential service that provides 24-hour observation to monitor the safe resolution of alcohol or sedative intoxication and to monitor for the development of alcohol withdrawal for intoxicated patients who are not in need of emergency medical or behavioral healthcare. Specify that a residential intoxication monitoring service may include the provision of services including screening, assessment, intake, evaluation and diagnosis, observation and monitoring, case management, drug testing, counseling, individual therapy, group therapy, family therapy, psychoeducation, peer support services, recovery coaching, and recovery support services.

Define *community-based withdrawal management*, as a medically managed withdrawal management service delivered on an outpatient basis by a physician or other service personnel acting under the supervision of a physician.

Authorize DHS to submit to the federal Department of Health and Human Services any request for a state plan amendment, waiver, or other federal approval necessary to provide reimbursement for detoxification and stabilization services. Specify that if request is approved or if no federal approval is necessary, the Department shall provide the reimbursement under MA for detoxification and stabilization services, but if the request is not approved, the Department may not provide the reimbursement for such services under MA.

Currently under MA, detoxification is a covered service only if provided in a hospital setting. This item would establish eligibility for residential detoxification and stabilization services in one of three residential facility types intended for individuals who are not in need of full hospitalization. The bill would not provide funding in MA for reimbursement of this service. The Administration anticipates that reimbursement for these services would begin once the benefit standards and eligibility criteria are established, which, if this item is approved, would be expected to occur in the 2025-27 biennium. The Department is currently providing some grants for residential detoxification services using supplemental federal substance abuse block grant funds received under ARPA.

[Bill Sections: 1095 and 1113]

18. COMMUNITY HEALTH SERVICES COVERAGE

GPR	$9,179,300
FED	16,320,700
Total	$25,500,000

Governor: Provide $1,000,000 ($500,000 GPR and $500,000 FED) in 2023-24 and $24,500,000 ($8,679,300 GPR and $15,820,700 FED) in 2024-25 to fund a new MA benefit, subject to federal approval, for nonmedical services that contribute to determinants of health. Direct the Department to determine which specific nonmedical services that contribute to determinants of health would be included as an MA benefit, and require the Department to seek any necessary plan amendment or request any waiver of federal Medicaid law to implement this benefit. Specify that DHS is not required to provide these services as a benefit if the federal Department of Health and Human Services does not provide federal matching funds for these services.

The Administration indicates that the eligible services under the proposed benefit may include housing referrals, nutritional mentoring, stress management, and other services that would positively impact an individual's economic and social condition. The Administration's funding estimate assumes that approximately 12,500 individuals would be served on a monthly basis, at an average cost of $300 per person per month, for an annual total of $45.0 million. Assuming the benefit would begin in January of 2025, the bill provides $22,500,000 ($7,679,300 GPR and $14,820,700 FED) in fiscal year 2024-25 in the MA benefits appropriations.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing coverage of community health services would require $8,804,300 GPR and $13,695,700 FED.

In addition to MA benefits, this item also includes $1,000,000 ($500,000 GPR and $500,000 FED) in 2023-24 and $2,000,000 ($1,000,000 GPR and $1,000,000 FED) in 2024-25 for costs to implement and administer the benefit.

[Bill Sections: 1114 and 1117]

19. COMMUNITY HEALTH WORKER SERVICES

GPR	$6,562,000
FED	12,664,600
Total	$19,226,600

Governor: Provide $19,226,600 ($6,562,000 GPR and $12,664,600 FED) in 2024-25 to fund coverage of community health worker services under MA. Community health workers would act under the supervision of physicians or other licensed medical professionals and provide services within those professionals' existing scopes of practice.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing coverage of community health worker services would require $7,523,400 GPR and $11,703,200 FED in 2024-25.

Community health workers are frontline public health workers who are trusted members or have close understanding of the community they serve, enabling the worker to serve as a liaison, link, or intermediary between health and social services and the community to facilitate access to services and improve the quality and cultural competence of service delivery. Community health worker services build individual and community capacity by increasing health knowledge and self-sufficiency through a range of activities such as outreach, community education, informal counseling, social support, and advocacy.

The Administration's intent would be to submit a state Medicaid plan amendment to allow for the reimbursement of community health worker services that fall under federal authority for coverage of prevention activities. The funding estimate for this item is based on the cost of supporting the compensation and overhead costs of the full time equivalent of 275 community health workers, estimated at $19.2 million per year.

20. COVERAGE OF CONTINUOUS GLUCOSE MONITORING AND INSULIN PUMP DEVICES

GPR	$4,641,700
FED	8,958,300
PR	9,600,000
Total	$23,200,000

Governor: Provide $23,200,000 ($4,641,700 GPR, $8,958,300 FED, and $9,600,000 PR) in 2024-25 to support the cost of providing coverage for continuous glucose monitoring devices and insulin pumps for diabetic care as a pharmacy benefit, rather than, under to current MA policy, through the durable medical equipment benefit. The funding increase under this item is based on the assumption that better access to these devices would increase utilization. The PR funding increase reflects an anticipated increase in drug rebate revenue.

A continuous glucose monitor is a device used by people with diabetes to monitor their blood glucose levels on a frequent, regular basis. The device, which is implanted under the skin, includes a transmitter that sends glucose readings to an external monitor (such as a phone) or, alternatively, can be used to automatically trigger an insulin pump when needed.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the coverage of continuous glucose monitors and insulin pumps would require $5,321,700 GPR and $8,278,300 FED in 2024-25.

21. HEALTH INFORMATION EXCHANGE INCENTIVE

GPR	$6,981,400
FED	13,706,600
Total	$20,688,000

Governor: Provide $12,224,000 ($4,092,600 GPR and $8,131,400 FED) in 2023-24 and $8,464,000 ($2,888,800 GPR and $5,575,200 FED) in 2024-25 to support the cost of a health information exchange incentive payment program for certain health care providers. Require DHS to develop a health information exchange incentive payment under MA for nonhospital providers, including physicians, clinics, health departments, home health agencies, and post-acute care facilities. Specify that the payment system shall be based on performance to incentivize participation in health information data sharing to facilitate better patient care, reduced costs, and easier access to patient information. Require the Department to establish performance metrics for the payment system that satisfy all of the following: (a) include participation by providers in a health information exchange at a minimum level of patient record access; (b) the payments increase as the participation level in the health information exchange increases; (c) the payment system begins in the 2024 rate year; and (d), the Department shall seek any available federal moneys for payments under the incentive system.

The Administration indicates that the intent of this item is that the Department would develop an incentive payment program with the funding provided. The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same total amount of funding for incentive payments would require $4,703,800 GPR and $7,520,200 FED in 2023-24 and $3,312,000 GPR and 5,152,000 FED in 2024-25.

[Bill Section: 1080]

22. SCHOOL-BASED SERVICES FEDERAL FUNDING

GPR-REV -$112,428,000

Governor: Increase the share of federal Medicaid matching funds that DHS is required to provide to school districts, cooperative educational service agencies (CESAs), or the Department of Public Instruction (DPI) from amounts received by the Department from the federal government for school-based medical services provided by those entities under MA from 60% to 100%. Increase the share of matching funds received for the cost of eligible administrative expenses related to school-based medical services that the Department must provide to these entities from 90% to 100%. Decrease estimated general fund revenue by $58,358,200 in 2023-24 and $54,069,800 in 2024-25, to reflect that the current non-school entity share of the federal matching funds (40% for medical services and 10% for administration) would no longer be deposited in the general fund.

Under current law, the Department claims federal matching funds for eligible medical services provided to MA-eligible pupils by school districts, cooperative educational service agencies, and DPI via the Wisconsin Center for the Blind and Visually Impaired and the Wisconsin Educational Services Program for the Deaf and Hard of Hearing. Current law requires DHS to provide 60% of the federal reimbursement received for medical services to the school entities that provided the services, while the remaining 40% is deposited into the general fund. Additionally, current law requires DHS to provide 90% of the federal reimbursement received for eligible administrative expenses to the school entities, depositing 10% into the general fund. The bill would increase the funding provided to school entities to 100% of the federal reimbursement that DHS receives, both for medical services and administrative costs, ending the deposits into the general fund. The school entities would continue to be responsible for the non-federal share of the cost of the medical services and of the administrative costs.

The change in revenue estimates reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal match received for school-based services would decrease. In that case, providing 100% of the federal reimbursement to school entities would reduce GPR revenue by $54,125,900 in 2023-24 and $50,110,700 in 2024-25.

School-based services must be identified in a student's Individualized Education Program (IEP), and can include nursing, occupational therapy, physical therapy, psychological services, counseling, social work, speech-language pathology, audiology, hearing services, transportation, and developmental testing and assessments.

[Bill Sections: 1097 and 1098]

23. COVERAGE OF SCHOOLS AS TELEHEALTH ORIGINATING SITES

GPR	$3,719,300
FED	7,247,600
Total	$10,966,900

Governor: Provide $3,644,900 ($1,220,300 GPR and $2,424,600 FED) in 2023-24 and $7,322,000 ($2,499,000 GPR and $4,823,000 FED) to fund reimbursement under MA for schools when they act as the originating (or host) site for MA services delivered via telehealth. The funding provided under this item reflects the Administration's intent that this change would take effect on January 1, 2024.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing coverage of schools as telehealth originating sites would require $1,402,600 GPR and $2,242,300 FED in 2023-24 and $2,865,100 GPR and $4,456,900 FED in 2024-25.

Currently, schools can collaborate with MA providers to offer MA covered services, such as mental health services, to students in school, including via telehealth. The medical professionals providing the services are reimbursed in the same way they would be for services delivered in a clinic or any other setting, but schools do not receive reimbursement. The funding provided reflects the Administration's intent to reimburse schools that provide MA services via telehealth $22 per telehealth session. Other facilities currently qualify for similar reimbursement when they host telehealth services, including pharmacies, skilled nursing facilities, hospitals, clinics, and medical practices.

24. CERTIFIED PEER SPECIALIST SERVICES

GPR	$1,268,100
FED	2,447,400
Total	$3,715,500

Governor: Provide $3,715,500 ($1,268,100 GPR and $2,447,400 FED) in 2024-25 for reimbursement of certified peer specialist services under MA.

Include certified peer specialist services as an eligible service category under MA, along with, under current law, peer recovery coach services. Require DHS to establish a certification process under MA for certified peer specialists. Define a "certified peer specialist" as an individual who has experience in the mental health and substance use services system, who is trained to provide support to others, and who has received peer specialist or parent peer specialist certification under the rules established by the Department.

Require DHS to provide reimbursement for peer specialist services under MA if the service satisfies all of the following conditions: (a) the recipient of the service provided by a certified peer specialist is in treatment for or recovery from a mental illness or a substance use disorder; (b) the certified peer specialist provides the service under the supervision of a competent mental health professional; (c) the certified peer specialist provides the service in coordination with the MA beneficiary's individual treatment plan and in accordance with their individual treatment goals; and (d) the certified peer specialist providing the service has completed training requirements, as established by the Department by rule, after consulting with members of the recovery community.

Modify a provision relating to coordination of care in cases of a substance use overdose to require DHS to facilitate the use of certified peer specialists (in addition to peer recovery coaches, as under current law) by overdose treatment providers in order to encourage individuals to seek treatment following an overdose incident.

Authorize DHS to promulgate emergency rules establishing the training requirements for peer specialists certification under MA, without meeting the normal prerequisites for an emergency rule. Specify that any such emergency rule remains in effect until January 1, 2025, or until the permanent rules take effect, whichever is sooner.

Services of certified peer specialists are reimbursable under MA under the comprehensive community services (CCS) benefit, but not as a standalone service. This item would allow for MA coverage of peer specialist services for persons not enrolled in CCS. The Administration anticipates that, if approved, reimbursement of these services would begin in 2024-25.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing coverage of peer specialist services would require $1,453,900 GPR and $2,261,600 FED in 2024-25.

[Bill Sections: 807 thru 811, 1090 thru 1094, 1112, and 9119(4)]

25. COVERAGE OF ACUPUNCTURE SERVICES

GPR	$1,092,200
FED	2,107,800
Total	$3,200,000

Governor: Provide $3,200,000 ($1,092,200 GPR and $2,107,800 FED) in 2024-25 to fund a new MA benefit, subject to federal approval, for acupuncture services provided by a certified acupuncturist. Require DHS to submit any necessary plan amendment or request any necessary waiver of federal Medicaid law to implement this benefit. Specify that DHS shall provide this benefit only if the federal government approves the request or if no approval is necessary. The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the funding for acupuncture coverage would be $1,252,200 GPR and $1,947,800 FED.

[Bill Sections: 1109 and 1116]

26. PSYCHOSOCIAL REHABILITATION SERVICES BY NON-COUNTY PROVIDERS

GPR	$691,900
FED	1,335,300
Total	$2,027,200

Governor: Provide $2,027,200 ($691,900 GPR and $1,335,300 FED) in 2024-25 to expand access to medical assistance psychosocial rehabilitation services through the use of non-county providers.

Authorize DHS to certify providers of psychosocial rehabilitation services that are not county-based providers. Require DHS to provide reimbursement to non-county providers for both the federal share and the nonfederal share of the payment. Eliminate the condition for MA reimbursement of psychosocial rehabilitation services that the services are provided to an individual whose county of residence makes the services available. Authorize DHS to promulgate administration rules, update MA program policies, and request any state plan amendment or federal waiver from the federal government as necessary to provide reimbursement to non-county based providers of psychosocial rehabilitation services.

Psychosocial rehabilitation services include peer support, employment-related skills training, personal skills development, physical health monitoring and management, and case management. These services are designed to complement psychiatric and pharmacological treatment for mental health or substance use conditions. Under current law, these services are provided only through the county-based behavioral health system, such as the comprehensive community services (CCS) benefit. These services are only available to medical assistance enrollees who reside in counties that have elected to provide these services and demonstrate behavioral health needs meeting their county's eligibility requirements. This item seeks to increase access to psychosocial rehabilitation services by making them available for enrollees in counties that do not offer the benefit and to enrollees who may not meet the eligibility criteria for CCS, or another similar program.

The funding provided under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing reimbursement for non-county providers would require $793,200 GPR and $1,233,900 FED in 2024-25.

[Bill Sections: 1085 thru 1089, and 9119(2)]

27. COVERAGE OF DOULA SERVICES

GPR	$449,300
FED	867,100
Total	$1,316,400

Governor: Provide $1,316,400 ($449,300 GPR and $867,100 FED) in 2024-25 to fund MA coverage of doula services. Require DHS, subject to federal approval, to reimburse certified doulas for childbirth education and support services, including emotional and physical support provided during pregnancy, labor, birth, and the postpartum period. Require DHS to apply for any necessary waivers of federal Medicaid law and submit any necessary state plan amendments to provide coverage of doula services under MA. Define a certified doula as an individual who has received certification from a doula certifying organization recognized by DHS.

The Administration estimates that coverage of doula services would begin July 1, 2024, and that approximately 1,145 women would access the benefit in 2024-25 at a cost of $1,150 each.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing coverage of doula services would require $515,100 GPR and $801,300 FED.

[Bill Sections: 1096 and 1110]

28. DENTAL HEALTH COORDINATOR GRANTS

GPR	$900,000
FED	900,000
Total	$1,800,000

Governor: Increase funding for MA and FoodShare administrative contracts by $600,000 ($300,000 GPR and $300,000 FED) in 2023-24 and $1,200,000 ($600,000 GPR and $600,000 FED) in 2024-25 to fund grants to support community dental health coordinators. Expand the purposes of the administrative contracts appropriations to include the new grant program.

The Administration's intent is to support the creation of six regional dental coordination programs covering the state, and to provide each program with annual grants of $200,000 (all-funds), beginning January 1, 2024. The Department intends to implement the Community Dental Health Coordinator model developed by the American Dental Association, which has been implemented in several other states. The model employs health professionals such as dental hygienists, with additional training in case management, health education, and benefits navigation. These coordinators would work with patients in settings such as emergency departments, health clinics, and public health departments to connect MA members with dental services available in their area that are appropriate to their needs.

[Bill Sections: 404, 408, and 813]

29. JOINT COMMITTEE ON FINANCE REVIEW PROCESS FOR FEDERAL WAIVERS AND MA PROGRAM CHANGES

Governor: Repeal provisions enacted as part of 2017 Wisconsin Act 370 that require DHS to submit all MA state plan amendments, rate changes, and supplemental payments to the Joint Committee on Finance for review and approval under a 14-day passive review process if the amendment, rate change, or payment has an expected fiscal effect of $7,500,000 or more from all revenue sources over a 12-month period following the implementation date of the amendment, rate change, or payment.

Repeal Act 370 provisions that require DHS to follow various procedures related to requests to a federal agency for a waiver, or a renewal, modification, withdrawal, suspension, or termination of a waiver of federal law or rules, or for federal authorization to implement a pilot program or demonstration project. Repeal an Act 370 provision that requires the Office of the Commissioner of Insurance to comply with the waiver request oversight provisions described above as it relates to any renewal or modification of a waiver request for the Wisconsin healthcare stability program. Authorize DHS to submit a request to the federal Department of Health and Human Services to modify or withdraw the federal waiver relating to coverage and eligibility requirements for childless adults under MA.

[Bill Sections: 570, 1075, 1081, 1082, 1103, 2632, 3046, and 9119(3)]

30. SENIORCARE REESTIMATE

GPR	$2,310,200
FED	8,775,000
PR	15,675,600
Total	$26,760,800

Governor: Provide $7,491,800 ($375,200 GPR, $3,626,200 FED, and $3,490,400 PR) in 2023-24 and $19,269,000 ($1,935,000 GPR, $5,148,800 FED, and $12,185,200 PR) in 2024-25 to fully fund benefits under the SeniorCare program. SeniorCare provides pharmacy benefits for Wisconsin residents over the age of 65 who are not eligible for full Medicaid benefits.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, fully funding benefits under the SeniorCare program would require $4,096,600 GPR, -$95,200 FED and $3,490,400 PR in 2023-24 and $3,845,200 GPR, $3,238,600 FED, and $12,185,200 PR in 2024-25, as shown in the table below.

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 federal Medicaid matching funds apply only to participants with incomes under 200% of the federal poverty line. Based on recent trends, manufacturer rebates (PR) are expected to cover 73% of costs for this group. With the temporary increase in federal matching rates related to full Medicaid expansion, federal funds would cover approximately 17% of costs for this group and the GPR portion would be 10%. If full expansion is not adopted, federal funds would cover 15% and the GPR portion would be 12%. Due to temporary changes to the federal matching rate made in response to the COVID-19 pandemic and lag in the receipt of rebates, if full expansion is not adopted the federal share will be approximately one percentage point lower in 2023-24. Variation in agreements with manufacturers and drug utilization means that the percentage of costs covered by rebates is typically higher for participants with incomes above 200% of the poverty line; for this group rebates (PR) cover about 83% of benefit costs, while the remainder is GPR.

Although the Administration estimates that each fund source's share of costs for each income group will remain approximately constant over the biennium, the enrollment in each group is expected to change, as are the per-member average costs. The Administration forecasts that enrollment will continue to increase for each group at the same annual rates as in fiscal year 2021-22: 1.2% for the group with income under 160% of FPL, 2.5% for 160–200%, 5.6% for 200–240%, and 10.2% for over 240%. Based on historical drug price inflation and Federal Reserve inflation forecasts, the Administration forecasts that per-member costs will increase for the first three enrollment groups by 9.0% per year in 2022-23, 6.4% in 2023-24, and 5.9% in 2024-25. Per-member costs in the spend-down enrollment group are forecasted to remain flat.

The base funding for SeniorCare is $133,343,400 ($17,971,900 GPR, $17,738,300 FED, and $97,633,200 PR). Under the Administration's present forecast, FED expenditures in 2022-23 are expected to be above the base level, while PR expenditures are expected to be lower. This has the effect of increasing the FED change to base relative to the forecasted growth described above, and partially offsetting the PR change to base. In addition, the expiration of the COVID-19 matching rate noted above increases the required GPR and decreases the required FED, particularly in 2023-24. These amounts are shown in the tables below, along with estimated enrollment in each income group for the current year and both years of the upcoming biennium.

SeniorCare Funding by Fund Source

	GPR	FED	PR	Total
2022-23 Base Funding	$17,971,900	$17,738,300	$97,633,200	$133,343,400
2023-24 Cost-to-Continue	4,096,600	-95,200	3,490,400	7,491,800
2023-24 Two-Year MA Expansion FMAP	-3,721,400	3,721,400	0	0
2023-24 Total Funding	$18,347,100	$21,364,500	$101,123,600	$140,835,200
2024-25 Cost-to-Continue	3,845,200	3,238,600	12,185,200	19,269,000
2024-25 Two-Year MA Expansion FMAP	-1,910,200	1,910,200	0	0
2024-25 Total Funding	$19,906,900	$22,887,100	$109,818,400	$152,612,400

SeniorCare Enrollment Estimates

Income Category	2022-23	2023-24	2024-25
Less than 160% of FPL	27,200	27,600	27,900
160% of FPL to 200% of FPL	17,000	17,400	17,900
200% of FPL to 240% of FPL	12,100	12,800	13,500
Greater than 240% of FPL	58,400	64,300	70,900
Total Enrollment	114,700	122,100	130,200

31. WISCONSIN CHRONIC DISEASE PROGRAM RE-ESTIMATE

GPR	- $1,331,700
PR	- 793,600
Total	- $2,125,300

Governor: Decrease funding by $1,035,800 (-$643,600 GPR and -$392,200 PR) in 2023-24 and $1,089,500 (-$688,100 GPR and -$401,400 PR) in 2024-25 to reflect estimates of the amounts needed to fully fund the Wisconsin chronic disease program (WCDP) in the 2023-25 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 $4,626,000 ($3,700,800 GPR and $925,200 PR), but expenditures in recent years have been below this level. DHS estimates total program costs will be $3,590,200 ($3,057,200 GPR and $533,000 PR) in 2023-24 and $3,536,500 ($3,012,700 GPR and $523,800 PR) in 2024-25. This estimate includes $500,000 GPR above trend levels in both years as a contingency that would be available if costs exceed the Department's forecasts.

Medical Assistance -- Long-Term Care

1. HOME AND COMMUNITY-BASED SERVICES RATE INCREASE COST-TO-CONTINUE

GPR	$80,976,500
FED	145,954,500
Total	$226,931,000

Governor: Provide $43,115,000 ($15,405,600 GPR and $27,709,400 FED) in 2023-24 and $183,816,000 ($65,570,900 GPR and $118,245,100 FED) in 2024-25 to fund costs associated with the American Rescue Plan Act (ARPA) home and community-based services (HCBS) 5% rate increase from April 1, 2024, through June 30, 2025.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the Administration estimates that maintaining the 5% rate increase after March 31, 2024, would require $43,115,000 ($16,961,400 GPR and $26,153,600 FED) in 2023-24 and $183,816,000 ($71,925,800 GPR and $111,890,200 FED) in 2024-25.

Under ARPA, states could claim an additional 10% on their federal medical assistance percentage (FMAP) for eligible HCBS expenditures between April, 2021 and March, 2022. ARPA required states to use these additional funds to supplement, not supplant existing state funds, and used on CMS-approved activities that enhance, expand, or strengthen HCBS under the Medicaid program.

The Department's CMS-approved plan included a 5% rate increase for certain HCBS, effective January 1, 2022. This portion of the Department's plan was approved by the Joint Committee on Finance, with the condition that the rate increases are funded with ARPA HCBS reinvestment funding through March 31, 2024. In approving the rate increases, the Committee indicated that it would consider whether these rate increases would be maintained after March 31, 2024, as part of its 2023-25 budget deliberations.

The 5% rate increase applies to 42 service categories across Family Care, Family Care Partnership, IRIS (Include, Respect, I Self-Direct), PACE (Program of All-Inclusive Care for the Elderly), Children's Long-Term Supports (CLTS) Waiver, SSI Managed Care, BadgerCare Plus Managed Care, and Medicaid fee-for-service state plan services, as shown in the following table.

Adult day care service
Alcohol and other drug abuse (AODA)
AODA day treatment
Assistive technology/communication aid
Behavioral treatment services
Care management for Care4Kids
Care management for children with medical complexities
Care management in fee-for-service
Consultative clinical and therapeutic services for caregivers
Consumer-directed supports (self-directed supports) broker
Consumer education and training
Counseling and therapeutic
Environmental accessibility adaptations (home modifications)
Financial management services
Habilitation services (daily living skills training and day habilitation resources)
Home delivered meals
Home health services
Housing counseling
Medication therapy management
Mental health day treatment
Mental health services
Nursing (in-home)
Occupational therapy (in-home)
Personal care
Physical therapy (in-home)
Prenatal care coordination
Prevocational services
Residential care
Residential substance use disorder treatment
Respiratory care
Respite
Self-directed personal care
Skilled nursing services (RN/LPN)
Speech and language pathology services (in-home)
Supported employment - individual employment support
Supported employment - small group employment support
Supportive home care (SHC)
Training services for unpaid caregivers
Transportation (specialized transportation) - community transportation
Transportation (specialized transportation) - other transportation
Transportation services under DHS 107.23
Vocational futures planning and support

2. FAMILY CARE DIRECT CARE REIMBURSEMENT

GPR	$30,000,000
FED	58,752,500
Total	$88,752,500

Governor: Provide $44,802,900 ($15,000,000 GPR and $29,802,900 FED) in 2023-24 and $43,949,600 ($15,000,000 GPR and $28,949,600 FED) in 2024-25 to increase the direct care and services portion of the capitation rates the Department provides to managed care organizations (MCOs) to fund long-term care services for individuals enrolled in Family Care.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, if the intent is still provide $15,000,000 GPR annually, total funding would be $38,981,300 ($15,000,000 GPR and $23,981,300 FED) in 2023-24 and $38,333,800 ($15,000,000 GPR and $23,333,800 FED) in 2024-25.

In prior biennia, the Department has distributed additional funding for this purpose through the Direct Care Workforce Funding Initiative, which required MCOs to pass additional funding on to providers. Subsequently, providers chose how to pass the funding on to their staff, for example, in the form of wage increases, bonuses, or additional paid time off for certain direct care workers, or to fund employer payroll tax increases that result from increasing workers' wages.

This funding would be provided in addition to funding in the bill that the Administration estimates would be needed to fund actuarially sound capitation rates in the 2023-25 biennium, which is included as part of the Medicaid cost-to-continue item.

3. PERSONAL CARE REIMBURSEMENT RATE

GPR	$30,000,000
FED	58,752,500
Total	$88,752,500

Governor: Provide $44,802,900 ($15,000,000 GPR and $29,802,900 FED) in 2023-24 and $43,949,600 ($15,000,000 GPR and $28,949,600 FED) in 2024-25 to increase MA personal care reimbursement rates.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, if the intent is still provide $15,000,000 GPR annually, total funding would be $38,981,300 ($15,000,000 GPR and $23,981,300 FED) in 2023-24 and $38,333,800 ($15,000,000 GPR and $23,333,800 FED) in 2024-25.

As of January 1, 2023, the hourly MA personal care reimbursement rate is $23.44. The funding increase provided in the bill is not intended to provide a specific percentage or dollar increase to the MA personal care reimbursement rates, as such distribution of the funds would be determined by the Department upon enactment of the budget.

GPR	$24,845,500
FED	29,337,200
Total	$54,182,700

4. HOME AND COMMUNITY-BASED SERVICES

Governor: Provide $54,182,700 ($24,845,500 GPR and $29,337,200 FED) in 2024-25 to continue, through the end of the 2023-25 biennium, a number of projects started with one-time GPR savings and federal funds the state realized under provisions of the American Rescue Plan Act.

Although not specified in the bill, the Administration indicates it intends to budget the funding under this item as follows.

(a) $44,490,800 ($15,153,600 GPR and $29,337,200 FED) to fund, for the three-month period from April 1 through June 30, 2025, implementation of a minimum fee schedule for certain home and community based services (residential care and supportive home care services) the state provides through its long-term care waiver programs. The Administration estimates the annualized cost of implementing minimum rates for these services will be approximately $178.0 million (all funds).

(b) $627,600 GPR to fund the Wisconsin Personal Caregiver Workforce Careers Program to continue enrolling an additional 5,000 caregivers into the professional certificate program.

(c) $101,500 GPR to provide ongoing funding for the WisCaregiver Career IT platform to remain up-to-date with available resources for caregivers and maintain the technical quality of the website.

(d) $5,500,000 GPR to provide grants to the 11 federally recognized Native American Tribes to make improvements to tribal community facilities and tribal member housing.

(e) $1,702,800 GPR to support the ongoing costs of the tribal aging and disability resources specialists to serve as liaisons between the tribes and the aging and disability resource centers.

(f) $1,060,000 GPR to build a centralized aging and disability resource center website and database that is accessible to Wisconsinites statewide, providing access to information about long-term care supports and services from the comfort of their home while also providing aging and disability resource centers with a database that centers on the individual, rather than the facility.

(g) $100,000 GPR to fund continued licensure and maintenance of a system to coordinate certification status work between the department and managed care organizations.

(h) $100,000 GPR to fund licensure and maintenance of a system devised as a technical solution to improve data entry, review and report generation to comply with a federal rule requiring states to define the qualities of settings eligible for Medicaid home- and community-based services.

[As the funding increase in the bill exceeds the sum of these funding allocations by $500,000 GPR, the funding in the bill should be reduced to meet the Administration's intent.]

Require that the Department allocate not more than $5,500,000 annually to federally-recognized American Indian tribes and bands located in Wisconsin for capital improvements to tribal facilities serving tribal members with long-term care needs and for improvements and repairs to homes of tribal members with long-term care needs to enable tribal members to receive long-term care services at home.

Modify the existing community aids and Medical Assistance payments appropriation to allow for grant payments for tribal long-term care system development activities as previously described.

[Bill Sections: 420 and 798]

5. CHILDREN'S LONG-TERM SUPPORT WAIVER PROGRAM

Governor: Require DHS to ensure that any child who is eligible, and applies, for the children's long-term support (CLTS) waiver program receives services under the CLTS waiver program.

[Bill Section: 816]

Services for the Elderly and People with Disabilities

1. AGING AND DISABILITY RESOURCE CENTERS

GPR	$16,962,900

Governor: Provide $5,654,300 in 2023-24 and $11,308,600 in 2024-25 to increase base allocations and fund expanded caregiver support services at the aging and disability resource centers (ADRCs).

Of these amounts, the Administration indicates that $2,513,700 in 2023-24 and $5,027,400 in 2024-25 would be budgeted to increase ADRC base allocations to account for the anticipated increase in the number of older residents in the state and $3,140,600 in 2023-24 and $6,281,200 in 2024-25 would be provided to expand caregiver support and programs.

ADRCs provide a variety of services as part of their core contract with DHS. Services include: (a) providing information and assistance to individuals in need of long-term care services; (b) benefits counseling; (c) short-term service coordination; (d) conducting functional screens; and (e) enrollment counseling and processing. ADRCs serve older adults and people with disabilities, as well as the families and caregivers who work with and care for them. Services provided at ADRCs are free to Wisconsin residents.

2. COMPLEX PATIENT PILOT PROGRAM

GPR	$15,000,000

Governor: Provide $15,000,000 in 2023-24 on a one-time basis to fund a complex patient pilot program to help facilitate the transfer of complex patients from acute care settings, such as hospitals, to post-acute care facilities, in the 2023-25 biennium.

Program Funding. Create a biennial appropriation from which to fund the complex patient pilot. Require DHS to provide payments to partnership groups designated as participating sites for care provided during the course of the pilot program under this program. Specify that any fee associated with contracting with an independent organization to evaluate the complex patient pilot program may be paid from this appropriation. Repeal the appropriation on July 1, 2025.

Advisory Group Membership and Duties. Direct DHS to form an advisory group to assist with development and implementation of a complex patient pilot program. Require that the DHS Secretary or designee, chair the advisory group, and members of the advisory group have clinical, financial, or administrative expertise in government programs, acute care, or post-acute care.

Direct DHS to use its request-for-proposal procedure to select partnership groups that would be designated as participating sites for the complex patient pilot program. Direct the advisory group to develop a request for proposal for the complex patient pilot program that includes eligibility requirements.

Require that the complex patient pilot advisory group: (a) determine and recommend to DHS an amount of the funding budgeted for the complex patient pilot program to be reserved for reconciliation to ensure that participants in the pilot program are held harmless from unanticipated financial loss; (b) develop a methodology to evaluate the complex patient pilot program, including a recommendation on whether DHS should contract with an independent organization to evaluate the complex patient pilot program; and (c) make recommendations to the DHS Secretary regarding which partnership groups should receive designation as a participating site for the complex patient pilot program.

Application Requirements. Specify that only partnerships of at least one hospital and at least one post-acute facility are eligible to submit proposals.

Require that each partnership group that applies to DHS to be designated as a site for the complex patient pilot program address all of the following issues: (1) the number of beds that would be set aside in the post-acute facility; (2) the goals of the partnership during the pilot program and after the pilot program; (3) the types of complex patients for whom care would be provided; (4) the per diem rate requested to adequately compensate the hospital or hospitals and the post-acute facility or facilities; (5) a post-acute bed reserve rate; and (6) anticipated impediments to successful implementation and how the applicant partnership group intends to overcome the anticipated impediments.

In addition, require each partnership group to address its expertise to successfully implement the proposal, including a discussion of at least all of the following issues: (a) experience of the partners working together; (b) plan for staffing the unit; (c) ability to electronically exchange health information; (d) clinical expertise; (e) hospital and post-acute facility survey history over the past three years; (f) acute care partner readmissions history over the past three years; (g) discharge planning and patient intake resources; and (h) stability of finances to support the proposal, including matching funds that could be dedicated to the pilot program. Clarify that while no applicant is required to provide matching funds or a contribution, the advisory group and DHS may take into consideration the availability of matching funds or a contribution in evaluating an application.

Timelines. Specify that no later than 90 days after the effective date of the bill, the advisory group must complete development of the request for proposal for partnership groups to be designated as participating sites in the complex patient pilot program and provide its recommendations to the DHS Secretary.

Specify that no later than 150 days after the bill's effective date, the advisory group must review all applications submitted in response to the request for proposal and select up to four partnership groups to recommend to the DHS Secretary for designation as participating sites for the complex patient pilot program.

Specify that between six and 18 months after the effective date of the bill, the partnership groups designated by DHS as participating sites in the complex patient pilot program must implement the pilot program and meet quarterly with both DHS and the advisory group or any independent organization hired by DHS for the purpose of evaluating the pilot program to discuss experiences relating to the pilot program.

Specify that no later than June 30, 2025, the advisory group or any independent organization hired by DHS for evaluating the complex patient pilot program must complete and submit to the DHS Secretary an evaluation of the complex patient pilot program, including a written report and recommendations.

[Bill Sections: 421, 422, 9119(13), and 9419(3)]

3. ADULT PROTECTIVE SERVICES SYSTEM

GPR	$13,637,500

Governor: Provide $4,138,300 in 2023-24 and $9,499,200 in 2024-25 to increase funding for adult protective services training, needs assessments for tribal adult protective services, guardian support and elder justice training grants, and other adult protective services. The following table shows funding provided under the bill for the various adult protective services projects.

Adult Protective Services Funding Summary
Governor's Recommendation

	Base GPR Funding	Governor 2023-24	Governor 2024-25	Ongoing Annual Total Under Governor's Recommendation
Items Currently Funded with Ongoing State GPR				
Adult Protective Services	$4,900,600	$2,500,200	$5,000,200	$9,900,800
Elder Abuse Prevention	2,029,500	1,500,200	3,000,200	5,029,700
Domestic Violence Prevention	74,300	$37,900	75,700	150,000
Guardianship Training	100,000	100,000	200,000	300,000
Items Currently Funded with One-Time ARPA Funds*				
Data Reporting and Case Management	0	0	407,000	407,000
Adult Protective Services Online Training System	0	0	195,900	195,900
Adult Protective Services Contract Team	0	0	600,200	600,200
Tribal Demonstration Projects	0	0	20,000	20,000
Total	$7,104,400	$4,138,300	$9,499,200	$16,603,600

*These items are currently funded with one time ARPA funds totaling $3,180,800 over three years.

4. EXPAND ELIGIBILITY FOR BIRTH TO 3

GPR	$9,259,600

Governor: Provide $3,086,500 in 2023-24 and $6,173,100 in 2024-25 to fund the Administration's estimates of costs of providing Birth to 3 services to additional children. Expand eligibility for services provided under the Birth to 3 program by requiring DHS to ensure that any child with a level of lead in his or her blood that is 3.5 or more micrograms per 100 milliliters (3.5 µg/dL), as confirmed by one venous blood test, is eligible for services under the Birth to 3 program.

Authorize DHS to develop a methodology to allocate GPR funding for the program across county programs. Base GPR funding for the Birth to 3 program is $6,914,000.

Wisconsin's current eligibility standard for the program, as it pertains to lead exposure, is 10 µg/dL. In 2021, the Centers for Disease Control and Prevention (CDC) established a 3.5 µg/dL threshold for identifying children with elevated blood lead levels. The Administration estimates that approximately 1,650 new children would become eligible for Birth to 3 services annually, either through the expanded eligibility threshold or the additional outreach efforts funded under this item.

The Birth to 3 program offers early intervention services to children, from birth to age three, who are identified with, or determined to be at risk for, developmental delays. Currently, a child is eligible for services if the child has a developmental delay of at least 25% in one area of development or is diagnosed by a physician as having a high probability of developmental delay. The program is funded from several sources, including federal funds that the state receives under the Individuals with Disabilities Education Act, county funds, community aids, medical assistance, private insurance, and parental cost sharing.

[Bill Sections: 1148 and 9119(5)]

5. WISCAREGIVER CAREERS

GPR	$8,000,000

Governor: Provide $8,000,000 in 2024-25 to increase funding for WisCaregiver Career program. This program is a workforce development program that provides free nurse aide training and certification testing, as well as a retention bonus after six months of employment as a nurse aide.

Currently the program is funded from a $6,000,000 one-time grant DHS received under the Centers for Disease Control and Prevention (CDC) Nursing Home & Long-term Care Facility Strike Team program. The federal grant funding must be used by May, 2024.

6. SSI SUPPLEMENTS REESTIMATE

GPR	$6,914,400
PR	- 9,407,300
Total	- $2,492,900

Governor: Decrease funding by $1,925,400 ($3,457,200 GPR and -$5,382,600 PR) in 2023-24 and by $567,500 ($3,457,200 GPR and -$4,024,700 PR) in 2024-25 to reflect DHS's estimates of the cost of funding supplemental security income (SSI) state supplements payments in the 2023-25 biennium.

The SSI program provides cash benefits to low-income residents who are elderly, blind, or disabled to supplement SSI payments they receive from the federal program. As of May, 2022, the state made basic supplemental payments (set at $83.78 per month for single individuals and $132.05 for couples) to 115,400 Wisconsinites. Some SSI beneficiaries 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 also qualify for an exceptional expense benefit ($95.99 per month for single individuals, $345.36 for couples). Recipients with dependent children may also receive a caretaker supplement payment, primarily supported by federal temporary assistance for needy families (TANF) funds transferred as program revenue from the Department of Children and Families (DCF). Eligible caretakers receive $250 per month for a first child and $150 per month for each additional child.

DHS complies with a federal requirement to "pass along" annual federal benefit cost-of-living increases by demonstrating that total GPR expenditures for state supplements do not decrease from one calendar year to the next. Due to retroactive corrective payments paid in calendar years 2020 and 2021, total GPR expenditures increased to $160,398,200. To maintain this level of GPR expenditures, beginning in fiscal year 2021-22, DHS paid a portion of caretaker supplement payments using GPR, in lieu of TANF funding.

The following table summarizes the funding that would be provided for SSI supplemental payments.

SSI Supplemental Payments
Governor's Budget

		Reestimate		Change to Base		
	Base	2023-24	2024-25	2023-24	2024-25	2023-25
SSI State Supplements						
GPR	$153,824,100	$154,129,600	$155,670,900	$305,500	$1,846,800	$2,152,300
Caretaker Supplement						
GPR	$3,116,900	$6,268,600	$4,727,300	$3,151,700	$1,610,400	$4,762,100
PR	17,452,900	12,070,300	13,428,200	-5,382,600	-4,024,700	-9,407,300
All Funds	$20,569,800	$18,338,900	$18,155,500	-$2,230,900	-$2,414,300	-$4,645,200
Total SSI-Related Payments						
GPR	$156,941,000	$160,398,200	$160,398,200	$3,457,200	$3,457,200	$6,914,400
PR	17,452,900	12,070,300	13,428,200	-5,382,600	-4,024,700	-9,407,300
All Funds	$174,393,900	$172,468,500	$173,826,400	-$1,925,400	-$567,500	-$2,492,900
Caretaker Supplement						
Administration (PR)	$692,100	$692,100	$692,100	$0	$0	$0

7. OFFICE FOR THE PROMOTION OF INDEPENDENT LIVING PROGRAMS

	Funding	Positions
GPR	$1,683,600	1.00

Governor: Provide $833,000 in 2023-24 and $850,600 in 2024-25 and 1.0 position, beginning in 2023-24, to support programs within the DHS Office for the Promotion of Independent Living.

The Administration indicates that the funding would: (a) fund and provide one rehabilitation specialist for the blind position within the Office for the Blind and Visually Impaired ($59,000 in 2023-24 and $76,600 in 2024-25); (b) increase funding available for the Telecommunications Assistance Program (TAP) by $50,000 annually; (c) increase funding for the interpretation services by $100,000 annually; and (d) increase funding for WisTech Grants for the Independent Living Centers by $624,000 annually.

8. HEALTHY AGING GRANTS

GPR	$1,200,000

Governor: Provide $600,000 annually and require DHS to award an annual grant of $600,000 to an entity that conducts programs in healthy aging.

Previously, $200,000 GPR was budgeted in each year of the 2015-17 biennium to support healthy aging programs. At the time, those funds were awarded to the Wisconsin Institute on Healthy Aging (WIHA), which was responsible for coordinating the implementation of healthy aging programs across the state as well as maintaining licensure of healthy aging programs. However, funding was not provided on an ongoing basis.

[Bill Section: 814]

9. ALZHEIMER'S FAMILY AND CAREGIVER SUPPORT PROGRAM

GPR	$1,000,000

Governor: Provide $500,000 annually to increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from $2,808,900 to $3,308,900 annually. Modify the financial eligibility limit for the program to specify that a person is eligible for assistance under the program if the joint income of the person with Alzheimer's disease and that person's spouse, if any, is $60,000 per year or less, unless the Department sets a higher limitation on income eligibility by rule.

Under current law, the income limit for program eligibility is $48,000 per year. Under the program, DHS allocates funding to counties, tribes, and area agencies on aging to assist individuals to purchase services and goods related to the care of someone with Alzheimer's disease. Up to $4,000 per person may be available, depending on the county's priorities and the person's need for services. In some instances, the funds are used within the county to expand or develop new services related to Alzheimer's disease, such as respite care, adult day care, or support groups.

[Bill Sections: 797 and 815]

10. RESPITE CARE GRANT

GPR	$400,000

Governor: Provide $200,000 annually to increase funding available for the respite care grant.

Currently, $350,000 GPR is available annually to fund the life-span respite care program operating under a contract between a nonprofit agency, Respite Care Association of Wisconsin (RCAW), and DHS. As part of the life-span respite care program, RCAW administers the Caregiver Respite Grant Program and the Supplemental Respite Grant Program, as well as a third grant program for recruitment, outreach, and education events. RCAW is also responsible for delivery of caregiver training, maintenance of the respite care provider registry, and other activities included in the contract with DHS.

11. ALZHEIMER'S DISEASE GRANT

GPR	$200,000

Governor: Provide $100,000 annually to increase funding for the Alzheimer's disease training and information grants.

Currently, DHS contracts with the Wisconsin Alzheimer's Institute at the University of Wisconsin to provide these services. All base funding for the Alzheimer's disease training and information grants, $131,400 annually, is currently used to support this award.

12. GUARDIANSHIP TRAINING

GPR	$127,000

Governor: Provide $63,500 annually to manage training modules for guardians.

As of January 1, 2023, 2021 Wisconsin Act 97 requires individuals nominated or seeking appointment as guardian of an estate to complete training on the duties and required responsibilities of a guardian under the law, limits of a guardian's decision-making authority, and inventory and accounting requirements. The Department has used one-time ARPA funding of $125,000 to contract with the University of Wisconsin (UW)-Green Bay to develop the training modules. DHS indicates that UW-Green Bay estimates an ongoing need for $63,500 annually to manage the modules and provide necessary updates, for which ARPA funding is not available.

Public Health

1. EMERGENCY MEDICAL SERVICES GRANTS

GPR	$150,000,000

Governor: Provide $150,000,000 in 2023-24 to fund grants to emergency medical services (EMS) providers. Create a continuing appropriation in the Division of Public Health for this purpose, so that any of this funding that is not expended in 2023-24 would remain available in future years until fully expended. Specify that grantees could use these funds to support reasonable operating expenses related to emergency medical services, including expenses related to supplies, equipment, training, staffing, and vehicles.

Currently, DHS is budgeted $2,200,000 GPR per year as grants to licensed, transporting EMS units in the state for similar purposes, the Funding Assistance Program. In 2022-23, the Administration supplemented state funding distributed under the program with $8.0 million FED from the State Fiscal Recovery Fund (SFRF) authorized under the American Rescue Plan Act (ARPA). In addition, the Administration allocated $32.0 million FED from the SFRF under a new grant program known as EMS Flex Grants. These grants supported a broader array of operations, supplies, equipment, and staffing costs related to EMS and emergency response than the services funded under the state program.

[Bill Sections: 399 and 2638]

2. PERSONAL PROTECTIVE EQUIPMENT STOCKPILE

GPR	$17,195,300

Governor: Provide $1,346,300 in 2023-24 and $15,849,000 in 2024-25 to maintain a state stockpile of personal protective equipment (PPE). Create a biennial appropriation in the Division of Public Health for this purpose. Authorize DHS to establish and maintain the stockpile and fund storage and warehousing costs.

Currently, DHS maintains a stockpile of medical supplies and equipment that includes personal protective equipment, cots, and other items that may be needed in an emergency. PPE in the medical stockpile includes surgical face masks, respirators, eye shield, gloves, and gowns. In the event of an emergency or supply chain interruption, items from the stockpile are available at no charge to hospitals, clinics and other healthcare providers that are not able to acquire necessary supplies through other means. During the COVID-19 pandemic, DHS received over one million pieces of PPE from the federal Strategic National Stockpile, and acquired millions of pieces of PPE from other sources using one-time federal funds provided in response to the COVID-19 pandemic.

The funding under this item reflects $1,346,300 per year for the rent, staffing, and operations of a warehouse and $14,502,700 in 2024-25 for the purchase of PPE. DHS estimates that that all items currently in the inventory will be used or will need to be replaced during the 2023-25 biennium. The proposed funding reflects the Administration's estimates of the cost of replenishing a stockpile sufficient to meet the state's needs for 60 days.

[Bill Sections: 400 and 2584]

3. LEAD POISONING INVESTIGATIONS

	Funding	Positions
GPR	$15,286,200	16.50

Governor: Provide $7,473,800 in 2023-24 and $7,812,400 in 2024-25 and 16.5 positions, beginning in 2023-24, for lead poisoning and exposure prevention and services grants and the Division of Public Health. Reduce statutory thresholds defining lead poisoning, lead exposure, and an elevated blood lead level to 3.5 micrograms of lead per 100 milliliters of blood (µg/dL) for the purposes of determining when lead hazard investigations of dwellings or premises are required.

Under current law, health departments conduct lead hazard investigations by searching for potential sources of lead that a child with lead poisoning may have been exposed to, collecting and analyzing samples, and reporting any identified hazards. Current law permits DHS, with the owner or occupant's permission, to conduct a lead hazard investigation when DHS receives a report that a child under age six living at or frequenting a property has a blood lead level above 5µg/dL, and requires DHS or its designee (typically a local health department) to conduct such an investigation when the child's blood lead level is above 20 µg/dL as confirmed by one venous blood test, or above 15µg/dL as confirmed by two venous blood tests that are performed at least 90 days apart. The bill would make the investigation mandatory in both cases, and lower the threshold to 3.5µg/dL, aligning it with the reference value used by the Centers for Disease Control and Prevention (CDC), which was lowered from 5µg/dL to 3.5µg/dL in 2021.

DHS estimates that these changes would increase the annual number of lead hazard investigations that public health agencies conduct from 170 to 1,545. The funding and positions in the bill reflect the following proposals.

First, $1,121,200 in 2023-24 and $1,383,400 in 2024-25 would fund 12.5 environmental health specialist positions in regional DPH offices across the state to support local and tribal health departments in meeting this increased demand for lead hazard investigations. These staff could provide assistance to health departments that have designated lead investigation staff, and conduct investigations on behalf of health departments that do not have sufficient staff to conduct these investigations.

Second, $349,200 in 2023-24 and $425,600 in 2024-25 would fund 4.0 positions, including an environmental health specialist and a public health nurse in DPH's childhood lead poisoning prevention program. This program currently oversees lead hazard investigations and outreach and prevention grants.

Third, $6,003,400 per year would increase grant funding for lead poisoning outreach and prevention activities from $944,700 to $6,948,100 annually. DHS currently provides these grants primarily to local and tribal public health departments.

A separate item, summarized under "Medical Assistance -- Eligibility and Benefits" would increase MA reimbursement rates for lead hazard investigations conducted on behalf of children enrolled in MA.

[Bill Sections: 2604 thru 2606]

4. MATERNAL AND INFANT MORTALITY PREVENTION PROGRAM

	Funding	Positions
GPR	$5,677,900	2.00

Governor: Provide $2,870,900 in 2023-24 and $2,807,000 in 2024-25 and 2.0 positions, beginning in 2023-24, to operate a grant program to prevent and respond to maternal, fetal, and infant mortality. Create an annual appropriation for this purpose. Require DHS to award grants as follows: (a) annually to organizations that seek to prevent maternal and infant mortality; (b) annually to fund the expansion of fetal and infant mortality review and maternal mortality review teams statewide; and (c) for grief and bereavement programming for those impacted by infant loss. Require DHS to provide technical assistance for organizations that seek to prevent infant mortality and for existing fetal and infant mortality review and child death review teams.

The Administration indicates that it would allocate the funding as follows: (a) $2,150,000 per year for maternal and infant mortality prevention grants; (b) $300,000 in 2023-24 and $200,000 in 2024-25 to expand fetal, infant, and maternal mortality review teams; (c) $200,000 per year for grief and bereavement programming; and (d) $100,000 per year for technical assistance.

The 2.0 positions, funded at $120,900 in 2023-24 and $157,000 in 2024-25, would expand the Department's maternal mortality review team by adding a prevention coordinator to use review data to inform maternal mortality prevention efforts and a maternal mortality family interviewer to expand the use family interviews in mortality reviews.

[Bill Sections: 402 and 2600]

5. NEWBORN SCREENING PROGRAM

GPR	$5,225,900

Governor: Provide $3,556,300 in 2023-24 and $1,669,600 in 2024-25 to increase funding for services provided under a program that screens newborns for congenital disorders. Create an annual GPR appropriation for this purpose.

Currently, the program funds costs of special dietary treatments, other treatments, follow-up counseling, and program evaluation and administration. These services are supported solely by program revenue from a fee assessed for each screening performed. The current fee for a collection card, established by rule, is $109. The fee revenue is divided between DHS and the University of Wisconsin (UW) State Laboratory of Hygiene, which analyzes the blood samples collected from newborns.

DHS indicates that, for at least the past six years, program costs have exceeded revenue collections, and program revenue balances have been used to fund the deficit. That balance has now been exhausted, and the program ended 2021-22 with an unsupported overdraft of $535,000. DHS forecasts that the program will end 2022-23 with a negative balance of $2,064,800. The proposed funding would provide this amount in 2023-24 to address the projected shortfall. The remaining $1,491,500 in 2023-24 and $1,669,600 in 2024-25 reflects the Department's estimate of the ongoing difference between projected program costs and fee revenue.

A separate item, summarized under "University of Wisconsin System," would provide GPR funding to support the UW State Laboratory of Hygiene's costs of analyzing tests.

[Bill Section: 401]

6. ELECTROCARDIOGRAM SCREENING FOR SCHOOL ATHLETICS PILOT

GPR	$4,172,000

Governor: Provide $4,172,000 in 2024-25 to create a pilot program to perform electrocardiogram (EKG) screenings for participants in middle and high school athletics. Require DHS to make grants to local public health departments to offer screenings in Milwaukee and Waukesha counties, and specify that the screenings be optional for athletes. The funding amount reflects the Administration's estimates that there are 40,000 student athletes in Milwaukee County and 15,600 in Waukesha County, and that the pilot program would screen each at an estimated cost of $75 per EKG.

[Bill Section: 9119(11)]

7. CHILD WELLNESS GRANT

GPR	$3,360,000

Governor: Provide $1,680,000 annually for DHS to award grants to free-standing pediatric teaching hospitals to fund programming related to parenting, education needs of and supports for chronically ill children, and case management for children with asthma.

Specify that a free-standing pediatric teaching hospital is eligible for a grant under this item only if Medical Assistance recipient inpatient days make up 45 percent or more of the total inpatient days at the hospital. While not specified in the bill, the only hospital that currently meets these criteria is Children's Hospital of Wisconsin in Milwaukee.

[Bill Section: 2603]

8. SPINAL CORD INJURY RESEARCH GRANTS

GPR	$3,000,000

Governor: Provide $1,500,000 annually to establish a program to award grants supporting research into new and innovative treatments and rehabilitative efforts for the functional improvement of people with spinal cord injuries, including pharmaceutical, medical device, brain stimulus, and rehabilitative approaches and techniques. Authorize DHS to hold symposia once every two years, and require grant recipients to agree to present their research findings. Require DHS to submit, by January 15 of each year, annual reports to the Legislature identifying the recipients of grants under the grant program and the purposes for which the grants were used.

Create a Spinal Cord Injury Council in DHS. Require the Council to develop criteria for DHS to evaluate and award grants under the grant program, review and make recommendations to the Department on applications submitted under the grant program, and perform other duties specified by the DHS. Require DHS to appoint to the Council the following members serving two-year terms ending on July 1 of even-numbered years:

- One member representing the University of Wisconsin School of Medicine and Public Health;
- One member who has a spinal cord injury;
- One member who is a veteran who has a spinal cord injury; and
- One member who is a researcher in the field of neurosurgery.

Specify that DHS must appoint to the Council the following members serving two-year terms ending on July 1 of odd-numbered years:

- One member representing the Medical College of Wisconsin;
- One member who is a family member of a person with a spinal cord injury;
- One member who is a physician specializing in the treatment of spinal cord injuries; and
- One member who is a researcher employed by the Veterans Health Administration of the U.S. Department of Veterans Affairs.

Specify that, if DHS is unable to appoint a member meeting one of the above conditions, the agency may appoint a member representing the general public instead. Specify that the initial appointees would serve until July 1 of 2025 or 2026, respectively, and that all appointees must disclose in a written statement to be included in the annual report to the Legislature any financial interest in any organization that the Council recommends to receive a grant under the grant program.

[Bill Sections: 70, 2624, and 9119(10)]

9. MIKE JOHNSON LIFE CARE HIV/AIDS SERVICES

GPR	$2,000,000

Governor: Provide $1,000,000 annually to increase, from $4,000,000 to $5,000,000, annual funding for HIV/AIDS-related services under the Mike Johnson Life Care and Early Intervention Services grant. The current statutory annual limit on grants under the program would need to be amended to meet the Governor's intent.

Under current law, DHS awards the Mike Johnson grant to an HIV/AIDS service organization to fund certain harm reduction services for people living with HIV. These services include early intervention services to connect people to medical care and other supports following an HIV diagnosis. The grant also supports needs assessments and ongoing case management for anyone living with HIV and their family and caregivers. Grant funds may be used to provide counseling, therapy, and homecare services and supplies, and to refer people to other services that support the health of those living with HIV, including medical care, housing assistance, food assistance, and legal and social services. 2021 Act 226 expanded the Mike Johnson program to allow grant funds to be used to provide certain preventative services as well, including testing and consultation to partners of people living with HIV and others at risk of infection so that they can receive recently-developed pre-exposure prophylactic drugs (PrEP).

10. STATE HEALTH CARE VALUE ANALYSIS GRANT

GPR	$1,800,000

Governor: Provide one-time funding of $900,000 in 2023-24 and 2024-25 for a grant for the analysis of health care claims data under the Medical Assistance program and state employee health insurance to identify low-value care. "Low-value care" includes services that provide little or no benefit to patients, have the potential to cause harm, incur unnecessary costs to patients, or waste limited health care resources. Require the grant recipient to report their findings and any recommendations for providing effective and efficient care to DHS and the Department of Employee Trust Funds, and require these agencies to distribute these findings to health care providers, health maintenance organizations, and insurers providing state employee insurance plans.

[Bill Section: 9119(7)]

11. STOCKING AMBULANCES WITH EPINEPHRINE

GPR	$1,440,000

Governor: Provide $720,000 annually for DHS to reimburse public or nonprofit ambulance service providers for the cost of acquiring epinephrine, including epinephrine auto-injectors such as EpiPens. Epinephrine is used for emergency treatment of severe allergic reactions, known as anaphylaxis, to insect bites or stings, medicine, foods, or other substances.

Require DHS to reimburse public and nonprofit ambulance service providers for a set of two epinephrine auto-injectors or injection kits for each ambulance they operate, and reimburse for replacement auto-injectors or kits as requested. Specify that ambulance service providers may choose between auto-injectors or draw-up epinephrine kits, but specify that each ambulance must be staffed with an emergency medical services professional qualified to administer the product provided for that ambulance.

For these purposes, define the following: (a) "ambulance service provider" as an ambulance service provider that is a public agency, volunteer fire department, or nonprofit corporation; (b) "draw-up epinephrine" means epinephrine that is administered intramuscularly using a needle and syringe and drawn up from a vial or ampule; (c) "draw up epinephrine kit" as a single use vial or ampule of draw up epinephrine and a syringe for administration to the patient; and (d) "epinephrine auto-injector" as a device for the automatic injection of epinephrine into the human body.

[Bill Section: 2631]

12. NATIVE AMERICAN QUITLINE FOR TOBACCO AND VAPING

GPR	$1,005,000

Governor: Provide $335,000 in 2023-24 and $670,000 in 2024-25 to support tobacco and vaping cessation services that are responsive and tailored to Native American cultures. The funding would increase support for the American Indian Quit Line program, a dedicated hotline that provides coaching and referrals and the free cessation aids, such as nicotine patches.

In the 2021-23 biennium, DHS is budgeted $5,315,000 GPR per year to provide tobacco and vaping prevention and control programs, services, and interventions. These activities are also supported by federal grant funding from the Centers for Disease Control and Prevention (CDC). The program includes the operation of a statewide quit line as well as the quit line tailored to Native American cultures. DHS indicates that the American Indian Quit Line is funded solely from a CDC grant, receiving $122,000 annually. This provision would increase GPR funding for the tobacco and vaping prevention and control program to $5,650,000 in 2023-24 and $5,985,000 in 2024-25 to provide GPR funding to support the American Indian Quit Line.

The proposed funding reflects the Department's intent to expend $200,000 in 2023-24 and $400,000 in 2024-25 for marketing to increase awareness and promote use of the quit line, $75,000 in 2023-24 and $150,000 in 2024-25 for program operations as utilization increases, and $60,000 in 2023-24 and $120,000 in 2024-25 for grants to tribes and bands to conduct outreach.

13. UPSTREAM PREVENTIVE HEALTHCARE AND RESILIENCE

GPR	$1,000,000

Governor: Provide $500,000 annually to fund interventions to respond to adverse childhood experiences, trauma, and toxic stress and to build resilience, with a goal of preventing substance use disorders and other adverse health outcomes.

Currently, DHS operates the Resilient Wisconsin program to provide these upstream preventive services using grant funding from the Centers for Disease Control and Prevention (CDC) related to drug overdose prevention. Among other interventions, the program conducts outreach and provides information on supportive resources for people with mental health challenges, people experiencing trauma, first responders, people at risk of substance abuse, other at-risk groups, and their parents and caregivers.

The current CDC funding that supports the Resilient Wisconsin program expires in August, 2023. DHS anticipates that the CDC will issue new grants to continue to support drug overdose prevention, but indicates that the Resilient Wisconsin program may not align with the focus of this renewed funding. DHS indicates that new grant funding focused on opioid overdose prevention could support activities such as Narcan and fentanyl strip distribution or programs for EMS and law enforcement to leave safety supplies following an encounter.

14. SUICIDE PREVENTION GRANT PROGRAM

GPR	$1,000,000

Governor: Provide $500,000 annually to create a suicide prevention grant program. Modify a current local assistance appropriation to include this purpose, and specify that DHS may distribute up to $500,000 annually in grants for suicide prevention activities.

Require DHS to implement a statewide suicide prevention program that creates public awareness for issues related to suicide prevention, builds community networks, and conducts training programs on suicide prevention for law enforcement personnel, health care providers, school employees, and other persons who have contact with persons at risk of suicide.

As part of the program, require DHS to do all of the following:

(a) Coordinate suicide prevention activities with other state agencies;

(b) Provide educational activities to the general public relating to suicide prevention;

(c) Provide training to people who routinely interact with people at risk of suicide, including training on recognizing people at risk of suicide and referring those people for appropriate treatment or support services;

(d) Develop and carry out public awareness and media campaigns in each county directed at groups of people who are at higher risk of suicide;

(e) Enhance crisis services relating to suicide prevention;

(f) Link people trained in the assessment of and intervention in suicide with schools, public community centers, nursing homes, and other facilities serving persons most at risk of suicide;

(g) Coordinate the establishment of local advisory groups in each county to support the efforts of the suicide prevention program;

(h) Work with groups advocating suicide prevention, community coalitions, managers of existing crisis hotlines that are nationally accredited or certified, and staff members of mental health agencies in this state to identify and address the barriers that interfere with providing services to groups of people who are at higher risk of suicide;

(i) Develop and maintain a website with links to appropriate resource documents, suicide hotlines that are nationally accredited or certified, credentialed professional personnel, state and local mental health agencies, and appropriate national organizations;

(j) Review current research on data collection for factors related to suicide and develops recommendations for improved systems of surveillance for suicide and uniform collection of data related to suicide;

(k) Develop and submit proposals for funding from federal government agencies and nongovernmental organizations; and

(l) Administer grant programs involving suicide prevention.

Grants Relating to Firearms. As part of this grant program, require DHS to distribute up to $75,000 from the $500,000 annual total for grants to organizations, coalitions, local governments, or Native American tribes or bands to provide training for staff at firearm retailers or ranges in recognizing a person that may be considering suicide, to distribute suicide prevention materials at firearm retailers or ranges, or to provide voluntary, temporary firearm storage. Require grant recipients to contribute matching funds or in-kind services with a value equal to at least 20% of the grant. Limit the amount of any of these grants to $5,000, and prohibit DHS from awarding any of these grants for a duration of more than one year, and from automatically renewing such a grant. Specify that this provision may not be construed to prevent an organization, or coalition of organizations, from re-applying for a grant in consecutive years. Direct DHS to give preference to organizations or coalitions of organizations that have not previously received such grants.

[Bill Sections: 398 and 2623]

15. SUICIDE PREVENTION COORDINATOR

	Funding	Positions
GPR	$154,100	1.00

Governor: Provide $66,800 in 2023-24 and $87,300 in 2024-25 and 1.0 position, beginning in 2023-24, for the Injury and Violence Prevention Program. The program conducts statewide surveillance of injuries and violence, provides education, promotes interventions to reduce injuries and violence, and works with local and tribal public health departments to implement related programs. DHS would use this position to create a suicide and self-harm prevention coordinator within the program. The coordinator would create new partnerships to support suicide and self-harm prevention efforts, organize current programs, provide training and technical assistance, and develop a communications plan, among other duties.

16. GRANTS TO FREE AND CHARITABLE CLINICS

GPR	$1,000,000

Governor: Provide $500,000 annually to increase, from $1,500,000 to $2,000,000, annual funding for grants DHS distributes to free and charitable clinics. Modify the statutory requirement to distribute these grants to reflect the increased amount.

Currently, DHS distributes grants to free and charitable clinics that meet certain statutory qualifications, including operating as a nonprofit and providing medical or dental care, or prescription drugs, to people who are uninsured, underinsured, or have limited or no access to primary, specialty, or prescription care. Federally qualified health centers (FQHCs) are ineligible to receive these grants, but receive state support under a separate grant program.

[Bill Section: 2580]

17. AMYOTRPHIC LATERAL SCLEROSIS (ALS) SUPPORTS

GPR	$500,000

Governor: Provide $250,000 annually as a grant to an organization that supports and provides services for people with ALS and their families, including respite care and financial assistance with costs of care not covered by insurance. Modify statutes to require DHS to distribute a grant in this amount for this purpose each fiscal year.

ALS, also known as Lou Gehrig's disease, is a disease that affects the brain and spinal cord, causing progressive loss of muscle control and eventual death. Respite care refers to temporary care for someone with ALS to allow their usual caregiver, often a spouse or family member, time to attend to other obligations and their own needs.

[Bill Section: 805]

18. CERTIFICATION OF EMERGENCY MEDICAL RESPONDERS AND STATE EMS DATA SYSTEMS

	Funding	Positions
GPR	$505,000	2.00

Governor: Provide $233,600 in 2023-24 and $271,400 in 2024-25, and 2.0 positions, beginning in 2023-24, to manage and improve emergency medical services (EMS) data systems and to begin certifying applicants as emergency medical responders (EMRs) under broader eligibility criteria that do not require passage of the EMR examination developed by the National Registry of Emergency Medical Technicians (NREMT).

Current law requires applicants for EMR certification to complete a DHS-approved EMR training course that meets standards established by the National Highway Traffic Safety Administration (NHTSA), unless the applicant has military experience that DHS determines to be substantially equivalent. Current administrative rules require applicants to pass the NREMT examination in addition to completing a DHS-approved EMR training course.

Authorize DHS, in consultation with the state EMS Board, to promulgate rules establishing standards for EMR training courses. Modify statutes to require DHS to certify individuals as EMRs who complete any DHS-certified training program for EMRs without any additional training or examination requirements, including the NREMT examination. Additionally, allow passage of the NREMT examination to waive the training requirement. Specify that no EMR may take the place of EMS personnel with a higher level of certification on an ambulance crew, as generally permitted in rural jurisdictions with no municipality with a population greater than 20,000, unless that EMR has passed the NREMT examination. Specify that these statutory changes, other than the DHS rule-making authority, would take effect July 1, 2024.

The positions that would be provided under this item are intended to fund 1.0 health services manager to implement the modified EMR training, examination, and certification standards and procedures ($66,800 in 2023-24 and $87,300 in 2024-25) and 1.0 data analyst to manage EMS licensing, monitoring, and reporting systems and data ($71,800 in 2023-24 and $94,100 in 2024-25). In addition to work on the EMS professional licensing system, the data analyst would manage the Wisconsin Ambulance Run Data System (WARDS) and make modifications to integrate it with updates to the National EMS Information System, and improve the quality and accessibility of other EMS data.

The remaining funding consists of $20,000 annually to maintain the licensing and WARDS systems, and one-time funding of $75,000 in 2023-24 and $70,000 in 2024-25 to make upgrades to the licensing and WARDS systems related to the EMR certification changes and to evaluate the EMR scope of practice.

[Bill Sections: 2625 thru 2630 and 9419(2)]

19. AMBULANCE INSPECTION PROGRAM

	Funding	Positions
GPR	$152,800	1.00

Governor: Provide $65,500 in 2023-24 and $87,300 in 2024-25 and 1.0 position, beginning in 2023-24, to perform inspections of medical equipment on ambulances. Currently, the Department of Transportation (DOT) conducts vehicle safety inspections of ambulances as well as inspections of medical equipment such as stretchers, suction aspirators, and oxygen equipment. However, under recent changes to DOT administrative rules, DOT will cease inspections of medical equipment on July 15, 2023, with the intent to transfer this responsibility to DHS. DHS currently provides other oversight of emergency medical services (EMS) programs, including approving operational plans and licensing EMS professionals.

Additionally, make statutory changes to delete the requirement that DOT inspect ambulance medical equipment, require DHS to do so prior to DOT issuing or renewing an ambulance's registration, and authorize DHS to establish administrative rules relating to the inspections.

[Bill Sections: 2728 thru 2730]

20. PFAS OUTREACH AND AWARENESS

GPR	$200,000

Governor: Provide $100,000 annually for the Division of Public Health to distribute as grants to increase awareness and conduct outreach related to per- and polyfluoroalkyl substances (PFAS). These substances have potential negative health impacts and can contaminate soil and drinking water and become biologically concentrated in fish and other wildlife. PFAS were used in firefighting foams and as protective coatings in many consumer products.

21. BUREAU OF COMMUNICABLE DISEASES POSITION CONVERSION

	Funding	Positions
GPR	$170,800	1.00
FED	- 170,800	- 1.00
Total	$0	0.00

Governor: Provide $73,900 GPR in 2023-24 and $96,900 GPR in 2024-25 and reduce FED funding by identical amounts to convert 1.0 FED current epidemiologist position in the Division of Public Health from FED to GPR, beginning in 2023-24. The position is in the Bureau of Communicable Diseases, which is responsible for the prevention, surveillance, and control of communicable diseases and provides education, outreach and assistance to local and tribal health departments, health care providers, and the general public. The Bureau comprises 133.0 positions (3.55 GPR, 127.95 FED, and 1.50 PR) in the base. Many of the federal positions are supported by one-time funding the state received to respond to the COVID-19 pandemic, and many would be removed under the standard budget adjustments.

Behavioral Health

1. CRISIS URGENT CARE AND OBSERVATION FACILITIES

	Funding	Positions
GPR	$10,103,200	1.00

Governor: Provide $64,700 in 2023-24 and $10,038,500 in 2024-25 and 1.0 position, beginning in 2023-24, for making grants for crisis urgent care and observation facilities and for the administration of the grant program. Create an annual GPR appropriation for the grant program and require DHS to award grants to individuals and entities to develop and support crisis urgent care and observation facilities.

Specify that a crisis urgent care and observation facility shall do all of the following: (a) accept referrals for crisis services for both youths and adults, including involuntary patients under emergency detention, voluntary patients, walk-ins, and individuals brought by law enforcement, emergency medical responders, and other emergency medical services practitioners; (b) abstain from having a requirement for medical clearance before admission assessment; (c) provide assessments for physical health, substance use disorder, and mental health; (d) provide screens for suicide and violence risk; (e) provide medication management and therapeutic counseling; (f) provide coordination of services for basic needs; (g) have adequate staffing 24 hours a day, seven days a week, with a multidisciplinary team including, as needed, psychiatrists or psychiatric nurse practitioners, nurses, licensed clinicians capable of completing assessments and providing necessary treatment, peers with lived experience, and other appropriate staff; and (h) allow for voluntary and involuntary treatment of individuals in crisis as a means to avoid unnecessary placement of those individuals in hospital inpatient beds and allow for an effective conversion to voluntary stabilization when warranted in the same setting.

Specify that a crisis urgent care and observation facility may accept individuals for emergency detention under Chapter 51 of the statutes if the facility agrees to accept the individual, but specify that a county crisis assessment is required prior to acceptance of an individual for purposes of emergency detention at a crisis urgent care and observation facility. Specify that medical clearance is not required before admission, but that the facility must provide necessary medical services on site.

Specify that a crisis urgent care and observation facility may accept individuals for voluntary stabilization, observation, and treatment, including for assessments for mental health or substance use disorder, screening for suicide and violence risk, and medication management and therapeutic counseling.

Specify that no person may operate a crisis urgent care and observation facility without a certification for such a facility issued by the Department. Require the Department to establish a certification process for crisis urgent care and observation facilities, and specify that the Department may establish, by rule, criteria for the certification of such a facility. Specify that the Department may limit the number of certifications it grants to operate crisis urgent care and observation facilities. Require DHS to establish, by rule, a process for crisis urgent care and observation facilities to apply for provider certification under the Medical Assistance program.

Specify that a crisis urgent care and observation facility is not considered a hospital under statutory provisions pertaining to hospital regulation and specify that a crisis urgent care and observation facility is not subject to facility regulation applicable to hospitals, unless otherwise required due to the facility's licensure or certification for other services or purposes.

Specify that services provided by a crisis urgent care and observation facility that is certified by the Department are considered crisis intervention services for the purposes of eligibility for reimbursement under the Medical Assistance program. Require DHS to request any necessary federal approval required to provide reimbursement to crisis urgent care and observation facilities for crisis intervention services. Require DHS to provide reimbursement for such services if federal approval is granted or no federal approval is required. Specify that if federal approval is necessary but is not granted, the Department may not provide reimbursement for crisis intervention services provided by crisis urgent care and observation facilities.

For these purposes, define "crisis" as a situation caused by an individual's apparent mental or substance use disorder that results in a high level of stress or anxiety for the individual, persons providing care for the individual, or the public and that is not resolved by the available coping methods of the individual or by the efforts of those providing ordinary care or support for the individual. Define "crisis urgent care and observation facility" as a treatment facility that admits an individual to prevent, de-escalate, or treat the individual's mental health or substance use disorder and includes the necessary structure and staff to support the individual's needs relating to the mental health or substance use disorder.

Authorize the Department to promulgate rules to implement provisions related to crisis urgent care and observation facilities, including requirements for admitting and holding individuals for the purposes of emergency detention. Authorize the Department to promulgate an emergency rule that may remain in effect for not more than 24 months, without meeting prerequisites that otherwise apply to emergency rulemaking authority.

The funding provided under this item reflects the Administration's estimate of the cost to support two 16-bed crisis urgent care centers.

[Bill Sections: 416, 1099 thru 1103, and 1144]

2. SUICIDE AND CRISIS LIFELINE GRANTS

GPR	$3,004,400

Governor: Provide $898,700 in 2023-24 and $2,105,700 in 2024-25 in a new appropriation for suicide and crisis lifeline grants. Require the Department to award grants to organizations that provide crisis intervention services and crisis care coordination to individuals who contact the national crisis hotline from anywhere in the state. Specify that the national crisis hotline refers to the 988 telephone or text access number, or its successor.

Currently, the Department contracts with Family Services of Northeast Wisconsin to operate the state's 988 suicide and crisis lifeline, which accepts calls, texts, and chats from Wisconsin residents who are experiencing crisis or are having suicidal thoughts. The lifeline operates 24 hours a day, seven days a week and is staffed by mental health professionals and trained volunteers to help callers manage crisis episodes and connect them with local, follow-up services as needed. Wisconsin's 988 lifeline is a member organization of the national 988 suicide and crisis lifeline. The Department allocates $2,000,000 annually from the state's federal mental health block grant funds to support this service. In addition, the state has received one-time grants for 988 implementation. This item would provide the difference between the federal grant funds and the Administration's estimate of the full cost of supporting the service in the 2023-25 biennium.

[Bill Sections: 415 and 812]

3. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY CERTIFICATION AND GRANT PROGRAM

GPR	$1,790,000

Governor: Provide $1,790,000 in 2024-25 in the Department's grants for community programs appropriation, and authorize DHS to distribute not more than that amount annually to support psychiatric residential treatment facilities.

Define a psychiatric residential treatment facility (PRTF) as a non-hospital facility that provides inpatient comprehensive mental health treatment services to individuals under the age of 21 who, due to mental illness, substance use, or severe emotional disturbance, need treatment that can most effectively be provided in a residential treatment facility. Specify that no person may operate a PRTF without a certification from the Department. Specify that a PRTF that is certified by the Department is not subject to facility regulations currently applicable to children's facilities licensed by the Department of Children and Families, such as foster homes, group homes, and child care centers. Specify that the Department may limit the number of certifications it grants to operate a PRTF.

Specify that services provided by a PRTF that is certified by the Department are eligible for reimbursement under the Medical Assistance program. Require DHS to submit to the federal

Department of Health and Human Services any request for a state plan amendment, waiver, or other federal approval necessary to provide reimbursement under the program. Require DHS to provide reimbursement for such services if federal approval is granted or if no federal approval is required. Specify that if federal approval is not granted, the Department may not provide reimbursement for services provided by PRTFs.

Authorize the Department to promulgate rules to implement provisions related to PRTFs. Authorize the Department to promulgate an emergency rule implementing these provisions, including the development of a new provider type and a reimbursement model for PRTFs under MA, without meeting prerequisites that otherwise apply to emergency rulemaking authority. Specify that any such emergency rules would remain in effect until July 1, 2025, or the date that permanent rules take effect, whichever is sooner.

The Administration indicates that the creation of a psychiatric residential treatment facility type is intended to provide a treatment option for youths with complex needs in out-of-home care who are currently placed in out-of-state facilities. These facilities are expected to bill MA to support most of their operational costs. However, this item would provide funding for "bed hold" grants to help support the facility's costs, with the expectation that it would not always be fully occupied with MA-eligible youth.

[Bill Sections: 804, 1111, 1115, 1146, and 9119(6)]

4. MENTAL HEALTH CONSULTATION PROGRAM

GPR	$4,000,000

Governor: Provide $2,000,000 annually to expand consultation services the Medical College of Wisconsin provides to assist primary care physicians and clinics in providing care to their patients by creating a mental health consultation program and retaining a separate consultation program for addiction medicine.

Mental Health Consultation Program. Provide a total of $4,000,000 GPR annually to fund a mental health consultation program by: (a) reallocating $2,000,000 of $2,500,000 in base funding budgeted for the child psychiatry and addiction medicine consultation program; and (b) providing an additional $2,000,000 annually to support the new program.

Require DHS to contract with the organization that provided consultation services through the child psychiatry consultation program, as of January 1, 2023 (the Medical College of Wisconsin) to administer the mental health consultation program and specify that in subsequent fiscal years the Department must contract with that organization or another organization to administer the mental health consultation program. Specify that the contracting organization must administer a mental health consultation program that incorporates a comprehensive set of mental health consultation services, which may include perinatal, child, adult, geriatric, pain, veteran, and general mental health consultation services. Specify that the organization may contract with any other entity to perform any operations and satisfy any requirements under the program. Specify that consultation through the program may be provided by teleconference, video conference, voice over Internet protocol, email, pager, in-person conference, or any other telecommunication or electronic means.

In addition, require the contracting organization to do all of the following:

- Ensure that all mental health care providers who are providing services through the program have the applicable credential from the state, and that any psychiatric professional providing consultation services is eligible for certification or is certified by the American Board of Psychiatry and Neurology for adult psychiatry, child and adolescent psychiatry, or both, and that any psychologist providing consultation services is registered in a professional organization, including the American Psychological Association, National Register of Health Service Psychologists, Association for Psychological Science, or the National Alliance of Professional Psychology Providers;

- Maintain the infrastructure necessary to provide the program's services statewide;

- Operate the program on weekdays during normal business hours of 8 a.m. to 5 p.m.;

- Provide consultation services under the program as promptly as is practicable;

- Have the capability to provide consultation services by, at a minimum, telephone and email;

- Provide all of the following services through the program: (i) support for participating clinicians to assist in the management of mental health concerns; (ii) triage-level assessments to determine the most appropriate response to each request, including appropriate referrals to any community providers and health systems; (iii) when medically appropriate, diagnostics and therapeutic feedback; and (iv) recruitment of other clinicians into the program as participating clinicians when possible;

- Report to DHS any information requested by the Department; and

- Conduct annual surveys of participating clinicians who use the program to assess the quality of care provided, self-perceived levels of confidence in providing mental health services, and satisfaction with the consultations and other services provided through the program.

Specify that immediately after participating clinicians begin using the program and again six to 12 months later, the contracting organization may conduct assessments of participating clinicians to assess the barriers to and benefits of participation in the program to make future improvements and to determine the participating clinicians' treatment abilities, confidence, and awareness of relevant resources before and after beginning to use the program.

Specify that, in addition to the consultation services, the contracting organization may provide any of the following services eligible for funding from the Department: (a) second opinion diagnostic and medication management evaluations and community resource referrals conducted by either a psychiatrist or allied health professionals; (b) in-person or web-based educational seminars and refresher courses on a medically appropriate topic within mental or behavioral health care provided to any participating clinician who uses the program; and (c) data evaluation and assessment of the program.

Define "participating clinicians," for the purposes of the program, to include physicians, nurse practitioners, physician assistants, and medically appropriate members of the care teams of physicians, nurse practitioners, and physician assistants.

Repeal provisions enacted as part of 2019 Act 9 that direct DHS to develop a comprehensive mental health consultation program.

Child Psychiatry and Addiction Medicine Consultation Program. Repeal all provisions relating to the child psychiatry consultation program to reflect the availability of these services under the new mental health consultation program. Retitle the appropriation and purpose for this program to reflect the creation of the mental health consultation program. However, retain provisions relating to the addiction medicine consultation program, and create a biennial appropriation, budgeted at $500,000 GPR annually, to continue to support the addiction medicine consultation program.

[Bill Sections: 411, 412, 418, and 1149 thru 1151]

5. DEAF, HARD OF HEARING, AND DEAF-BLIND BEHAVIORAL TREATMENT PROGRAM

GPR	$1,936,000

Governor: Provide $1,936,000 in 2024-25 in the Department's appropriation for grants for community programs, to provide behavioral health treatment services for individuals who are deaf, hard of hearing, or deaf-blind. Authorize DHS to distribute not more than that amount in each fiscal year, beginning in 2024-25, to a statewide provider of these services. The Administration indicates that the funding would be used for services provided by healthcare providers that are fluent in American Sign Language. The funding is based on estimated cost of supporting eight personnel for providing and coordinating services, including salary, fringe benefits, supplies and services, and accommodations.

[Bill Section: 799]

6. YOUTH CRISIS STABILIZATION FACILITY GRANTS

GPR	$1,992,800
PR	- 1,992,800
Total	$0

Governor: Provide $996,400 GPR annually and reduce PR funding by corresponding amounts to fund youth crisis stabilization grants with GPR, rather than program revenue received by the state mental health institutes. Create an annual GPR appropriation for that purpose, and require DHS to make youth stabilization grants from this appropriation.

The Department currently makes grants to support two youth crisis stabilization facilities, which provide short-term residential stabilization for youth age 17 or younger who are experiencing a mental health crisis. (The two facilities are located in Marathon County and Milwaukee County.) The 2017-19 budget act established the grant program, and funded it with annual PR transfers to the Department's "center" program revenue appropriation. The "center" appropriation authorizes DHS to transfer and expend any amount of funding from the DHS PR appropriation that supports DHS facilities operations to "make payments to an organization that establishes a center that provides services." Currently, the grants are funded from PR the mental health institutes receive from charges to counties for the admission of their residents under emergency detention or civil commitment procedures. The Administration indicates that, while there had been surplus revenue in that appropriation to support the cost of the youth crisis stabilization facility grants when the program was created, there is no longer an account balance sufficient to continue funding the grants. Under this item, the grants would instead be funded through a new GPR appropriation.

[Bill Sections: 414 and 1145]

7. PEER-RUN RESPITE CENTER FUNDING

GPR	$900,000
PR	- 900,000
Total	$0

Governor: Provide $450,000 GPR annually and reduce PR funding by corresponding amounts to fund a peer-run respite center grant for veterans with GPR, rather than program revenue received by the state mental health institutes. Modify statutory provisions related to peer-run respite center grants to specify that all such grants would be made from the community programs appropriation and to eliminate the $1,200,000 statutory annual limit on grants, to reflect that the Department would make the grant to the veterans peer-run respite center from that appropriation, along with the current grants made to the other peer-run respite centers.

Peer-run respite centers provide short-term residential stays for persons experiencing mental health or substance abuse issues, staffed by persons have had experience living with those conditions. DHS currently provides grants of approximately $450,000 each to support four peer-run respite centers, one of which is a grant to Mental Health of America to operate a peer-run respite center for veterans in the Milwaukee area.

The 2017-19 budget established the grant for the peer-run respite center for veterans, and funded it with annual PR transfers to the Department's "center" program revenue appropriation. The "center" appropriation authorizes DHS to transfer and expend any amount of funding from the DHS PR appropriation that supports DHS facilities operations to "make payments to an organization that establishes a center that provides services." Currently, the grant is funded from revenue the mental health institutes receive from charges to counties for the admission of their residents under emergency detention or civil commitment procedures. The Administration indicates that, while there had been surplus revenue in that appropriation to support the cost of the veterans peer-run respite facility grant when the program was created, there is no longer an account balance sufficient to continue funding that grant. Under this item, the grant for the veterans peer-run respite center would be made from the same GPR appropriation that is used to support the grants for the other three peer-run respite centers.

[Bill Section: 801]

8. PEER RECOVERY CENTER GRANTS

GPR	$520,000

Governor: Provide $260,000 annually in the Department's grants for community programs appropriation and specify that DHS may make grants of not more than that amount for regional peer recovery centers for individuals experiencing mental health and substance abuse issues. A peer recovery center is a place where adults who have experienced mental health or substance use issues may meet with others who have had similar experiences to help sustain their recovery. The Administration indicates that the grant funds would be used to support existing peer recovery centers that have received grants from the Department using federal block grant funds, as well as to support two other peer recovery centers in other parts of the state. In 2021, DHS awarded $30,000 grants for 11 peer recovery centers using federal mental health and substance abuse block grant funds.

[Bill Section: 806]

9. OPIOID ANTAGONIST PROGRAM

GPR	$4,000,000

Governor: Provide $2,000,000 annually in the Department's community grants appropriation and direct DHS to annually award up to that amount to entities for the purchase of opioid antagonists. An opioid antagonist binds to opioid receptors in the brain to compete for or displace opioid agonists, potentially reversing the effect of an opioid overdose. Naracan is the brand name for an injectable and nasal spray delivery formulation of naltrexone, an opioid antagonist approved by the Federal Drug Administration to prevent death or injury from opioid overdose. The Department has established the Narcan Direct program, funded with federal opioid response funds as well as opioid distributor settlement funds, to make the drug available to various community entities in an effort to reduce overdose deaths. This item would establish an ongoing GPR funding source for the purchase of Narcan.

[Bill Section: 802]

10. STIMULANT PREVENTION AND TREATMENT RESPONSE PROGRAMS

GPR	$3,288,000

Governor: Provide $1,644,000 annually in the Department's community grants appropriation and authorize DHS to annually distribute not more than that amount to support stimulant use prevention and treatment programs and services. Stimulant drugs that are most commonly abused include methamphetamine and cocaine. The Administration indicates that the funds would be used to support treatment services in counties with high needs and to support stimulant abuse prevention training programs.

[Bill Section: 803]

11. QUALIFIED TREATMENT TRAINEE GRANTS

GPR	$1,576,600

Governor: Provide $1,576,600 in 2024-25 for qualified treatment trainee (QTT) grants. A QTT is a person who has earned or is working toward a graduate degree in one of several mental health fields, such as psychology, social work, marriage and family therapy, or nursing, but who has not yet completed supervised practice requirements necessary for professional licensure. DHS makes grants to mental health and substance abuse providers to help support the employment of

QTTs during their period of supervised practice. The base funding for making grants is $750,000 GPR, but in 2022 Department allocated $7,600,000 in ARPA funds for additional QTT grants, to be distributed over a 29-month period that ends in December 2024. With this supplemental funding, the Department is currently providing a total of $3,153,100 on an annualized basis for QTT grants. This item would increase GPR funding for QTT grants in 2024-25, bringing the GPR total to $2,326,600. This increase would provide sufficient state funding to replace the expiring federal funding in the final six months of that fiscal year. To continue this level of support with GPR, an additional increase of $826,500 would be needed in 2025-26.

12. HEALTH CARE AND PUBLIC HEALTH WORKFORCE MENTAL HEALTH PILOT PROGRAM

GPR	$621,000

Governor: Provide $621,000 in 2023-24 in the Department's grants for community programs appropriation and require DHS to distribute that amount in 2024-25 to support a pilot project in Dane County relating to the impact of the COVID-19 pandemic on the health care workforce.

[Bill Section: 9119(12)]

13. OPENING AVENUES TO REENTRY SUCCESS

	Funding	Positions
GPR	$384,200	2.00

Governor: Provide $167,500 in 2023-24 and $216,700 in 2024-25 and 2.0 positions, beginning in 2023-24, to support administrative functions associated with an expansion of the opening avenues to reentry success program (OARS). OARS is administered jointly by DHS and the Department of Corrections (DOC) to provide behavioral health services to persons who are released from prison with identified mental health needs and who are assessed to have a moderate to high risk of reoffending. A separate item, summarized under Corrections--Community Corrections, would provide $3,449,600 GPR in 2023-24 and $5,346,900 GPR in 2024-25 to allow the program to enroll additional individuals and to provide state funding to replace a portion of the funding that is currently provided by a federal grant, which will expire in 2023-24.

This item would provide two positions in DHS to perform the administrative functions of the program, including oversight of the contracts with the providers who render services to clients.

14. SERVICE DOGS TRAINING GRANT

GPR	$250,000

Governor: Provide $125,000 annually in a new, annual appropriation for grants for service dog training, and require DHS to award grants to organizations that train service dogs to assist providers in attaining accreditation specific to post-traumatic stress disorder training from Assistance Dog International. Require DHS to promulgate rules to establish a process and criteria for organizations to apply for these grants.

[Bill Sections: 417 and 795]

15. SCHOOL-BASED MENTAL HEALTH CONSULTATION PILOT PROGRAM

GPR	- $350,000

Governor: Delete the appropriation and associated program language for the school-based mental health consultation pilot program, and reduce funding by $175,000 annually to eliminate base funding for the program. The school-based mental health consultation program was created by 2019 Act 117 to provide consultation services to school personnel in Outagamie County. The Department contracted with the Medical College of Wisconsin to provide consultation services under the program. The Administration indicates that the program should be eliminated to reflect the conclusion of the pilot program.

[Bill Sections: 413 and 1152]

16. OFFICE OF CHILDREN'S MENTAL HEALTH

	Funding	Positions
GPR	$142,300	1.00

Governor: Provide $63,800 in 2023-24 and $78,500 in 2024-25 and 1.0 position, beginning in 2023-24, for the Wisconsin Office of Children's Mental Health. The Administration indicates that the position, which would be a program and policy analyst-advanced, would support carrying out the duties of the Office. The Office of Children's Mental Health is charged with improving integration across state agencies that provide mental health services to children and monitoring the performance of state programs that provide these services. The Office is independent of DHS, but is attached to the Department for administrative purposes. It currently has 4.0 positions and a base budget of $572,500 GPR.

17. SUBSTANCE USE DISORDER TREATMENT PLATFORM

GPR	$60,000

Governor: Provide $30,000 annually for the cost to maintain a substance use disorder treatment platform, which is an online resource listing available treatment providers, including information on the type of services each provider offers and their location. The Joint Committee on Finance approved one-time funding of $300,000 GPR, under s. 13.10 of the statutes, for the development of the platform in February of 2022. The Department contracted with a vendor, which is developing the platform. This item would provide ongoing funding for the continuing maintenance of the platform.

18. MARIJUANA REVENUE -- PAYMENTS FOR COUNTY BEHAVIORAL HEALTH SERVICES

SEG	$44,400,000

Governor: Create a segregated appropriation, supported by the community reinvestment fund, that would authorize DHS to expend all moneys received from the fund to provide grants to counties to support mental health and substance use disorder services. Estimate that DHS would expend $44,400,000 from the appropriation in 2024-25. Require DHS to promulgate administrative rules establishing the grants.

Establish the community reinvestment fund, a segregated trust fund consisting of all moneys the state receives from a proposed 15% wholesale excise tax and a proposed 10% retail excise tax on marijuana sales, and all interest earnings of fund revenues and penalties associated with the taxation provisions.

Separate items relating to the legalization of marijuana, the establishment of the marijuana taxes, and the regulation of various aspects of marijuana cultivation and sale are summarized under "Marijuana-Related Provisions," "Revenue--General Fund Taxes," and "Agriculture and Consumer Protection--Regulatory Programs," respectively.

[Bill Sections: 419, 598, and 2581]

Care and Treatment Facilities

1. NONFOOD SUPPLIES AND SERVICES

GPR	$40,025,600
PR	93,294,200
Total	$133,319,800

Governor: Provide $62,089,200 ($17,500,400 GPR and $44,588,800 PR) in 2023-24 and $71,230,600 ($22,525,200 GPR and $48,705,400 PR) in 2024-25 to fund projected increases in nonfood supplies and services costs for the Department's care and treatment facilities. Base funding for nonfood supplies and services for the Department's facilities is $59,134,500 ($32,025,000 GPR and $27,109,500 PR).

Nonfood supplies and services includes medical services, medical supplies, prescription drugs, clothing, laundry and cleaning supplies. For medical services and prescription drugs, the Administration's estimate calculates the average per person costs by facility, inflates the per person cost by the average growth rate over the past three years (with certain exceptions for extreme values) and multiplies the results by the projected average population for each facility. For other supplies and services, the estimate uses a 5.9% annual inflationary growth rate, which was the 12-month change in the consumer price index (excluding food and energy) in June of 2022.

For the 2023-25 biennium, the nonfood supplies and services adjustment includes funding for contract staffing, electronic health records implementation costs, and COVID-19 testing, based on monthly average expenditures for these items in 2021-22. Collectively these three expenditure categories account for 89% of the biennial increase. The following table shows the funding associated with each of these three categories, along with the funding provided for all other nonfood supplies and services.

Item	2023-24	2024-25
Contract Staffing	$36,280,800	$36,280,800
COVID-19 Testing	13,302,000	13,302,000
Electronic Health Records	9,480,800	10,037,400
Other Nonfood Supplies and Services	3,025,600	11,610,400
Total Request	$62,089,200	$71,230,600

For all nonfood supplies and services, the funding is allocated between GPR and PR sources based on the mix of patients and residents. Generally, services for forensic patients at the mental health institutes and patients at the secure treatment facilities are funded with GPR, while services for civil mental health patients and residents of the state centers are funded with program revenue collected from counties or Medical Assistance reimbursement.

2. RESIDENT FOOD REESTIMATE

GPR	$2,852,200
PR	1,630,100
Total	$4,482,300

Governor: Provide $1,849,400 ($1,172,300 GPR and $677,100 PR) in 2023-24 and $2,632,900 ($1,679,900 GPR and $953,000 PR) in 2024-25 to fund projected increases in food costs at the Department's seven care and treatment facilities. The Administration developed estimates of food costs for residents by inflating actual 2021-22 per person food expenditures at each of the facilities, using an inflation index for food, as reported by the U.S. Bureau of Labor Statistics, for the 12-month period ending July of 2022. This rate, which was 10.9%, is first used to project 2022-23 food costs, and then applied again to the two years of the 2023-25 biennium. The resulting per person averages are multiplied by the Department's projections of the average daily occupancy at each facility to estimate total food costs. Base funding for food costs is $5,163,400 ($3,498,000 GPR and $1,665,400 PR).

3. SALARY ADD-ON FOR SELECTED POSITIONS

GPR	$3,740,700
FED	4,367,100
PR	14,331,800
Total	$22,439,600

Governor: Provide $11,557,700 ($1,903,500 GPR, $2,347,000 FED, and $7,307,200 PR) in 2023-24 and $10,881,900 ($1,837,200 GPR, $2,020,100 FED, and $7,024,600 PR) in 2024-25 to provide hourly wage increases for certain nursing and therapy staff positions at the Department's facilities and disability determination and income maintenance positions in the Division of Medicaid Services. The permanent hourly wage increases would replace temporary pilot add-ons provided for these positions, which the Department of Administration's Division of Personnel Management implemented under terms of the 2021-23 compensation plan. The pilot wage adjustments, which are scheduled to expire at the end of the 2021-23 biennium, provide hourly increases for nurse clinicians, licensed practical nurses, nursing assistants, residential care technicians, respiratory therapists, disability determination associates, and income maintenance specialists.

4. OVERTIME SUPPLEMENT

GPR	$10,679,800
PR	4,338,000
Total	$15,017,800

Governor: Provide $7,508,900 ($5,339,900 GPR and $2,169,000 PR) annually to fund anticipated overtime costs at the Department's care and treatment residential facilities. The funding under this item reflects the difference between the actual overtime costs in 2021-22 at each facility and the amount that is provided by the bill under the overtime standard budget adjustment. The overtime funding provided in the standard budget adjustment item is based on the amount of funding provided for overtime by the 2021-23 budget. Since actual overtime costs in 2021-22 exceeded the funding provided by the budget, the funding in this item is intended to make up the difference.

The following table shows, by facility and fund source, the annual overtime increase that would be provided under the standard budget adjustment item, the funding increase under this item, and the total funding that would be available annually to support overtime costs under the bill.

	Standard Budget Adjustments			Overtime Supplement (This Item)			Total Annual Overtime Budget		
Facility	GPR	PR	Total	GPR	PR	Total	GPR	PR	Total
Mendota MHI	$5,208,400	$1,196,300	$6,404,700	$3,326,200	$763,900	$4,090,100	$8,534,600	$1,960,200	$10,494,800
Winnebago MHI	879,600	2,769,000	3,648,600	452,700	1,424,800	1,877,500	1,332,300	4,193,800	5,526,100
Sand Ridge STC	1,415,700	0	1,415,700	541,100	0	541,100	1,956,800	0	1,956,800
WI Resource Center	1,893,100	0	1,893,100	1,019,900	0	1,019,900	2,913,000	0	2,913,000
Central WI Center	0	3,787,100	3,787,100	0	106,800	106,800	0	3,893,900	3,893,900
Northern WI Center	0	419,300	419,300	0	114,400	114,400	0	533,700	533,700
Southern WI Center	0	2,263,000	2,263,000	0	-240,900	-240,900	0	2,022,100	2,022,100
Total	**$9,396,800**	**$10,434,700**	**$19,831,500**	**$5,339,900**	**$2,169,000**	**$7,508,900**	**$14,736,700**	**$12,603,700**	**$27,340,400**

5. MENDOTA JUVENILE TREATMENT CENTER -- STAFFING AND FUNDING FOR EXPANSION

	Funding	Positions
PR	$24,691,800	174.00

Governor: Provide $9,075,800 and 114.5 positions in 2023-24 and $15,616,000 and 174.0 positions in 2024-25 to provide position and expenditure authority to expand the capacity of the Mendota Juvenile Treatment Center (MJTC).

MJTC, which is on the campus of the Mendota Mental Health Institute (MMHI) in Madison, is a juvenile correctional facility that provides psychiatric evaluation and treatment for 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. MJTC has 29 staffed beds for male juveniles, in addition to a 14-bed unit that is currently being used for adult forensic patients at MMHI. MJTC has a 93.0 authorized PR positions and base expenditure authority of $9,859,400. The Department charges a daily rate to DOC for juveniles placed at MJTC, so actual staffing and expenditures generally reflects the census.

An expansion project, which will add 30 beds for males juveniles and 20 beds for female juveniles, is expected to be completed in October of 2023. Upon completion, the existing MJTC units will undergo renovation, which is expected to be completed in January of 2025. This item would provide PR position and expenditure authority in two phases, aligning with the completion of the new construction and renovation. When fully complete, MJTC will have physical space for 93 beds, including 20 females and 73 males. Although this item would provide position and expenditure authority based on fully using this space, actual expenditures would be constrained by daily rate charges collected from DOC.

6. EXPAND NORTHERN WISCONSIN CENTER'S INTENSIVE TREATMENT PROGRAM

	Funding	Positions
PR	$15,508,600	92.00

Governor: Provide $6,751,000 annually in 2023-24 and $8,757,600 in 2024-25 to fund 92.0 positions, beginning in 2023-24, to expand the intensive treatment program (ITP) at Northern Wisconsin Center (NWC).

NWC currently provides ITP services to people ages 14 and older with an intellectual disability and co-occurring mental health or behavioral disorder. ITP services include behavioral and psychiatric evaluation and treatment, medical services, and vocational programing. Patients in NWC's program reside at NWC while participating in the ITP. In 2021-22, the ITP served an average daily population of 11 patients.

DHS currently has 25 licensed beds at NWC and does not plan to add additional licensed beds. Rather, the bill would provide staff to expand services for up to 12 additional residents. The Administration estimates that of the $15,508,600 for the biennium, $3,560,100 would fund resident costs (such as food) and the remaining $11,948,500 would fund staff costs (such as salary, fringe benefits, and supplies and services) of the additional 92.0 positions.

7. WISCONSIN RESOURCE CENTER -- TRANSFER DEPARTMENT OF CORRECTIONS POSITIONS TO DHS

	Funding	Positions
GPR	$18,641,200	110.00

Governor: Provide $9,320,600 annually and 110.0 positions, beginning in 2023-24, to reflect the transfer of security positions currently budgeted under the Department of Corrections (DOC) to the Wisconsin Resource Center (WRC). Repeal a statutory provision that specifies that security staff at the WRC shall be employees of the Department of Corrections and modify the appropriation authority for WRC to reflect this change. An item summarized under Corrections--Adult Institutions reflects the reduction in position authority and funding in that agency.

Specify that 110.0 FTE GPR positions, and the incumbent employees holding those positions in the Department of Corrections who are responsible for the performance of security operations at WRC, as determined by the DOA Secretary, would be transferred to DHS. Specify that the transferred employees have all the rights and the same status DHS that they enjoyed in DOC immediately before the transfer and that no transferred employee who has attained permanent status would be required to serve a probationary period.

Specify that all assets and liabilities of the Department of Corrections that are primarily related to security operations at WRC, as determined by the DOA Secretary would be become the assets and liabilities of DHS. Specify that all tangible personal property, including records, of DOC that are primarily related to security operations at WRC would be transferred to DHS.

Specify that any matter pending with DOC on the effective date of the bill that is primarily related to security operations is transferred to DHS and that all materials submitted to or actions taken by DOC with respect to the pending matter are considered as having been submitted to or taken by DHS.

Specify that all contracts entered into by DOC primarily related to security operations at WRC in effect on the effective date of the bill remain in effect and would be transferred DHS. Require DHS to carry out any obligations under those contracts unless modified or rescinded to the extent allowed under the contract.

The Wisconsin Resource Center, in Oshkosh, is a secure treatment facility operated by the Department of Health Services that provides mental health and substance abuse treatment for inmates transferred from DOC prisons. DHS operates the facility and provides the treatment services, but security functions are performed by the Department of Corrections personnel under the direction of the Oshkosh Correctional Institution. This item would transfer 71 correctional officer positions, 31 correctional sergeant positions, and eight supervising officer positions from DOC to DHS so that all personnel at WRC would be under the direction of DHS.

[Bill Sections: 403, 792, 793, and 9108(1)]

8. CONTRACTED COMMUNITY SERVICES

GPR	$10,999,800

Governor: Provide $3,910,700 in 2023-24 and $7,089,100 in 2024-25 for projected costs of the Division of Care and Treatment Services contracts for community-based mental health services for the treatment and monitoring for its forensic and sexually violent persons programs.

The funding in this item pertains to six contracted programs: (a) supervised release services; (b) conditional release services; (c) competency restoration services; (d) outpatient competency examination; (e) Department of Correction community supervision services; and (f) court liaison services. Each of these services, which are funded from a single GPR appropriation, are described below. For the first five of these services, the Administration's estimates generally use a caseload growth factor, based on recent trends, and an annual inflationary adjustment to the per-client costs. For the inflationary adjustment, the estimate uses 5.9% annual rate, which was the 12-month change in the consumer price index (excluding food and energy) in June of 2022. For the sixth contract, for court liaison services, the estimate adjusts the contract total by the inflationary rate, rather than calculating the cost on a per-client basis.

The final cost estimates for each contract are summed and the total for each year is subtracted from the total appropriation base, to determine the Governor's recommended funding increases. In addition to the estimated contract costs, this item includes limited-term employee (LTE) salary funding to provide supportive living needs for individuals on supervised release.

Unlike the other funding in this item, the funding for LTE salaries would be provided in the DCTS general operations appropriation.

The following table shows the estimated totals for each of the six contracted services, and the difference between the totals and the appropriation base. The LTE salary component is shown in a separate row above the total.

	2023-24	2024-25
Appropriation Base*	$20,389,500	$20,389,500
Estimated Contract Costs		
Supervised Release	7,492,900	8,708,900
Conditional Release	6,213,100	6,675,200
Competency Restoration**	4,180,000	5,057,800
Outpatient Competency Exams	4,068,700	4,489,700
DOC Community Supervision	1,966,600	2,150,400
Court Liaison Services	270,100	286,000
Total Estimated Contract Cost	$24,191,400	$27,368,000
Total Estimate Minus Base	$3,801,900	$6,978,500
LTE Salary for Supervised Release	$108,800	$110,600
Total Increase in Bill	$3,910,700	$7,089,100

* This is the base used for the Administration's calculation. The actual base is $20,560,800.

** Includes standard, community-based competency restoration services and jail-based competency restoration.

In developing the estimate, the Administration excluded the current funding for court liaison services, which is $171,300, from the appropriation base. Excluding this amount from the base has the effect of overstating the amount needed to fully fund the contract estimates by $171,300 in each year. The table above shows the appropriation base that was the basis of the estimate, in order to match the amount of funding provided by the bill.

Description of Contracted Services

Supervised Release Services. The supervised release program provides community-based treatment to individuals who are found to be sexually violent persons (SVPs) under Chapter 980 of the statutes. SVPs are committed to DHS and provided institutional treatment at the Sand Ridge Secure Treatment Center in Mauston, but may petition the court for supervised release if at least 12 months have elapsed since the initial commitment order was entered, since the most recent release petition was denied, or since the most recent order for supervised release was revoked. The supervised release program provides intensive monitoring, continued treatment, and supportive services for transition back into the community.

Conditional Release Services. The conditional release program provides monitoring and treatment to individuals who have been found not guilty by reason of mental disease or defect and are either immediately placed on conditional release following the court's finding or following release from one of the state's mental health institutes.

Competency Restoration Services. DHS contracts with a vendor to provide outpatient treatment services to individuals who are determined to be incompetent to proceed to a criminal trial if a court determines that the individual is likely to be competent within 12 months, or within the time of the maximum sentence specified for the most serious offense with which the defendant is charged. These services are delivered on an outpatient basis for individuals who, based on an assessment of their risk level, are able to live in the community, or in county jails, as an alternative to admitting those individuals to one of the mental health institutes for treatment.

Outpatient Competency Examination. Chapter 971 of the statutes prohibits courts from trying, convicting, or sentencing an individual if the individual lacks substantial mental capacity to understand the proceedings or assist in his or her own defense. Courts may order DHS to conduct competency examinations, which may be performed either on an inpatient basis by DHS staff at the state mental institutes, or on an outpatient basis in jails and locked units of other facilities by contracted staff.

Department of Corrections Community Supervision. DHS contracts with the Department of Corrections for the supervision of clients in the supervised release and conditional release programs. The contract includes supervision, transportation escort, and global positioning system (GPS) monitoring.

Court Liaison Services. The Department contracts for the cost of court liaison services, used to provide consultation to courts regarding mental health issues for individuals in the judicial system.

Components of the Estimates

The following table shows the Administration's caseload and annualized, per person costs projections for the contracted services for which budget estimates are calculated on a per person basis. Estimates are shown for 2022-23, in addition to the two years of the 2023-25 biennium.

	Caseload Estimates			Annualized Per Person Cost		
Contracted Service	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Supervised Release	84	92	101	$76,684	$81,209	$86,000
Conditional Release	321	332	337	17,671	18,714	19,818
Competency Restoration						
Community-based	163	201	238	$13,406	$14,197	$15,034
Jail-based	464	489	513	2,576	2,728	2,889
Outpatient Competency Exams	2,144	2,571	2,679	$1,494	$1,583	$1,676
DOC Community Supervision	405	424	438	4,377	4,635	4,909

GPR	$9,898,400
FED	3,105,800
Total	$13,004,200

9. FORENSIC ASSERTIVE COMMUNITY TREATMENT TEAMS

Governor: Provide $6,502,100 ($4,949,200 GPR and $1,552,900 FED) annually to support treatment services delivered under an assertive community treatment model for individuals with serious mental illness that are involved in the criminal justice system. The assertive community treatment model uses a team approach to provide intensive services for individuals transitioning from institutional setting to the community. As used for a forensic population (forensic assertive community treatment, or FACT) the treatment focuses on risks and needs associated with criminal behavior. Individual services can include psychiatric and substance abuse treatment, housing and employment assistance, family education, medication management, and assistance with court proceedings, as applicable. The Administration indicates that the intent is to divert these individuals away from hospitalization, re-arrest, and incarceration.

The funding under this item has two components. First, $3,914,000 annually would be provided to fund the estimated cost of staff to support FACT teams with sufficient capacity to serve approximately 200 individuals. The Administration indicates that DHS would award contracts on a competitive basis for two or three treatment teams. Second, $2,588,100 ($1,035,200 GPR and $1,552,900 FED) annually would be budgeted to support the estimated cost for treatment services for FACT participants that are reimbursable under the Medical Assistance program.

	Funding	Positions
GPR	- $12,482,000	- 59.10
PR	12,482,000	59.10
Total	$0	0.00

10. MENTAL HEALTH INSTITUTES FUND SOURCE REALLOCATION

Governor: Reduce funding by $6,116,600 GPR in 2023-24 and $6,365,400 GPR in 2024-25, reduce positions by 56.77 GPR in 2023-24 and 59.10 GPR in 2024-25, and provide corresponding PR funding and position increases to reallocate the funding source for services provided at the state mental health institutes. The funding and position adjustments reflect the Administration's estimated changes in the percentage of patients whose care will be funded with GPR and PR, respectively, in the 2023-25 biennium. The state is responsible for the cost of caring for forensic patients, funded with GPR, while the Department collects PR assessments from counties or health insurance for the cost of the care of civil patients, including emergency detention. For the 2023-25 biennium, the Administration anticipates that a higher share of the total patient population will be civil patients, resulting in a funding reallocation from GPR to PR sources.

GPR	$3,193,300

11. DEBT SERVICE

Governor: Provide $942,600 in 2023-24 and $2,250,700 in 2024-25 to reflect estimates of debt service payments on bonds issued for capital projects at DHS care and treatment facilities. Base debt service funding is $16,583,400. With the adjustments under this item, total debt service payments are estimated at $17,526,000 in 2023-24 and $18,834,100 in 2024-25.

12. FUEL AND UTILITIES

GPR	$97,000

Governor: Provide $10,100 in 2023-24 and $86,900 in 2024-25 to reflect an estimate of GPR-funded fuel and utilities costs at the care and treatment facilities. Base funding for fuel and utilities costs is $5,707,000 GPR and $6,927,800 PR. With the adjustments under this item, the GPR appropriation for fuel and utilities would be $5,717,100 in 2023-24 and $5,793,900 in 2024-25. The bill would not adjust the PR appropriation for fuel and utilities.

Quality Assurance

1. HEALTH CARE PROVIDER INNOVATION GRANTS

GPR	$22,500,000

Governor: Provide $7,500,000 in 2023-24 and $15,000,000 in 2024-25 to fund health care provider innovation grants.

Authorize DHS to distribute not more than $15,000,000 in each fiscal year as grants to health care and long-term care providers to implement best practices and innovative solutions to increase worker recruitment and retention.

[Bill Section: 800]

2. BUREAU OF ASSISTED LIVING STAFF

	Funding	Positions
GPR	$2,535,000	19.68
FED	1,592,200	12.32
Total	$4,127,200	32.00

Governor: Provide $1,814,500 ($1,114,500 GPR and $700,000 FED) in 2023-24 and $2,312,700 ($1,420,500 GPR and $892,200 FED) in 2024-25 to fund 32.0 positions (19.68 GPR and 12.32 FED), beginning in 2023-24, to address a backlog of surveys the Bureau of Assisted Living (BAL) conducts in response to complaints, to license new facilities, and to meet its standard of conducting a licensing survey for every facility at least once every two years. Of the additional positions, 31.0 would be assigned to BAL and 1.0 would be an attorney assigned to the Office of Legal Counsel to meet the increased workload resulting from these additional surveys.

BAL is responsible for licensing and surveying community-based residential facilities, some adult family homes, and residential care apartment complexes and certifying substance abuse and mental health treatment programs. The Bureau is currently authorized 75.0 positions, including 49.0 surveyors.

3. OFFICE OF CAREGIVER QUALITY

	Funding	Positions
GPR	$592,700	4.00
FED	423,600	2.80
PR	635,500	4.20
Total	$1,651,800	11.00

Governor: Provide $739,700 ($266,000 GPR, $189,500 FED, and $284,200 PR) in 2023-24 and $912,100 ($326,700 GPR, $234,100 FED, and $351,300 PR) in 204-25, to fund 11.0 positions (4.0 GPR, 2.8 FED, and 4.2 PR) beginning in 2023-24. According to the Administration, these positions would enable the Department to increase investigations into allegations of misconduct in long-term care facilities and expand the background check program.

4. ASSISTED LIVING REVENUE SUPPLEMENT

GPR	$1,500,000

Governor: Provide $750,000 annually to supplement the revenue collected from assisted living facilities and program certification fees for outpatient mental health facilities. The Administration indicates that this funding is necessary to avoid a fee increase for these providers.

5. HEALTH CARE PROVIDER LICENSING, CERTIFICATION, AND INCIDENT REPORTING SYSTEM UPGRADE

	Funding	Positions
GPR	$738,300	0.30
FED	89,200	0.70
Total	$827,500	1.00

Governor: Provide $56,100 ($16,900 GPR and $39,200 FED) in 2023-24 and $771,400 ($721,400 GPR and $50,000 FED) in 2024-25, and 1.0 position (0.30 GPR and 0.70 FED), beginning in 2023-24, to modernize the health care provider licensing, certification, and health care staff misconduct incident reporting computer systems. The position would provide data analysis and support services for DHS staff using data from the new system.

6. NURSING HOME GRANT PROGRAM

	Funding	Positions
PR	$156,900	1.00

Governor: Provide $70,000 in 2023-24 and $86,900 in 2024-25 to fund 1.0 grant specialist position, beginning in 2023-24, to administer the nursing home grant program. The position would review applications, develop and manage grant agreements, and conduct outreach and marketing for the program.

Currently, the program is administered by several staff in the Division of Quality Assurance (DQA). The federal Centers for Medicare and Medicaid Services (CMS) collects civil money penalties (CMP) from nursing facilities that have not maintained compliance with federal nursing home requirements and distributes a portion of this revenue to states to support projects to protect the health or property of residents of nursing facilities.

7. STAFFING REQUIREMENT FOR HOSPITAL EMERGENCY SERVICES

Governor: Specify that DHS must require a hospital that provides emergency services to have sufficient qualified personnel at all times to manage the number and severity of emergency cases anticipated by the location. Specify, that at all times, a hospital that provides emergency services must have on-site at least one physician who, through education, training, and experience, specializes in emergency medicine [See Safety and Professional Services].

[Bill Section: 1142]

FoodShare and Public Assistance Administration

1. FOODSHARE EMPLOYMENT AND TRAINING PROGRAM

GPR	$9,091,200
FED	3,773,200
Total	$12,864,400

Governor: Provide $7,444,000 ($4,067,500 GPR and $3,376,500 FED) in 2023-24 and $5,420,400 ($5,023,700 GPR and $396,700 FED) in 2024-25 to fund costs of projected increases in the number of individuals who will participate in the FoodShare employment and training (FSET) program upon the resumption of the federal ABAWD (able-bodied adult without dependents) policy.

ABAWD Work Requirement. Under federal law, able-bodied adults who are able to work, are 18 to 49 years of age, are not pregnant, and do not reside with any children under the age of 18, are required to meet a work requirement of at least 20 hours per week as a condition of receiving supplemental nutrition assistance program (SNAP) benefits. This work requirement can be met through paid work, volunteer work, in-kind work, or participation in FSET or a similar job training program. Individuals who do not meet this work requirement are limited to three months of FoodShare benefits in a 36-month period. In addition to individuals participating in FSET to meet the ABAWD work requirement, FSET participation is open to all FoodShare members ages 16 and older.

Temporary Suspension of the ABAWD Work Requirement. Under the federal Families First Coronavirus Response Act, the ABAWD policy has been suspended since March, 2020. This suspension is currently in effect and will remain so until the end of the month subsequent to the month that the U.S. Secretary of Health and Human Services declares that the SARS-CoV-2 public health emergency has ended. With the federal public health emergency ending in May, 2023, the ABAWD policy will be re-implemented statewide beginning in July, 2023. Due to the length of time that the ABAWD policy has been suspended, the Food and Nutrition Services is requiring states to restart the 36-month clock for all ABAWDs.

Enrollment. With the resetting of the 36-month clock for all ABAWDs, the Administration assumes that the percentage of total FoodShare participants who will enroll in FSET under the reinstated ABAWD policy will largely mirror the percentage of total FoodShare participants who enrolled in FSET during the initial implementation of the ABAWD policy statewide beginning in April, 2015. As such, the Administration estimates that average monthly FSET enrollment will be 7,079 in 2022-23, 10,292 in 2023-24, and 8,796 in 2024-25.

Enrollee Expenditures. The Administration estimates that total per enrollee per month expenses will be $410.72 in 2022-23 and decrease to $394.88 in 2023-24 and subsequently increase to $400.84 in 2024-25. These total expenses are primarily based on payments to the FSET program's vendors, but also include $1,371,800 annually, which funds administrative expenses relating to the FSET program. Excluding the amounts for administrative expenses, the Administration estimates average per enrollee per month payments to the FSET vendors of $383.77 in 2023-24 and $387.84 in 2024-25.

Carry Over Funding. The Administration estimates that FSET funding for 2023-25 will be offset by unspent carry over funding from 2022-23 resulting from a decrease in average monthly FSET enrollment, in part due to the temporary suspension of the ABAWD work requirement.

The following table summarizes the Administration's caseload, cost, and funding estimates for the FSET program in for the 2023-25 biennium if no additional GPR funding is provided. The GPR funding increase in the bill ($9,091,200) would fully fund the Administration's estimates of program costs in the 2023-25 biennium.

2023-25 FSET Expenses and Funding

	2023-24	2024-25
Total Annual Administrative Expenses	$1,371,800	$1,371,800
Total Annual Vendor Expenses	$47,397,100	$40,937,600
Average Monthly Enrollment	10,292	8,796
Per Enrollee per Month Vendor Expenses	$383.77	$387.84
Total Program Expenses (Total Annual Vendor + Administrative Expenses)	$48,768,900	$42,309,400
100% Federal Funding Offset	$3,014,400	$3,014,400
Total Program Expenses After FED Offset	$45,754,500	$39,295,000
50% GPR Expenses	$22,877,300	$19,647,500
50% FED Expenses	$22,877,200	$19,647,500
Existing GPR Funding		
GPR Base Funding	$14,623,800	$14,623,800
Projected GPR Carry Over	$4,186,000	-$4,067,500
GPR Surplus/Deficit (Existing GPR - 50% GPR Expenses)	-$4,067,500	-$9,091,200

2. PAYMENT PROCESSING EQUIPMENT FOR FARMERS MARKETS AND DIRECT MARKETING FARMERS

GPR	$1,470,000

Governor: Provide $735,000 annually to supply payment processing equipment and services to farmers markets and direct-marketing farmers to process debit and credit card payments, including electronic benefit transfer cards used by FoodShare recipients. Specify that to participate in the payment processing program, a vendor must also process any local purchasing incentives, even if those local purchasing incentives are funded by a local third party entity.

The federal Agricultural Act of 2014 requires that supplemental nutrition assistance program

(SNAP or FoodShare in Wisconsin) retailers purchase their own EBT processing equipment. However, states may provide no-cost, EBT-only point of sale processing equipment to certain farmers markets and direct-marketing farmers that may be exempt from the federal requirement.

[Bill Section: 1130]

3. DOUBLE UP FOOD BUCKS PILOT PROGRAM

	Funding	Positions
GPR	$536,600	0.50
FED	536,600	0.50
Total	$1,073,200	1.00

Governor: Provide $176,400 ($88,200 GPR and $88,200 FED) in 2023-24 and $896,800 ($448,400 GPR and $448,400 FED) in 2024-25 and 1.0 (0.5 GPR and 0.5 FED) position, beginning in 2023-24, to administer a statewide healthy eating incentive pilot program.

Require DHS to establish and implement a statewide healthy eating incentive Double Up Food Bucks pilot program under the federal Gus Schumacher Nutrition Incentive Program to match FoodShare benefit amounts spent by recipients on fruits and vegetables from participating retailers with additional benefit amounts to be used for the purchase of additional fruits and vegetables.

Define "fruit and vegetables" to mean any variety of fresh, canned, dried, or frozen, whole or cut, fruits or vegetables, without added sugars, fats, oils, or salt for purposes of this program.

Require that in implementing the Double Up Food Bucks pilot program DHS: (a) submit a waiver request to the U.S. Department of Agriculture (USDA) or any other federal approval necessary to allow DHS to implement the program; (b) seek any available funding, including federal funds under the federal Gus Schumacher Nutrition Incentive Program, to fund implementation of the program; and (c) not implement the program if the USDA disapproves the Department's request or if the Department is unable to obtain sufficient funding for the program.

Create an appropriation from which development and administration of the healthy eating incentives program and electronic payment processing equipment and services for farmers' markets and farmers who sell directly to consumers would be funded.

[Bill Sections: 406 and 1129]

4. REPEAL FOODSHARE WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITH DEPENDENTS

Governor: Repeal provisions enacted in 2017 Act 264 relating to required participation in the FoodShare employment and training (FSET) program, subject to certain exceptions. Consequently, only able-bodied adults without dependents, subject to certain exceptions, would be required to participate in the program.

With the repeal, DHS must require, to the extent allowed by the federal government, that able-bodied adults without dependents (ABAWDs) participate in FSET, except for ABAWDs who are employed, as determined by DHS. The bill would retain the Department's current authority to require able individuals who are 18 to 60 years of age, or a subset of those individuals to the extent allowed by the federal government, who are not in a Wisconsin Works employment position, to participate in FSET.

Current law, requires that by October 1, 2019, not only all ABAWDs, but also all other able bodied adults between the ages of 18 and 50, who are not pregnant and not determined by DHS to be medically certified as physically or mentally unfit for employment or exempt from the work requirement as specified in federal law, must participate in FSET. Current law prohibits DHS from requiring participation in FSET for an individual who is: (a) enrolled at least half time in a school, a training program, or an institution of higher education; or (b) the caretaker of a child under the age of six or the caretaker of a dependent who is disabled. To date, DHS has not implemented the current law requirement as it relates to adults with dependent children, citing a lack of available funding to support FSET program costs.

[Bill Section: 1131]

5. REPEAL FSET DRUG SCREENING, TESTING, AND TREATMENT REQUIREMENTS

Governor: Repeal the requirement that eligibility for an able-bodied adult without dependents (ABAWD) to participate in the FoodShare employment and training (FSET) program is subject to compliance with the statutory screening, testing, and treatment policy for illegal use of a controlled substance without a valid prescription for the controlled substance.

Repeal provisions, enacted as part of 2017 Act 370, that require DHS to implement a drug screening, testing, and treatment policy for ABAWDs participating in FSET. In addition, repeal nonstatutory provisions contained in 2017 Act 370 as they pertain to implementing the drug screening, testing, and treatment provisions by October 1, 2019, and requiring compliance with the waiver provisions contained in 2017 Act 370, as though the drug screening, testing, and treatment provisions were a waiver request approved on December 16, 2018.

Repeal a biennial GPR appropriation that was created to fund substance abuse treatment costs under the FSET drug screening, testing, and treatment requirements. No funding has been budgeted for this purpose.

[Bill Sections: 405, 1132, 1134, and 3395]

6. REPEAL PAY-FOR-PERFORMANCE PAYMENT SYSTEM FOR FSET VENDORS

Governor: Repeal provisions enacted in 2017 Act 266 that require DHS to create and implement a payment system based on performance for FoodShare Employment and Training (FSET) program vendors.

Current law requires DHS to establish performance outcomes for the payment system based on: (a) the placement of participants into unsubsidized employment; (b) whether the placement is full or part-time; (c) the job retention rate; (d) wages and benefits earned; (e) appropriate implementation of FSET; and (f) customer satisfaction. Implementation of the payment system is contingent on federal approval and must not affect the funding available for supportive services for participants in FSET. These provisions first applied to contracts DHS enters into or renews on the Act's effective date (April 12, 2018). However the Department's current contracts with the FSET vendors, effective for federal fiscal year 2022-23 (October 1, 2022 through September 30, 2023), do not include performance outcomes as the basis for payments.

[Bill Section: 1133]

7. MA AND FOODSHARE ADMINISTRATION -- CONTRACTS

GPR	$49,239,100
FED	89,178,000
Total	$138,417,100

Governor: Provide $65,486,800 ($23,069,500 GPR and $42,417,300 FED) in 2023-24 and $72,930,300 ($26,169,600 GPR and $46,760,700 FED) in 2024-25 to increase funding for contractual services and systems costs for the administration of the MA and FoodShare programs.

This item includes increases in GPR funding for programming services DHS purchases from Deloitte for the Client Assistance for Re-employment and Economic Support (CARES) system. The CARES system is used by county and state staff for eligibility determinations and managing cases for the state's public assistance programs. Under the bill, GPR funding for these programming services would increase from $11.5 million budgeted in 2022-23 to $26.5 million in 2023-24 and $28.1 million in 2024-25, largely due to the discontinuation of enhanced federal funding that was available to support these costs through September, 2022, and scheduled rate increases for programming services under the current contract.

This item also includes additional funding to support projects not funded in the current biennium, including: (a) replacing the current system used for administering the Birth to 3 program; (b) the development and implementation of a business operations support system for the Bureau of Fiscal Accountability and Management; (c) the creation of training modules to support professional development as part of the prenatal care coordination redesign project; (d) the development of a business tool to assist in the administration of the Wisconsin funeral and cemetery aids program to replace a payment tracking tool that is no longer functional; and (e) several enhancements to CARES.

Further, this item includes additional funding to support projected cost increases for several contracts, including the contract with Gainwell Technologies, the state's MA fiscal agent and contract vendor for the state's Medicaid management information system (MMIS) and contracts for telecommunications services used by MA recipients.

Finally, this item includes transferring expenditure authority for the costs associated with the Wisconsin Shares childcare statewide administration on the web (CSAW) system to the Department of Children and Families

The following table summarizes the GPR and FED funding amounts that would be budgeted for contracted services and systems costs for MA and FoodShare under the bill.

Summary of MA and FoodShare Administrative Contracts Funding -- GPR and FED
Governor's Recommendations

	2023-24			2024-25		
	GPR	FED	Total	GPR	FED	Total
FoodShare Electronic Benefit Contract	$1,221,600	$1,221,600	$2,443,200	$1,221,600	$1,221,600	$2,443,200
MMIS	37,230,900	82,913,400	120,144,300	40,091,200	91,316,800	131,408,000
MMIS Modules and Related Contracts	5,669,800	25,742,700	31,412,600	4,930,400	19,057,500	23,988,000
CARES Maintenance and Programming	39,962,100	73,917,900	113,191,300	40,957,700	77,495,700	118,453,400
Other	19,129,400	25,901,000	45,030,400	18,386,000	24,901,600	43,287,600
Telecommunications	2,781,300	3,399,400	6,180,800	2,819,600	3,446,200	6,265,800
Hearings and Appeals and Disability Determinations Charges	2,106,100	2,087,100	4,193,200	2,106,100	2,087,100	4,193,200
Subtotal	$107,412,500	$215,183,100	$322,595,800	$110,512,600	$219,526,500	$330,039,200
Adjustments						
Costs Funded from Other Appropriations	-$3,500,000	$0	-$3,500,000	-$3,500,000	$0	-$3,500,000
Net Expenditures	$103,912,500	$215,183,100	$319,095,600	$107,012,600	$219,526,500	$326,539,100
2022-23 Base Funding	$80,843,000	$172,765,800	$253,608,800	$80,843,000	$172,765,800	$253,608,800
Difference (Change to Base)	$23,069,500	$42,417,300	$65,486,800	$26,169,600	$46,760,700	$72,930,300

8. COVERING WISCONSIN

GPR	$2,000,000
FED	2,000,000
Total	$4,000,000

Governor: Increase funding for MA administrative contracts by $2,000,000 ($1,000,000 GPR and $1,000,000 FED) annually to increase funding for Covering Wisconsin, which assists residents in obtaining health insurance and navigating the insurance marketplace. In 2022-23, DHS has budgeted $500,000 ($250,000 GPR and $250,000) to fund a contract with Covering Wisconsin to provide these services.

9. SUPPLEMENTAL AMBULANCE REIMBURSEMENTS

GPR	$632,800
FED	632,800
Total	$1,265,600

Governor: Provide $632,800 ($316,400 GPR and $316,400 FED) annually to contract for the administration of a certified public expenditure (CPE) program to increase MA reimbursement to ambulance service providers owned by local governments. 2021 Act 228 requires the Department to create such a program, subject to federal regulatory approval, which will allow the state to claim federal matching funds on eligible ambulance service expenditures made by local governments and to make a supplemental payment for ambulance services using that revenue.

Additionally, make statutory changes related to a separate supplemental reimbursement created under Act 228, to be paid to private ambulance service providers using revenue generated from a new assessment on those providers and matching federal funds. Create a new appropriation to expend the assessment revenue on supplemental payments to ambulance service providers. Direct the DOA Secretary to transfer an amount equal to the cost of administering the assessment and supplemental payments from the new segregated ambulance trust fund to an existing PR appropriation for MA administration.

[Bill Sections: 407, 409, 1078, and 2633]

10. INCOME MAINTENANCE -- LOCAL ASSISTANCE

GPR	$1,664,100
FED	2,121,200
Total	$3,785,300

Governor: Provide $1,506,800 ($677,700 GPR and $829,100 FED) in 2023-24 and $2,278,500 ($986,400 GPR and $1,292,100 FED) in 2024-25 to: (a) increase base contracts for income maintenance (IM) consortia and tribal IM agencies by 2% in 2023-24 and an additional 2% in 2024-25 ($302,700 GPR and $454,100 FED in 2023-24 and $611,400 GPR and $917,100 FED in 2024-25); and (b) increase funding to support fraud prevention investigations by $750,000 ($375,000 GPR and $375,000 FED) annually.

Eligibility and caseload management functions related to MA, FoodShare, Wisconsin Shares, and other public assistance programs are performed by county employees in all counties (except Milwaukee County) by 10 regional, multi-county IM consortia. State employees in Milwaukee Enrollment Services (MilES) perform these functions in Milwaukee County. In nine tribal jurisdictions, tribal agency staff provide these services. IM services are funded from a combination of state, federal, and local funds. Base GPR funding for IM eligibility and caseload management functions is $15,132,500 and $1,000,000 for fraud prevention investigations.

11. FUNERAL AND CEMETERY AIDS

GPR	- $549,600

Governor: Reduce funding by $396,800 in 2023-24 and by $152,800 in 2024-25 to reflect reestimates of the cost of 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 MA or Wisconsin Works benefits at the time of their death. DHS is required to pay up to $1,000 for cemetery and crematory expenses and up to $1,500 for funeral and burial expenses that are not covered by the decedent's estate or other persons. The program does not provide any reimbursement if the total cemetery expenses exceed $3,500 or total funeral expenses exceed $4,500.

Base funding for the program is $8,476,700. The Administration estimates that reimbursement payments will total $7,843,000 in 2022-23, $8,079,900 in 2023-24 and $8,323,900 in 2024-25.

12. USE OF INDIVIDUAL INCOME TAX FORMS TO INITIATE HEALTH CARE ELIGIBILITY DETERMINATIONS

GPR	$529,200

Governor: Provide $529,200 in 2024-25 to implement an easy enrollment program for health care coverage.

Require the Department of Revenue (DOR) to include the following two questions and explanatory information on each individual income tax return, and a method for the taxpayer to respond to each question:

- Are you, your spouse, your dependent children, or any eligible adult child dependent not covered under a health insurance policy, health plan, or other health care coverage? "Eligible adult child dependent" means a child who is under the age of 26 who is a full-time student or a child who is under the age of 27 who is called to active duty in the National Guard or armed forces reserve while enrolled as a full-time student.

- If one responded 'yes' to question 1, do you want to have evaluated your eligibility for Medical Assistance or your eligibility for subsidized health insurance coverage?

Require DOR to provide to each person who responds 'yes' to the second question that person's contact information and other relevant information from that person's individual income tax return to DHS to perform an evaluation of that person's eligibility for the Medical Assistance program or an evaluation of that person's eligibility for subsidized health insurance coverage through the health insurance marketplace for qualified health plans under the federal Patient Protection and Affordable Care Act. Prohibit DHS from using information it receives from DOR to determine that the individual is ineligible to enroll in the MA program. Authorize DHS staff to examine tax returns for the purposes of performing evaluations for health care eligibility.

Specify that these provisions would first apply to taxable years beginning after December 31, 2023.

[Bill Sections: 1366, 1530, and 9319(1)]

13. TRIBAL REIMBURSEMENT STAFF

	Funding	Positions
GPR	$154,100	1.00
FED	154,100	1.00
Total	$308,200	2.00

Governor: Provide $133,600 ($66,800 GPR and $66,800 FED) in 2023-24 and $174,600 ($87,300 GPR and $87,300 FED) in 2024-25 and 2.0 positions (1.0 GPR and 1.0 FED), beginning in 2023-24, to create a team within the Division of Medicaid Services' Bureau of Fiscal Accountability and Management dedicated to reimbursement structures and challenges related to Native American tribes and bands.

Different federal matching rates and policies apply to MA services provided to citizens of tribal nations and by tribal providers. DHS indicates that working with these structures creates significant administrative complexity. The proposed team would manage and administer the tribal shared savings program created under the 2021-23 biennial budget, including coordinating between tribal clinics, non-tribal providers serving tribal members under care coordination agreements, and the state's MA claims contractor. In addition, the team would resolve a backlog in cost settlements with tribal clinics, support tribal income maintenance agencies, address issues facing managed care providers and the non-emergency medical transportation manager relating to tribal claims, and meet other MA administrative needs related to tribes and bands.

14. MEDICAL ASSISTANCE RECOVERIES -- QUI TAM CLAIMS

Governor: Create procedures under which a private individual could bring a *qui tam* claim against a person who knowingly:

(a) Presents a false or fraudulent claim to a state agency, including a false or fraudulent claim for MA;

(b) Makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent claim to a state agency, including a false or fraudulent claim for MA;

(c) Makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the MA program, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the MA program;

(d) Makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to a state agency, or conceals and improperly avoids or decreases an obligation to pay or transmit money to a state agency; or

(e) Conspires to commit any violation listed above.

Provide that any person who is found to have committed such an offense is liable to the state for three times the amount of the damages sustained by the state, or would have been sustained by the state, whichever is greater, because of these actions, and is subject to forfeitures, for each violation, an amount within the range specified in federal law ($5,000 to $10,000 per violation).

Direct the Department of Justice to diligently investigate possible violations of these provisions and authorize the Department to bring a civil action against a person if the Department determines that a person has committed an act that is punishable under these provisions.

Reduced Penalties Under Certain Conditions. Authorize a court to assess violators not less than two nor more than three times the amount of the damages sustained by the state because of the acts of the person, and may not assess any forfeiture, if the court finds all of the following:

(a) The person who commits the acts furnished the Attorney General with all information known to the person about the acts within 30 days after the date on which the person obtained the information.

(b) The person fully cooperated with any investigation by the state of the acts.

(c) At the time that the person furnished the Attorney General with information concerning the acts, no criminal prosecution or civil or administrative enforcement action had been commenced with respect to any such act, and the person did not have actual knowledge of the existence of any investigation into any such act.

Process. Provide that any person may bring a civil action as a *qui tam* plaintiff against a person who commits a violation for the person and the state in the name of the state, subject to conditions specified in the bill involving actions by the Attorney General or court.

Require a plaintiff to serve upon the Attorney General a copy of the complaint and documents disclosing substantially all material evidence and information that the plaintiff possesses. Require the plaintiff to file a copy of the complaint with the court for inspection in camera. Provide that, unless extended by the Attorney General for good cause, the complaint must remain under seal for a period of 60 days from the date of filing and may not be served upon the defendant until the court so orders. Specify that within 60 days from the date of service upon the Attorney General of the complaint, evidence, and information, the Attorney General may intervene in the action.

Provide that any complaint filed by the state in intervention, whether filed separately or as an amendment to the qui tam plaintiff's complaint, must relate back to the filing date of the qui tam plaintiff's complaint to the extent that the state's claim arises out of the conduct, transactions, or occurrences set forth, or attempted to be set forth, in the qui tam plaintiff's complaint.

Provide that, before the expiration of the period during which the complaint remains under seal, the Attorney General must do one of the following:

1. Proceed with the action or an alternate remedy, in which case the action or proceeding would be be prosecuted by the state.

2. Notify the court that he or she declines to proceed with the action, in which case the person bringing the action may proceed with the action.

Provide that, if a person brings a valid action under these provisions, no person other than the state may intervene or bring a related action based upon the same facts underlying the original action while the original action is pending. Specify that in any action brought under these provisions or alternative proceeding, the plaintiff is required to prove all essential elements of the cause of action or complaint, including damages, by a preponderance of the evidence.

Provide that if the state proceeds with the action or an alternate remedy, the state has primary responsibility for prosecuting the action or proceeding under the alternate remedy. Specify that the state is not bound by any act of the person bringing the action, but that person has the right to continue as a party to the action.

Settlements. Provide that, with the approval of the Governor, the Attorney General may compromise and settle an action or an administrative proceeding to which the state is a party, notwithstanding objection of the person bringing the action, if the court determines, after affording to the person bringing the action the right to a hearing at which the person is afforded the opportunity to present evidence in opposition to the proposed settlement, that the proposed settlement is fair, adequate, and reasonable considering the relevant circumstances pertaining to the violation.

Court-Imposed Limitations on Participation by Claimants. Provide that, upon a showing by the state that unrestricted participation in the prosecution of an action or an alternate proceeding to which the state is a party by the person bringing the action would interfere with or unduly delay the prosecution of the action or proceeding, or would result in consideration of repetitious or irrelevant evidence or evidence presented for purposes of harassment, the court may limit the person's participation in the prosecution, such as: (a) limiting the number of witnesses that the person may call; (b) limiting the length of the testimony of the witnesses; (c) limiting the cross-examination of witnesses by the person; and (d) otherwise limiting the participation by the person in the prosecution of the action or proceeding.

Provide that, upon a showing by a defendant that unrestricted participation in the prosecution of an action or alternate proceeding under to which the state is a party by the person bringing the action would result in harassment or would cause the defendant undue burden or unnecessary expense, the court may limit the person's participation in the prosecution.

Prosecution by Individuals. Provide that, if the state elects not to participate in an action, the person bringing the action may prosecute the action. Specify that, if the Attorney General so requests, the Attorney General must, at the state's expense, be served with copies of all pleadings and deposition transcripts in the action. Provide that, if the person bringing the action initiates prosecution of the action, the court, without limiting the status and rights of that person, may permit the state to intervene at a later date upon a showing by the state of good cause for the proposed intervention.

Provide that, whether or not the state participates in an action, upon a showing in camera by the Attorney General that discovery by the person bringing the action would interfere with the state's ongoing investigation or prosecution of a criminal or civil matter arising out of the same facts as the facts upon which the action is based, the court may stay such discovery in whole or in part for a period of not more than 60 days. Provide that the court may extend the period of any such stay upon a further showing in camera by the Attorney General that the state has pursued the criminal or civil investigation of the matter with reasonable diligence and the proposed discovery in the action will interfere with the ongoing criminal or civil investigation or prosecution.

Alternate Remedy. Provide that the Attorney General may pursue a claim relating to an alleged violation through an alternate remedy available to the state or any state agency, including an administrative proceeding to assess a civil forfeiture. If the Attorney General elects any such alternate remedy, the Attorney General must serve timely notice of his or her election upon the person bringing the action, and that person has the same rights in the alternate venue as the person would have otherwise had. Provide that any finding of fact or conclusion of law made by a court or by a state agency in the alternate venue that has become final is conclusive upon all parties named in an action. For these purposes, a finding or conclusion would be final if it has been finally determined on appeal, if all time for filing an appeal or petition for review with respect to the finding or conclusion has expired, or if the finding or conclusion is not subject to judicial review.

Payment to Claimants. Provide that if the state proceeds with an action brought by a person or the state pursues an alternate remedy described above, the person who brings the action would receive at least 15 percent but not more than 25 percent of the proceeds of the action or settlement of the claim, depending upon the extent to which the person contributed to the prosecution of the action or claim.

Provide that, if an action or claim is one that the court or other adjudicator finds to be based primarily upon disclosures of specific information not provided by the person who brings the action or claim relating to: (a) allegations or transactions specifically disclosed in a criminal, civil, or administrative hearing; (b) legislative or administrative report, hearing, audit, or investigation; or (c) report made by the news media, the court or other adjudicator may award an amount to the person as it considers appropriate, but not more than 10 percent of the proceeds of the action or settlement of the claim, depending upon the significance of the information and the role of the person bringing the action in advancing the prosecution of the action or claim.

Provide that, in addition to any amount received under the person bringing an action described above, the person must be awarded his or her reasonable expenses necessarily incurred in bringing the action together with the person's costs and reasonable actual attorney fees. Require the court or other adjudicator to assess any such award against the defendant.

Provide that, if the state does not proceed with an action or an alternate proceeding, the person bringing the action must receive an amount that the court decides is reasonable for collection of the civil penalty and damages. Specify that the amount must be not less than 25 percent and not more than 30 percent of the proceeds of the action and must be paid from the proceeds. In addition, the person must be paid his or her expenses, costs, and fees described in the bill.

Provide that, whether or not the state proceeds with an action or an alternate proceeding, if the court or other adjudicator finds that an action was brought by a person who planned or initiated the violation upon which the action or proceeding is based, then the court may, to the extent that the court considers appropriate, reduce the share of the proceeds of the action that the person would otherwise receive, taking into account the role of that person in advancing the prosecution of the action or claim and any other relevant circumstance pertaining to the violation, except that if the person bringing the action is convicted of criminal conduct arising from his or her role in a violation, the court or other adjudicator must dismiss the person as a party and the person shall not receive any share of the proceeds of the action or claim or any expenses, costs, or fees.

Create a continuing program revenue appropriation in the Department of Justice to transfer any monies owed to a "relator" (the individual bringing a *que tam* claim).

Court Dismissal of Duplicative Allegations. Provide that, except if the action is brought by the Attorney General or the person bringing the action is an original source of the information, the court must dismiss an action or claim, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in any of the following ways: (a) in a federal criminal, civil, or administrative hearing in which the state or its agent is a party; (b) in a congressional, government accountability office, or other federal report, hearing, audit, or investigation; or (c) from the news media.

State Immunity from Liability. Provide that the state is not liable for any expenses incurred by a private person in bringing an action.

Protections for Claimants. Provide that any employee, contractor, or agent who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful actions taken by the employee, contractor, or agent or by others in furtherance of an action or claim filed or on behalf of the employee, contractor, or agent, including investigation for, initiation of, testimony for, or assistance in an action or claim filed or to be filed, is entitled to all necessary relief to make the employee, contractor, or agent whole. Provide that such relief must in each case include reinstatement with the same seniority status that the employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay at the legal rate, and compensation for any special damages sustained as a result of the discrimination, including costs and reasonable attorney fees. Specify that an employee, contractor, or agent may bring an action to obtain the relief to which the employee, contractor, or agent is entitled under these provisions within three years after the date the retaliation occurred.

Other Provisions. Provide that a civil action may be brought under these provisions based on acts occurring prior to the bill's general effective date if the action is brought within ten years after the cause of the action or claim accrues. Provide that a judgment of guilty entered against a defendant in a criminal action in which the defendant is charged with fraud or making false statements stops the defendant from denying the essential elements of the offense in any action under that involves the same elements as in the criminal action. Specify that the remedies provided for under this section are in addition to any other remedies provided for under any other law or available under the common law. Provide that these provisions must be liberally construed and applied to promote the public interest and to effect the congressional intent in enacting 31 USC 3729 to 3733, as reflected in the federal False Claims Act and the legislative history of the act.

*Definition*s. For these purposes, create the following definitions.

"Claim" means any request or demand, whether under a contract or otherwise, for money or property, whether the state has title to the money or property, that is any of the following: (a) presented to an officer, employee, agent, or other representative of the state; or (b).made to a contractor, grantee, or other person if the money or property is to be spent or used on the state's behalf or to advance a state program or interest and if the state provides any portion of the money or property that is requested or demanded or will reimburse directly or indirectly the contractor, grantee, or other person for any portion of the money or property that is requested or demanded. "Claim" includes a request or demand for services from a state agency or as part of a state program, but does not include requests or demands for money or property that the state has paid to an individual as compensation for state employment or as an income subsidy with no restriction on that individual's use of the money or property.

"Knowingly" means, with respect to information, having actual knowledge of the information, acting in deliberate ignorance of the truth or falsity of the information, or acting in reckless disregard of the truth or falsity of the information. "Knowingly" does not mean specifically intending to defraud.

"Material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property or the receipt of services.

"Medical assistance" is defined through a cross reference to state statutes.

"Obligation" is defined through a cross reference to federal statutes.

"Original source" is defined through a cross reference to federal statutes.

"Proceeds" includes damages, civil penalties, surcharges, payments for costs of compliance, and any other economic benefit realized by this state as a result of an action or settlement of a claim.

[Bill Sections: 460, 569, 1126, 2333, 3186, 3189, 3190, 3192 thru 3194, and 3230]

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$2,644,800	0.00
FED	18,616,700	- 139.00
PR	11,445,900	0.00
SEG	16,000	0.00
Total	$32,723,400	- 139.00

Governor: Provide $20,660,900 ($1,320,600 GPR, $13,613,000 FED, $5,719,300 PR, and $8,000 SEG) in 2023-24 and $12,062,500 ($1,324,200 GPR, $5,003,700 FED, $5,726,600 PR and $8,000 SEG) and a reduction of 139.00 FED positions in 2024-25 to reflect the net effect of the following standard budget adjustments: (a) turnover (-$4,058,800 GPR, -$2,115,000 FED, and -$3,065,300 PR annually); (b) removal of noncontinuing elements from the base (-$10,683,300 FED in 2023-24 and -$19,352,100 FED and -139.0 FED positions in 2024-25); (c) full funding of continuing positions (-$5,714,200 GPR, $25,968,400 FED, -$4,069,800 PR, and $1,800 SEG annually); (d) overtime ($9,396,800 GPR and $10,434,700 PR annually); (e) night and weekend differential pay ($2,281,500 GPR, $101,100 FED, and $2,256,100 PR annually); and (f) full funding of lease and directed moves costs (-$584,700 GPR, $341,800 FED, $163,600 PR, and $6,200 SEG in 2023-24 and -$581,100 GPR, $401,300 FED, $170,900 PR, and $6,200 SEG in 2024-25).

2. STATE OPERATIONS -- SUPPLIES AND SERVICES

GPR	$4,108,800
SEG	3,200
Total	$4,112,000

Governor: Provide $2,056,000 ($2,054,400 GPR and $1,600 SEG) annually to fund increased costs of supplies and services for several state operations programs and facilities, as shown in the following table.

Program	Annual Amount GPR	SEG	Total
Public Health	$109,800	$1,600	$111,400
Care and Treatment Facilities			
Mendota Mental Health Institute	1,200,800		1,200,800
Winnebago Mental Health Institute	187,700		187,700
Sand Ridge Secure Treatment Center	220,100		220,100
Wisconsin Resource Center	244,600		244,600
Central Center	1,800		1,800
Northern Center	1,400		1,400
Southern Center	2,100		2,100
Centralized Services	4,000		4,000
Care and Treatment Services	33,700		33,700
Quality Assurance	48,400		48,400
Total	$2,054,400	$1,600	$2,056,000

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.

3. TRANSLATE WEBSITE AND FORMS INTO MULTIPLE LANGUAGES

GPR	$1,194,400
FED	634,400
Total	$1,828,800

Governor: Provide $851,900 ($556,400 GPR and $295,500 FED) in 2023-24 and $976,900 ($638,000 GPR and $338,900 FED) in 2024-25 to translate the Department's website and forms into multiple languages.

Currently, the Department's website is only available in English. However, the Department is using one-time federal funds to translate the website into Spanish. The Administration indicates that funding ($625,000 all funds in 2023-24 and $750,000 all funds in 2024-25) in the bill would be used to translate the website into Hmong and one other language. Additionally, the Department is currently translating its 13,400 active forms and publications into other languages. Funding in the bill ($226,900 all funds, annually) would double the funding available to pay the contractor to translate additional forms.

4. AGENCY EQUITY OFFICER

	Funding	Positions
GPR	$170,900	1.00

Governor: Provide $74,800 in 2023-24 and $96,100 in 2024-25 to fund 1.0 agency equity officer in the Office of the

Secretary, beginning in 2023-24. The position would collaborate with the Chief Equity Officer in the Department of Administration and equity officers in other agencies to identify opportunities to advance equity in government operations, including determining how current government practices and policies affect communities of color and individuals with disabilities. [See "Administration -- General Agency Provisions."]

5. FEDERAL REVENUE REESTIMATES

FED	$120,631,000

Governor: Provide $60,315,500 annually to reflect the net effect of funding adjustments to certain appropriations funded from federal revenue.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount that would be budgeted for these appropriations in the bill.

Federal Revenue Reestimates

		2023-24			2024-25		
	Base	Reestimate	Other Items	Total	Reestimate	Other Items	Total
Public Health							
MA State Administration	$2,127,600	$6,600,200	-$51,300	$8,676,500	$6,600,200	-$51,300	$8,676,500
Federal Program Operations -- Aging	1,463,000	41,800	49,300	1,554,100	41,800	49,300	1,554,100
Prev. Health Block Grant -- Aids	907,200	86,800	0	994,000	86,800	0	994,000
MCH Block Grant -- Aids	7,000,000	450,000	0	7,450,000	450,000	0	7,450,000
Programs for the Elderly	29,934,900	6,282,300	0	36,217,200	6,282,300	0	36,217,200
						0	
Care and Treatment Services						0	
Federal Project Aids	15,886,400	403,300	0	16,289,700	403,300	0	16,289,700
Substance Abuse Block Grant Aid to Counties	9,756,800	19,644,000	0	29,400,800	19,644,000	0	29,400,800
Federal Block Grants -- Local Assistance	7,185,200	23,688,000	0	30,873,200	23,688,000	0	30,873,200
Substance Abuse Block Grant -- Operations	2,532,900	1,161,100	496,300	4,190,300	1,161,100	487,800	4,181,800
Community Mental Health Block Grant -- Operations	1,384,900	1,625,900	240,900	3,251,700	1,625,900	218,200	3,229,000
Community Mental Health Block Grant -- Local Assistance	2,513,400	200	0	2,513,600	200	0	2,513,600
Disability and Elder Services							
Social Services Block Grant -- Local Assistance	21,106,800	48,400	0	21,155,200	48,400	0	21,155,200
General Administration							
Federal WIC Program Operations	746,900	133,500	5,600	886,000	133,500	5,600	886,000
Office of the Inspector General -- Local Assistance	1,350,000	150,000	375,000	1,875,000	150,000	375,000	1,875,000
Total		**$60,315,500**			**$60,315,500**		

6. PROGRAM REVENUE REESTIMATES

PR	$62,314,900

Governor: Provide $31,115,500 in 2023-24 and $31,199,400 in 2024-25 to reflect the net effect of funding adjustments to certain appropriations funded from program revenue.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount that would be budgeted for these appropriations in the bill.

Program Revenue Funding Reestimates

		2023-24			2024-25		
	Base	Reestimate	Other Items	Total	Reestimate	Other Items	Total
Public Health							
Fees for Administrative Services	$112,500	$6,000	$0	$118,500	$6,000	$0	$118,500
Interagency and Intra-Agency Aids	5,466,500	2,922,500	-13,000	8,376,000	2,922,500	-13,000	8,376,000
Mental Health and Developmental Disabilities Facilities							
Repair and Maintenance	965,100	246,500	0	1,211,600	246,500	0	1,211,600
State Centers Operations	135,770,600	4,949,100	28,909,500	169,629,200	4,949,100	31,304,700	172,024,400
Medicaid Services							
Interagency and Intra-Agency Aids	23,192,000	4,808,000	3,758,700	31,758,700	4,808,000	2,500,500	30,500,500
Care and Treatment Services							
Gifts and Grants	94,300	98,300	0	192,600	98,300	0	192,600
Quality Assurance							
Licensing and Support Services	3,336,000	801,200	-695,100	3,442,100	885,100	-695,100	3,526,000
General Administration							
Bureau of Information Technology Services	19,951,700	17,283,900	-367,200	36,868,400	17,283,900	-367,200	36,868,400
Total		**$31,115,500**			**$31,199,400**		

7. ADMINISTRATIVE TRANSFERS

	Funding	Positions
FED	$386,000	1.50
PR	- 386,000	- 1.50
Total	$0	0.00

Governor: Reduce PR funding by $193,000 annually and increase FED funding by corresponding amounts, and convert 1.50 PR positions to FED positions, beginning in 2023-24, to reflect the net effect of position transfers that occurred within the Department in the 2021-23 biennium. These transfers are intended to more accurately align base staff costs with funding sources that reflect the positions' current responsibilities.

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$148,621,500	$160,251,800	$166,177,300	$29,186,100	9.8%	10.00	14.00	14.00	4.00	40.0%
FED	150,000	150,000	150,000	0	0.0	0.00	0.00	0.00	0.00	0.0
PR	1,667,400	1,691,500	1,716,800	73,500	2.2	0.00	0.00	0.00	0.00	0.0
TOTAL	$150,438,900	$162,093,300	$168,044,100	$29,259,600	9.7%	10.00	14.00	14.00	4.00	40.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$21,000

Governor: Provide adjustments to the base budget of $12,900 annually for full funding of continuing salaries and fringe benefits and -$2,400 annually for full funding of lease and directed moves costs.

2. NURSE EDUCATORS

GPR	$10,000,000

Governor: Provide $5,000,000 annually for the nurse educators program above base level funding of $5,000,000.

2021 Act 58 provided $5,000,000 GPR in 2022-23 in the Joint Committee on Finance supplemental appropriation for release to HEAB upon request and approval by the Committee for a Nurse Educators program. The Act also created a new, continuing appropriation under HEAB for the program, to which funding was transferred upon release by the Committee. The Act specified that the nurse educator program applies to students and graduates of institutions of higher education, defined as private, non-profit colleges located in Wisconsin, colleges within the Wisconsin Technical College System (WTCS), and UW System institutions or campuses. The program is required to provide: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice, doctor of philosophy in nursing, or master of science in nursing in an institution of higher education; (b) educational loan repayment assistance to recruit and retain faculty for nursing programs in an institution of higher education; and (c) postdoctoral fellowships to recruit faculty for nursing programs in an institution of higher education. Individuals who receive fellowships or loan repayment assistance are required to teach for three consecutive years in a nursing program at an institution of higher education.

3. INFORMATION TECHNOLOGY MODERNIZATION PROJECT

	Funding	Positions
GPR	$1,465,000	2.00

Governor: Provide $712,900 and 2.00 positions in 2023-24 and $752,100 in 2024-25 to support ongoing costs of HEAB's informational technology (IT) modernization project. HEAB's current mainframe system was built in 1968 and utilizes outdated computer programming and database language. The current system also does not interface well with cloud-based technologies. The modernization project includes implementation of a new system using the Microsoft.net platform for all of the programs HEAB administers. The new system will address changes in the calculation of financial need required under the federal Free Application of Federal Student Aid (FAFSA) Simplification Act of 2019, as well as improve the Board's ability to interface with the federal government and higher educational institutions. HEAB utilized $3.1 million in federal ARPA funds for the upfront development costs of the new system. Funding provided under the bill would support ongoing costs including 2.0 business analysts to support the new system, perform data analysis, manage communications with external parties and conduct testing. Remaining funding would be utilized for hosting and vendor maintenance changes.

4. INFORMATION TECHNOLOGY PERSONNEL

	Funding	Positions
GPR	$340,500	1.50

Governor: Provide $209,900 and 1.50 positions (1.0 project position and 0.50 FTE) in 2023-24 and $130,600 in 2024-25 for HEAB informational technology (IT) personnel. State budget staff indicate the project position is intended to allow current IT staff to train new staff prior to a retirement. The additional 0.50 FTE position would bring a 0.50 IT position to full-time.

5. JOHN R. JUSTICE STUDENT LOAN REPAYMENT PROGRAM

	Funding	Positions
GPR	$70,100	0.50

Governor: Provide $28,300 in 2023-24 and $41,800 in 2024-25 with 0.50 positions beginning in 2023-24 to administer the John R. Justice loan repayment program.

The John R. Justice program provides loan repayment assistance for state and federal public defenders and state prosecutors who agree to remain employed as public defenders and prosecutors for at least three years. In Wisconsin, HEAB is the designated administrative agency for the program.

6. WISCONSIN GRANTS -- UW SYSTEM

GPR	$9,439,100

Governor: Increase funding for Wisconsin Grants for UW System students by $3,094,800 in 2023-24 and $6,344,300 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23, and an increase of 9.8% in 2024-25 over 2023-24. Annual base level funding for this program is $61,894,100.

7. WISCONSIN GRANTS -- TECHNICAL COLLEGES

GPR	$3,503,300

Governor: Increase funding for Wisconsin Grants for technical college students by $1,148,600 in 2023-24 and $2,354,700 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23, and an increase of 9.8% in 2024-25 over 2023-24. Annual base level funding for the program is $22,971,700.

8. WISCONSIN GRANTS -- PRIVATE, NONPROFIT COLLEGES

GPR	$4,347,100

Governor: Increase funding for Wisconsin Grants for private, nonprofit college students by $1,425,300 in 2023-24, and $2,921,800 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23 and 9.8% in 2023-25 over 2023-24. Annual base funding for this program is $28,504,600.

9. WISCONSIN GRANTS -- TRIBAL COLLEGES

PR	$73,500

Governor: Provide an increase of $24,100 in 2023-24 and $49,400 in 2024-25 for Wisconsin Grants for tribal college students. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23 and an increase of 9.8% in 2024-25 over 2023-24. Annual base funding for the program is $481,800. Wisconsin Grants for tribal college students are funded with tribal gaming revenue.

10. WISCONSIN GRANTS TO UW SYSTEM, TECHNICAL COLLEGES, AND TRIBAL COLLEGES PROGRAM CHANGES

Governor: Specify that the maximum Wisconsin Grant awarded to a UW System student may not exceed one-half of in-state undergraduate tuition and fees charged at UW-Madison for the academic year in which the grant is awarded. (Based on total 2022-23 in-state tuition and fees at UW-Madison of $9,273, the maximum award would be $4,637.) In addition, specify that Wisconsin residents enrolled at least one-quarter time at a Wisconsin Technical College System institution are eligible to receive Wisconsin Grants. Further, clarify that the maximum number of semesters a UW System, technical college, or tribal college student may be eligible for a Wisconsin Grant is 12 semesters or their equivalent, and for students attending less than full-time, only the fraction of the student's enrollment, in proportion to full-time enrollment, may be counted toward the semester limit.

Under current law, the minimum Wisconsin Grant that can be awarded is $250, while the maximum grant awarded to UW, technical college, and tribal college students may not exceed $3,150. There is currently no statutory maximum for Wisconsin Grants awarded to private, nonprofit college and university students. Actual minimum and maximum grants vary by sector and are approved annually by the HEAB Board. The Board approved a maximum of $3,150 for Wisconsin Grants to UW System students in 2022-23. Currently, eligibility for Wisconsin Grants is limited to students enrolled at least half-time. There is currently no statutory maximum for the number of semesters a Wisconsin Grant may be awarded to UW System, technical colleges, and tribal college students, although HEAB indicates that in practice, they apply a 10 semesters or equivalent limit (consistent with the limit on Wisconsin Grants awarded to private, nonprofit college students).

[Bill Sections: 684, 686, and 687]

11. WISCONSIN GRANTS TO PRIVATE NONPROFIT COLLEGES PROGRAM CHANGES

Governor: Delete the current law requirements related to calculation of Wisconsin Grants awarded to students attending private, nonprofit colleges. Instead, specify that, effective for grants awarded for the semester or session beginning after the effective date of the bill, HEAB must award such grants based on a formula, subject to HEAB review and approval, which accounts for a family's expected family contribution and that is consistent with generally accepted definitions and nationally approved needs analysis methodology.

Under current law, individual Wisconsin Grant amounts are calculated using formulas which are approved annually by HEAB. For Wisconsin Grants to UW System, technical college, and tribal college students, statutes currently require that these formulas account for expected family contribution and are consistent with nationally approved needs analysis methodology. HEAB currently approves a total of five formulas, one each for UW students, technical college students, and tribal college students, and two for private, nonprofit college and university students. Current law requires HEAB to use different formulas for dependent and independent students attending private, nonprofit colleges and universities. Under these formulas, dependent students receive larger grants than independent students. The formulas for Wisconsin Grants for private, nonprofit college and university students also include a calculation of the amount by which the student's tuition exceeds UW-Madison tuition. Applicants who attend private, non-profit institutions that charge higher tuition are eligible for larger awards. The bill would eliminate the current requirements related to the formula for calculating Wisconsin Grants to private, nonprofit college students including the distinction between independent and dependent students. Under the bill, the formula would be required to take into account expected family contribution, consistent with the other sector's Wisconsin Grant formulas, and the formula would remain subject to annual review and approval by HEAB, including the maximum grant award. There is currently no statutory maximum for Wisconsin Grants awarded to private, nonprofit college and university students.

[Bill Sections: 682 and 9320(1)]

12. TALENT INCENTIVE AND HEARING AND VISUALLY IMPAIRED GRANT PROGRAMS TECHNICAL CHANGES

Governor: Create a separate section of the statutes for the talent incentive grant and hearing and visually impaired grant programs, and delete their corresponding subsections under the Wisconsin Grant program section of the statutes.

The Talent Incentive Grant Program (known as "TIP") provides grants to the most needy and educationally disadvantaged students. Freshmen grant recipients are selected by the staff of the Wisconsin Educational Opportunity Program (WEOP) in the Department of Public Instruction and institutional financial aid officers. Only students who receive TIP awards as freshmen are eligible to receive awards as upperclassmen. Freshmen TIP awards are made by financial aid officers and WEOP counselors; HEAB determines the awards for those who continue to enroll as upperclassmen. Unlike other financial aid programs, TIP funding is guaranteed for continuing upperclassmen, thus obligating HEAB to four years of support once an initial award is made. Students may be awarded both a maximum TIP award as well as a maximum Wisconsin Grant award.

Under the visual or hearing impaired grant program, Wisconsin residents who have a severe or profound hearing or visual impairment and are enrolled as undergraduates at an in-state or eligible out-of-state public or private, nonprofit postsecondary institution are eligible for financial assistance. Students are eligible for a maximum grant of $1,800 a year in addition to any grants received under the Wisconsin Grant program.

Students may receive TIP and hearing and visually impaired awards for up to 10 semesters within the first six years after the initial grant was awarded.

[Bill Sections: 297 thru 301, 645, 671, 680, 681, 683, 685, 689, and 690]

13. CALCULATION OF STUDENT FINANCIAL AID TERMINOLOGY

Governor: Modify the definition of "expected family contribution" under section 39.437(3)(a) of the statutes, to, upon implementation of the federal Free Application of Federal Student Aid (FAFSA) Simplification Act of 2019, be determined consistently with requirements for determining the student aid index. In addition, clarify that the formulas for Wisconsin Grants to UW System, technical college, and tribal college students, refer to this definition of expected family contribution.

The FAFSA Simplification Act replaces the expected family contribution calculation with a new calculation referred to as the student aid index. The Act is currently scheduled to become effective July 1, 2024, and would be first used for financial aid awards made for award year 2024-25.

[Bill Sections: 688 and 691]

14. DOA ADMINISTRATIVE SUPPORT

Governor: Provide 1.0 position and associated funding to the Department of Administration for HEAB administrative support. Under current law, HEAB is responsible for its own administrative services. [See "Administration -- General Agency Provisions."]

HISTORICAL SOCIETY

Budget Summary						FTE Position Summary				
				2023-25 Change Over Base Year Doubled					2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	Amount	%	2022-23	Governor 2023-24	Governor 2024-25	Number	%
GPR	$22,077,000	$28,153,100	$25,693,700	$9,692,800	22.0%	112.65	116.65	116.65	4.00	3.6%
FED	1,483,900	2,603,400	2,717,200	2,352,800	79.3	8.86	8.86	8.86	0.00	0.0
PR	3,551,800	5,680,500	5,702,400	4,279,300	60.2	23.35	24.35	24.35	1.00	4.3
SEG	4,203,500	5,728,100	6,721,600	4,042,700	48.1	32.84	32.84	32.84	0.00	0.0
TOTAL	$31,316,200	$42,165,100	$40,834,900	$20,367,600	32.5%	177.70	182.70	182.70	5.00	2.8%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $544,800
FED	- 60,200
PR	- 516,500
SEG	1,191,000
Total	$69,500

Governor: Adjust the base budget by -$272,400 GPR, -$30,200 FED, -$259,000 PR, and $595,500 SEG in 2023-24 and -$272,400 GPR, -$30,000 FED, -$257,500 PR, and $595,500 SEG in 2024-25 for: (a) turnover reduction (-$231,500 GPR annually); (b) full funding of continuing position salaries and fringe benefits ($124,000 GPR, -$29,700 FED,-$259,200 PR, and $595,500 SEG annually); (c) overtime ($7,300 GPR annually); (d) night and weekend differential pay ($12,400 GPR annually); and (e) lease and directed move costs (-$184,600 GPR, -$500 FED, and $200 PR in 2023-24 and (-$184,600 GPR, -$300 FED, and $1,700 PR in 2024-25).

2. DEBT SERVICE REESTIMATE

GPR	- $1,267,000
PR	- 15,200
Total	- $1,282,200

Governor: Reduce funding by $614,000 GPR and $7,800 PR in 2023-24 and $653,000 GPR and $7,400 PR in 2024-25 as a reestimate of debt service payments. Base level funding is $4,613,500 GPR and $9,800 PR annually.

3. FUEL AND UTILITIES REESTIMATE

GPR	$818,000

Governor: Increase funding by $396,800 in 2023-24 and $421,200 in 2024-25 to reflect estimated costs for fuel and utilities at Historical Society facilities. Base level funding is $812,100 annually.

4. INFORMATION TECHNOLOGY SERVICES

	Funding	Positions
GPR	$4,945,000	4.00

Governor: Provide $2,574,900 in 2023-24 and $2,370,100 in 2024-25 and 4.0 positions annually for the transition of the Historical Society's information technology services and support from the University of Wisconsin-Madison Division of Information Technology to the Department of Administration's Division of Enterprise Technology.

The funding and position authority is to ensure that the Historical Society IT program can maintain the current level of services, implement initiatives included in the IT Strategic Plan, and provide additional resources to support the new Wisconsin History Center.

5. WISCONSIN HISTORY CENTER

GPR	$3,000,000

Governor: Provide $2,500,000 in 2023-24 and $500,000 in 2024-25 in the Society's general program operations appropriation to support the conservation, preservation, and preparation of historical artifacts as well as digital infrastructure for the planning and operation of the Wisconsin History Center, which is an enumerated state project scheduled to open in fiscal year 2026-27 and expected to serve 250,000 visitors annually.

6. BLACK HISTORICAL SOCIETY

GPR	$2,000,000

Governor: Provide $1,000,000 annually over base level funding of $84,500 for the Wisconsin Black Historical Society.

The Wisconsin Black Historical Society documents and preserves historical records and artifacts related to African Americans and their history in Wisconsin. The Society operates a museum located in Milwaukee.

7. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$501,600
SEG	200
Total	$501,800

Governor: Provide $250,800 GPR and $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. The GPR would be provided in the Society's general program operations appropriation and the SEG would be provided in the appropriation for the Northern Great Lakes Center.

8. HISTORICAL AND FINE ARTS COLLECTION INVENTORY

GPR	$240,000

Governor: Provide $240,000 in 2023-24 to complete a comprehensive inventory and valuation of state-owned historical and fine arts collections.

9. RECORDS MANAGEMENT

	Positions
PR	1.00

Governor: Convert 1.0 LTE position to an FTE permanent position to support the state historical records management program.

10. REVENUE REESTIMATES

FED	$2,413,000
PR	4,811,000
SEG	2,851,500
Total	$10,075,500

Governor: Provide $4,474,200 ($1,149,700 FED, $2,395,500 PR, and $929,000 SEG) in 2023-24 and $5,601,300 ($1,263,300 FED, $2,415,500 PR, and $1,922,500 SEG) in 2024-25 to reflect current revenue and expenditure projections for the following continuing FED, PR, and SEG appropriations:

a. $971,900 FED in 2023-24 and $1,065,500 FED in 2024-25 for the general program operations -- federal funds appropriation.

b. $177,800 FED in 2023-24 and $197,800 FED in 2024-25 for indirect cost reimbursements for the federal aids appropriation.

c. $2,000,000 PR annually for foundation contributed income for the gifts, grants, and membership sales appropriation.

d. $365,500 PR annually for the general program operations -- service funds appropriation.

e. $30,000 PR in 2023-24 and $50,000 PR in 2024-25 for general donations for the gifts, grants, and membership sales appropriation.

f. $825,000 SEG in 2023-24 and $1,775,000 SEG in 2024-25 for the history preservation partnership trust fund appropriation.

g. $104,000 SEG in 2023-24 and $147,500 SEG in 2024-25 for the general program operations for the endowment appropriation.

The reestimates reflect the resumption of full operations after the COVID-19 pandemic, progress on the Wisconsin History Center project, growth of certain revenue-generating functions, endowment performance, and new federal grant funding.

INSURANCE

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$34,233,200	$23,715,900	$59,464,900	$14,714,400	21.5%	0.00	10.00	10.00	10.00	0.0%
FED	165,766,800	208,266,500	171,800,000	48,532,900	14.6	0.00	0.00	0.00	0.00	0.0
PR	20,513,900	24,014,400	28,216,100	11,202,700	27.3	124.15	151.65	151.65	27.50	22.2
SEG	62,997,400	63,048,200	63,048,200	101,600	0.1	10.68	10.68	10.68	0.00	0.0
TOTAL	$283,511,300	$319,045,000	$322,529,200	$74,551,600	13.1%	134.83	172.33	172.33	37.50	27.8%

Budget Change Items

Agency Operations and Current Programs

1. STANDARD BUDGET ADJUSTMENTS

PR	- $169,600
SEG	101,600
Total	- $68,000

Governor: Reduce funding by $34,000 (-$84,800 PR and $50,800 SEG) annually to reflect the following standard budget adjustments: (a) -$277,500 PR annually for turnover reduction; (b) $259,300 PR and $53,500 SEG annually for full funding of continuing position salaries and fringe benefits; and (c) -$66,600 PR and -$2,700 SEG annually for full funding of lease and directed move costs.

2. FINANCIAL AND MARKET REGULATION POSITIONS

	Funding	Positions
PR	$1,631,900	10.00

Governor: Provide $699,400 in 2023-24 and $932,500 in 2024-25 and 10.0 positions, beginning in 2023-24, to address increased workload and responsibilities relating to OCI's supervision of the insurance industry. Of the funding and positions that would be provided, 5.0 positions would be assigned to the Division of Market Regulation, which regulates the market conduct of insurance companies and agents to ensure compliance with insurance laws and rules. This includes investigating consumer complaints, providing consumer information, issuing agent licenses, and reviewing company underwriting and rating practices. The other 5.0 positions would be assigned to the Division of Financial Regulation, which oversees company licensing, financial analysis and examinations, and the solvency of insurers licensed to do business in Wisconsin. This includes conducting regular financial examinations of companies and issuing company licenses.

3. RESTORE FUNDING FOR AGENCY OPERATIONS

PR	$1,404,600

Governor: Provide $702,300 for OCI administrative functions, reflecting the net effect of the following two changes: (a) provide an increase of $2,222,600 annually in OCI's general program operations appropriation; and (b) delete the interagency and intra-agency operations appropriation, along with base funding in that appropriation of $1,520,300 annually.

The 2021-23 budget (Act 58) created an interagency and intra-agency PR appropriation in OCI for general program operations and made a non-recurring transfer of $1,520,300 in each year of the biennium to that appropriation from the unencumbered revenue balance in OCI's PR appropriation for general program operations. In addition, Act 58 reduced funding in the general program operations appropriation by $2,222,600 annually. The result of these changes was a net reduction in program operations funding, in both appropriations combined, of $702,300. This item would delete the interagency and intra-agency appropriation created by Act 58 and reverse the net funding reduction that resulted from that act.

[Bill Section: 279]

4. WISCONSIN HEALTHCARE STABILITY PLAN

GPR	$11,467,100
FED	48,532,900
Total	$60,000,000

Governor: Provide $30,000,000 (-$12,499,700 GPR and $42,499,700 FED) in 2023-24 and $30,000,000 ($23,966,800 GPR and $6,033,200 FED) in 2024-25 to reflect estimated increases in total reinsurance payments under the Wisconsin healthcare stability plan (WHSP), from the base of $200,000,000 annually to $230,000,000 annually.

The following table shows the appropriation base and estimated funding for reinsurance payments in the 2023-25 biennium with these adjustments.

		Change to Base		Total Funding	
	Base	2023-24	2024-25	2023-24	2024-25
GPR	$34,233,200	-$12,499,700	$23,966,800	$21,733,500	$58,200,000
FED	165,766,800	42,499,700	6,033,200	208,266,500	171,800,000
Total	$200,000,000	$30,000,000	$30,000,000	$230,000,000	$230,000,000

WHSP is a state-operated reinsurance program, supported with state and federal funding, that is intended to reduce premiums for health insurance policies sold in the individual market. Reinsurance payments reimburse insurers for a portion of the total annual claims for individuals with high costs. Each year, OCI establishes reinsurance payment parameters based on a total expenditure target. The 2021-23 budget act increased the statutory target from $200,000,000 to $230,000,000, beginning for the 2022 insurance plan year. Since the 2022 plan year reinsurance payments will be made in state fiscal year 2023-24, this item adjusts the GPR and FED appropriations to equal anticipated expenditures.

The reinsurance payments for the 2022 plan year will be made in 2023-24 with a combination of federal funds received for that plan year ($181,902,400) and federal funds received for the 2021 plan year, but not needed for 2021 reinsurance payments ($26,364,100). Since the federal funding for 2021 exceeded the total amount of reinsurance payments, the excess funding will be carried over to offset the state cost of making the 2022 payments. The Administration estimates that federal funds for the 2023 plan year will total $171,800,000, so the bill would increase GPR funding in 2024-25 to equal the difference between the available federal funding and the anticipated reinsurance payment total.

5. WISCONSIN HEALTHCARE STABILITY PLAN -- PROGRAM MANAGER POSITION

	Funding	Positions
PR	$249,400	1.00

Governor: Provide $106,900 in 2023-24 and $142,500 in 2024-25 and 1.0 position, beginning in 2023-24, to establish a designated program manager for the Wisconsin healthcare stability plan program. According to the Administration, the program manager would oversee contract management, data analysis, and strategy development for the program.

6. WISCONSIN HEALTH CARE STABILITY PLAN -- ADJUSTMENT OF TOTAL ANNUAL REINSURANCE PAYMENT

Governor: Specify that, beginning for plan year 2025, the annual maximum amount of reinsurance payments under the Wisconsin healthcare stability plan shall be the maximum amount for the prior year, adjusted to reflect the percentage increase, if any, in the consumer price index for all urban consumers, U.S. city average, for the medical care group, as determined by the U.S. Department of Labor, for the 12-month period ending on December 31 of the year before the year in which the amount is determined.

Require OCI to determine the annual adjustment for a particular year in January of the previous year and publish the new maximum each year in the Wisconsin Administrative Register. The Joint Committee on Finance would retain the authority to increase the maximum payment by more than the amount of this adjustment under s. 13.10 of the statutes upon request by OCI. Clarify that the current statutory maximum payment of $230,000,000 applies to plan years 2022, 2023, and 2024 and that the program shall be administered in accordance with any extensions of the federal waiver that was approved by the Department of Health and Human Services on July 29, 2018.

[Bill Sections: 3047 thru 3049]

7. BOARD ON AGING AND LONG-TERM CARE HELPLINE FUNDING TRANSFER

PR	$148,700

Governor: Provide $71,800 in 2023-24 and $76,900 in 2024-25 to reflect a reestimate of the amount of insurance fee revenue that will be needed to fund telephone counseling services provided by the Board on Aging and Long-Term Care (BOALTC) for individuals seeking information on Medicare supplemental insurance policies ("Medigap" policies), Medicare Part D policies (policies that cover prescription drugs), and SeniorCare.

The BOALTC Helpline provides free one-on-one insurance counseling services to state residents over the age of 60. The Helpline is supported from two sources -- federal funds the state receives under the state health insurance assistance program (SHIP) and state insurance fee revenue budgeted as part of OCI's general program operations appropriation that OCI transfers to BOALTC. The BOALTC budget request includes funding to increase administrative support for the Helpline. OCI's request would provide the expenditure authority for making the Helpline transfer in an amount that equals BOALTC's proposed funding increase for the Helpline.

8. EQUITY OFFICER POSITION

	Funding	Positions
PR	$83,600	0.50

Governor: Provide $36,600 in 2023-24 and $47,000 in 2024-25 and 0.5 position, beginning in 2023-24, 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."]

Drug Costs and Pricing

1. OFFICE OF PRESCRIPTION DRUG AFFORDABILITY

	Funding	Positions
PR	$3,854,100	16.00

Governor: Provide $1,968,300 in 2023-24 and $1,885,800 in 2024-25, and 16.0 positions, beginning in 2023-24, to administer new initiatives related to prescription drug supply chain regulation and consumer assistance in a new Office of Prescription Drug Affordability within OCI. Specify that all moneys received from the regulation of pharmacy benefit management brokers, pharmacy benefit management consultants, pharmacy services administration organizations, and pharmaceutical representatives shall be credited to OCI's program revenue appropriation for general program operations.

Of the funding provided by the bill, $500,000 in 2023-24 would be one-time financing for implementation costs associated with the Office, while the remainder, $1,468,300 in 2023-24 and $1,885,800, would be for salary, fringe benefit, and supplies costs associated with the positions. The positions would include five insurance examiners, four policy initiatives advisors, two attorneys, an insurance program manager, two insurance administrators, and two operations program associates. The prescription drug affordability initiatives are summarized in subsequent items in this section.

[Bill Section: 278]

2. PRESCRIPTION DRUG AFFORDABILITY BOARD

Governor: Establish a Prescription Drug Affordability Review Board, attached to the Officer of the Commissioner of Insurance for the purpose of budgeting, program coordination and related management functions, but with independence with respect to exercise its powers, duties and functions prescribed by law, including rule making, licensing and regulation, and operational planning within its area of program responsibility. Specify that the provisions of this item take effect on the first day of the seventh month beginning after the effective date of the bill.

Board Membership

Specify that the Board shall be composed of the following members: (a) the Commissioner of Insurance or his or her designee; (b) two members appointed for four-year terms who represent the pharmaceutical drug industry, including pharmaceutical drug manufacturers and wholesalers, at least one of whom is a licensed pharmacist; (c) two members appointed for four-year terms who represent the health insurance industry, including insurers and pharmacy benefit managers; (d) two members appointed for four-year terms who represent the health care industry, including hospitals, physicians, pharmacies, and pharmacists, at least one of whom shall be a licensed practitioner; and (e) two members appointed for four-year terms who represent the interests of the public.

Specify that, notwithstanding the terms established for the Board members, two of the initial members shall be appointed for terms expiring on May 1, 2025, two members with terms expiring on May 1, 2026, two members with terms expiring on May 1 2027, and two members with terms expiring on May 1, 2028.

Specify that, other than the two Board members selected to represent the pharmaceutical drug industry, no member appointed to the Board may be an employee of, a board member of, or a consultant to, a drug manufacturer or trade association for drug manufacturers. Specify that any conflict of interest, including any financial or personal association, that has the potential to bias or has the appearance of biasing an individual's decision in matters related to the Board or the conduct of the Board's activities shall be considered and disclosed when appointing that individual to the Board.

Purpose, Powers and Duties, Meeting Requirements, and Conflicts of Interest

Purpose. Specify that the purpose of the Prescription Drug Affordability Review Board is to protect state residents, the state, local governments, health plans, healthcare providers, pharmacies licensed in Wisconsin, and other stakeholders of the healthcare system in Wisconsin from the high costs of prescription drug products.

Meeting Requirements. Require the Board to meet in open session at least four times per year to review prescription drug product pricing information, except that the chair may cancel or postpone a meeting if there is no business to transact. Require the Board, to the extent practicable, to access and assess pricing information for prescription drug products by doing all of the following: (a) accessing and assessing information from other states by entering into memoranda of understanding with other states to which manufacturers report pricing information; (b) assessing spending for specific prescription drug products in Wisconsin; and (c) accessing other available pricing information.

Powers and Duties. Specify that the Board may: (a) promulgate rules for the administration of its statutory duties; or (b) enter into a contract with an independent third party for any service necessary to carry out the powers and duties of the Board. Specify that, unless written permission is granted by the Board, any person with whom the Board contracts may not release, publish, or otherwise use any information to which the person has access under the contract.

Require the Board to provide public notice of each Board meeting at least two weeks prior to the meeting and to make the materials for each meeting publicly available at least one week prior to the meeting. Require the Board to provide an opportunity for public comment at each open meeting and to provide the public with the opportunity to provide written comments on pending decisions of the Board. Specify that any portion of a meeting of the Board concerning proprietary data and information shall be conducted in closed session and shall in all respects remain confidential. Specify that the Board may allow expert testimony at any meeting, including when the Board meets in closed session. Require the Board to establish and maintain a website to provide public notices, make meeting materials available, and to disclose any conflicts of interest of Board members.

Conflicts of Interest. Require a member of the Board to recuse himself or herself from a decision relating to a prescription drug product if the member or an immediate family member has received or could receive any of the following: (a) a direct financial benefit deriving from a determination, or a finding of a study or review, by the Board relating to the prescription drug product; (b) a financial benefit in excess of $5,000 in a calendar year from any person who owns, manufactures, or provides a prescription drug product to be studied or reviewed by the Board.

Specify that a conflict of interest shall be disclosed by the Board when hiring Board staff, by the appointing authority when appointing members to the Board, and by the Board when a member of the Board is recused from any final decision resulting from a review of a prescription drug product. Specify that any conflict of interest shall be disclosed no later than five days after the conflict is identified, except that, if the conflict is identified within five days of an open meeting of the Board, the conflict shall be disclosed prior to the meeting. Require the Board to disclose a conflict of interest on the Board's website unless the chair of the Board recuses the member from a final decision resulting from a review of the prescription drug product. Specify that the disclosure shall include the type, nature, and magnitude of the interests of the member involved.

Prohibit any member of the Board or a third party contractor from accepting any gift or donation of services or property that indicates a potential conflict of interest or has the appearance of biasing the work of the Board.

Drug Cost Affordability Review

Require the Board to identify any drug products that are any of the following: (a) a brand name drug or biologic that, as adjusted annually to reflect adjustments to the U.S. consumer price index for all urban consumers, U.S. city average (CPI), has a launch wholesale acquisition cost of at least $30,000 per year or course of treatment, or whose wholesale acquisition cost increased at least $3,000 during a 12-month period; (b) a biosimilar that has a launch wholesale acquisition cost that is not at least 15 percent lower than the referenced brand biologic at the time the biosimilar is launched; (c) a generic drug that has a wholesale acquisition cost, as adjusted annually to reflect adjustments to the CPI, that meets all of the following conditions: (i) is at least $100 for a supply lasting a patient for a period of 30 consecutive days based on the recommended dosage approved for labeling by the U.S. Food and Drug Administration (FDA), a supply lasting a patient for fewer than 30 days based on the recommended dosage approved for labeling by the FDA, or one unit of the drug if the labeling approved by the FDA does not recommend a finite dosage; or (ii) increased by at least 200 percent during the preceding 12-month period, as determined by the difference between the resulting wholesale acquisition cost and the average of the wholesale acquisition cost reported over the preceding 12 months; or (d) other prescription drug products, including drugs to address public health emergencies, that may create affordability challenges for the healthcare system and patients in Wisconsin.

Require the Board, after identifying prescription drugs that meet the above conditions, to determine whether to conduct an affordability review for each identified prescription drug product by seeking stakeholder input about the prescription drug product and considering the average patient cost share of the prescription drug product. Specify that the information to conduct an affordability review may include any document and research related to the manufacturer's selection of the introductory price or price increase of the prescription drug product, including life cycle management, net average price in Wisconsin, market competition and context, projected revenue, and the estimated value or cost-effectiveness of the prescription drug product. Specify that the failure of a manufacturer to provide the Board with information for an affordability review does not affect the authority of the Board to conduct the review.

Drug Affordability Challenge and Upper Payment Limit

Require the Board, when conducting an affordability review of a prescription drug product, to determine whether use of the prescription drug product that is fully consistent with the labeling approved by the FDA or standard medical practice has led or will lead to an affordability challenge for the healthcare system in Wisconsin, including high out-of-pocket costs for patients. Require the Board, to the extent practicable, in determining whether a prescription drug product has led or will lead to an affordability challenge, to consider all of the following factors: (a) the wholesale acquisition cost for the prescription drug product; (b) the average monetary price concession, discount, or rebate the manufacturer provides, or is expected to provide, to health plans as reported by manufacturers and health plans, expressed as a percent of the wholesale acquisition cost for the prescription drug product under review; (c) the total amount of the price concessions, discounts, and rebates the manufacturer provides to each pharmacy benefit manager for the prescription drug product under review, as reported by the manufacturer and pharmacy benefit manager and expressed as a percent of the wholesale acquisition cost; (d) the price at which therapeutic alternatives to the prescription drug product have been sold; (e) the average monetary concession, discount, or rebate the manufacturer provides or is expected to provide to health plan payors and pharmacy benefit managers for therapeutic alternatives; (f) the costs to health plans based on patient access consistent with labeled indications by the FDA and recognized standard medical practice; (g) the impact on patient access resulting from the cost of the prescription drug product relative to insurance benefit design; (h) the current or expected dollar value of drug-specific patient access programs that are supported by the manufacturer; (i) the relative financial impacts to health, medical, or social services costs that can be quantified and compared to baseline effects of existing therapeutic alternatives; (j) the average patient copay or other cost sharing for the prescription drug product; (k) any information a manufacturer chooses to provide; and (l) any other factors as determined by the Board by rule.

Require the Board, if it determines that the use of a prescription drug product has led or will lead to an affordability challenge, to establish an upper payment limit for the prescription drug product after considering all of the following: (a) the cost of administering the drug; (b) the cost of delivering the drug to consumers; and (c) other relevant administrative costs related to the drug.

Require the Board, with respect to drugs that the Board determines had a price increase in excess of the 12-month thresholds, to solicit information from the manufacturer regarding the price increase. Require the Board to establish an upper payment limit for a drug to the extent that the price increase is not a result of the need for increased manufacturing capacity or other effort to improve patient access during a public health emergency. Specify that the limit shall be the cost to consumers prior to the price increase.

Specify that the upper payment limit established by the Board shall apply to all purchases and payor reimbursements of the prescription drug product dispensed or administered to individuals in Wisconsin in person, by mail, or by other means, and is applicable to state sponsored and state regulated health plans and health programs. Specify that a plan subject to the federal Employee Retirement Income Security Act of 1974 (ERISA) or Medicare Part D may choose to reimburse more than the upper payment limit. Specify that a provider who dispenses and administers a prescription drug product to an individual in Wisconsin may not bill a payor more than the upper payment limit to the patient, regardless of whether a plan subject to ERISA or Medicare Part D chooses to reimburse the provider above the upper payment limit.

Other Provisions

Specify that information submitted to the Board shall be open to public inspection only as provided under the state's open records laws (sections 19.31 to 19.39 of the statutes).

Specify that these provisions may not be construed to prevent a manufacturer from marketing a prescription drug product approved by the FDA while the prescription drug product is under review by the Board.

Specify that a person aggrieved by a decision of the Board may request an appeal of the decision no later than 30 days after the Board makes the determination. Require the Board to hear the appeal and make a final decision no later than 60 days after the appeal is requested. Specify that a person aggrieved by a final decision of the Board may petition for judicial review in a court of competent jurisdiction.

Definitions

Establish the following definitions used in these provisions: (a) "biologic" means a drug that is produced or distributed in accordance with a biologics license application approved under federal law; (b) "biosimilar" means a drug that is produced or distributed in accordance with a biologics license application approved under federal law; (c) "brand name drug" means a drug that is produced or distributed in accordance with an original new drug application approved under federal law, other than an authorized generic drug; (d) "financial benefit" includes an honorarium, fee, stock, the value of the stock holdings of a member of the board or any immediate family member, and any direct financial benefit deriving from the finding of a drug cost affordability review; (e) "generic drug" means any of the following: (i) a retail drug that is marketed or distributed in accordance with an abbreviated new drug application; (ii) an authorized generic drug, as defined under federal regulations; (iii) a drug that entered the market prior to 1962 and was not originally marketed under a new drug application; (f) "immediate family member" means a spouse, grandparent, parent, sibling, child, stepchild, or grandchild of spouse of a grandparent, parent, sibling, child, stepchild, or grandchild; (g) "manufacturer" means an entity that does all of the following: (i) engages in the manufacture of a drug product or enters into a lease with another manufacturer to market and distribute a prescription drug product under the entity's own name; or (ii) sets or changes the wholesale acquisition cost of the prescription drug product; (h) "pharmacy benefit manager" mean an entity doing business in Wisconsin that contracts to administer or manage prescription drug benefits on behalf of any insurer or other entity that provides prescription drug benefits to state residents; and (i) "prescription drug product" means a brand name drug, a generic drug, a biologic, or a biosimilar.

[Bill Sections: 64, 76, 3042 thru 3045, 9123(1), and 9423(1)]

3. GENERIC PRESCRIPTION DRUG IMPORTATION PROGRAM

Governor: Require the Insurance Commissioner, in consultation with persons interested in the sale and pricing of prescription drugs and appropriate officials and agencies of the federal government, to design and implement a prescription drug importation program for the benefit of, and that generates savings for, Wisconsin residents.

Program Requirements. Specify that the program must satisfy all the following: (a) OCI must designate a state agency to become a licensed wholesale distributor or to contract with a licensed wholesale distributor and shall seek federal certification and approval to import prescription drugs; (b) the program must comply with all relevant requirements under federal law; (c) the program must import drugs from Canadian suppliers regulated under any appropriate Canadian or provincial laws; (d) the program must have a process to sample the purity, chemical composition, and potency of imported prescription drugs; (e) the program must import only prescription drugs for which importation creates substantial savings, are not brand-name, and have fewer than four competitor prescription drugs in the United States; and (f) OCI must ensure that prescription drugs imported under the program are not distributed, dispensed, or sold outside of Wisconsin.

Specify that the program must ensure all of the following: (a) participation by any pharmacy or health care provider in the program is voluntary; (b) any pharmacy or health care provider participating in the program has the appropriate license or other credential in Wisconsin; and (c) any pharmacy or health care provider participating in the program charges a consumer or health plan the actual acquisition cost of the imported prescription drug that is dispensed.

Specify that the program must ensure that a payment by a health plan or health insurance policy for a prescription drug imported under the program reimburses no more than the actual acquisition cost of the imported prescription drug that is dispensed.

Requirements Relating to Health Plans and Health Insurance Policies. Specify that the program must ensure that any health plan or health insurance policy participating in the program does all of the following: (a) maintains a formulary and claims payment system with current information on prescription drugs imported under the program; (b) bases cost-sharing amounts for participants or insureds under the plan or policy on no more than the actual acquisition cost of the prescription drug imported under the program that is dispensed to the participant or insured; and (c) demonstrates to OCI or a state agency designated by OCI how premiums under the policy or plan are affected by savings on prescription drugs imported under the program.

Additional Restrictions Relating to Importation. Specify that the program must ensure that: (a) any wholesale distributor importing prescription drugs under the program must limit its profit margin to the amount established by OCI or a state agency designated by OCI; (b) the program may not import any generic prescription drug that would violate federal patent laws on branded products in the United States; and (c) the program complies, to the extent practical and feasible, with tracking and tracing requirements specified in federal regulations.

Program Finance. Specify that the program must establish a fee or other mechanism to finance the program that does not jeopardize significant savings to Wisconsin residents.

Audit Function. Provide that the program must have an audit function that ensures all of the following: (a) OCI has a sound methodology to determine the most cost-effective prescription drugs to include in the importation program; (b) OCI has a process in place to select Canadian suppliers that are high quality, high performing, and in full compliance with Canadian laws; (c) prescription drugs imported under the program are pure, unadulterated, potent, and safe; (d) the program is complying with the requirements specified under this item; (e) the program is adequately financed to support administrative functions of the program while generating cost savings to Wisconsin residents; (f) the program does not put Wisconsin residents at a higher risk than if the program did not exist; and (g) the program is projected to continue to provide substantial cost savings to Wisconsin residents.

Anti-Competitive Behavior. Require OCI, in consultation with the Attorney General, to identify the potential for, and monitor anticompetitive behavior in industries affected by the program.

Program Approval. Require OCI to submit a report on the design of the program to the Joint Committee on Finance for approval no later than the first day of the seventh month beginning after the effective date of the bill. Within 14 days of approval by the Committee, require OCI to submit the plan to the U.S. Department of Health and Human Services (DHHS) for certification. Provide that OCI may not submit the program to DHHS for certification unless it is first approved by the Committee.

Program Implementation. Upon certification of the program by DHHS, require OCI to begin implementing the program so that the program is fully operational within 180 days of certification.

Require OCI to do all of the following to implement the program: (a) become a licensed wholesale distributor, designate another state agency to become a licensed wholesale distributor, or contract with a licensed wholesale distributor; (b) contract with one or more Canadian suppliers; (c) create an outreach and marketing plan to communicate with and provide information to health plans and health insurance policies, employers, pharmacies, health care providers, and Wisconsin residents on participating in the program; (d) develop and implement a registration process for health plans and health insurance policies, pharmacies, and health care providers interested in participating in the program; (e) create a publicly accessible source for listing prices of prescription drugs imported under the program; (f) create, publicize, and implement a method of communication to promptly answer questions from, and address the needs of, persons affected by the implementation of the program before the program is fully operational; (g) establish the audit functions described above with a timeline to complete each audit function every two years; and (h) conduct any other activities determined by OCI to be important to successful implementation of the program.

Authorize OCI to promulgate any administrative rules necessary to implement the program.

Report. Require OCI, by January 1 and July 1 of each year, to submit to the Joint Committee on Finance a report including all of the following: (a) a list of prescription drugs included in the program; (b) the number of pharmacies, health care providers, and health plans and health insurance policies participating in the program; (c) the estimated amount of savings to Wisconsin residents, health plans and health insurance policies, and employers resulting from the implementation of the program reported from the date of the previous report and from the date the program was fully operational; and (d) findings of any audit functions completed since the date of the previous report. Require OCI to submit the first report by the next January 1 or July 1, whichever is earliest, that is at least 180 days after the date of the prescription drug importation program is operational. Require OCI to include in the first three reports it submits information on the implementation of the audit functions specified in this item.

[Bill Sections: 3040 and 9123(2)]

4. INSULIN SAFETY NET PROGRAMS

Governor: Require insulin manufacturers to create an urgent need safety net program and a patient assistance program, as described below, for certain persons who are insulin-dependent. For the purposes of this provision, define a manufacturer as a person engaged in the manufacturing of insulin that is self-administered on an outpatient basis.

Urgent Need Safety Net Program

Require each manufacturer, no later than July 1, 2024, to establish an urgent need safety net program to make insulin available to individuals who meet the requirements outlined below. Define "urgent need of insulin" to mean having less than a seven day supply of insulin readily available for use and needing insulin in order to avoid the likelihood of suffering a significant health consequence.

Eligibility. Specify that an individual shall be eligible to receive insulin under the program if all of the following conditions are met: (a) the individual is in urgent need of insulin; (b) the individual is a Wisconsin resident; (c) the individual is not receiving public assistance under Chapter 49 of the statutes (including Wisconsin Works, Wisconsin Shares, Medical Assistance, SeniorCare, FoodShare, and Supplemental Security Income supplemental payments); (d) the individual is not enrolled in prescription drug coverage through an individual or group health plan that limits the total cost sharing amount, including copayments, deductibles, and coinsurance, that an enrollee is required to pay for a 30-day supply of insulin to no more than $75, regardless of the type or amount of insulin prescribed; (e) the individual, with certain exceptions (described below), has not received insulin under an urgent need safety net program within the previous 12 months.

Specify that a person may be eligible to receive insulin under an urgent need safety net program despite previously receiving insulin under a program within the previous 12 months if the individual: (a) has applied for assistance under Chapter 49, but for whom a determination of eligibility has not been made or whose coverage has not become effective; or (b) has applied for assistance under, and has been determined ineligible for, a patient assistance program (created under this item and described below), but has filed an appeal with OCI and is awaiting a determination on that appeal. Specify that to receive a 30-day supply of insulin under this exception, an individual must attest that either of these conditions applies and that he or she meets the other eligibility criteria for assistance.

Application. Specify that, in order to receive insulin under an urgent need safety net program, an eligible individual shall provide a pharmacy with all of the following: (a) a completed application, on a form prescribed by OCI that shall include an attestation by the individual, or the individual's parent or legal guardian if the individual is under the age of 18, that the individual meets all of the eligibility requirements; (b) a valid insulin prescription; and (c) a valid Wisconsin driver's license or state identification card, or, if the individual is under the age of 18, the driver's license or identification card of the individual's parent or legal guardian.

Require OCI to make the application for the urgent need safety net program available on its website and to make the form available to pharmacies and health care providers who prescribe or dispense insulin, hospital emergency departments, urgent care clinics, and community health clinics.

Pharmacy Duties. Require a pharmacist, upon receipt of an application for assistance under an urgent need safety net program, to dispense a 30-day supply of the prescribed insulin to the individual. Specify that the pharmacy may collect a copayment, not to exceed $35, from the individual to cover the pharmacy's costs of processing and dispensing the insulin. Require the pharmacy, in addition, to do the following: (a) notify the health care practitioner who issued the prescription no later than 72 hours after the insulin is dispensed; (b) provide the individual with an information sheet about the insulin assistances programs and a list of licensed health insurance navigators; and (c) retain a copy of the application form.

Specify that a pharmacy that dispenses insulin under an urgent need safety net program may submit to the manufacturer, or the manufacturer's vendor, a claim for payment that is in accordance with the National Council for Prescription Drug Programs' standards for electronic claims processing, except that no claim may be submitted if the manufacturer agrees to send the pharmacy a replacement of the same insulin in the amount dispensed. Specify that if the pharmacy submits an electronic claim, the manufacturer or vendor shall reimburse the pharmacy in an amount that covers the pharmacy's acquisition cost.

Define a pharmacy, for the purposes of this provision, to include a licensed pharmacy located in Wisconsin, or a pharmacy located in a different state that is licensed to ship, mail, or deliver prescriptions to persons in Wisconsin.

Patient Assistance Program

Require each manufacturer, no later than July 1, 2024, to establish a patient assistance program to make insulin available to individuals who meet the requirements outlined below. Require each manufacturer to do the following: (a) provide OCI with information regarding the program, including contact information for individuals to call for assistance in accessing the program; (b) provide a hotline for individuals to call or access between 8 a.m. and 10 p.m. on weekdays and between 10 a.m. and 6 p.m. on Saturdays; (c) list the eligibility requirements for the program on the manufacturer's website; and (d) maintain the privacy of all information received from an individual applying for or participating in the program and not sell, share, or disseminate the information unless required under the program or authorized, in writing, by the individual.

Eligibility. Specify that an individual shall be eligible to receive insulin under a patient assistance program if all of the following conditions are met: (a) the individual is a Wisconsin resident; (b) the individual, or the individual's parent or legal guardian if the individual is under the age of 18, has a valid Wisconsin driver's license or state identification card; (c) the individual has a valid insulin prescription; (d) the family income of the individual does not exceed 400 percent of the poverty line for a family the size of the individual's family; (d) the individual is not receiving public assistance under Chapter 49; (e) the individual is not eligible to receive health care through a federally funded program or receive prescription drug benefits through the U.S. Department of Veterans Affairs, except if the individual is enrolled in a Medicare Part D plan and has spent at least $1,000 on prescription drugs in the current calendar year; and (f) the individual is not enrolled in prescription drug coverage through an individual or group health plan that limits the total cost sharing amount, including copayments, deductibles, and coinsurance, that an enrollee is required to pay for a 30-day supply of insulin to no more than $75, regardless of the type or amount of insulin needed.

Application and Determination. Specify that an individual may apply to participate in a patient assistance program by filing an application with the manufacturer who established the program, the individual's health care practitioners if the practitioner participates in the program, or a health insurance navigator. Require a health care practitioner or navigator to immediately submit the application to the manufacturer. Require the manufacturer to determine the individual's eligibility for the program and notify the individual of the determination no later than ten days after receipt of the application. Specify that, if necessary to determine the individual's eligibility, the manufacturer may request additional information from an individual who has filed an application no later than five days after receipt of the application and, upon receipt of the additional information, shall determine the individual's eligibility for the program and notify the individual of the determination no later than three days later.

Require the manufacturer, if it determines that the individual is not eligible, to provide the reason for the determination. Specify that the individual may appeal the determination by filing an appeal with OCI that shall include all of the information provided to the manufacturer. Require OCI to issue a decision no later than 10 days after the appeal is filed, and specify that OCI's decision shall be final. Require the manufacturer to provide the individual with the statement of eligibility if OCI determines that the individual meets the eligibility requirements. Require OCI to establish procedures for deciding appeals.

Specify that if a manufacturer determines that an individual who has prescription drug coverage through an individual or group health plan and who is eligible for the patient assistance program, but also determines that the individual's insulin needs are better addressed through the use of the manufacturer's copayment assistance program rather than the patient assistance program, the manufacturer shall inform the individual of the determination and provide the individual with the necessary coupons to submit to a pharmacy. Specify that he individual may not be required to pay more than the copayment of $50 for each 90 day supply of insulin under this provision.

Pharmacy and Manufacturer Duties. Require any pharmacy, upon receipt from an individual of the eligibility statement under a patient assistance program, as well as a valid insulin prescription, to submit an order containing the name of the insulin and daily dosage amount to the manufacturer. Specify that the order shall also include the pharmacy's name, shipping address, office telephone number, fax number, electronic mail address, and contact name, as well as any days or times when deliveries are not accepted by the pharmacy.

Require the manufacturer, upon receipt of the order, to send the pharmacy a 90-day supply of insulin, or lesser amount if requested in the order, at no charge to the individual or pharmacy. Require the pharmacy to dispense the insulin to the individual associated with the order and specify that the insulin shall be dispensed at no charge to the individual, except that the pharmacy may collect a copayment from the individual to cover the pharmacy's costs for processing and dispensing in an amount not to exceed $50 for each 90-day supply of insulin. Specify that the pharmacy may not seek reimbursement from the manufacturer or a 3rd-party payer. Specify that the pharmacy may submit a reorder to the manufacturer if the individual's eligibility statement has not expired and the reorder shall be treated as an original order by the manufacturer.

Specify that a manufacturer may send the insulin directly to the individual if the manufacturer provides a mail-order service option, in which case the pharmacy may not collect a copayment from the individual.

General Provisions

Exempted Manufacturers. Specify that the program requirements established under this item do not apply to a manufacturer to which either of the following apply: (a) the manufacturer shows to OCI's satisfaction that the manufacturer's annual gross revenue from insulin sales in Wisconsin does not exceed $2,000,000; or (b) the wholesale acquisition cost of the insulin product from the manufacturer does not exceed $8, as adjusted annually based on the U.S. consumer price index for all urban consumers, U.S. city average, per milliliter or the applicable National Council for Prescription Drug Programs' plan billing unit.

Reimbursement Prohibition. Specify that no person, including a manufacturer, pharmacy, pharmacist, or third-party administrator, as part of participating in an urgent need safety net program or patient assistance program, may request or seek, or cause another person to request or seek, any reimbursement or other compensation for which payment may be made in whole or in part under a federal health care program.

Confidentiality. Specify that all medical information solicited or obtained by any person under these provisions shall be subject to the applicable provisions of state law relating to confidentiality of medical information.

Penalties. Specify that a manufacturer that fails to comply with these provisions may be assessed a penalty of up to $200,000 per month of noncompliance, with the maximum penalty increasing to $400,000 per month if the manufacturer continues to be in noncompliance after six months and increasing to $600,000 per month if the manufacturer continues to be in noncompliance after one year.

Program Reports

Satisfaction Surveys. Require OCI to develop and conduct a satisfaction survey of individuals who have accessed insulin through urgent need safety net programs and patient assistance programs. Specify that the survey ask whether the individual is still in need of a long-term solution for affordable insulin and include questions about the individual's satisfaction with all of the following, if applicable: (a) accessibility to urgent-need insulin; (b) adequacy of the information sheet and list of navigators received from the pharmacy; (c) helpfulness of a navigator; and (d) ease of access in applying for a patient assistance program and receiving insulin from the pharmacy under the program.

Require OCI to develop and conduct a satisfaction survey of pharmacies that have dispensed insulin through urgent need safety net programs and patient assistance programs. Specify that the survey include questions about the pharmacy's satisfaction with all of the following, if applicable: (a) timeliness of reimbursement from manufacturers for insulin dispensed by the pharmacy under urgent need safety net programs; (b) ease in submitting insulin orders to manufacturers; and (c) timeliness of receiving insulin orders from manufacturers.

Authorize OCI to contract with a nonprofit entity to develop and conduct these surveys and to evaluate the survey results. Require OCI, no later than July 1, 2026, to submit to the Governor and the Chief Clerk of each house of the Legislature a report on the results of the surveys.

Manufacturer Assistance Data. Require each manufacturer, on an annual basis no later than March 1, to report to OCI all of the following information for the previous calendar year: (a) the number of individuals who received insulin under the manufacturer's urgent need safety net program; (b) the number of individuals who sought assistance under the manufacturer's patient assistance program and the number of individuals who were determined to be ineligible; and (c) the wholesale acquisition cost of the insulin provided by the manufacturer through the urgent need safety net program and patient assistance program.

Require OCI, on an annual basis no later than April 1, to submit to the Governor and the Chief Clerk of each house of the Legislature a report on the urgent need safety net programs and patient assistance programs that includes all of the following: (a) the program participation data provided to OCI by manufacturers; and (b) the penalties assessed to manufacturers during the previous calendar year for violations of program requirements, including the name of the manufacturer and amount of the penalty.

Other Provisions

OCI Duties. Require OCI to conduct public outreach to create awareness of the urgent need safety net programs and patient assistance programs and to develop and make available on its website an information sheet that contains all of the following information: (a) a description of how to access insulin through an urgent need safety net program; (b) a description of how to access insulin through a patient assistance program; (c) information on how to contact a navigator for assistance in accessing insulin through an urgent need safety net program or patient assistance program; (d) information on how to contact OCI if a manufacturer determines that an individual is not eligible for a patient assistance program; and (e) a notification that an individual may contact OCI for more information or assistance in accessing ongoing affordable insulin options.

Require OCI to develop a training program to provide navigators with information and the resources necessary to assist individuals in accessing appropriate long-term insulin options and to compile a list of navigators who have completed the training program and are available to assist individuals in accessing affordable insulin coverage options. Specify that the list shall be made available on the OCI website and to pharmacies and health care practitioners who dispense and prescribe insulin.

[Bill Section: 3090]

5. INSULIN COPAYMENT CAP

Governor: Prohibit health insurance policies and governmental self-insured health plans that cover insulin and that impose cost sharing on prescription drugs (deductible, copayment, or coinsurance) from imposing cost sharing on insulin in an amount that exceeds $35 for a one-month supply of insulin. Specify that this provision does not prohibit an insurance policy or plan from imposing cost sharing on insulin in an amount less than $35 and does not require a policy or plan from imposing cost sharing on insulin. Specify that this provision would take effect on the first day of the fourth month beginning after the effective date of the bill.

[Bill Sections: 3058, 3096 thru 3098, and 9423(3)]

6. VALUE-BASED DIABETES MEDICATION PILOT PROGRAM

Governor: Require OCI to develop a pilot program to direct a pharmacy benefit manager and a pharmaceutical manufacturer to create a value-based, sole-source arrangement to reduce the costs of prescription medication used to treat diabetes. Authorize OCI to promulgate administrative rules to implement this provision.

[Bill Section: 3039]

7. APPLICABILITY OF MANUFACTURER BRAND NAME DRUG REBATES TO DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS

Governor: Specify that health insurance policies that offer a drug benefit and any governmental self-insured health plans must count toward an enrollee's annual deductible and out-of-pocket maximum the amount by which any manufacturer drug discount reduces the cost sharing amount charged to the enrollee for certain prescription drugs. Specify that this provision would apply to brand name drugs that have no generic equivalent or to brand name drugs that have a generic equivalent but for which the enrollee has received prior authorization from the insurer, plan, or a physician to obtain the brand name drug.

Specify that this provision applies on January 1 of the year following the effective date of the bill to policies and plans containing provisions inconsistent with the provision, except that for policies and plans that are affected by a collective bargaining agreement that are inconsistent with the provision, the provision applies to policy or plan years beginning after the effective date of the bill or on the day on which the collective bargaining agreement is newly established, extended, modified, or renewed, whichever is later.

Generally, only the actual amount spent on a prescription drug by the consumer (after any manufacturer discount) is counted toward the consumer's deductible and out-of-pocket maximum for an insurance policy or benefit plan. This item would increase the amount applied to the deductible and out-of-pocket spending by the amount which the discount reduces the consumer's cost, which would allow some individuals to reach these plan thresholds earlier than they otherwise would.

[Bill Sections: 727, 728, 1177, 2219, 2402, 3058, 3086, and 9323(5)]

8. DRUG REIMBURSEMENT FOR CERTAIN ENTITIES UNDER FEDERAL 340B DRUG DISCOUNT PROGRAM

Governor: Provide that no person, including a pharmacy benefit manager and third-party payer, may do any of the following, with respect to reimbursement of drugs for certain entities (specified below) that participate under the federal 340B drug discount program:

- Reimburse the entity for a drug that is subject to a price discount agreement under the 340B program at a rate lower than that paid for the same drug to pharmacies that are not eligible entities under 340B and are similar in prescription volume to the covered 340B covered entity; or

- Assess a covered entity any fee, charge back, or other adjustment based on the entity's participation in 340B.

Specify that this provision would apply to the following 340B entities: federally qualified health centers, critical access hospitals, and grantees under the Ryan White HIV/AIDS program, as well as any pharmacy of these entities of pharmacy contracted with these entities to dispense drugs through the 340B program. Authorize OCI to promulgate rules to implement these provisions and to establish a minimum reimbursement rate for any entities participating in 340B.

The federal 340B program requires drug manufacturers to limit the price for outpatient drugs dispensed to patients of certain covered entities. Generally, entities eligible for discounted drugs under the program include nonprofit health care organizations such as federally-qualified health centers, hospitals, and clinics that serve a disproportionate share of low-income patients. Under this item, third-party payers, such as pharmacy benefit managers, insurers, or self-insured benefit plans would be required to pay certain 340B entities the same amount for drugs as they pay to other entities that are not eligible 340B entities. To the extent that these payers are currently reimbursing these 340B entities at a lower rate (reflecting the lower acquisition price for the drug), this item has the effect of shifting the benefit of the 340B program discounts from the payer to the 340B entity.

[Bill Section: 3091]

9. LICENSURE OF PHARMACEUTICAL REPRESENTATIVES

Governor: Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no individual may act as a pharmaceutical representative in Wisconsin without a license issued by OCI. Define a pharmaceutical representative as an individual who markets or promotes pharmaceuticals to health care professionals on behalf of a pharmaceutical manufacturer for compensation. Define, for the purpose of this provision, a pharmaceutical as a medication that may legally be dispensed only with a valid prescription from a health care professional. Define a health care professional as a physician or other health care practitioner who is licensed to provide health care services or to prescribe pharmaceutical or biologic products.

Specify that, in order to obtain a license, an individual shall apply in the form and manner prescribed by OCI. Establish a fee for a pharmaceutical representative license in an amount set by OCI by administrative rule. Specify that the term of a pharmaceutical representative license is one year and is renewable. Require any pharmaceutical representative to display his or her license during each visit with a health care professional.

Specify that any individual that violates provisions pertaining to pharmaceutical licensure shall be fined not less than $1,000 nor more than $3,000 for each offense, and specify that each day the violation continues constitutes a separate offense. Authorize OCI to suspend or revoke the license of a pharmaceutical representative who violates these provisions and specify that a suspended or revoked license may not be reinstated until all violations related to the suspension or revocation have been remedied and all assessed penalties and fees have been paid.

Require OCI to promulgate an administrative rule to implement the licensure provisions, including rules that require pharmaceutical representatives to complete continuing education coursework as a condition of licensure, and including the amount of the license fee.

[Bill Sections: 3037 and 3087]

10. LICENSURE OF PHARMACY BENEFIT MANAGEMENT BROKERS AND CONSULTANTS

Governor: Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no individual may serve as a pharmacy benefit management broker or consultant or as any other individual who procures the services of a pharmacy benefit manager on behalf of a client without a license. Authorize OCI to promulgate rules to establish criteria and procedures for initial licensure and renewal of licensure to implement these requirements and specify that the fee for issuing and renewing the license shall be established by administrative rule.

[Bill Sections: 3036 and 3066]

11. LICENSURE OF PHARMACY SERVICES ADMINISTRATIVE ORGANIZATIONS

Governor: Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no person may operate as a pharmacy services administrative organization in Wisconsin without a license issued by OCI.

Define a pharmacy services administrative organization (PSAO) as an entity operating in Wisconsin that does all of the following: (a) contracts with an independent pharmacy to conduct business on the pharmacy's behalf with a third-party payer; and (b) provides at least one administrative service to an independent pharmacy and enters into a contract with a third-party payer or pharmacy benefit manager on behalf of the pharmacy. Define, for the purposes of this provision, an administrative service to mean any of the following: (a) assisting with claims; (b) assisting with audits; (c) providing centralized payment; (d) performing certification in a specialized care program; (e) providing compliance support; (f) setting flat fees for generic drugs; (g) assisting with store layout; (h) managing inventory; (i) providing marketing support; (j) providing management and analysis of payment and drug dispensing data; or (k) providing resources for retail cash cards. Define an independent pharmacy to mean a pharmacy operating in Wisconsin that is licensed and is under common ownership with no more than two other pharmacies. Define a third-party payer as an entity, including a plan sponsor, health maintenance organization, or insurer, operating in Wisconsin that pays or insures health, medical, or prescription drug expenses on behalf of beneficiaries.

Specify that the application for a PSAO license shall contain the following: (a) the name, address, telephone number, and federal employer identification number of the applicant; (b) the name, business address, and telephone number of a contact person for the applicant; (c) the license fee; (d) evidence of financial responsibility of at least $1,000,000; and (e) any other information required by OCI. Specify that the term of the PSAO license is two years from the date of issuance.

Require any PSAO to disclose to OCI the extent of any ownership or control of the PSAO by an entity that does any of the following: (a) provides pharmacy services; (b) provides prescription drug or device services; or (c) manufactures, sells, or distributes prescription drugs, biologicals, or medical devices. Require any PSAO to notify OCI in writing within five days of any material change in its ownership or control relating to such an entity.

Authorize OCI to promulgate rules to administer these provisions and specify that the fee for issuing and renewing a PSAO license shall be established by administrative rule.

[Bill Sections: 3038 and 3088]

12. FIDUCIARY DUTY AND DISCLOSURE REQUIREMENTS OF PHARMACY BENEFIT MANAGERS

Governor: Specify that a pharmacy benefit manager (PBM) under contract with a health benefit plan sponsor owes a fiduciary duty to the plan sponsor to act according to plan sponsor's instructions and in the best interests of the plan sponsor.

Require the PBM to annually provide to the health benefit plan sponsor, no later than the date, and using the method prescribed, by OCI by rule, all of the following information from the previous calendar year: (a) the indirect profit received by the PBM from owning any interest in a pharmacy or service provider; (b) any payment made by the PBM to a consultant or broker who works on behalf of the plan sponsor; (c) from the amounts received from all drug manufacturers, the amounts retained by the PBM, and not passed through to the plan sponsor, that are related to the plan sponsor's claims or bona fide service fees; and (d) the amounts, including pharmacy access and audit recovery fees, received from all pharmacies that are in the PBM's network or have a contract to be in the network and, from these amounts, the amount retained by the PBM and not passed through to the plan sponsor.

[Bill Section: 3089]

13. PRESCRIPTION DRUG PURCHASING ENTITY STUDY

Governor: Require OCI to conduct a study on the viability of creating or implementing a state prescription drug purchasing entity during the 2023-25 biennium. As described in the final report of the Governor's 2020 Task Force on Reducing Prescription Drug Prices, a drug purchasing entity would pool state agency and local government purchasers of prescription drugs to leverage greater purchasing power in negotiations with drug manufacturers, with the intent of securing lower drug prices.

[Bill Section: 9123(4)]

Health Insurance

1. STATE-BASED HEALTH INSURANCE EXCHANGE

	Funding	Positions
GPR	$2,247,300	10.00
PR	3,000,000	0.00
Total	$5,247,300	10.00

Governor: Provide $982,400 GPR in 2023-24 and $4,264,900 ($1,264,900 GPR and $3,000,000 PR) in 2024-25, and 10.0 GPR positions, beginning in 2023-24, to develop and implement a state-based health insurance exchange, as described below. Modify OCI's PR appropriation for general program operations to specify that it may be used for costs related to operating the exchange and to specify that the appropriation account would receive revenues collected from exchange user fees charged to participating insurers. Create an annual GPR-funded general program operations appropriation to support the GPR positions that would be provided under this item.

Require OCI to: (a) establish and operate an exchange that is at first a state-based exchange on the federal platform and then subsequently transitions to a state-based exchange without the federal platform; and (b) develop procedures to address the transition from the state-based exchange on the federal platform to the state-based exchange without the federal platform, including the circumstances that must be met in order for the transition to occur.

Define the terms "exchange," "state-based exchange on the federal platform," and "state-based exchange without the federal platform" by reference to federal regulations for the establishment of state-based and state-federal exchanges.

Require OCI to impose a user fee, as authorized under federal regulations, on each insurer that offers a health plan through the state-based exchange on the federal platform or the state-based exchange without the federal platform. Specify that the user fee must be applied at one of the following rates on the total monthly premiums charged by an insurer for each policy under the plan where enrollment is through the exchange: (a) for any plan year for which OCI operates a state-based exchange on the federal platform, the rate is 0.5%; (b) for the first two plan years for which OCI operates a state-based exchange without the federal platform, the rate shall equal the user fee rate established by the federal government for the federal health insurance exchange; (c) beginning with the third plan year for which OCI operates a state-based exchange without the federal platform, the rate would be set by OCI by rule.

Specify that OCI may enter into any agreement with the federal government necessary to facilitate the implementation of these provisions, and may promulgate administrative rules to implement these provisions.

The state-based insurance exchange would, for Wisconsin residents and individual market insurance plans, perform the functions currently performed by an insurance exchange established by the federal government under provisions of the federal Patient Protection and Affordable Care Act (ACA). These functions include providing a website for the comparison of individual market health insurance policies and to facilitate selection and enrollment, reviewing plans to ensure compliance with ACA requirements, determining eligibility of individuals for federal premium tax credits and cost-sharing reductions, providing funding for outreach and enrollment assistance activities, and collecting user fees from participating insurers to support the costs of the exchange. Under this item, the state-based exchange would initially utilize the federal exchange technology platform, but would eventually be transitioned to a fully state-based exchange. The Administration indicates that the intent would be to move to a state-based exchange on the federal platform for plan year 2025 and then a fully state-based exchange for 2026.

The positions established by this item would include six policy initiatives advisors, an insurance examiner, an insurance program manager, and two operations program associates.

[Bill Sections: 275 thru 277 and 3041]

2. PUBLIC OPTION HEALTH INSURANCE PLAN

GPR	$1,000,000
PR	1,000,000
Total	$2,000,000

Governor: Provide $1,000,000 GPR in 2023-24 and $1,000,000 PR in 2024-25 to fund the development and operation of a public option health insurance plan. Modify OCI's general program operations PR appropriation to include the development and operation of a public option health insurance plan as an eligible use. Specify that OCI may spend not more than $1,000,000 in 2023-24 for the development of the public option health plan from the GPR appropriation for state operations (created under a separate item, summarized above).

[Bill Sections: 275, 276, and 9123(3)]

3. HEALTH INSURANCE AND COVERAGE REQUIREMENTS

Governor: Modify statutory provisions related to health insurance and health benefit plan regulations, as they relate to issuance and renewal of policies, premiums, cost sharing, and coverage requirements, as described below.

Guaranteed Issue and Renewal of Policies. Require every individual health benefit plan and every group health benefit plan to accept every individual and every employer, as applicable, that applies for coverage, regardless of sexual orientation, gender identity, or whether or not any employee or individual has a preexisting condition. Specify that a health benefit plan may restrict enrollment in coverage to open or special enrollment periods. Require OCI to establish a statewide open enrollment period of no shorter than 30 days for every individual health benefit plan to allow individuals, including individuals who do not have coverage, to enroll in coverage.

Prohibit Preexisting Condition Exclusions. Prohibit an insurer that offers a group health benefit plan or an individual insurance policy from imposing a preexisting condition exclusion (the denial or reduction of a claim related to a condition that existed prior to the effective date of coverage). Modify related statutory definitions and provisions that place limits on preexisting condition exclusions to reflect the change to a general prohibition against the practice.

Prohibit Discrimination Based on Health Status -- Enrollment, Premiums and Cost Sharing. Prohibit an individual health benefit plan or a government self-insured plan from establishing rules for the eligibility of any individual to enroll, or the continued eligibility to remain enrolled in a plan based on any of the following: (a) health status; (b) medical condition, including both physical and mental illnesses; (c) claims experience; (d) receipt of health care; (e) medical history; (f) genetic information; (g) evidence of insurability, including conditions arising out of acts of domestic violence; or (h) disability.

Prohibit an insurer offering an individual health benefit plan or a self-insured plan from requiring any individual, as a condition of enrollment or continued enrollment under the plan, to pay, on the basis of any health status-related factor listed above, with respect to the individual or a dependent of the individual, a premium or contribution or a deductible, copayment, or coinsurance amount that is greater than that required for a similarly situated individual enrolled under the plan.

Specify that these restrictions do not prevent an insurer from offering an individual health benefit plan or a self-insured health plan from establishing premium discounts or rebates or modifying otherwise applicable cost sharing in return for adherence to programs of health promotion and disease prevention.

Modify a current law provision, applicable to group health benefit plans, from charging different premiums to similarly-situated individuals based on any health status-related factor, to also prohibit charging a different deductible, copayment, or coinsurance amount to similarly-situated individuals based on health status.

Restrictions on Premium Rate Variation. Specify that a health benefit plan offered on the individual or small employer market (between two and 50 employees) or a government self-insured health plan may vary premium rates for a specific plan based only on the following considerations: (a) whether the policy or plan covers an individual or a family; (b) the rating area in the state, as established by OCI; (c) age, except that the rate may not vary by more than three-to-one for adults over the age groups and the age bands shall be consistent with recommendations of the National Association of Insurance Commissioners; and (d) tobacco use, except that the rate may not vary by more than 1.5-to-one.

Statewide Risk Pool. Specify that an insurer offering a health benefit plan may not segregate enrollees into risk pools other than a single statewide risk pool for the individual market and a single statewide risk pool for the small employer market or a single statewide risk pool that combines the individual and small employer markets.

Prohibit Annual and Lifetime Limits. Prohibit an individual or group health benefit plan or a government self-insured health plan from establishing lifetime or annual limits on the dollar value of benefits for an enroll or a dependent of an enrollee under the plan.

Cost Sharing Maximum. Specify that a health benefit plan offered on the individual or small employer market may not require an enrollee to pay more in cost sharing (deductibles, coinsurance, copayments, or similar charges) than the maximum amount calculated under provisions of the federal Affordable Care Act, including the annual indexing of the limits.

Medical Loss Ratio. Establish the minimum medical loss ratios for health benefit plans as follows: (a) 80 percent for a plan on the individual or small employer market; (b) 85 percent for a group health plan not in the small employer market. Define medical loss ratio as the proportion, expressed as a percentage, of premium revenues spent by a health benefit plan on clinical services and quality improvement.

Actuarial Values of Plan Tiers. Require any health benefit plan offered on the individual or small employer market to provide a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 60 percent of the full actuarial value of the benefits provided under the plan. The actuarial value represents the average cost of the benefits covered by plan over an average population, with the rest covered by enrollee cost sharing.

Essential Health Benefits. Require every health insurance policy (except for specified restricted-benefit policies) and every government self-insured health plan to provide coverage for essential health benefits, as determined by OCI by rule, on a date specified by OCI by rule. Require OCI, in determining the essential health benefits for which coverage is required, to include benefits, items, and services in, at least, all of the following categories: (a) ambulatory patient services; (b) emergency services; (c) hospitalization; (d) maternity and newborn care; (e) mental health and substance use disorder services, including behavioral health treatment; (f) prescription drugs; (g) rehabilitative and habilitative services and devices; (h) laboratory services; (i) preventive and wellness services and chronic disease management; and (j) pediatric services, including oral and vision care.

Require OCI to do the following with respect to essential health benefits: (a) conduct a survey of employer-sponsored coverage to determine benefits typically covered by employers and ensure that the scope of essential health benefits for which coverage is required is equal to the scope of benefits covered under a typical insurance policy offered by an employer to its employees; (b) ensure that essential health benefits reflect a balance among the essential health benefit categories such that benefits are not unduly weighted toward one category; (c) ensure that essential health benefit coverage is provided with no or limited cost-sharing requirements; (d) require that insurance policies and self-insured health plans do not make coverage decisions, determine reimbursement rates, establish incentive programs, or design benefits in ways that discriminate against individuals because of their age, disability, or expected length of life; (e) establish essential health benefits in a way that takes into account the health care needs of diverse segments of the population, including women, children, persons with disabilities, and other groups; (f) ensure that essential health benefits are not subject to a coverage denial based on an insured's or plan participant's age, expected length of life, present or predicted disability, degree of dependency on medical care, or quality of life; (g) require that insurance policies and government self-insured health plans cover emergency department services that are essential health benefits without imposing any requirement to obtain prior authorization for those services and without limiting coverage for services provided by an emergency services provider that is not in the provider network of a policy or plan in a way that is more restrictive than requirements or limitations that apply to emergency services provided by a provider that is in the provider network of the policy or plan; (h) require an insurance policy or government self-insured health plan to apply to emergency department services that are essential health benefits provided by an emergency department provider that is not in the provider network of the policy or plan the same copayment amount or coinsurance rate that applies if those services are provided by a provider that is in the provider network of the policy or plan; and (i) periodically update, by rule, the essential health benefits to address any gaps in access to coverage.

Specify that if an essential health benefit is also subject to other coverage mandates specified in state statute and the coverage requirements are not identical, the insurance policy or government self-insured health plan shall provide coverage under whichever provision provides the insured or plan participant with more comprehensive coverage of the medical condition, item, or service. Specify that the essential health benefit provisions or rules promulgated under these provisions do not prohibit an insurance policy or a government self-insured health plan from providing benefits in excess of the essential health benefit coverage.

Coverage of Preventive Services and other Mandatory Coverage Requirements. Require every health insurance policy (except for specified restricted-benefit policies) and every government self-insured health plan to provide coverage for the preventive services listed below. These preventive services are generally from the list of services given an "A" or "B" rating by the U.S. Preventive Services Task Force. Under federal regulations developed to implement provisions of the Affordable Care Act, these services must be covered with no cost sharing by insurance policies and health plans.

- Mammography.

- Genetic breast cancer screening and counseling and preventive medication for adult women at high risk for breast cancer.

- Papanicolaou test for cancer screening for women 21 years of age or older with an intact cervix.

- Human papillomavirus testing for women who have attained the age of 30 years but have not attained the age of 66 years.

- Colorectal cancer screening.

- Annual tomography for lung cancer screening for adults who have attained the age of 55 years but have not attained the age of 80 years and who have health histories demonstrating a risk for lung cancer.

- Skin cancer screening for individuals who have attained the age of 10 years but have not attained the age of 22 years.

- Counseling for skin cancer prevention for adults who have attained the age of 18 years but have not attained the age of 25 years.

- Abdominal aortic aneurysm screening for men who have attained the age of 65 years but have not attained the age of 75 years and who have ever smoked.

- Hypertension screening for adults and blood pressure testing for adults, for children under the age of three years who are at high risk for hypertension, and for children three years of age or older.

- Lipid disorder screening for minors two years of age or older, adults 20 years of age or older at high risk for lipid disorders, and all men 35 years of age or older.

- Aspirin therapy for cardiovascular health for adults who have attained the age of 55 years but have not attained the age of 80 years and for men who have attained the age of 45 years but have not attained the age of 55 years.

- Behavioral counseling for cardiovascular health for adults who are overweight or obese and who have risk factors for cardiovascular disease.

- Type II diabetes screening for adults with elevated blood pressure.

- Depression screening for minors 11 years of age or older and for adults when follow-up supports are available.

- Hepatitis B screening for minors at high risk for infection and adults at high risk for infection.

- Hepatitis C screening for adults at high risk for infection and one-time hepatitis C screening for adults born in any year from 1945 to 1965.

- Obesity screening and management for all minors and adults with a body mass index indicating obesity, counseling and behavioral interventions for obese minors who are six years of age or older, and referral for intervention for obesity for adults with a body mass index of 30 kilograms per square meter or higher.

- Osteoporosis screening for all women 65 years of age or older and for women at high risk for osteoporosis under the age of 65 years.

- Immunizations.

- Anemia screening for individuals six months of age or older and iron supplements for individuals at high risk for anemia and who have attained the age of six months but have not attained the age of 12 months.

- Fluoride varnish for prevention of tooth decay for minors at the age of eruption of their primary teeth.

- Fluoride supplements for prevention of tooth decay for minors six months of age or older who do not have fluoride in their water source.

- Gonorrhea prophylaxis treatment for newborns.

- Health history and physical exams for prenatal visits and for minors.

- Length and weight measurements for newborns and height and weight measurements for minors.

- Head circumference and weight-for-length measurements for newborns and minors who have not attained the age of three years.

- Body mass index for minors two years of age or older.

- Blood pressure measurements for minors three years of age or older and a blood pressure risk assessment at birth.

- Risk assessment and referral for oral health issues for minors who have attained the age of six months but have not attained the age of seven years.

- Blood screening for newborns and minors who have not attained the age of two months.

- Screening for critical congenital health defects for newborns.

- Lead screenings.

- Metabolic and hemoglobin screening and screening for phenylketonuria, sickle cell anemia, and congenital hypothyroidism for minors including newborns.

- Tuberculin skin test based on risk assessment for minors one month of age or older.

- Tobacco counseling and cessation interventions for individuals who are five years of age or older.

- Vision and hearing screening and assessment for minors including newborns.

- Sexually transmitted infection and human immunodeficiency virus counseling for sexually active minors.

- Risk assessment for sexually transmitted infection for minors who are ten years of age or older and screening for sexually transmitted infection for minors who are 16 years of age or older.

- Alcohol misuse screening and counseling for minors 11 years of age or older.

- Autism screening for minors who have attained the age of 18 months but have not attained the age of 25 months.

- Developmental screening and surveillance for minors including newborns.

- Psychosocial and behavioral assessment for minors including newborns.

- Alcohol misuse screening and counseling for pregnant adults and a risk assessment for all adults.

- Fall prevention and counseling and preventive medication for fall prevention for community-dwelling adults 65 years of age or older.

- Screening and counseling for intimate partner violence for adult women.

- Well-woman visits for women who have attained the age of 18 years but have not attained the age of 65 years and well-woman visits for recommended preventive services, preconception care, and prenatal care.

- Counseling on, consultations with a trained provider on, and equipment rental for breastfeeding for pregnant and lactating women.

- Folic acid supplement for adult women with reproductive capacity.

- Iron deficiency anemia screening for pregnant and lactating women.

- Preeclampsia preventive medicine for pregnant adult women at high risk for preeclampsia.

- Low-dose aspirin after 12 weeks of gestation for pregnant women at high risk for miscarriage, preeclampsia, or clotting disorders.

- Screenings for hepatitis B and bacteriuria for pregnant women.

- Screening for gonorrhea for pregnant and sexually active females 24 years of age or younger and females older than 24 years of age who are at risk for infection.

- Screening for chlamydia for pregnant and sexually active females 24 years of age and younger and females older than 24 years of age who are at risk for infection.

- Screening for syphilis for pregnant women and adults who are at high risk for infection.

- Human immunodeficiency virus screening for adults who have attained the age of 15 years but have not attained the age of 66 years and individuals at high risk of infection who are younger than 15 years of age or older than 65 years of age.

- All contraceptives and services in accordance with separate statutory provisions.

- Any services not already specified having an A or B rating in current recommendations from the U.S. Preventive Services Task Force.

- Any preventive services not already specified that are recommended by the federal Health Resources and Services Administration's Bright Futures project.

- Any immunizations, not already specified under a separate statutory coverage mandate provision, that are recommended and determined to be for routine use by the federal Advisory Committee on Immunization Practices.

Prohibit insurance policies and government self-insured health plans, with certain exceptions, from subjecting the coverage of any of the listed preventive services to any deductible, copayments, or coinsurance under the policy or plan, and modify various statutory mandatory coverage provisions related to these preventive services to conform to this restriction.

Specify that the insurance policy or plan may apply deductibles to and impose copayments or coinsurance in the following circumstances: (a) if an office visit and a preventive service are billed separately by the health care provider, applicable only on the office visit but not on the preventive service; (b) if the primary reason for an office visit is not to obtain a preventive service, applicable on the office visit; or (c) if a preventive service is provided by a health care provider that is outside the policy's or plan's network of providers, unless the preventive service is provided by an out-of-network provider because there is no available health care provider in the policy's or plan's network of providers that provides the preventive service. Specify that if multiple well-woman visits are required to fulfill all necessary preventive services and are in accordance with clinical recommendations, the insurance policy or health plan may not apply a deductible to or impose a copayment or coinsurance on any of those well-woman visits.

Other Insurance Mandatory Coverage Provisions. Modify a provision that requires health insurance plans and government self-insured plans to cover certain immunizations to add the following immunizations: (a) hepatitis A; (b) herpes zoster; (c) human papillomavirus; (d) meningococcal meningitis; (e) pneumococcal pneumonia; (f) influenza; and (g) rotavirus. Modify the immunization coverage mandate to extend the coverage requirement to any insured or plan participant, rather than just a child from birth to age six who is a child of the insured.

Modify a current law provision that requires health insurance policies and government self-insured plans to cover outpatient consultations, examinations, procedures, and medical services that are necessary to prescribe, administer, maintain, or remove a contraceptive, if these services are covered for any other drug benefits under the policy or plan, to remove the clause that makes the coverage requirement contingent upon whether these services are coverage for any other drug benefits. Add to the coverage mandate sterilization procedures, and patient education and counseling for all females with reproductive capacity. Specify that an insurance policy or self-insured health plan may not may not apply a deductible or impose a copayment or coinsurance to at least one of each type of contraceptive method approved by the federal Food and Drug Administration for which coverage is required. Specify that the insurance policy or health plan may apply reasonable medical management to a method of contraception to limit coverage that is provided without being subject to a deductible, copayment, or coinsurance, to prescription drugs without a brand name. Authorize the insurance policy or health plan to apply a deductible or impose a copayment or coinsurance for coverage of a contraceptive that is prescribed for a medical need if the services for the medical need would otherwise be subject to a deductible, copayment, or coinsurance.

Initial Applicability. Specify that these provisions first apply to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Some of the provisions contained in this item are intended to conform state laws to insurance market regulations contained in the federal Affordable Care Act (ACA). Since the ACA preempts state regulations with respect to many insurance market regulations, these provisions have no effect as long as the ACA is in effect in its present form. If the ACA's insurance market provisions were to not be enforceable, the provisions in this item would maintain some of the ACA's market regulations for the individual and small group policies and for self-insured plans offered by a government entity. [The bill would not affect non-government self-insured plans since federal law preempts state law with respect to these benefit plans.] Specifically, the bill closely matches the ACA's regulations with respect to premium rating rules, guaranteed issue and renewal, prohibition against preexisting condition exclusions, non-discrimination in health care, the essential health benefits, prohibition against lifetime or annual limits, statewide risk pool requirements, maximum out-of-pocket spending, and coverage of preventive services without cost sharing.

[Bill Sections: 727, 728, 1177, 2219, 2402, 3053, 3059, 3061 thru 3065, 3068 thru 3078, 3082, 3085, 3099 thru 3106, 3108 thru 3111, 9323(3), and 9423(4)]

4. SHORT-TERM, LIMITED DURATION HEALTH INSURANCE PLANS

Governor: Establish requirements related to the guaranteed issue, health status discrimination, premium rate variation, and annual and lifetime limits for short-term, limited duration health insurance plans, as described below. Modify a provision in current law that establishes the definition of a short-term, limited duration plan in reference to the duration of the coverage term, as follows: (a) reduce the maximum coverage term of a qualifying plan from 12 months to three months; and (b) reduce the maximum aggregated coverage term for consecutive periods of the policy from 18 months to six months. [This definition is established in a current law provision that creates an exception to a requirement for guaranteed renewal of individual health insurance policies. Consequently, the effect of reducing the maximum term of what qualifies for the short-term plan exemption would be to reduce the scope of exceptions to the guaranteed renewal requirement.]

Guaranteed Issue and Prohibiting Health Status Discrimination. Require that any insurer that offers a short-term, limited duration plan to accept every individual in Wisconsin who applies for coverage whether or not any individual has a preexisting condition. Prohibit an insurer that offers a short-term, limited duration plan from establishing rules for eligibility of any individual to enroll, or for the continued eligibility of any individual to remain enrolled, under the plan based on any of the following health status-related factors in relation to the individual or a dependent of the individual: (a) health status; (b) medical condition, including both physical and mental illnesses; (c) claims experience; (d) receipt of health care; (e) medical history; (f) genetic information; (g) evidence of insurability, including conditions arising out of acts of domestic violence; or (h) disability.

Repeal a provision that establishes the conditions under which a short-term, limited duration plan may impose preexisting condition exclusions, and, instead, prohibit such plans from imposing any preexisting condition exclusions.

Prohibit any insurer that offers a short-term, limited duration plan from requiring any individual as a condition of enrollment or continued enrollment under the plan, to pay, on the basis of any of these health status-related factors, with respect to the individual or a dependent of the individual, a premium or contribution, or a deductible, copayment, or coinsurance amount that is greater than the premium or contribution, or deductible, copayment, or coinsurance amount respectively for a similarly situated individual enrolled under the plan.

Premium Rate Variation Restrictions. Specify that an insurer that offers a short-term, limited duration plan may vary premium rates for such a plan based only on the following considerations: (a) whether the policy or plan covers an individual or a family; (b) the rating area in the state, as established by OCI; (c) age, except that the rate may not vary by more than three-to-one for adults over the age groups and the age bands shall be consistent with recommendations of the National Association of Insurance Commissioners; and (d) tobacco use, except that the rate may not vary by more than 1.5-to-one.

Annual and Lifetime Limits. Specify that a short-term, limited duration plan may not establish any of the following coverage limits: (a) lifetime limits on the dollar value of benefits for an enrollee or a dependent of an enrollee under the plan; or (b) limits on the dollar value of benefits for an enrollee or a dependent of an enrollee under the plan for the initial or cumulative duration of the plan.

[Bill Sections: 3065, 3079 thru 3081, 3083, and 3084]

5. INSURER NETWORK ADEQUACY STANDARDS

Governor: Authorize OCI to promulgate administrative rules to establish minimum network time and distance standards and minimum network wait-time standards for defined network plans and preferred provider plans. Specify that, in promulgating rules, OCI shall consider standards adopted by the federal Centers for Medicare and Medicaid Services for qualified health plans offered through the federal health insurance exchange.

[Bill Section: 3051]

6. LIMITATIONS ON BALANCE BILLING AND COVERAGE RESTRICTIONS FOR CERTAIN OUT-OF-NETWORK MEDICAL SERVICES

Governor: Establish restrictions and requirements related to provider and insurer billing, applicable to certain services rendered by out-of-network providers or facilities to enrollees of a defined network plan, preferred provider plan, or self-insured governmental plan, as described below. The Administration's intent is to codify, in state law, the provisions of the federal No Surprises Act, which was passed as part of the Consolidated Appropriations Act of 2021. The No Surprises Act prohibits certain medical providers and emergency medical services who are out-of-network for a patient's insurance from billing the patient by an amount that exceeds what the patient would be billed for an in-network provider.

Insurer and Health Benefit Plan Requirements and Restrictions

Emergency Medical Services. Specify that any defined network plan, preferred provider plan, or self-insured governmental plan that covers any benefits or services provided in an emergency department of a hospital or emergency medical services provided in an independent freestanding emergency department may not, with respect to emergency medical services, require a prior authorization determination and may not deny coverage based on whether or not the health care provider rendering the services is a participating provider or participating emergency facility.

Specify that if the emergency medical services are provided to an enrollee by a provider or in a facility that is not a participating provider or facility (hereafter an "out-of-network provider or facility"), the plan must comply with the following requirements: (a) the services are covered without imposing a prior authorization or coverage limitation that is more restrictive than requirements or limitations that apply to emergency medical services provided by an in-network provider or facility; (b) any cost-sharing requirement imposed on an enrollee for the emergency medical service must be no greater than the requirements that would apply if the emergency medical service were provided by an in-network provider or facility; (c) any cost-sharing amount imposed on an enrollee for the emergency medical service is calculated as if the total amount that would have been charged for the emergency medical service if provided by an in-network provider or facility is equal to the recognized amount for such services, plan or coverage, and year; and (d) the plan counts any cost-sharing payment made by the enrollee toward any in-network deductible or out-of-pocket maximum applied by the plan in the same manner as if the cost-sharing payment was made for an emergency medical service provided by an in-network provider or facility.

Require the plan, if an emergency service is provided to an enrollee by an out-of-network provider or facility, to do all of the following: (a) no later than 30 days after the provider or facility transmits to the plan the bill for emergency medical services, sends to the provider or facility an initial payment or a notice of denial of payment; and (b) pays to the provider or facility a total amount that, incorporating any initial payment, is equal to the amount by which the out-of-network rate exceeds the enrollee cost-sharing amount.

Services Rendered by an Out-of-Network Provider in an In-Network Facility. Specify that for items or services, other than emergency medical services, that are rendered to an enrollee by an out-of-network provider within an in-network facility, the plan must provide coverage for the item or service in accordance with all of the following: (a) the plan may not impose on an enrollee a cost-sharing requirement for the item or service that is greater than the cost-sharing requirement that would have been imposed if the item or service was provided by an in-network provider; (b) any cost-sharing amount imposed on an enrollee for the item or service is calculated as if the total amount that would have been charged for the item or service if provided by an in-network provider is equal to the recognized amount for such item or service, plan or coverage, and year; (c) no later than 30 days after the provider transmits the bill for services, the plan shall send to the provider an initial payment or a notice of denial of payment; (d) the plan shall make a total payment directly to the provider that rendered the item or service to the enrollee that, when added to any initial payment, is equal to the amount by which the out-of-network rate for the item or service exceeds the cost-sharing amount; and (e) the plan counts any cost-sharing payment made by the enrollee for the item or service toward any in-network deductible or out-of-pocket maximum applied by the plan in the same manner as if the cost-sharing payment was made for the item or service when rendered by an in-network provider.

Specify that the terms "recognized amount" and "out-of-network rate," as used in these provisions, have the meaning established by OCI by rule, or, in the absence of a rule, as defined in the federal No Surprises Act. Define the terms "emergency medical condition" and "emergency medical services" as those terms are defined in the federal No Surprises Act.

Limitations on Provider Billing

Specify that an out-of-network provider of an item or service rendered in an in-network facility may not bill or hold liable an enrollee for any amount for an ancillary item or service that is more than the cost-sharing amount determined as if the service were rendered by an in-network provider for the item or service, whether or not provided by a physician or non-physician practitioner, unless OCI specifies by rule that the provider may balance bill for the specified item or service, if the ancillary item or service is any of the following: (a) related to an emergency medical service; (b) anesthesiology; (c) pathology; (d) radiology; (e) neonatology; (f) an item or service provided by an assistant surgeon, hospitalist, or intensivist; (g) diagnostic service, including a radiology or laboratory service; (h) an item or service provided by a specialty practitioner that OCI specifies by rule; or (i) an item or service provided by an out-of-network provider when there is no in-network provider who can furnish the item or service at the in-network facility.

Prohibit an out-of-network provider of an item or service that is rendered in an in-network facility from billing or holding liable an enrollee for any amount for the item or service that is more than the cost-sharing amount determined as if the services were rendered by an in-network provider for the item or service unless the out-of-network provider provides notice and obtains consent in accordance with all of the following: (a) the notice states that the provider is an out-of-network provider in the enrollee's plan; (b) the notice provides a good faith estimate of the amount that the provider may charge the enrollee for the item or service involved, including notification that the estimate does not constitute a contract with respect to the charges estimated for the item or service; (c) the notice includes a list of the in-network providers at the facility that would be able to render the item or service and notification that the enrollee may be referred to one of those providers; (d) the notice includes information about whether or not prior authorization or other care management limitations may be required before receiving an item or service at the in-network facility; (e) the notice clearly states that consent is optional and that the patient may elect to seek care from an in-network provider; (f) the notice is worded in plain language; (g) the notice is available in languages other than English, as identified by OCI; (h) the enrollee provides consent to the provider to be treated by the out-of-network provider, and the consent acknowledges that the enrollee has been informed that the charge paid by the enrollee may not meet a limitation that the enrollee's plan places on cost sharing, such as an in-network deductible; and (f) a signed copy of the consent is provided to the enrollee.

Specify that, to be considered adequate, the notice and consent described above shall meet one of the following requirements, as applicable: (a) if the enrollee makes an appointment for the item or service at least 72 hours before the day on which the item or service is to be provided, any notice shall be provided to the enrollee at least 72 hours before the day of the appointment at which the item or service is to be provided; or (b) if the enrollee makes an appointment for the item or service less than 72 hours before the day on which the item or service is to be provided, any notice shall be provided to the enrollee on the day that the appointment is made. Specify that the notice and consent may not extend to items or services furnished as a result of unforeseen, urgent medical needs that arise at the time the item or service is provided. Require the provider to retain any consent provided under these provisions for no less than seven years.

Specify that, beginning no later than January 1, 2024, a health care provider or health care facility shall make available, including posting on a website, to enrollees in defined network plans, preferred provider plans, and self-insured governmental plans notice of the requirements applicable to providers or facilities under the provisions of this item and of any other applicable state law requirements on the provider or facility with respect to charging an enrollee for an item or service if the provider or facility does not have a contractual relationship with the plan, and of information on contacting appropriate state or federal agencies in the event the enrollee believes the provider or facility violates any of these requirements.

Negotiation and Dispute Resolution

Specify that an out-of-network provider or facility that is entitled to receive an initial payment or notice of denial under these provisions may initiate, within 30 days of receiving the initial payment or notice of denial, open negotiations with the defined network plan, preferred provider plan, or self-insured governmental plan to determine a payment amount for the emergency medical service or other item or service for a period that terminates 30 days after initiating open negotiations. Specify that if the open negotiation period terminates without determination of a payment amount, the provider, facility, defined network plan, preferred provider plan, or self-insured governmental plan may initiate, within the four days beginning on the day after the open negotiation period ends, the independent dispute resolution process as specified by OCI.

Specify that if the independent dispute resolution decision maker determines the payment amount, the party to the independent dispute resolution process whose amount was not selected shall pay the fees for the independent dispute resolution, but if the parties to the independent dispute resolution reach a settlement on the payment amount, the parties to the independent dispute resolution shall equally divide the payment for the fees for the independent dispute resolution.

Continuity of Care

Modify statutory provisions related to the billing for and coverage of services rendered to a continuing care enrollee in circumstances in which the status provider of those services changes from in-network to out-of-network provider of facility, as described below. Define, for the purposes of this provision, a "continuing care patient" as an individual who is any of the following: (a) undergoing a course of treatment for a serious and complex condition from a provider or facility; (b) undergoing a course of institutional or inpatient care from a provider or facility; (c) scheduled to undergo nonelective surgery, including receipt of postoperative care, from a provider or facility; (d) pregnant and undergoing a course of treatment for the pregnancy from a provider or facility; or (e) terminally ill and receiving treatment for the illness from a provider or facility. Define a "serious and complex condition" to mean any of the following: (a) in the case of an acute illness, a condition that is serious enough to require specialized medical treatment to avoid the reasonable possibility of death or permanent harm; or (b) in the case of a chronic illness or condition, a condition that is life-threatening, degenerative, potentially disabling, or congenital and requires specialized medical care over a prolonged period.

Specify that if an enrollee is a continuing care patient and is obtaining items or services from an in-network provider or facility and the contract between the defined network plan, preferred provider plan, or self-insured governmental plan and the provider or facility is terminated because of a change in the terms of the participation of the provider or facility, or the contract between the plan and the provider or facility is terminated, resulting in a loss of benefits provided under the plan, the plan shall do all of the following: (a) notify each enrollee of the termination of the contract or benefits and of the right for the enrollee to elect to continue transitional care from the provider or facility; (b) provide the enrollee an opportunity to notify the plan of the need for transitional care; and (c) allow the enrollee to elect to continue to have the benefits provided under the plan under the same terms and conditions as would have applied to the item or service if the termination had not occurred for the course of treatment related to the enrollee's status as a continuing care patient beginning on the date on which the notice is provided and ending 90 days after the date on which the notice is provided or the date on which the enrollee is no longer a continuing care patient, whichever is earlier.

Specify that current law continuing care requirements shall not be applied in a manner that limits the enrollee's rights for, or length of, continuing care established under this item. Specify that a defined network plan may not contract or arrange with a participating provider for the provider to provide the notice that the plan is required to provide to enrollees under current law, of termination of the participating provider's participation in the plan's network.

Administrative Rules

Authorize OCI to promulgate any rules necessary to implement these provisions, including specifying the independent dispute resolution process and any modification to the list of those items and services for which a provider may not balance bill. Specify that, in promulgating these rules, OCI may consider any rules promulgated by the federal Department of Health and Human Services pursuant to the federal No Surprises Act.

[Bill Sections: 3050 and 3052]

7. TELEHEALTH COVERAGE PARITY

Governor: Prohibit any health insurance policy, state employee health plan, or governmental self-insured health plan from denying coverage of any treatment or service provided through telehealth on the basis that the treatment or service is provided through telehealth, if that treatment or service is covered by the policy or plan when provided in person. Specify that an insurance policy or health plan may limit coverage of treatments or services provided through telehealth to those treatments or services that are medically necessary. Specify that an insurance policy or health plan may not subject a treatment or services provided through telehealth to any of the following: (a) any greater deductible, copayment, or coinsurance amount than would be applicable if the treatment or service is provided in person; (b) any policy or calendar year or lifetime benefit limit or other maximum limitation that is not imposed on other treatments or services covered by the plan that are not provided through telehealth; (c) prior authorization requirements that are not required for the same treatment or service when provided in person; or (d) unique location requirements. Specify that an insurance policy or health plan that covers a telehealth treatment or service that has no equivalent in-person treatment or service, such as remote patient monitoring, shall specify in policy or plan materials the coverage of that telehealth treatment or service.

Define "telehealth" as a practice of health care delivery, diagnosis, consultation, treatment, or transfer of medically relevant data by means of audio, video, or data communications that are used either during a patient visit or consultation or are used to transfer medically relevant data about a patient. Specify that the term "telehealth" does not include communications delivered solely by audio-only telephone, facsimile machine, or e-mail unless specified otherwise by rule.

Specify that for policies or plans containing provisions inconsistent with the requirements in this item, the requirements first apply to policy or plan years beginning on January 1 of the year following the effective date of the bill, except that for policies or plans that are affected by a collective bargaining agreement that are inconsistent, the requirement first applies to plan years beginning on the effective date of the bill or on the day on which the collective bargaining agreement is newly established, modified, or renewed, whichever is later.

[Bill Sections: 727, 728, 1177, 2219, 2402, 2921, 3056, 3058, 3065, 3095, and 9323(1)]

8. COVERAGE OF INFERTILITY SERVICES

Governor: Specify that any health insurance policy, including any preferred provider plan or defined network plan, and any government self-insured health plan that provides coverage for medical or hospital expenses shall cover diagnosis of, and treatment for, infertility and standard fertility preservation services. Specify that the coverage, for the purposes of this requirement, must include at least four completed oocyte retrievals with unlimited embryo transfers, in accordance with the guidelines of the American Society for Reproductive Medicine or its successor organization, and that a single embryo transfer may be used when recommended and medically appropriate. Specify that the policy or plan must provide coverage of infertility services to any covered individual under the policy or plan, including any spouse or nonspouse dependent, to the same extent as other pregnancy-related benefits covered under the policy or plan.

Specify that a policy or plan may not do any of the following: (a) impose any exclusions, limitations, or other restrictions on coverage of infertility services based on a covered individual's participation in fertility services provided by or to a third party; (b) impose any exclusion, limitation, or other restriction on coverage of medications that are required to be covered for infertility services that are different from those imposed on any other prescription medications covered under the policy or plan; or (c) impose any exclusion, limitation, cost-sharing requirement, benefit maximum, waiting period, or other restriction on the diagnosis of and treatment for infertility and standard fertility preservation services that is different from an exclusion, limitation, cost-sharing requirement, benefit maximum, waiting period, or other restriction imposed on benefits for services that are covered by the policy or plan and that are not related to infertility.

Specify that these coverage requirements do not apply to coverage that is only accident or disability income insurance, supplemental liability insurance, worker's compensation coverage, automobile medical payment insurance, credit-only insurance, coverage for on-site medical clinics, or other similar coverage under which benefits for medical care are secondary or incidental to other insurance benefits.

Define terms, for the purposes of these provisions ,as follows: (a) "infertility" means a disease, condition, or status characterized by any of the following: (i) the failure to establish a pregnancy or carry a pregnancy to a live birth after regular, unprotected sexual intercourse for, if the woman is under the age of 35, no longer than 12 months or, if the woman is 35 years of age or older, no longer than six months, including any time during those 12 months or six months that the woman has a pregnancy that results in a miscarriage; (ii) an individual's inability to reproduce either as a single individual or with a partner without medical intervention; (iii) a physician's findings based on a patient's medical, sexual, and reproductive history, age, physical findings, or diagnostic testing; (b) "diagnosis of and treatment for infertility" means any recommended procedure or medication to treat infertility at the direction of a physician that is consistent with established, published, or approved medical practices or professional guidelines from the American College of Obstetricians and Gynecologists, or its successor organization, or the American Society for Reproductive Medicine, or its successor organization; and (c) "standard fertility preservation service" means a procedure that is consistent with established medical practices or professional guidelines published by the American Society for Reproductive Medicine or its successor organization, or the American Society of Clinical Oncology or its successor organization, for a person who has a medical condition or is expected to undergo medication therapy, surgery, radiation, chemotherapy, or other medical treatment that is recognized by medical professionals to cause a risk of impairment to fertility.

Require OCI, after consulting with the Department of Health Services on appropriate treatment for infertility, to promulgate any rules necessary to implement these requirements. Specify that before the promulgation of rules, policies and plans are considered to be in compliance with the coverage requirements if the coverage conforms to the standards of the American Society for Reproductive Medicine.

Specify that these provisions first apply to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with these coverage requirements, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later. Specify that for policies and plans that have a term greater than one year and contain provisions inconsistent with these provisions, the coverage requirements first apply to policy or plan years beginning on January 1 of the year following the year in which the policy or plan is extended, modified, or renewed, whichever is later.

[Bill Sections: 3057, 3107, 9323(6), and 9423(6)]

9. COVERAGE OF SUBSTANCE ABUSE COUNSELOR SERVICES

Governor: Specify that no health insurance policy, limited service health organization, preferred provider plan, defined network plan, or government self-insured health plan may exclude coverage for alcoholism or other drug abuse treatment or services provided by a substance abuse counselor within the scope of the substance abuse counselor's education and training if the policy or plan covers the alcoholism or other drug abuse treatment or services when provided by another health care provider.

Specify that this provision first applies to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

[Bill Sections: 727, 728, 1177, 2219, 2402, 3055, 3094, 9323(2), and 9423(2)]

10. COVERAGE OF BEHAVIORAL HEALTH SERVICES PROVIDED BY A QUALIFIED TREATMENT TRAINEE

Governor: Prohibit any health insurance policy, limited service health organization, preferred provider plan, defined network plan, or government self-insured health plan from excluding coverage for mental health or behavioral health treatment or services provided by a qualified treatment trainee within the scope of the qualified treatment trainee's education and training if the policy or plan covers the mental health or behavioral health treatment or services when provided by another health care provider.

Define "qualified treatment trainee" for the purposes of this provision using a cross reference to a definition of the term in a DHS administrative rule relating to outpatient mental health clinics, in which the term means either: (a) a graduate student who is enrolled in an accredited institution in psychology, counseling, marriage and family therapy, social work, nursing or a closely related field; or (b) a person with a graduate degree from an accredited institution and course work in psychology, counseling, marriage and family therapy, social work, nursing or a closely related field who has not yet completed the supervised practice requirements applicable to the degree.

Specify that this provision first applies to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

[Bill Sections: 727, 728, 1177, 2219, 2402, 3054, 3093, 9323(4), and 9423(5)]

INVESTMENT BOARD

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
PR	$102,731,100	$102,731,100	$102,731,100	$0	0.0%	290.00	290.00	290.00	0.00	0.0%

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. Program revenue to support SWIB operations is generated from assessments of funds under management. 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 2021-22 for the Board were $84,072,800 with 261.0 positions approved in June, 2021. In June, 2022, the Board approved an operating budget for 2022-23 of $102,731,100 (an increase of 22.2% over 2021-22 expenditures) and 290.0 positions. In the table above, this amount is indicated for the adjusted base in 2022-23. The SWIB budget recommendation also utilizes this amount for 2023-24 and 2024-25. The actual 2023-24 budget is expected to be finalized by the Board in June, 2023, and the 2024-25 budget one year later.

JUDICIAL COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$352,800	$351,700	$352,400	- $1,500	- 0.2%	2.00	2.00	2.00	0.00	0.0%

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $1,500

Governor: Provide adjustments to the base totaling -$1,100 in 2023-24 and -$400 in 2024-25 associated with: (a) full funding of continuing position salaries and fringe benefits (-$1,800 annually); and (b) full funding of lease and directed moves costs ($700 in 2023-24 and $1,400 in 2024-25).

JUSTICE

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$79,016,100	$113,908,900	$128,219,400	$84,096,100	53.2%	405.58	447.08	453.28	47.70	11.8%
FED	23,629,800	25,650,100	24,723,400	3,113,900	6.6	81.43	64.43	51.23	- 30.20	- 37.1
PR	55,603,500	58,340,600	57,986,700	5,120,300	4.6	258.08	258.08	258.08	0.00	0.0
SEG	470,100	415,400	415,400	- 109,400	- 11.6	2.75	2.75	2.75	0.00	0.0
TOTAL	$158,719,500	$198,315,000	$211,344,900	$92,220,900	29.1%	747.84	772.34	765.34	17.50	2.3%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $995,500	- 0.50
FED	3,883,600	- 25.00
PR	- 696,200	0.00
SEG	- 109,400	0.00
Total	$2,082,500	- 25.50

Governor: Adjustments to the base totaling -$497,200 GPR, $2,389,000 FED, -$348,100 PR, -$54,700 SEG, -0.5 GPR and -12.0 FED positions in 2023-24; and -$498,300 GPR, $1,494,600 FED, -$348,100 PR, -$54,700 SEG, -0.5 GPR positions, and -25.0 FED positions in 2024-25. Adjustments are for: (a) turnover reduction (-$911,000 GPR and -$159,500 PR annually); (b) removal of non-continuing elements from the base (-$138,900 GPR, -$455,000 FED, and -1.0 GPR, and -12.0 FED positions in 2023-24; and -$140,000 GPR, -$1,349,400 FED, and -1.0 GPR and -25.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-$118,300 GPR, $2,799,500 FED, -$394,900 PR, and -$67,500 SEG annually); (d) overtime ($710,700 GPR, $532,700 PR, and $11,000 SEG annually); (e) night and weekend differential pay ($9,600 GPR and $2,100 PR annually); (f) full funding of ongoing s. 13.10 items ($27,800 GPR and 0.5 GPR positions annually); and (g) full funding of lease and directed moves costs (-$77,100 GPR, $44,500 FED, -$328,500 PR, and $1,800 SEG annually).

2. STANDARD BUDGET ADJUSTMENTS -- TECHNICAL TRANSFERS WITHIN THE SAME APPROPRIATION

Governor: Transfer funding and positions annually within appropriations in DOJ between different subprograms, as identified in the table below, in order to align budgeted funding and position authorization with assigned programmatic duties.

Fund Source/Program/ Appropriation	Subprogram	Funding	Positions
GPR			
Legal services			
General program operations	Legal services	-$33,500	-0.45
	Computing services	0	-0.50
	Crime laboratories	-24,800	-1.00
	Crime information bureau	0	-3.84
	Training and standards bureau	0	-1.00
	Criminal investigation	440,100	-0.55
	Administrative services	66,600	1.20
	Narcotics Enforcement	-197,400	0.00
	Internet Crimes Against Children Task Force	-367,900	-1.60
	DNA Analysis Resources	24,700	0.00
	Office of Victim Services	55,700	1.00
	Criminal Justice Programs	36,500	3.94
	Office of School Safety	0	2.80
Administrative services			
General program operations	Legal services	-$451,700	-3.60
	Computing services	0	0.50
	Training and standards bureau	-83,900	0.00
	Criminal investigation	-49,300	0.00
	Administrative services	584,900	3.10
Victims and witnesses			
General program operations	Administrative services	$0	0.20
	Office of Victim Services	0	-0.20
Total		$0	0.00
PR			
Law enforcement services			
Criminal history searches; fingerprint identification	Crime laboratories	$0	1.00
	Crime information bureau	0	-0.66
	Criminal Justice Programs	0	-0.34
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	Crime information bureau	$0	0.50
	Training and standards bureau	41,900	0.50
	Administrative services	-41,900	-1.00
Law enforcement training fund, state operations	Crime information bureau	$700	4.00
	Training and standards bureau	335,000	2.40
	Criminal investigation	-88,300	-1.00
	Administrative services	-247,400	-0.50
	Criminal Justice Programs	0	-2.10
	Office of School Safety	0	-2.80
Interagency and intra– agency assistance	Training and standards bureau	$24,800	0.20
	Administrative services	-24,800	0.00
	Criminal Justice Programs	0	-0.20

Fund Source/Program/ Appropriation	Subprogram	Funding	Positions
Drug law enforcement, crime laboratories, and genetic evidence activities	Legal services	$0	-0.25
	Crime laboratories	-500,000	0.00
	Criminal investigation	-39,900	0.00
	Narcotics Enforcement	539,900	0.25
Drug enforcement intelligence operations	Criminal investigation	-$184,000	5.50
	Narcotics Enforcement	184,000	-5.50
Wisconsin justice information sharing program	Administrative services	-$101,100	0.00
	Internet Crimes Against Children Task Force	-79,100	0.00
	Criminal Justice Programs	180,200	0.00
County−tribal programs, state operations	Administrative services	$0	-0.60
	Criminal Justice Programs	0	0.60
Total		$0	0.00
FED			
Law enforcement services			
Federal aid, state operations	Crime laboratories	$2,700	0.00
	Crime information bureau	-2,700	0.00
	Training and standards bureau	-72,500	-0.10
	Criminal investigation	-47,800	0.00
	Administrative services	-73,000	0.00
	Narcotics Enforcement	47,800	0.00
	Office of Victim Services	1,900	0.00
	Criminal Justice Programs	143,600	0.10
Victims and witnesses			
Federal aid; state operations relating to crime victim services	Internet Crimes Against Children Task Force	-$3,700	0.00
	Office of Victim Services	-8,500	0.00
	Criminal Justice Programs	12,200	0.00
Total		$0	0.00

3. PROGRAM REVENUE REESTIMATES

PR	$5,606,800

Governor: Provide $2,803,400 annually to reflect current revenue projections and estimated program needs for the following program revenue appropriations:

a. -$300,000 annually for the terminal charges annual appropriation. Expenditures are estimated to reflect revenue available for the TIME (transaction information for the management of enforcement) system. Base funding for the appropriation is $2,695,200.

b. -$7,500 annually for the grants for substance abuse treatment programs for criminal offenders continuing appropriation. Expenditures are estimated to address an estimated $1,491,400 deficit in the appropriation at the end of 2022-23. Base funding for the appropriation is $7,500.

c. $15,000 annually for the legal services delinquent obligation collection annual appropriation. Expenditures are estimated to reflect estimated expenditures in the 2023-25 biennium. Base funding for the appropriation is $10,000.

d. $45,900 annually for the crime laboratory equipment and supplies annual appropriation. Expenditures are estimated to reflect an increased transfer from the DNA surcharge. Base funding for the appropriation is $854,100.

e. $75,000 annually for the law enforcement training fund, local assistance annual appropriation. Estimated expenditures are associated with payments for new recruit, recertification and specialized training to local law enforcement agencies, technical colleges, and jail or secure detention agencies. Base funding for the appropriation is $4,425,000.

f. $80,000 annually for the legal services environment litigation project continuing appropriation. Expenditures are estimated to reflect an updated memorandum of understanding with the Department of Natural Resources. Base funding for the appropriation is $617,600.

g. $100,000 annually for the law enforcement services gifts, and grants annual appropriation. Expenditures are estimated to reflect anticipated revenue. Base funding for the appropriation is $0.

h. $320,000 annually for the handgun purchaser record check; checks for licenses or certifications to carry concealed weapons continuing appropriation. Expenditures are estimated to reflect anticipated revenue. Base funding for the appropriation is $2,948,800.

i. $350,000 annually for the law enforcement training fund, state operations annual appropriation. Expenditures are estimated to maintain expenditure authority for law enforcement trainings, due to reductions taken in the position realignment item. Base funding for the appropriation is $3,482,400.

j. $525,000 annually for the administrative services gifts, grants, and proceeds annual appropriation. Expenditures are estimated to support trainings, conferences and other administrative services and supplies that collect proceeds and non-federal grant revenues. Base funding for the appropriation is $0.

k. $600,000 annually for the legal services interagency and intra−agency assistance continuing appropriation. Expenditures are estimated to reflect an updated memoranda of understanding with other state agencies. Base funding for the appropriation is $2,041,300.

l. $1,000,000 annually for the legal services restitution continuing appropriation. Expenditures are estimated to reflect anticipated revenues. Base funding for the appropriation is $0.

4. POSITION REALIGNMENT

	Funding	Positions
FED	$720,600	0.00
PR	- 720,600	0.00
Total	$0	0.00

Governor: Provide $360,300 FED and -$360,300 PR annually to reflect the duties and funding sources of existing positions as identified below.

Appropriation Title	Fund	Positions	Funding
Law enforcement services			
Crime information bureau			
Transaction information management of enforcement system	PR	5.00	$443,700
Terminal charges	PR	-1.00	-123,500
Law enforcement training fund, state	PR	-4.00	-320,200
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	PR	-1.00	-147,300
Criminal history searches; fingerprint identification	PR	1.00	147,300
Training and standards bureau			
Transaction information management of enforcement system	PR	4.00	363,600
Law enforcement training fund, state	PR	-4.00	-363,600
Narcotics Enforcement			
Drug law enforcement, crime laboratories, and genetic evidence activities	PR	0.50	72,700
Federal aid, state operations	FED	-0.50	-72,700
Criminal Justice Programs			
Federal aid, state operations	FED	-2.50	-207,500
Alternatives to prosecution and incarceration for persons who use alcohol or other drugs; justice information fee	PR	1.55	134,100
WI justice information sharing program	PR	0.90	68,500
Law enforcement programs and youth diversion − administration	PR	0.05	4,900
Victims and witnesses			
Office of Victim Services			
Interagency and intra-agency assistance; reimbursement to counties	PR	-3.00	-640,500
Federal aid; victim assistance	FED	3.00	640,500
All Funds Total		0.00	$0
	FED	0.00	$360,300
	PR	0.00	-$360,300

5. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$825,600

Governor: Provide $412,800 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 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. Annual funding in DOJ would be allocated as follows:

Program	Subprogram	Amount
Division of legal services	Legal services	$37,400
Law enforcement services	Crime laboratories	159,800
	Crime information bureau	5,000
	Criminal investigation	78,600
	Administrative services	3,600
	Narcotics Enforcement	12,800
	Internet Crimes Against Children Task Force	38,000
	Criminal Justice Programs	3,600
Administrative services	Computing services	65,000
	Administrative services	2,300
Victims and witnesses	Office of Victim Services	6,700
Total		$412,800

6. EQUITY OFFICER POSITION

	Funding	Positions
GPR	$166,400	1.00

Governor: Provide $72,900 in 2023-24 and $93,500 in 2024-25 and 1.0 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."]

7. TRIBAL LIAISON POSITION

	Funding	Positions
GPR	$144,300	1.00

Governor: Provide $61,800 in 2023-24 and $82,500 in 2024-25 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."]

Law Enforcement Services

1. LAW ENFORCEMENT RECRUITMENT, RETENTION AND WELLNESS GRANT PROGRAM

GPR	$10,000,000

Governor: Provide $5,000,000 annually to provide grants to law enforcement agencies and tribal law enforcement agencies to fund programs that recruit and retain law enforcement officers and that promote officer wellness. Create a continuing appropriation for the grant program.

[Bill Sections: 462 and 2369]

2. COMMUNITY POLICING AND COMMUNITY PROSECUTION GRANT PROGRAM

GPR	$10,000,000

Governor: Provide $5,000,000 annually to cities, villages, and towns; counties, including district attorney offices; and federally-recognized American Indian tribes or bands in Wisconsin to fund community policing and community prosecution programs. Create a continuing appropriation for the grant program.

[Bill Sections: 461 and 2368]

3. OFFICE OF MISSING AND MURDERED INDIGENOUS WOMEN

	Funding	Positions
GPR	$7,408,700	3.00

Governor: Provide $3,675,200 in 2023-24 and $3,733,500 in 2024-25 and 3.0 positions related to creating an Office of Missing and Murdered Indigenous Women within DOJ. Funding would be allocated as follows: (a) $3,000,000 annually for grants to tribes and organizations affiliated with tribes relating to missing and murdered indigenous women; (b) $175,200 in 2023-24 and $233,500 in 2024-25 for staff costs; and (c) $500,000 annually for supplies and services. The Office would be required do the following: (a) provide services to crime victims and witnesses who are members of a tribe; (b) provide trauma-informed health and wellness support for crime victims, their families, and other persons who are members of a tribe; and (c) offer or contract with another entity to offer training relating to missing and murdered indigenous women. Specify that training may include search and rescue, enhanced response, and coordination tactics between federal, state and tribal jurisdictions, and other topics related to missing and murdered indigenous women. Create an annual appropriation for the Office.

Of the newly-created positions, specify that the Director of the Office would be an unclassified position appointed by the Attorney General. Place the Director in executive salary group 3 (current annual salary range of $79,414 to $131,040).

[Bill Sections: 71, 475, 561, 2367, and 2522]

4. LAW ENFORCEMENT AND CRIMINAL INVESTIGATION SUPPORT

	Funding	Positions
GPR	$1,735,000	10.00
PR	500,000	0.00
Total	$2,235,000	10.00

Governor: Provide $773,500 GPR and $250,000 PR in 2023-24 and $961,500 GPR and $250,000 PR in 2024-25 and 10.0 GPR positions annually to provide criminal investigative support and technical assistance for local law enforcement agencies, including; increased identification of cybercrimes and trafficking targeting children; opiate and child abuse death prevention; forensic genetic genealogy case review and evidence identification; crimes against the elderly; and assistance to local and federal law enforcement regarding violent crimes in southeast Wisconsin. Program revenue funding ($250,000 PR annually) is provided for additional supplies and services for Internet crimes against children (ICAC) task forces. Funding would be provided as follows: (a) $550,500 GPR in 2023-24 and $682,400 GPR in 2024-25 and 7.0 GPR positions annually for criminal investigations; and (b)

$223,000 GPR in 2023-24 and $279,100 GPR in 2024-25 and $250,000 PR 3.0 GPR positions annually for the ICAC task force. Program revenue funding for ICAC is provided for local assistance.

5. SCHOOL SAFETY OPERATIONS

	Funding	Positions
GPR	$996,100	7.20
FED	- 7,300	- 0.20
Total	$988,800	7.00

Governor: Provide $387,800 GPR and 6.0 GPR positions in 2023-24 and $608,300 GPR, -$7,300 FED and 7.2 GPR, and -0.2 FED positions in 2024-25 related to the Office of School Safety (OSS). The table below shows the funding associated with the OSS after the removal of non-continuing elements and other standard budget adjustments, the Governor's recommendation, and the resulting total of funding and positions associated with OSS.

	2023-24				2024-25			
	GPR		FED		GPR		FED	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
Base and Standard Budget Adjustments	$566,500	3.80	$306,600	1.20	$566,500	3.80	$42,400	0.20
Governor's Recommendations	387,800	6.00	0	0.00	608,300	7.20	-7,300	-0.20
Total	$954,300	9.80	$306,600	1.20	$1,174,800	11.00	$35,100	0.00
Total (All Funds)			$1,260,900	11.00			$1,209,900	11.00

6. VIOLENT CRIME PROSECUTORS

	Funding	Positions
GPR	$428,600	3.00

Governor: Provide $185,800 in 2023-24 and $242,800 in 2024-25 and 3.0 positions to provide prosecutorial assistance to county district attorneys related to violent crimes cases.

7. PROGRAM ADMINISTRATION SUPPORT

	Funding	Positions
GPR	$323,600	2.00

Governor: Provide $143,600 in 2023-24 and $180,000 in 2024-25 and 2.0 positions annually related to administration of: (a) the Office of Victim Services ($79,300 in 2023-24 and $97,500 in 2024-25 and 1.0 position annually); and (b) criminal investigation ($64,300 in 2023-24 and $82,500 in 2024-25 and 1.0 position annually).

8. REGIONAL DRUG PROSECUTORS

	Funding	Positions
GPR	$272,700	2.00

Governor: Provide $116,900 in 2023-24 and $155,800 in 2024-25 and 2.0 positions for assistant attorneys general to serve as regional drug prosecutors based at the Division of Criminal Investigation's field offices in Wausau and Appleton and assist district attorneys with prosecuting drug-related offenses. The positions would continue the work of project field drug prosecutor positions that were created in 2017

Wisconsin Act 261. [Note that at a 13.10 meeting on February 15, 2023, the Joint Committee on Finance approved creation of 2.0 field prosecutor positions.]

9. REGIONAL DRUG PROSECUTORS REPORT

Governor: Repeal a requirement that DOJ report to the Joint Committee on Finance related to the project field drug prosecutors. The report, created under 2017 Act 261, is to "describe the activities and assess the effectiveness of the attorneys in assisting the division of criminal investigation in the field offices of Wausau and Appleton and in assisting district attorneys in the prosecution of drug-related offenses."

[Bill Section: 2332]

10. CONTINUATION OF SEXUAL ASSAULT RESOURCE PROSECUTOR

	Funding	Positions
GPR	$136,400	1.00

Governor: Provide $58,400 in 2023-24 and $78,000 in 2024-25 and 1.0 position for an assistant attorney general to continue providing training and resources for prosecutors on sexual assault cases. This position would continue the responsibilities of a project position created under 2019 Act 9 that ends in July, 2023.

11. BEAT PATROL PROGRAMS UNENCUMBERED BALANCES

PR	$190,800

Governor: Provide $190,800 in increased expenditure authority in 2023-24 for beat patrol overtime grants. This is an annual appropriation for police overtime grants with an unencumbered revenue balance. Current base funding is $0. The appropriation was originally funded with a one-time transfer specified in 2017 Act 59. [Note that under current law, the appropriation is to be used for police overtime grants, rather than the beat patrol program.]

12. TRIBAL LAW ENFORCEMENT ASSISTANCE

PR	$1,390,000

Governor: Provide $695,000 annually related to grants to tribes for law enforcement operations. Program revenue funding is from the Indian gaming receipts appropriation. Base funding for the appropriation is $695,000.

13. CONTINUATION OF ELDER ABUSE HOTLINE AND ELDER JUSTICE PROGRAM

GPR	$250,000

Governor: Provide $250,000 in 2024-25 to support the operation of the elder abuse reporting hotline and grants to organizations to promote protection of elders. Create a continuing appropriation to provide support for bath the hotline and grants. The Department indicates that three federal implementation grants were used to establish a state-wide taskforce on elder abuse, to provide a hotline for centralized reporting of crimes targeting the elderly, and for public outreach efforts. The federal grants end September 30, 2023.

[Bill Sections: 466 and 2344]

14. HATE CRIME HOTLINE

Governor: Require DOJ to provide a publicly accessible Internet-based reporting system and a telephone hotline for the reporting of hate crimes. The Department would be required to ensure that the reporting system and hotline do the following:

a. Relay a report of a hate crime to the appropriate employee of the department or law enforcement officer for investigation.

b. Direct individuals to appropriate local support services.

c. Maintain confidentiality for any personally identifiable information that an individual provides through the reporting system or hotline, except as needed for investigative, legal, or crime victims service purposes.

d. Are staffed by individuals who are trained to be knowledgeable about applicable federal, state, and local hate crime laws and law enforcement and support services.

Require DOJ to collaborate with community organizations to provide a public education campaign to raise awareness of hate crimes and to promote the reporting of hate crimes using the reporting system and hotline. Require the Department to collect data on hate crime reporting.

The bill defines "hate crime" using current law [s. 939.645(1)]: a criminal act intentionally committed against an individual or property in whole or in part because of the actor's belief or perception regarding the race, religion, color, disability, sexual orientation, national origin or ancestry of that person or the owner or occupant of that property, whether or not the actor's belief or perception was correct.

[Bill Section: 2337]

15. UNIVERSAL BACKGROUND CHECK

Governor: Prohibit any person from transferring any firearm, including the frame or receiver of a firearm, unless the transfer occurs through a federally-licensed firearms dealer and involves a background check of the prospective transferee starting seven months after publication. This would expand DOJ's responsibility to include all firearms, rather than handguns and most transfers, rather than purchases.

Under the bill, the following are excepted from that prohibition: (a) a transfer to a firearms dealer or to a law enforcement or armed services agency; (b) a transfer of a firearm classified as antique; (c) a transfer that is by gift, bequest, or inheritance to a family member over 18 years of age; or (d) a transfer for the purpose of hunting or target shooting for no longer than 14 days in exchange for a nominal fee. A person who is convicted of violating the prohibition is guilty of a misdemeanor and must be fined not less than $500 nor more than $10,000, may be imprisoned for not more than nine months, and may not possess a firearm for a period of two years.

Current law provides that a federally-licensed firearms dealer may not transfer a handgun after a sale until the dealer has performed a background check on the prospective transferee to determine if he or she is prohibited from possessing a firearm under state or federal law. In Wisconsin, the Firearms Unit within DOJ's Crime Information Bureau processes background checks on purchasers of handguns. The FBI continues to be responsible for background checks on purchasers of long guns in Wisconsin. States which process background checks are also authorized to extend their background checks beyond the requirements under federal law. Wisconsin handgun background checks include a review of databases not routinely searched by the FBI as a part of a federal background search such as CCAP and the DOJ database of juveniles found adjudicated delinquent for an offense that would have been a felony if committed by an adult.

[Bill Sections: 468, 2371, 2372, 2374 thru 2396, 2399, 3246, 3254, 3256, 3298, 3299, 3301, 3360, 3361, 3378, 9327(2), and 9427(1)]

16. CITIZENSHIP REQUIREMENT FOR POLICE OFFICERS

Governor: Allow the sheriff of a county or the appointing authority of a local law enforcement agency to elect to authorize the appointment of noncitizens who are in receipt of valid employment authorization from the federal Department of Homeland Security as deputy sheriffs or police officers. Further, prevent the Law Enforcement Standards Board from preventing a noncitizen from participating in a law enforcement preparatory training program.

Under current law, no person may be appointed as a deputy sheriff of any county or police officer of any city, village, or town unless that person is a citizen of the United States.

[Bill Sections: 1191, 1192, and 2340]

17. RENAME SHOT SPOTTER GRANT PROGRAM

Governor: Modify the current Shot Spotter Program appropriation to reference a Gunfire Detection Program in Milwaukee, rather than the Shot Spotter Program in Milwaukee.

[Bill Section: 463]

Legal Services

GPR	$2,621,300
FED	151,000
PR	617,300
Total	$3,389,600

1. SALARY ADJUSTMENT AND PAY PROGRESSION

Governor: Provide $1,173,800 GPR, $88,000 FED, and $274,100 PR in 2023-24; and $1,447,500 GPR, $63,000 FED, and $343,200 PR in 2024-25 to support a salary increase and the pay progression plan for assistant attorneys general (AAGs).

a. *Minimum Salary.* Provide $1,173,800 GPR, $88,000 FED, and $274,100 PR in 2023-24; and $1,173,800 GPR, $50,700 FED, and $274,100 PR in 2024-25 to increase the starting salary of all AAGs to $35 an hour and provide an hourly increase of $7.76 ($16,140 annually) to all AAGs in 2023-24.

b. *Non-Statutory Provision.* Create non-statutory language specifying that, notwithstanding statutory provisions that establish maximum annual salary increases in connection with pay progression, salary increases in 2023-24 and 2024-25 may be more than 10% annually.

c. *Pay Progression.* Provide $273,700 GPR, $12,300 FED, and $69,100 PR in 2024-25 to support a salary increase and the pay progression plan. The AAG pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary ($56,659 as of January 3, 2023) and the highest annual salary ($136,781 as of January 3, 2023). The value of one hourly salary step equals $4,722 annually. In 2024-25, funding requested is equal to one step.

[Bill Section: 9101(4)(c)]

GPR	$500,000

2. TOBACCO SETTLEMENT AGREEMENT LEGAL EXPENSES

Governor: Provide $250,000 annually in a new, continuing appropriation in DOJ for legal expenses related to participation in arbitration on the state's behalf arising from payments under the Master Tobacco Settlement Agreement. Specify that, no later than September 1, DOJ submit an annual report to the Legislature and the Governor on the Department's legal expenses for arbitration or other alternative dispute resolution processes related to payments under the agreement.

[Bill Sections: 459 and 2327]

GPR	$2,000

3. OPEN RECORDS LOCATION COST THRESHOLD

Governor: Modify the cost threshold for first charging a fee for locating a public record to be $100 or more in costs, rather than $50 or more, before an authority may impose a fee to cover the actual, necessary, and direct cost of locating the record. Provide $1,000 annually to allow the Office of Open Government to update documents and training materials related to the increased threshold. Under current law, an authority may impose a fee on a requester for locating a record, not exceeding the actual, necessary and direct cost of location, if the cost is $50 or more.

[Bill Sections: 251 and 9351(2)]

4. SETTLEMENT REVENUES AND APPROPRIATION

Governor: Remove the provision created in 2017 Act 369 which requires DOJ to deposit all settlement funds into the general fund. Instead, specify that before the Attorney General may expend settlement funds deposited to the administrative services gifts, grants and proceeds appropriation that are not committed by the terms of a settlement, he or she is required to submit a proposed plan for the expenditure of the funds to the Joint Committee on Finance. If the Co-chairs of the Committee do not notify the Attorney General within 14 working days after the submittal that the Committee has scheduled a meeting for the purpose of reviewing the proposed plan, the Attorney General may expend the funds to implement the proposed plan. If, within 14 working days, the Co-chairs notify the Attorney General that a meeting has been scheduled, the attorney general may expend the funds only to implement the plan as approved by the Committee. The provision under the bill is identical to one enacted in 2017 Act 59 (the 2017-19 biennial budget) which was subsequently replaced by the Act 369 provision (current law).

Convert DOJ's gifts and grant appropriation from an annual to continuing appropriation. As a continuing appropriation, DOJ would be authorized to expend any available cash balance credited to the appropriation regardless of appropriated levels authorized by the Legislature.

[Bill Sections: 467, 473, and 2325]

5. SETTLEMENT POWERS OF THE ATTORNEY GENERAL

Governor: Repeal the provision of 2017 Act 369 which requires the Attorney General when compromising or discontinuing a civil action which DOJ is prosecuting to either receive the approval of a legislative intervenor or, if there is no intervenor, the Joint Finance Committee (JFC) and, if the plan concedes the unconstitutionality or other invalidity of statute, the Joint Committee on Legislative Organization (JCLO).

Repeal the provision of Act 369 which requires DOJ, in defending actions for injunctive relief or an action involving a proposed consent decree, to obtain approval of any legislative intervenor or, if there is no intervenor, JFC, and, if the plan concedes the unconstitutionality or other invalidity of statute, JCLO.

Repeal the provision requiring settlement approval of the Joint Committee on Finance related to the opioid settlement (In re: National Prescription Opiate Litigation, Case number MDL 2804). This provision was created under 2021 Act 57.

Under the bill, settlement powers would be reestablished as before Act 369. The Attorney

General would be allowed to compromise or discontinue actions prosecuted by DOJ: (a) when directed by the officer, department, board, or commission that directed the prosecution; or (b) with the approval of the Governor when the action is prosecuted by DOJ on the initiative of the Attorney General or at the request of any individual.

Under the bill, when DOJ is representing the defense, the Attorney General may compromise and settle the action as the Attorney General determines to be in the best interest of the state.

[Bill Sections: 2324, 2326, and 2331]

Treatment Alternatives and Diversions

1. TREATMENT AND DIVERSION PROGRAMS EXPANSION

GPR	$12,500,000

Governor: Provide $12,500,000 in 2024-25 to expand the Treatment Alternatives and Diversion (TAD) program. The TAD program provides grants to counties to establish and operate programs, including suspended and deferred prosecution programs and programs based on principles of restorative justice, which provide alternatives to prosecution and incarceration for criminal offenders who abuse alcohol or other drugs. Under current law, six appropriations provide support for TAD grants (two GPR appropriations and four PR appropriations). Total funding for the program is $9,235,900 ($8,150,000 GPR and $1,085,900 PR). Under the bill, as a result of this item and others summarized below, total TAD funding would be $9,594,700 in 2023-24 ($9,150,000 GPR and $444,700 PR) and $21,862,500 in 2024-25 ($21,650,000 GPR and $212,500 PR).

Modify the TAD grant program as follows:

a. Remove the specification that TAD grants be used for on alcohol and other drug treatment. Instead, allow grants to be used on programs that operate within the continuum from arrest to discharge from supervision and provides an alternative to prosecution, revocation, or incarceration through the use of pre-charge and post-charge diversion programs or treatment courts and community-based corrections. In connection with the broadening of the grant purposes, remove specific references to "mental health services" (for example, programs would be designed to "integrate all services" rather than "integrate all mental health services.") Specify that programs employ evidence-based practices targeted to the population served by the program.

b. Specify that programs be designed not only to promote, but also facilitate the implementation of effective criminal justice policies and practices that maximize justice. Further, specify that programs not only promote public safety, reduce prison and jail populations, reduce prosecution and incarceration costs, and reduce recidivism, but also victim safety. Delete the requirement that TAD grants improve the welfare of participants' families by meeting the comprehensive needs of participants.

c. Specify that, if the program is administered by a tribe, the criminal justice oversight committee must consist of a representative of the judiciary, a representative of criminal prosecution and criminal defense, a social services provider, a behavioral health treatment provider, a law enforcement officer, a representative of corrections, and other members that the oversight committee determines are appropriate to the program.

d. Change the match requirement from 25 percent to 10 percent.

e. Allow, instead of require, an eligible program to charge participants a fee for their treatment.

f. Eliminate specific statutory requirements pertaining to exposure of genitals during drug testing.

g. Specify that if a person is participating in any evidence-based substance use disorder treatment program as determined by DOJ, regardless of its status relating to the TAD program, the court does not need to order a substance use assessment.

h. Beginning in 2026-27, change the competitive grant process from a five-year cycle to a four-year cycle. The modification is intended to better align the grant cycle and program reporting and evaluation timelines with the biennial budget.

i. Specify that modifications to TAD would first apply to grants awarded on or after the effective date of the bill.

j. Provide that the appropriation that was formerly limited to providing a TAD grant to a county that had not received one as of September 23, 2017, may be used to provide a TAD grant to a county that is not a recipient of a TAD grant on the effective date of the bill.

[Bill Sections: 465, 469, 470, 472, 2345 thru 2366, 2702, 3342, 3358, 3359, 3376, and 9327(1)]

2. TREATMENT AND DIVERSION PROGRAMS APPROPRIATION CONSOLIDATION

PR	$106,200

Governor: Repeal two TAD appropriations: the GPR appropriation for "Alternatives to incarceration grant program" (base funding $500,000); and the continuing PR appropriation "Alternatives to prosecution and incarceration for persons who use alcohol or other drugs; grants" (base funding $0, with a revenue balance of $106,200). Transfer balances in these appropriations to other TAD appropriations: the GPR appropriation to the main TAD appropriation ($500,000 GPR annually); and the PR revenue balance to the PR "Alternatives to prosecution and incarceration grant program" (identified above in j.). Provide $106,200 PR in 2023-24 in increased expenditure authority.

[Bill Sections: 464, 471, and 9227(1)]

3. TREATMENT AND DIVERSION PROGRAMS FUNDING ADJUSTMENT

GPR	$2,000,000
PR	- 2,000,000
Total	$0

Governor: Provide $1,000,000 GPR and -$1,000,000 PR annually to substitute GPR for penalty surcharge revenue as PR funding source for the TAD program. [Note: At the June 10, 2021, executive session regarding the 2021-23 biennial budget, the Joint Committee on Finance approved the conversion of $1,000,000 PR annually in justice information system fee-funded TAD grants to $1,000,000 GPR annually. This item was inadvertently excluded from the Committee's substitute amendment. As a result, the approved funding conversion was not included in the Act 58.]

4. TREATMENT AND DIVERSION PROGRAMS ADMINISTRATION

	Funding	Positions
GPR	$530,300	3.00

Governor: Provide $238,000 in 2023-24 and $292,300 in 2024-25 and 3.0 positions to provide program development and technical assistance services and administer grants issued to local agencies for criminal justice diversion and treatment programs, including the provision of additional online resources and data.

5. TREATMENT AND DIVERSION UNENCUMBERED BALANCE

PR	$126,000

Governor: Provide $126,000 in increased expenditure authority in 2023-24 for the TAD program. This is an annual appropriation for TAD grants with an unencumbered revenue balance. Current base funding is $0. The appropriation was originally funded with a one-time transfer specified in 2017 Act 59.

Forensic Science

1. CRIME LABORATORY DNA TESTING

	Funding	Positions
GPR	$547,000	4.00

Governor: Provide $237,300 in 2023-24 and $309,700 in 2024-25 and 4.0 positions annually to address workload issues for forensic DNA testing performed by the State Crime Laboratories resulting from new technologies, including probabilistic genotyping and forensic investigative genetic genealogy. Funding would support: (a) personnel costs $217,300 in 2023-24 and $289,700 in 2024-25 and (b) supplies and services, $20,000 annually.

2. CRIME LABORATORY TOXICOLOGY TESTING

	Funding	Positions
GPR	$154,800	4.00

Governor: Provide $154,800 in 2024-25 and 4.0 positions to address the demand for forensic toxicology testing performed by the state crime laboratories.

3. FORENSIC SCIENCE CRIME SCENE RESPONSE

	Funding	Positions
GPR	$48,700	1.00

Governor: Provide $48,700 in 2024-25 and 1.0 positions related to crime scene response services requested by local law enforcement agencies.

Victim and Witness Services

1. COUNTY VICTIM WITNESS PROGRAM FUNDING

GPR	$11,728,900

Governor: Provide $5,724,700 in 2023-24 and $6,004,200 in 2024-25 to increase the reimbursement provided to county victim witness offices to an estimated 90 percent of county costs (the current statutory maximum). The reimbursement rate in fiscal year 2021-22 was 49% of costs. Base funding for the program totals $6,457,900 ($839,000 GPR, $4,870,000 PR from the crime victim witness surcharge and the delinquency crime victim witness surcharge, and $748,900 PR from the penalty surcharge.

2. SEXUAL ASSAULT VICTIM SERVICES GRANTS

GPR	$10,000,000

Governor: Provide $5,000,000 annually to increase grants to providers of services to victims of sexual assault. Of this amount, specify that $343,000 annually be provided to the Wisconsin Coalition Against Sexual Assault and that the Coalition may also apply for additional grants under the program. Base funding for grants is $2,236,600.

[Bill Sections: 2341 and 2342]

3. CRIME VICTIM SERVICES GRANTS

GPR	$10,000,000

Governor: Provide $5,000,000 annually to provide grants to organizations that support victims of crime in a newly-created continuing appropriation.

[Bill Sections: 474 and 2343]

4. VICTIMS OF CRIME ACT FUNDING MODIFICATIONS

	Funding	Positions
GPR	$1,634,000	5.00
FED	- 1,634,000	- 5.00
Total	$0	0.00

Governor: Provide $817,000 GPR, -$817,000 FED and 5.0 GPR, and -5.0 FED positions annually to provide state funding and positions for crime victim services. The costs of state services to victims of crime which are currently funded from the federal Victims of Crime Act (VOCA) grant would, instead, be supported by the state. The Department indicates that state funding is intended to address a reduction in federal funding. Federal VOCA grant awards decreased from $39.6 million in federal fiscal year (FFY) 2019 to $25.2 million in FFY 2022.

5. CRIME VICTIM COMPENSATION STAFFING

	Funding	Positions
GPR	$137,200	1.00

Governor: Provide $59,500 in 2023-24 and $77,700 in 2024-25 and 1.0 position to add a staff position to the Crime Victim Compensation Program. The position is intended to assist with the processing of crime victim claims.

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
PR	$252,200	$254,900	$254,900	$5,400	1.1%	1.25	1.25	1.25	0.00	0.0%
SEG	792,600	776,800	776,800	- 31,600	- 2.0	2.75	2.75	2.75	0.00	0.0
TOTAL	$1,044,800	$1,031,700	$1,031,700	- $26,200	- 1.3%	4.00	4.00	4.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$5,400
SEG	- 47,000
Total	- $41,600

Governor: Provide adjustments to the base budget of -$20,800 annually, including (a) -$23,800 ($2,000 PR and -$25,800 SEG from the forestry account of the conservation fund) for full funding of continuing position salaries and fringe benefits; and (b) $3,000 ($700 PR and $2,300 forestry SEG) for overtime.

2. STATE OPERATIONS ADJUSTMENT

SEG	$15,400

Governor: Provide $7,700 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.

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary						FTE Position Summary				
				2023-25 Change Over					2024-25	
	2022-23	Governor		Base Year Doubled			Governor		Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$152,600	$165,800	$165,800	$26,400	8.7%	0.80	0.80	0.80	0.00	0.0%
PR	2,037,700	2,171,700	2,171,700	268,000	6.6	13.70	13.70	13.70	0.00	0.0
SEG	685,300	714,800	714,800	59,000	4.3	4.20	4.20	4.20	0.00	0.0
TOTAL	$2,875,600	$3,052,300	$3,052,300	$353,400	6.1%	18.70	18.70	18.70	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$19,800
PR	268,000
SEG	59,000
Total	$346,800

Governor: Adjust the base budget by $173,400 annually. The adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($6,000 GPR, $145,300 PR, and $30,700 SEG annually); and (b) full funding of lease and directed move costs ($3,900 GPR, -$11,300 PR, and -$1,200 SEG annually).

2. SUPPLIES AND SERVICES FUNDING

GPR	$6,600

Governor: Provide $3,300 of annual funding for the general program operations appropriation of the Labor and Industry Review Commission to reflect increased supplies and services costs for current activities.

LEGISLATURE

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$89,851,800	$90,401,800	$90,456,600	$1,154,800	0.6%	758.17	761.17	761.17	3.00	0.4%
PR	2,446,500	2,524,400	2,717,400	348,800	7.1	19.80	19.80	19.80	0.00	0.0
TOTAL	$92,298,300	$92,926,200	$93,174,000	$1,503,600	0.8%	777.97	780.97	780.97	3.00	0.4%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$894,700
PR	110,800
Total	$1,005,500

Governor: Adjust base funding by $429,300 GPR and $52,900 PR in 2023-24 and $465,400 GPR and $57,900 PR in 2024-25. Adjustments are for: (a) turnover reduction (-$1,009,300 GPR annually); (b) full funding of continuing position salaries and fringe benefits ($1,100,600 GPR and $57,800 PR annually); (c) reclassification and semiautomatic pay progression ($6,900 PR in 2023-24 and $9,700 PR in 2024-25); and (d) full funding of lease and directed moves costs ($338,000 GPR and -$11,800 PR in 2023-24 and $374,100 GPR and -$9,600 PR in 2024-25).

2. LEGISLATIVE RECORDS RETENTION

	Funding	Positions
GPR	$218,700	1.00

Governor: Provide $97,000 in 2023-24 and $121,700 in 2024-25 and 1.0 position beginning in 2023-24 for the Legislative Technology Services Bureau to administer new requirements that would make records and correspondence of any member of the Legislature part of the definition of a public record.

Remove the exception for a legislator's records and correspondence from the definition of a "public record." Under current law, the Public Records Board prescribes policies and standards for the retention and disposition of public records made or received by a state officer or agency. Currently, records and correspondence of any legislator are not subject to the Board's overview.

[Bill Section: 126]

3. MEMBERSHIP DUES IN NATIONAL ASSOCIATIONS

GPR	$26,400

Governor: Provide $8,700 in 2023-24 and $17,700 in 2024-25 for dues to national associations. Funding is for dues to the National Conference of State Legislatures, National Conference of Commissioners on Uniform State Laws, and National Conference of Insurance Legislatures. Funding for membership dues is supported by a sum sufficient appropriation with base funding totaling $294,500 annually.

4. ACTUARIAL STUDIES

GPR	$15,000

Governor: Provide $15,000 in 2023-24 for the Joint Legislative Council contractual studies biennial appropriation to conduct actuarial studies approved by the Joint Survey Committee on Retirement Systems, the Joint Committee on Finance, or the presiding officer of either house of the Legislature. The appropriation has no base funding.

5. ACTUARIAL AUDIT SERVICES

PR	$223,000

Governor: Provide the Legislative Audit Bureau $25,000 in 2023-24 and $198,000 in 2024-25 of one-time funding to contract for actuarial audit services that may be required in order to gain audit evidence under accounting standards issued by the Governmental Accounting Standards Board. In general, program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services. Under the bill, funding to procure these services would be provided to the Department of Employee Trust Funds.

6. PEER REVIEW OF FINANCIAL AUDITS

PR	$15,000

Governor: Provide $15,000 in 2024-25 to support the peer review of all financial audits required once every three years. In accordance with government auditing standards, at least once every three years, the Legislative Audit Bureau is subject to a required external peer review. The last completed review was in September, 2021, with the next such review scheduled for September, 2024. Program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services.

7. LEGISLATIVE HUMAN RESOURCES OFFICE POSITIONS

	Positions
GPR	2.00

Governor: Provide 2.0 positions for the Legislative Human Resources Office (LHRO) to be funded by the Office's existing appropriation, which has base funding of $1,404,400 GPR. Create statutory language that would codify the Office as a nonpartisan service agency. Duties of the Office would include: (a) providing human resources services to the legislative branch, as directed by the Joint Committee on Legislative Organization (JCLO); and (b) establishing a formal complaint process to review and investigate allegations of harassment, discrimination, retaliation, violence, or bullying by legislators, legislative employees, and legislative service agency employees. Require the Office to investigate all such allegations, unless the Director designates another person or entity to review and investigate any specific allegation.

Create a Director of the Office with the following duties: (a) report to JCLO; (b) direct the operations of the staff; (c) employ, train, and supervise the personnel assigned to the Director; (d) supervise all expenditures of the Office; (e) manage reviews and investigations of the formal complaint process and upon completion of an investigation, report the findings to the appropriate legislative leader or employee supervisor; and (f) on a periodic basis, recommend to JCLO improvements to human resources services and programs. Further, include statutory language assigning the Director of the Office to executive salary group six, which effective January 1, 2023, has an annual pay range of $100,069 to $165,131. Specify that the Director would set the salaries of the other employees, and that the Director and staff would be part of the unclassified service.

The LHRO and its duties and those of the agency's Director were created by unanimous vote of JCLO on February 25, 2020. This provision codifies the LHRO into Chapter 13 of the statutes.

[Bill Sections: 58, 59, 61, 564, 566, and 2520]

8. JOINT COMMITTEE ON FINANCE PASSIVE REVIEW OBJECTIONS

Governor: Require that if a member of the Joint Committee on Finance objects to an item before the Committee under passive review, the name of each objecting member and their reason for the objection would be recorded and made publicly available.

[Bill Section: 45]

9. JOINT REVIEW COMMITTEE ON CRIMINAL PENALTIES REPORTS

Governor: Require any introduced bill that creates a new crime or revises a penalty for an existing crime be referred to the Joint Review Committee on Criminal Penalties and prohibit the Legislature from taking further action on the bill until the Committee prepares a report. Specify that these provisions would first apply to bills introduced on the effective date of the bill.

Under current law, if a bill is introduced that creates a crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report on the bill. The request must come from the chair of the standing committee to which the bill is referred or, if not referred to a standing committee, from the Speaker of the Assembly for an Assembly bill or the presiding officer of the Senate for a Senate bill. Upon such a request, the Committee must prepare a report concerning the costs incurred or saved if the bill were enacted, the consistency of the penalties proposed with current law penalties, and whether the acts prohibited under the bill are already prohibited under current law.

[Bill Sections: 54 thru 56, and 9351(4)]

10. SENATE CONFIRMED PUBLIC OFFICE FIXED TERM VACANCIES

Governor: Modify current law governing how vacancies in public offices are caused to specify that if the office is filled by appointment by and with the consent of the Senate, then the office would be considered vacant when the incumbent's term expires, or if later, when the

Governor submits his or her nomination for the office to the Senate.

[Bill Section: 187]

11. REPEAL JCLO REVIEW OF PROPOSED CAPITOL SECURITY CHANGES

Governor: Repeal a provision of 2017 Act 369 that requires the Department of Administration (DOA) to send notice to the Joint Committee on Legislative Organization (JCLO) of any proposed changes to security at the Capitol. The proposed changes are subject to a 14-day passive review process by JCLO. Current law specifies that if these is a risk of imminent danger, DOA may take any action necessary, and the cochairpersons of JCLO may review the action later if they determine such review is needed.

[Bill Section: 154]

12. ADVICE AND CONSENT OF THE SENATE FOR APPOINTMENTS

Governor: Repeal the provision of 2017 Act 369 which provides that, if an individual's confirmation for the office or position is rejected by the Senate, that individual may not hold the office or position, be nominated again for the office or position, or perform any duties of the office or position during the legislative session biennium.

[Bill Section: 48]

13. LEGISLATIVE INTERVENTION

Governor: Repeal the 2017 Act 369 provision which provides that the Legislature must be served with a copy of the proceedings in a legal action when a party to the action, as part of a claim or affirmative defense, challenges in state or federal court the constitutionality of a statute, facially or as applied, challenges a statute as violating or preempted by federal law, or otherwise challenges the construction or validity of a statute. Further, repeal the provisions which provide that the Committee on Assembly Organization on behalf of the Assembly, the Committee on Senate Organization on behalf of the Senate, and Joint Committee on Legislative Organization (JCLO) on behalf of the Legislature may intervene as a matter of right at any time in all such actions.

Provide that if declaratory relief is sought, JCLO must be served with a copy of the petition and JCLO, the Senate Committee on Organization, or the Assembly Committee on Organization may intervene in proceedings in which the constitutionality, construction, or application of any provision of Chapters 13 (Legislature), 20 (state finance), 111 (employment relations), 227 (administrative procedure and review), or 230 (state employment) or subchapters I (general administration), III (finance), or IV (purchasing) of Chapter 16 (Department of Administration) or section 753.075 (reserve judges), or of any statute allowing a legislative committee to suspend, or to delay or prevent the adoption of, an administrative rule is placed in issue by the parties.

[Bill Sections: 49, 57, 60, 2328, 2329, 3191, 3195, 3196, 3228, and 3229]

14. RETENTION OF LEGAL REPRESENTATION FOR LEGISLATORS, LEGISLATIVE STAFF AND THE LEGISLATURE

Governor: Repeal 2017 Act 369 provisions and restore previous law with respect to the Legislature's retention of legal counsel. Act 369 provisions authorize the appointment of legal counsel other than from the Department of Justice (DOJ) for legislators or legislative staff if the acts or allegations underlying the action are arguably within the scope of the legislator's or employee's duties as follows:

a. For the Assembly, the Speaker of the Assembly may authorize a Representative or Assembly employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's appropriation. The Speaker is required to approve all financial costs and terms of representation.

b. For the Senate, the Senate Majority Leader may authorize a Senator or Senate employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Senate's appropriation. The Senate Majority Leader is required to approve all financial costs and terms of representation.

c. For an employee of a legislative service agency, the Co-Chairs of the Joint Committee on Legislative Organization (JCLO) may authorize an employee of a legislative service agency who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's or Senate's appropriations, as determined by the Co-Chairs. The Co-Chairs are required to approve all financial costs and terms of representation.

Further, the Assembly, Senate, or JCLO on behalf of the Legislature, are authorized to obtain legal counsel other than from DOJ, in any action in which these bodies are a party or in which the interests of these bodies are affected in a similar manner.

Prior to Act 369, Representatives to the Assembly and Senators, as well as legislative employees, could receive legal representation from DOJ in most legal proceedings. Assembly and Senate policies and practices also allowed legislators and legislative employees to retain outside legal counsel in some instances.

[Bill Section: 47]

15. ADMINISTRATIVE RULES

Governor: Repeal statutory modifications made in 2017 Act 369 related to administrative rules including:

a. *Deference.* Modify the prohibition on a court from according deference to agency interpretations of law in certain proceedings, so that the prohibition would only apply to actions affecting a property owner's use of their property, if the agency action restricts the owner's free use of their property. Repeal the current prohibition on agencies seeking deference in any proceeding to agency interpretations of law.

b. *Rule-Making Authority for Federal Compliance Plans and Settlement Agreements.* Repeal the limitation that a settlement agreement, consent decree, or court order does not confer rule-making authority and cannot be used by an agency as authority to promulgate rules. Further, repeal the limitation that an agency may not agree to promulgate a rule as a term in any settlement agreement, consent decree, or stipulated order of a court unless the agency has explicit statutory authority to promulgate the rule at the time of the settlement agreement, consent decree, or stipulated order. Eliminate similar restrictions relating to compliance plans submitted to the federal government.

c. *Advisory Committees and Informal Consultations.* Repeal the requirement that whenever an agency appoints an advisory committee with respect to contemplated rule making, the agency submit a list of the members of the committee to the Joint Committee for Review of Administrative Rules.

d. *Suspension.* Repeal the ability of the Joint Committee for Review of Administrative Rules to suspend a rule multiple times.

[Bill Sections: 2453 thru 2458]

LIEUTENANT GOVERNOR

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$485,100	$498,200	$498,200	$26,200	2.7%	5.00	5.00	5.00	0.00	0.0%

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	$26,200

Governor: Provide adjustments to the base budget totaling $13,100 annually in the 2023-25 biennium associated with full funding of continuing position salaries and fringe benefits.

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
SEG	$263,000	$266,000	$266,000	$6,000	1.1%	2.00	2.00	2.00	0.00	0.0%

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

SEG	$6,000

Governor: Provide adjustments of $3,000 annually to the agency base budget for full funding of salaries and fringe benefits for continuing positions. The Lower Wisconsin State Riverway Board is funded by the conservation fund, allocated from the water resources account (75%) and forestry account (25%).

MARIJUANA-RELATED PROVISIONS

Governor: Legalize recreational marijuana in certain amounts for personal use. Modify the Uniform Controlled Substances Act provisions and other criminal-justice related provisions to reflect marijuana, including tetrahydrocannabinols (THC), legalization. Further, create a Uniform Controlled Substances Act subchapter for the regulation of marijuana, including criminal and civil provisions related to permittee allowances and prohibitions, underage persons, and special dispositions for marijuana-related crimes.

Provide that marijuana sales would be regulated and taxed. Specify that excise taxes would be imposed on marijuana sales, depending on the type of sale (wholesale versus retail sale), in addition to a sales tax. Create a medical marijuana registry program administered by the Department of Revenue (DOR), which would require DOR to process applications and issue identification cards allowing tax-exempt purchases. Establish a program at the Department of Agriculture, Trade and Consumer Protection (DATCP) to regulate the production, processing, and laboratory testing of marijuana and THC. Under the bill, the sale and distribution of taxable marijuana would be regulated by the state under DOR and DATCP. Further, establish a community reinvestment fund consisting of all moneys generated by marijuana excise taxes, interest earnings, and penalties, and authorize the Department of Health Services (DHS) to distribute these revenues to counties to support mental health and substance use disorder service.

The table below presents the fiscal impact of all expenditures and revenues associated with the proposed marijuana-related provisions. These (and other) provisions related to the Governor's recommendation to legalize marijuana are described in greater detail in the following sections.

	Amount		2023-25	
	2023-24	2024-25	Biennium	Fund Source
Revenues				
Permit Fees (DOR)	$675,000	$735,000	$1,410,000	GPR-Rev
Enhanced Sales Taxes	-	10,200,000	10,200,000	GPR-Tax
Permit Fees (DATCP)	208,900	258,600	467,500	PR-Rev
Wholesale Excise Tax	-	21,900,000	21,900,000	SEG-Rev
Retail Excise Tax	-	22,500,000	22,500,000	SEG-Rev
Total Revenues	$883,900	$55,593,600	$56,477,500	
Expenditures				
Administration (DOR)	$3,284,300	$2,073,600	$5,357,900	GPR
Tribal Refunds	-	2,200,000	2,200,000	GPR
Enforcement (Public Defender)	-117,700	-235,400	-353,100	GPR
Regulation (DATCP)	208,900	258,600	467,500	PR
Payments to Counties (DHS)	-	44,400,000	44,400,000	SEG
Total Expenditures	$3,375,500	$48,696,800	$52,072,300	
Net Effect to General Fund	-$2,491,600	$6,896,800	$4,405,200	

1. MODIFICATION OF UNIFORM CONTROLLED SUBSTANCES ACT PROVISIONS AND OTHER CRIMINAL JUSTICE-RELATED PROVISIONS AND DEFINITIONS

Governor: Modify and repeal certain statutes related to marijuana and THC, as follows:

a. Current Law Changes. Repeal Uniform Controlled Substances Act statutes related to: (1) requiring Controlled Substances Board action if cannabidiol or nabiximols is rescheduled; (2) classifying THC as a controlled hallucinogenic substance; (3) lawful possession of a cannabidiol product with a certification for medical use; (4) issuing cannabidiol products and certifications for individuals to possess cannabidiol products for medical use; (5) manufacture, distribution, or delivery of THC; (6) possession with intent to manufacture, distribute, or deliver THC; (7) possession of THC; and (8) penalties relating to THC in certain cases. In addition, repeal regulation of hemp statutes related to access to cannabidiol products.

Modify statutory provisions to: (1) remove THC from the list of substances included in determining weight of substance provisions; (2) remove references to possession with intent to manufacture, distribute, or deliver THC from conspiracy provisions; (3) remove "or any form of THC" language from offenses involving intent to deliver or distribute a controlled substance on or near certain places provisions; (4) remove references to manufacture, distribution, or delivery of THC from crimes involving certain controlled substances provisions; and (5) renumber and rename "controlled substances therapeutic research" provisions to "marijuana therapeutic research." In addition, modify the intoxicated and reckless flying penalty provisions to provide that in individual must submit to an examination for use of THC and to specify that the required airman safety plan may include treatment for the person's misuse, abuse, or dependence on THC.

Modify statutory language to remove "marijuana" from the list of substances in the penalties statutes for possession of: (1) cocaine and cocaine base; (2) certain hallucinogenic and stimulant drugs; and (3) synthetic cannabinoids. In addition, modify statutory language to remove "marijuana" from: (1) conditional discharge for possession or attempted possession statutes; and (2) second or subsequent offense statutes (also remove references to possession of THC from these statutes).

Modify statutory language on the use or nonuse of lawful products to specify that conflicts with any federal or state statute, rule, or regulation do not apply with respect to violations concerning marijuana or THC under 21 U.S. Code Sections 841 to 865 (the Food and Drugs Title, Drug Abuse Prevention and Control Chapter).

b. Modification of County Marijuana Provisions. Rename the statutory section related to county public protection and safety from "possession of marijuana" provision to "regulation of marijuana." Modify statutory language to remove references to the prohibited possession of marijuana, and instead provide that the county board of supervisors may enact and enforce an ordinance that is consistent with marijuana regulation restrictions and penalties (including those for underage persons) in state statute, except that if a complaint is issued alleging a violation of restrictions and penalties under state statute, the subject of the complaint may not be prosecuted under the county ordinance section for the same action that is subject to the complaint, unless specific circumstances are present.

c. Definitions. For the purposes of the Uniform Controlled Substances Act, modify the definition of "marijuana" to mean all parts of the plants of the genus Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin if the tetrahydrocannabinols concentration of the plant part, seeds, resin, compound, manufacture, salt, derivative, mixture, or preparation is greater than 0.3 percent on a dry weight basis. For the purposes of fair employment provisions, "lawful product" includes marijuana, and "marijuana" has the same meaning as given in the Uniform Controlled Substance Act definition.

Repeal part of the definition of "drug paraphernalia" to exclude: (1) "separation gins and sifters used, designed for use, or primarily intended for use in removing twigs and seeds from, or in otherwise cleaning or refining, marijuana"; (2) references to "roach clips," "chilams," or "bongs"; and (3) any other reference to "marijuana" in the definition.

In addition, repeal part of the definition of "restricted controlled substance" to exclude "delta-9-THC, excluding its procurers or metabolites, at a concertation of one or more nanograms per milliliter of a person's blood." Finally, remove THC, in any form from the definition of "controlled substance" in Wisconsin Works and FoodShare provisions.

[Bill Sections: 1023, 1128, 1156, 1157, 1730, 1925, 1926, 1942, 2023, 2024, 2666, 2786, 3317, 3319 thru 3323, 3325 thru 3333, 3341, 3343 thru 3349, 3356, and 3362 thru 3365]

2. MARIJUANA REGULATIONS -- CRIMINAL AND CIVIL PROVISIONS

Governor: Create a statutory subchapter within the Uniform Controlled Substances Act (Chapter 961) titled "Regulation of Marijuana." Establish the following provisions:

a. Underage Persons. Create statutory language to prohibit a permittee from selling, distributing, or delivering marijuana to any underage person, and from permitting (directly or indirectly) an unaccompanied underage person from entering or attempting to enter the premises of a retail outlet. A permittee that violates these prohibitions may be subject to a forfeiture of not more than $500 and to a permit suspension for an amount of time not to exceed 30 days. Specify that all relevant circumstances may be considered when determining if a permittee has committed a violation, and proof of certain facts by the permittee is a defense to prosecution for such a violation (including the fact that: (1) the underage person falsely represented that he or she had attained the legal age; (2) the appearance of the underage person was such that an ordinary and prudent person would believe that the underage person had attained the legal age; (3) the action was made in good faith and in reliance on the representation and appearance of the underage person in the belief that the underage person had attained the legal age; and (4) that the underage person supported the false representation with documentation that he or she had attained the legal age).

Specify that any underage person who does any of the following is subject to a forfeiture of not less than $250 nor more than $500: (1) procures or attempts to procure marijuana from a permittee; (2) falsely represents his or her age for the purpose of receiving marijuana from a permittee; (3) knowingly possesses or consumes marijuana; or (4) enters or knowingly attempts to enter or be on the premises of a retail outlet unaccompanied by a parent, guardian, or spouse of legal age.

Specify that any individual who has attained the legal age and who knowingly does any of the following may be subject to a forfeiture that does not exceed $1,000: (1) permits or fails to take action to prevent an underage person from possessing or consuming marijuana on premises owned by the individual or under the individual's control; or (2) encourages or contributes to an underage person procuring or attempting to procure marijuana from a permittee.

b. Prohibitions and Permittee Allowances. Specify that no person, except a permittee, may sell, possess with intent to sell, distribute or deliver, or possess with intent to distribute or deliver marijuana. Any person who violates this prohibition is guilty of a Class I felony (a maximum sentence of one and a half years of confinement and two years extended supervision and/or a $10,000 fine), except if the individual to whom the marijuana is, or is intended to be, sold, distributed, or delivered has not attained the legal age and the actual or intended seller, distributor, or deliverer is at least three years older than the underage person, in which case the person is guilty of a Class H felony (a maximum sentence of three years of confinement and three years extended supervision and/or a $10,000 fine).

Specify that a person who is not a permittee and who possesses an amount of marijuana that exceeds the permissible amount by not more than one ounce is subject to a civil forfeiture not to exceed $1,000.

Specify that a person who is not a permitee that possesses more than six marijuana plants that have reached the flowering stage at one time must apply for a permit, and is one of the following: (1) subject to a forfeiture that is not more than twice the permitting fee (if the number plants that have reached the flowering stage is 12 or less); (2) subject to a fine not to exceed $1,000 or imprisonment not to exceed 90 days or both, if the number of marijuana plants that have reached the flowering stage is more than 12; or (3) guilty of a Class I felony if the number of plants that have reached the flowering stage is more than 12, if the individual has taken action to hide the number of marijuana plants that have reached the flowering stage, and if the person has in place an extreme measure to avoid detection.

Provide that whoever uses or displays marijuana in a public space is subject to a civil forfeiture of not more than $100. Any person who sells or attempts to sell marijuana via mail, telephone, or Internet is subject to a fine not to exceed $10,000 or imprisonment not to exceed nine months, or both.

c. Special Disposition for Marijuana-Related Crimes. Provide that a person serving a sentence or on probation may request resentencing or dismissal (by filing a petition with the sentencing court to request resentencing, adjustment of probation, or dismissal) if: (1) the sentence or probation period was imposed for a violation of manufacture, distribution, or delivery of THC, possession with intent to deliver THC, or possession of THC; and (2) the person either would not have been guilty of a crime, or would have been guilty of a lesser crime, had the violation occurred on or after the effective date of this provision. If the sentencing court receives a petition and determines the petitioner has met the eligibility criteria, the court must schedule a hearing on the petition. If the court determines that the person would have been guilty of a lesser crime, had it occurred on or after the effective date of this provision, the court must resentence the person or adjust the probation (in which case the person must receive credit for time served) and change the record to reflect the lesser crime. If the court determines that the person would not have been guilty of a crime, had the violation occurred on or after the effective date of this provision, the court must dismiss the conviction and expunge the record. Specify that the court must determine that the action does not present a risk or danger to public safety before resentencing, adjusting probation, or dismissing a conviction under these provisions.

Specify that this same criteria allows a person to who has completed his or her period of probation for the specified THC violations to petition the sentencing court to request expungement of the conviction because the conviction is legally invalid, or request redesignation to a lesser crime. If the court changes or expunges a record under this section, a conviction that was changed or expunged is not considered a conviction for any purpose under state or federal law.

d. Definitions. For the purposes of the Regulation of Marijuana subchapter, the following definitions are used:

"Extreme measure to avoid detection" means any of the following: (1) a system that aims to alert a person if law enforcement approaches an area that contains marijuana plants if the system exceeds a security system that would be used by a reasonable person in the person's region; (2) a method of intimidating individuals who approach an area that contains marijuana plants if the method exceeds a method that would be used by a reasonable person in the person's region; or (3) a system that is designed to that an individual approaching the area that contains marijuana plants may be injured or killed by the system.

"Permissible amount" means one of the following: (1) for a person who is a resident of Wisconsin, an amount that does not exceed two ounces of usable marijuana; or (2) for a person who is not a resident of Wisconsin, an amount that does not exceed one-quarter ounce of usable marijuana.

"Tetrahydrocannabinols concentration" means the percent of tetrahydrocannabinol content per dry weight of any part of the plant Cannabis, or per volume or weight of marijuana product, or the combined percent of tetrahydrocannabinol and tetrahydrocannabinol acid and any part of the plant Cannabis regardless of moisture content.

"Underage person" means a person who has not attained the legal age.

"Legal age" means 21 years of age, except that in the case of a qualifying patient. "legal age" means 18 years of age.

"Permittee," "retail outlet," and "usable marijuana" have the same meanings as given in other statutory provisions.

[Bill Sections: 3355 and 3374]

3. LICENSING OF PRODUCERS, PROCESSORS, AND TESTING LABORATORIES

Governor: Establish a program within DATCP to regulate the cultivation, processing, and laboratory testing of marijuana and products containing THC. Require individuals producing or processing marijuana in Wisconsin to hold a permit from DATCP. Exempt producers and processors handling only industrial hemp from this requirement if they hold an industrial hemp license from the Department.

For the purposes of implementing this provision, define marijuana as all parts of plants in the genus Cannabis with THC concentrations greater than 0.3% on a dry weight basis, including seeds, extracted resin, and other derivatives from the plant. Exclude from the definition of marijuana: (a) fiber from Cannabis plant stalks; (b) oil or cake made from its seeds; (c) other derivatives of mature stalks except its resin; and (d) any seeds not capable of germination. Further, define marijuana processor as an individual that processes marijuana into a form intended for human consumption, including dried marijuana flowers, marijuana-infused products, and edibles. Define marijuana producer as an individual that produces marijuana for sale at wholesale or for transfer to a processor.

a. *Permit Requirements.* Establish an annual permit fee of $2,000 for marijuana processors of any size. Establish an annual permit fee of $1,800 for producers of up to 1,800 plants, $2,900 for producers of up to 3,600 plants, $3,600 for producers of up to 6,000 plants, $5,100 for producers of up to 10,200 plants, and $7,100 plus $800 for every 3,600 plants more than 10,200. Limit the term of permits issued to one year unless renewed, and allow permits to be revoked by the Department at any time. Specify that permits are not transferrable between individuals or locations.

To the extent allowable under state law pertaining to prohibitions against discrimination, prohibit DATCP from issuing a permit to any individual or organization if they, or a member of the organization with at least 5% ownership interest:

(a) have been convicted of a violent misdemeanor at least three times;

(b) have been convicted of a violent felony, unless the person was pardoned;

(c) have been involuntarily committed for treatment related to drug dependence within the last three years;

(d) within the last three years have chronically or habitually consumed alcoholic beverages or other substances, including being involuntarily committed for treatment, or convicted for handling of a firearm while intoxicated, or convicted of a second or subsequent offense of operating a vehicle while intoxicated;

(e) have an income derived primarily from gambling or have been convicted of multiple offenses related to gambling;

(f) have been convicted of crimes related to prostitution;

(g) have been convicted of providing disallowed compensation to persons holding licenses for sale or distribution of alcohol;

(h) are under age 21; or

(i) have not lived in Wisconsin continuously for at least 90 days prior to applying.

Prohibit any producer or processor with 20 or more employees from receiving a permit from the Department unless it has entered into a labor peace agreement and certified compliance with that agreement as a condition of its permit. Define a labor peace agreement as an agreement between the permittee and a labor organization that prohibits employee strikes, work stoppages, or other economic interference while also allowing the labor organization to organize employees and educate them on employment rights.

Prohibit the Department from issuing a permit to marijuana producers to operate within 500 feet of any elementary or secondary school, playground, recreational facility, child care facility, public park, public transit facility, or library. Prohibit DATCP from issuing a permit to individuals that have not registered with the Department of Revenue for tax purposes.

b. *Application Process.* Establish a nonrefundable application fee of $250 for a permit issued by DATCP. Require DATCP to implement a scoring system for approving permits for marijuana cultivation and processing that evaluates how well applicants: (a) protect the environment; (b) provide stable and family-supporting jobs; (c) ensure worker and consumer safety; (d) operate secure facilities; and (e) follow applicable laws. Allow DATCP to reject applications from individuals who lack a sufficiently high score under these criteria, and allow the Department to require applicants to provide documentation to assist DATCP in making determinations of permit approvals. Require the Department to notify an applicant in writing of its reasoning for denying a permit, and specify that either of a denial or an approval is subject to judicial review.

c. *Municipal Review of Permits.* Require DATCP to notify the municipality in which a permittee will operate prior to approving or renewing a permit for marijuana cultivation or processing. Allow a municipality to file an objection to the Department's approval of a permit within 30 days, or longer at DATCP's discretion. Require DATCP to give substantial weight to municipal objections based on: (a) chronic illegal activity associated with any premises controlled by the applicant; (b) conduct of the applicant's patrons at the applicant's premises; and (c) local zoning ordinances. Require DATCP to notify the municipality in writing the reasons for approving or for denying a permit subject to an objection.

d. *Penalties.* Require that any failure to seek permit, violation of a permit condition, or failure to pay permit fees result in a fine of at least $100 and up to $500 and/or six months' imprisonment, unless another penalty has been already applied to the violation. Further, require DATCP to revoke a permit of any individual found to be violating permit conditions or failing to pay permit fees, and prohibit an individual from receiving a permit within two years of such a revocation. DATCP may also revoke a permit from any permittee who violates any provision of the bill, any rules promulgated as a result of the bill, and any provision of the Unfair Sales Act three or more times in one year.

e. *Rules.* Require DATCP to promulgate rules to administer its marijuana regulation program, including those related to inspection of operations and products of permittees, training of permittees' employees, and scoring of applications.

f. *Testing Laboratories*. Require DATCP to register laboratories for testing THC, allowing them to possess or manufacture THC or related paraphernalia. Require any laboratory registered by the Department to: (a) test marijuana produced for medical use for potency, spoilage, and contaminants; (b) review and conduct research on medical use of THC and unsafe levels of contaminants; (c) provide training for safe cultivation, processing, and distribution of THC for medical use; (d) provide training on security and inventory accountability; and (e) provide training on recent research regarding use of THC.

g. *Prohibition on Local Control.* Specify that no municipality may prohibit the cultivation of THC-containing plants outdoors if cultivation is for personal use and does not exceed six marijuana plants at one time.

h. *Training and Outreach.* Require DATCP to develop a training program for marijuana producers and processors on how to safely and efficiently grow, handle, and test marijuana products. Further, require DATCP to conduct an awareness campaign about the availability and viability of marijuana cultivation and sale in Wisconsin.

i. *Funding.* Provide the Department $208,900 PR in 2023-24 and $258,600 PR in 2024-25 with 3.0 PR positions for administration of the program, funded from permit revenues. Additional information on funding and positions related to the program is shown in an entry under "Agriculture, Trade and Consumer Protection- Regulatory Programs."

[Bill Sections: 267, 268, 1180, 1731, and 1732]

4. MEDICAL MARIJUANA REGISTRY

Governor: Create a medical marijuana registry program administered by DOR as follows:

a. *Application for a Registry Identification Card*. Specify that an adult claiming to be a qualified patient may apply for a registry identification card by submitting to DOR a signed application form that contains all of the following: (a) the applicant's name, address, and date of birth; (b) a written certification; and (c) the name, address, and telephone number of the applicant's current physician, as listed in the written certification.

b. *Processing the Application.* Require DOR to verify the information submitted by an applicant to the registry and approve or deny the application within 30 days of receipt. Specify that DOR could deny an application only if the required information had not been provided or if false information had been provided.

c. *Issuance of a Registry Identification Card.* Require DOR to issue a registry identification card and tax exemption certificate within five days of approving an application. Specify that a registry identification card and tax exemption certificate expire four years from the date of issuance, except that DOR would be authorized to void or revoke the card and certificate under certain circumstances. Specify that a registry identification card would have to contain all of the following information: (a) the name, address, and date of birth of the registrant; (b) the date of issuance and expiration of the card; (c) a photograph of the registrant; and (d) other information DOR may require by rule. DOR would have to determine what information the tax exemption certificate would contain. The tax exemption certificate would allow individuals holding the certificate to purchase usable marijuana without paying the sales tax or the 10% retail excise tax that would otherwise be imposed under the bill.

d. *Additional Information to be Provided by Registrant.* Require a registrant to notify DOR of any change in the registrant's name and address. Specify that a registrant who is a qualifying patient would have to notify DOR of any change in his or her physician, or of any significant improvement in his or her health as it relates to his or her debilitating medical condition or treatment. Specify that if the registrant fails to notify DOR within 10 days of any change for which notification is required, his or her registry identification card and tax exemption certificate would be void.

e. *Definitions.* For the purposes of the registry, define a "qualifying patient" as a person who has been diagnosed by a physician as having or undergoing a debilitating medical condition or treatment, but not including a person under the age of 18 years.

Define a "debilitating medical condition or treatment" as any of the following: (a) cancer, glaucoma, acquired immunodeficiency syndrome, inflammatory bowel disease (including ulcerative colitis or Crohn's disease), a hepatitis C virus infection, Alzheimer's disease, amyotrophic lateral sclerosis, nail patella syndrome, Ehlers-Danlos Syndrome, post-traumatic stress disorder, or the treatment of these conditions; (b) a positive test for the presence of HIV, antigen or nonantigenic products of HIV, or an antibody to HIV, or the treatment of these conditions; and (c) a chronic or debilitating disease or medical condition, or the treatment of such a disease or condition, that causes cachexia, severe pain, severe nausea, seizures, including those characteristic of epilepsy, or severe and persistent muscle spasms, including those characteristic of multiple sclerosis.

Define a "physician" as a person licensed to practice medicine and surgery in Wisconsin.

Define a "written certification" as a statement made by a person's physician for which all of the following apply: (a) it indicates that, in the physician's professional opinion, the person has or is undergoing a debilitating medical condition or treatment and the potential benefits of the person's use of usable marijuana would likely outweigh the health risks for the person; (b) it indicates that this opinion was formed after a full assessment of the person's medical history and current medical condition that was conducted no more than six months prior to making the statement and that the opinion was made in the course of a bona fide physician-patient relationship; (c) it is signed by the physician or is contained in the person's medical records; and (d) it contains an expiration date that is no more than 48 months (four years) after issuance and has not expired.

Define "useable marijuana" as marijuana that has been processed for human consumption and includes dried marijuana flowers, marijuana-infused products, and marijuana edibles.

Define "tax exemption certificate" to mean a certificate to claim the sales tax exemption, which would be created under the bill, from the sale of, and the storage, use, or other consumption of, usable marijuana.

f. *Records.* Require DOR to maintain a list of all registrants. Prohibit DOR from disclosing information from applications it receives or from registration cards that it issues, notwithstanding state laws governing access to records. Permit DOR to disclose, upon request of a state or local law enforcement agency, information from a person's application or a registry identification card necessary to verify that a person possesses a valid registry identification card.

g. *Rules.* Authorize DOR to promulgate rules to implement the medical marijuana registry program.

[Bill Section: 1544]

5. MARIJUANA TAX AND REGULATION

SEG-REV	$44,400,000

Governor: Impose an excise tax on marijuana producers at a rate of 15% of the sales price on wholesale sales or transfers in this state of marijuana to marijuana processors. The wholesale excise tax would also apply to a microbusiness that transfers marijuana to a processing operation within the microbusiness. Additionally, impose an excise tax on marijuana retailers at a rate of 10% of the sales price on retail sales of usable marijuana. Specify that the excise tax on retail sales would not apply to sales of usable marijuana to individuals who hold a tax exemption certificate indicating that they are members of the medical marijuana registry. [See "General Fund Taxes -- Excise Taxes and Other Taxes."] Under the bill, persons liable for the excise taxes would have to pay the taxes to DOR no later than the fifteenth day of the month following the month in which the tax liability was incurred, along with a return, on a form prescribed by DOR. Specify that the state sales and use tax also would not apply for sales of useable marijuana to members of the medical marijuana registry. [See "General Fund Taxes -- Sales and Use Taxes."]

The bill generally establishes that the distribution and sale of marijuana would have to follow a four-tier distribution system, from marijuana producers to processors to distributors to retailers. It specifies that marijuana producers may not sell directly to distributors, and retailers may only purchase usable marijuana from distributors. This provision does not apply to a microbusiness that transfers marijuana or usable marijuana to another operation within the microbusiness. The bill would establish the following provisions regulating the sale and distribution of taxable marijuana. Further, DOR would be required to, and could promulgate rules necessary to, administer and enforce these provisions.

a. *Definitions.* The bill would define the following terms.

1. "Marijuana" would have the same meaning as under state laws governing controlled substances (which would be modified under a previously described provision of the bill). "Useable marijuana" would mean marijuana that has been processed for human consumption and would include dried marijuana flowers, marijuana-infused products, and marijuana edibles.

2. "Marijuana producer" would mean a person who produces marijuana and sells it at wholesale or otherwise transfers it to marijuana processors.

3. "Marijuana processor" would mean a person who processes marijuana into usable marijuana, packages and labels usable marijuana for sale in retail outlets, and sells at wholesale or otherwise transfers usable marijuana to marijuana distributors.

4. "Marijuana distributor" would mean a person in this state who purchases or receives usable marijuana from a marijuana processor and who sells or otherwise transfers the usable marijuana to a marijuana retailer for the purpose of resale to consumers.

5. "Marijuana retailer" would mean a person that sells usable marijuana at a retail outlet.

6. "Microbusiness" would mean a marijuana producer that produces marijuana in one area that is less than 10,000 square feet and who also operates as any two of the following: (i) a marijuana processor; (ii) a marijuana distributor; or (iii) a marijuana retailer.

7. "Permittee" would mean a marijuana producer, marijuana processor, marijuana distributor, marijuana retailer, or microbusiness that would be issued a permit from DOR to conduct business.

8. "Retail outlet" would mean a location for the retail sale of usable marijuana.

9. "Sales price" would mean the total amount of consideration, as defined under laws governing the state sales and use tax.

10. "Lot" would mean a definite quantity of marijuana or usable marijuana identified by a lot number, every portion or package of which is consistent with the factors that appear in the labeling. A "lot number" would mean a number that specifies the marijuana permittee and the harvesting or processing date for each lot.

b. *Permit Requirements.* The following permit requirements apply to any officers, directors, agents, and stockholders holding 5% or more of the stock of any corporation applying for a permit from DOR. Require that all marijuana producers, processors, distributors, retailers, and microbusinesses apply for and obtain the proper permit from DOR prior to performing such operations. Specify that a separate permit would be required for, and issued to, each class of permittee, and the permit holder would only be allowed to perform operations authorized by the permit. Require each applicant for a permit to pay a nonrefundable application fee of $250. Additionally, require marijuana producers and processors to obtain the proper permit from DATCP.

Specify that permits issued by DOR would be nontransferable. Therefore, a separate permit would be required for each place in this state where the operations of a marijuana producer, processor, distributor, retailer, or microbusiness would occur, including each retail outlet. Any person who has been issued a permit to operate as a marijuana retailer, or who has any direct or indirect financial interest in the operation of a marijuana retailer, would not be issued a permit to operate as a producer, processor, or distributor. A person who intends to operate as a microbusiness would not be required to hold separate permits to operate as a marijuana processor, distributor, or retailer, but would have to specify, on the application for a microbusiness permit, the activities that the person would be engaged in as a microbusiness.

Require DOR to implement a competitive scoring system for approving permits. Permits would be issued to the highest scoring applicants, of which DOR determines would best: (a) protect the environment; (b) provide stable, family-supporting jobs to local residents; (c) ensure worker and consumer safety; (d) operate secure facilities; and (e) uphold the laws of the jurisdictions in which they operate. With regard to an applicant for a marijuana retailer permit, DOR would be required to score the applicant, using criteria established by rule, on the applicant's ability to articulate a social equity plan related to the operation of a marijuana retail establishment. The bill would give DOR the ability to deny a permit to an applicant with a low score. DOR would also be allowed to request from the applicant, any information or documentation that the Department deems necessary for determining whether to grant or deny a permit.

Prohibit any distributor or retailer with 20 or more employees from receiving a permit from DOR unless it has entered into a labor peace agreement and certified compliance with that agreement as a condition of its permit. Certification would entail submitting to DOR a copy of the page of the labor peace agreement that contains the signatures of the labor organization representative and the applicant. Additionally, prohibit DOR from issuing a permit to any person who does not hold a valid business tax registration certificate with DOR.

Prohibit DOR from issuing a permit to any applicant if they:

1. Have been convicted of a violent misdemeanor at least three times;

2. Have been convicted of a violent felony, unless the person was pardoned;

3. Have been committed for involuntary treatment related to drug dependence within the last three years;

4. Have income that comes principally from gambling or have been convicted of two or more gambling offenses;

5. Have been convicted of crimes relating to prostitution;

6. Have been convicted of crimes relating to loaning money, or anything of value, to persons holding alcohol beverage licenses or permits;

7. Are under the age of 21;

8. Have not lived in Wisconsin continuously for at least 90 days prior to applying; or

9. Within the last three years, have chronically and habitually consumed alcoholic beverages or other substances to the extent that his or her normal faculties are impaired. This provision applies to persons that: (i) have been involuntarily committed for treatment; (ii) have been convicted for handling of a firearm while intoxicated; or (iii) have two or more cases arising out of separate incidents where a court found the person violated a law relating to operating a motor vehicle under the influence of a controlled substance, a controlled substance analog, or a combination thereof, with an excess or specified range of alcohol concentration, or while under the influence of any drug to a degree that renders the person incapable of safely driving, whether the incident was in violation of: (a) a Wisconsin law or local ordinance in conformity with state law; (b) a law of a federally-recognized American Indian tribe or band in this state; or (c) a law of another jurisdiction.

Additionally, prohibit DOR from issuing a permit to operate any premises which would be within 500 feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation facility, child care facility, public park, public transit facility, or library.

Require that DOR, prior to issuing a new or renewed permit, give notice of the permit application to the governing body of the municipality where the permit applicant intends to operate the premises as a marijuana producer, processor, distributor, retailer, or microbusiness. The governing body of the municipality could file with DOR a written objection to granting or renewing the permit no later than 30 days after DOR submits the notice. The period for filing objections could be extended by DOR, at the municipality's request. Written objections would have to provide all the facts on which the objection is based. In determining whether to grant or deny a permit for which an objection has been filed, the bill would direct DOR to give substantial weight to an objection based on: (a) chronic illegal activity associated with the premises for which the applicant seeks a permit or the premises of any other operation in this state for which the applicant holds or has held a valid permit or license; (b) the conduct of the applicant's patrons inside or outside the premises of any other operation in this state for which the applicant holds, or has held, a valid permit or license; and (c) local zoning ordinances. Define "chronic illegal activity" under this provision as a pervasive pattern of activity that threatens the public health, safety, and welfare of the municipality, including any crime or ordinance violation, and that is documented in crime statistics, police reports, emergency medical response data, calls for service, field data, or similar law enforcement agency records.

Under the bill, if DOR denies a permit, the Department would be required to immediately notify the applicant in writing of the denial and the reasons for the denial. After making a decision to grant or deny a permit for which a municipality filed an objection, DOR would have to immediately notify the governing body of the municipality in writing of its decision and the reasons for the decision. Specify that both DOR's decisions to deny or grant a permit, regardless of an objection filed by a municipality, would be subject to judicial review.

A permit issued by DOR would be valid for one year and could be renewed, except that DOR could revoke or suspend a permit prior to its expiration. Each person granted a permit would be required to pay an annual fee of $2,000 for as long as the person held the valid permit. Permittees would not be entitled to refunds of the annual fee if their permits were revoked or suspended. Each permittee would have to post the permit in a conspicuous place on the premises to which the permit relates.

c. *Regulation.* Establish several regulations that govern the activities of permittees. Prohibit any permittee from employing an individual who is under the age of 21, or to which any condition under items 1. through 6. and 9. in the "Permit Requirements" section would apply. Require every employee, immediately after beginning employment, to receive training approved by DOR on: (a) the safe handling of marijuana and usable marijuana; and (b) security and inventory accountability procedures.

Specify that retail outlets could only operate between the hours of 8:00 a.m. and 8:00 p.m., and would not be allowed to sell products or services other than usable marijuana or paraphernalia intended for the storage or use of usable marijuana. Prohibit retailers from selling more than two ounces of usable marijuana (or ¼ ounce to non-Wisconsin residents) to an individual consumer in a single transaction. In conducting the transaction, retailers could not collect, retain, or distribute personal information regarding the retailer's customers, except that which would be necessary to complete the sale of usable marijuana. Require that retailers restrict from entering or being on the premises of a retail outlet any individual under the age of 21, unless that individual is accompanied by a parent or guardian or is a qualifying patient.

Prohibit retailers from displaying any signage in a window, on a door, or on the outside of the premises of the retail outlet that would be visible to the general public from a public right-of-way, with the exception of a single sign, that would be no larger than 1,600 square inches, identifying the retail outlet by the permittee's business or trade name. Additionally, prohibit retailers from displaying usable marijuana in any manner that is visible to the general public from a public right of way. Specify that all marijuana retailers and retail employees would be prohibited from consuming, or allowing to be consumed, any usable marijuana on the premises of the retail outlet.

Prohibit all permittees from placing or maintaining an advertisement of usable marijuana in any form or through any medium.

Authorize DOR to develop, by rule, standards to which marijuana and usable marijuana would have to comply. Establish the following baseline standards: (a) no permittee would be allowed to sell marijuana or usable marijuana that contains more than three parts THC to one part cannabidiol: and (b) no permittee could sell marijuana or usable marijuana that tests positive for mold, fungus, pesticides, or other contaminants, if the contaminants, or level of contaminants, are identified by a testing laboratory to be potentially unsafe to the consumer.

In order to certify that the marijuana and usable marijuana would comply with DOR standards, including testing for potency and for mold, fungus, pesticides, and other contaminants, require that representative samples of the marijuana and usable marijuana produced or processed by every marijuana producer, processor, or microbusiness, be submitted, on a schedule determined by DOR, to a testing laboratory registered by DATCP. After testing, require each laboratory to destroy any part of the sample that remains. Require that the results of the testing be submitted by marijuana producers, processors, and microbusinesses to DOR in the manner prescribed by the Department by rule. If a representative sample did not meet DOR's prescribed standards, the Department would have to take the necessary action to ensure that the entire lot from which the sample was taken is destroyed. DOR would be required to promulgate rules: (a) to determine lots and lot numbers for purposes of testing; and (b) for the reporting of lots and lot numbers to the Department.

Under the bill, a marijuana processor, or a microbusiness that operates as a marijuana processor, would have to affix a label to all usable marijuana sold to marijuana distributors. Prohibit the label from being designed to appeal to persons under the age of 18. Require the label to include all of the following: (a) the ingredients and the THC concentration in the usable marijuana; (b) the producer's business or trade name; (c) the producer's permit number; (d) the harvest batch number of the marijuana; (e) the harvest date; (f) the strain name and product identity; (g) the net weight; (h) the activation time; (i) the name of the laboratory performing any test, the test batch number, and the test analysis dates; (j) the logotype for recreational marijuana developed by DATCP; and (k) warnings about the risks of marijuana use and pregnancy and the risks of marijuana use by persons under the age of 18. Additionally, the label on each package of usable marijuana could indicate that the usable marijuana is made in this state; however, this would not be a requirement, as all marijuana processors, or microbusinesses operating as processors, would be prohibited from using marijuana grown outside this state to make usable marijuana.

d. *Records and Reports.* Require permittees to keep accurate and complete records of the production and sales of marijuana and usable marijuana in Wisconsin. Require that the records be kept on the premises described in the permit and in such manner as to ensure permanency and accessibility for inspection at reasonable hours by DOR's authorized personnel. DOR would have to prescribe reasonable and uniform methods for recordkeeping and making reports, and would have to provide the necessary forms to permittees.

Allow DOR to require, by giving notice, that a permittee revise its records, if the Department determines that the records are not kept in the prescribed form, or are in such a condition that requires an unusual amount of time for DOR to review. If the permittee fails to comply within 30 days, DOR would be required to send a bill requiring the permittee pay, within 10 days, the expenses reasonably attributable to a proper examination and tax determination at the rate of $30 per day for each auditor used to make the examination and determination.

Require payment of a $10 late filing fee by any permittee who fails to file a report when due. A mailed report would be filed on time if: (a) it is mailed in a properly addressed envelope with postage prepaid; (b) the envelope is officially postmarked, or marked or recorded electronically under federal postal regulations, on the due date; and (c) the report is actually received by DOR, or at the destination that DOR prescribes, within five days of the due date. These criteria would apply to reports mailed by a designated delivery service. A report that is not mailed would be timely if it were received by DOR, or at its prescribed destination, on or before the due date.

The provisions relating to taxpayer confidentiality of income, franchise, and gift tax returns, would apply under the bill to any information obtained from: (a) any permittee on a tax return, report, schedule, exhibit, or other document; or (b) an audit report relating to the return, report, schedule, exhibit, or document. The exception to this provision would be that DOR would have to publish production and sales statistics under the bill.

e. *Administration and Enforcement.* Require DOR to administer and enforce the provisions relating to marijuana taxation and regulation and to promulgate any rules necessary to do so. Provide duly authorized DOR employees with all necessary police powers to prevent violations. Additionally, authorized personnel of the Department of Justice and DOR, and any law enforcement officer within their respective jurisdictions, would be allowed to, at all reasonable hours, enter the premises of any permittee and examine the books and records to determine whether the excise tax imposed has been fully paid and may enter and inspect any premises where marijuana or usable marijuana is produced, processed, made, sold, or stored, to determine whether the permittee is complying with all laws governing marijuana taxation and regulation.

Authorize DOR to suspend or revoke the permit of any permittee who violates any provision or rule governing marijuana taxation or regulation, or who violates the Unfair Sales Act. Require DOR to revoke the permit of any permittee who violates the Unfair Sales Act three or more times within a five-year period. Treat as a public nuisance, subject to closure and abatement, any building or location where unlawful sale, possession, storage, or manufacture of marijuana or usable marijuana were to occur.

Prohibit any suit that would restrain or delay collection or payment of marijuana excise taxes. Require all aggrieved taxpayers to pay tax when due and, if paid under protest, allow the taxpayer to sue the state to recover the tax paid at any time within 90 days from the payment date. Specify that the taxpayer could request recovery in one suit for as many payments as have been made. Require the Secretary of Administration to pay any tax amount that is determined to be wrongfully collected.

Upon request of the Secretary of DOR, the Attorney General may represent Wisconsin or assist a district attorney in prosecuting any case regarding marijuana excise taxes and regulation. Grant immunity from prosecution to any person compelled to testify in regard to a violation of marijuana tax regulations, of which that person may have knowledge. Specify that immunity would only apply to the use of the compelled testimony which may tend to incriminate the person, subject to restrictions under laws governing criminal trials.

Several current law provisions on assessment and collection of taxes, as they govern income and franchise taxes, would apply to marijuana excise taxes under the bill. These include provisions regarding: (a) office and field audits; (b) notices of adjustments; (c) notices of additional assessment; (d) additional tax collections or refunds, except that the period during which notice of additional assessment would have to be given begins on the due date of the report required from marijuana permittees; (e) additional methods of tax collection; (f) statutes of limitations on assessments and refunds; (g) tax collection and delinquency, other than the timing that withholding becomes delinquent and the financial record matching program; (h) compromises; and (i) denial of licenses due to tax delinquency. The provisions on timely filing as they apply to income and franchise taxes under current law would also apply to marijuana excise taxes.

f. *Theft of Tax Moneys.* Specify that all marijuana tax moneys received by a permittee for the sale of marijuana or usable marijuana on which the excise tax were to become due and not paid would be trust funds in the permittee's possession and would be the property of this state. Any permittee who fraudulently withholds, appropriates, or otherwise uses marijuana tax moneys that are the property of this state would be guilty of theft, whether or not the permittee has, or claims to have, an interest in those moneys.

g. *Seizure and Confiscation.* Specify that all marijuana and usable marijuana produced, processed, made, kept, stored, sold, distributed, or transported in violation of the rules and regulations governing marijuana taxation and regulation, and all tangible personal property used in connection with the marijuana or usable marijuana, would be unlawful property and subject to seizure by DOR or a law enforcement officer.

Specify the following treatment of marijuana or usable marijuana that has been seized. If the excise tax has not been paid, the marijuana or usable marijuana could be given, if fit for use and practical, to law enforcement officers to use in criminal investigations or sold to qualified buyers by DOR, without notice. The Department would have to order any marijuana or usable marijuana deemed unfit or impractical for these purposes to be destroyed. If the excise tax has been paid, the marijuana or usable marijuana would be returned to the true owner if ownership could be ascertained and the owner or the owner's agent was not involved in the violation resulting in the seizure. If the ownership could not be ascertained or if the owner or the owner's agent was guilty of the violation that resulted in the seizure of the marijuana or usable marijuana, it could be sold (if fit for use and practical) or destroyed.

Require DOR to advertise for sale any tangible personal property seized, other than marijuana or usable marijuana, by publication in a newspaper that is likely to give notice in the area or to the person affected. Require DOR to insert this notice in the newspaper at least two times. If no person claiming a lien on, or ownership of, the property has notified the Department of the person's claim within 10 days after last insertion of the notice, DOR would be required sell the property. If a person claiming a lien on, or ownership of, the property were to notify DOR within this time period, the Department could apply to the circuit court in the county where the property was seized for an order directing disposition of the property or the proceeds from the sale of the property. If the court were to order the property to be sold, all liens, if any, would be transferred from the property to the sale proceeds. Neither the property seized nor the proceeds from the sale would be turned over to any claimant of lien or ownership unless the claimant first establishes that the property was not used in connection with any violation or that, if so used, it was done without the claimant's knowledge or consent and without the claimant's knowledge of facts that should have given the claimant reason to believe it would be put to such use. If no claim of lien or ownership is established, or if sale is not practical, the property could be ordered destroyed.

h. *Interest and Penalties.* Several current law provisions on interest and penalties, as they govern the cigarette tax, would also be created to apply to the excise taxes on marijuana under the bill. These include penalties for: (a) filing false or fraudulent reports; (b) failing to maintain required records; (c) refusing to permit authorized examinations or inspections, except that imprisonment would be for not more than six months; (d) violating any marijuana provision without its own penalty; and (e) violating DOR rules. Interest and penalty provisions as they apply for delinquent and nondelinquent payments and neglect would be created to also apply for marijuana excise tax purposes. Additionally, DOR would be required to revoke the permit of any person who violates the provisions and rules governing marijuana taxation, and could not issue another permit until two years following revocation.

i. *Personal Use.* Specify that a person possessing no more than six marijuana plants that have reached the flowering stage at any one time would not be subject to marijuana excise taxes, while a person possessing more than six plants would be required to obtain the appropriate seller's permit and pay the appropriate excise tax.

j. *Funding and Positions.* Provide $3,284,300 in 2023-24 and $2,073,600 in 2024-25 and 18.0 positions annually in a new GPR appropriation under DOR for the purposes of: (a) administering the marijuana tax; and (b) enforcing the proposed taxation and regulation of marijuana producers, processors, and retailers. [See "Revenue -- Tax Administration."]

k. *Tax Revenues.* These provisions would take effect on the effective date of the bill. However, the Administration indicates that it does not estimate a fiscal effect associated with the collection of marijuana sales and excise taxes until 2024-25, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made. The Administration estimates that the imposition of wholesale and retail excise taxes on marijuana would result in collections of

$21,900,000 and $22,500,000, respectively, beginning in 2024-25 and annually thereafter (total excise tax collections of $44,400,000 in 2024-25). The bill would specify that all moneys received from marijuana excise taxes would be deposited into the newly established community reinvestment fund, and an estimated $44,400,000 SEG-REV would be deposited into that fund in 2024-25. [See "Health Services -- Behavioral Health."] In addition, the Administration estimates the sales and use tax imposed on legal recreational marijuana would increase state tax revenues by $10,200,000 beginning in 2024-25 and annually thereafter.

l. *Permit Fee Revenues*. The Administration estimates that DOR would issue 300 initial permits in 2023-24 and an additional 60 new permits in 2024-25. As noted above, DOR would collect fees totaling $2,250 for each new permit issued ($250 application fee plus $2,000 initial annual permit fee) and $2,000 for each permit that would be renewed in a given year. Fees collected would be deposited directly into the general fund. As a result, the Administration estimates that GPR-REV from DOR would increase by $675,000 in 2023-24 and $735,000 in 2024-25. [See "Revenue -- Tax Administration."]

m. *Agreement with Tribes.* Allow DOR to enter into an agreement with federally-recognized American Indian tribes in this state: (a) for the administration and enforcement of marijuana excise taxes and regulation; and (b) to provide refunds of the excise taxes imposed on marijuana sold on tribal land by or to enrolled members of the tribe residing on the tribal land. Create a new sum sufficient GPR appropriation to pay refunds to eligible tribes for marijuana excise taxes collected, including interest and penalties, and provide $2,200,000 in 2024-25 as an estimate of the amounts that would be refunded to the tribes. [See "General Fund Taxes -- Refundable Credits and Other Payments."]

[Bill Sections: 523, 537, 598, 1602, 1735, and 2294]

6. DHS GRANTS TO SUPPORT COUNTY BEHAVIORAL HEALTH SERVICES

Governor: Create a segregated appropriation, supported by the community reinvestment fund, that would authorize DHS to expend all moneys it receives from the fund to provide grants to counties to support mental health and substance use disorder services. Estimate that DHS would expend $44,400,000 from the appropriation in 2024-25. Require DHS to promulgate administrative rules establishing the grants. [See "Health Services -- Behavioral Health."]

[Bill Sections: 419 and 2581]

7. ANATOMICAL GIFTS

Governor: Provide that, unless otherwise required by federal law, a hospital, physician, procurement organization, or other person may not determine the ultimate recipient of an anatomical gift based solely upon a positive test for the use of marijuana by a potential recipient.

[Bill Sections: 2319 and 2320]

8. UNEMPLOYMENT INSURANCE -- DISCHARGE FOR USE OF MARIJUANA

Governor: Provide that an employee's use of marijuana off the employer's premises during nonworking hours, or a violation of the employer's policy concerning such use, does not constitute misconduct or substantial fault under current unemployment insurance (UI) law unless termination for that use is permitted under one of the current exceptions under the state's fair employment law. Under current law, an individual may be disqualified from receiving unemployment insurance benefits if the individual is terminated because of misconduct or substantial fault.

Under current UI law, as it pertains to the Department of Workforce Development's pre-employment and occupational employment drug testing programs, "controlled substance" has the meaning given in 21 USC 802, which includes marijuana. This provision is not modified under the bill.

[Bill Sections: 1896, 1898, 1925, 1926, and 1942]

9. MARIJUANA TAX IMPLEMENTATION STUDY

Governor: Direct the Joint Legislative Council to study the implementation of the marijuana tax and regulation and identify uses for the revenues generated by the tax. Require the Joint Legislative Council to report its findings, conclusions, and recommendations to the Joint Committee on Finance no later than two years after the effective date of this subsection.

[Bill Section: 9128(1)]

MEDICAL COLLEGE OF WISCONSIN

Budget Summary						FTE Position Summary
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, nonprofit state-aided institution governed by a Board of Trustees.
GPR	$10,868,400	$21,734,500	$21,192,800	$21,190,500	97.5%	
PR	247,500	247,500	247,500	0	0.0	
TOTAL	$11,115,900	$21,982,000	$21,440,300	$21,190,500	95.3%	

Budget Change Items

1. DEBT SERVICE REESTIMATE

GPR	- $809,500

Governor: Reestimate debt service by -$133,900 in 2023-24 and -$675,600 in 2024-25. Base level funding for the two debt service appropriations under MCW totals $3,330,400 annually.

2. VIOLENCE PREVENTION GRANTS

GPR	$15,000,000

Governor: Provide $7,500,000 annually in a new, biennial appropriation for the Wisconsin Community Safety Fund, which awards violence prevention grants supporting local, evidence-informed activities that enhance the safety and well-being of children, youth, and families throughout Wisconsin. The Medical College of Wisconsin's Comprehensive Injury Center administers the grant program. Currently, $10,400,000 in federal funds through the American Rescue Plan Act of 2021 were made available for the December 1, 2022, through December 31, 2025, grant cycle.

[Bill Sections: 303 and 304]

3. PSYCHIATRY AND BEHAVIORAL HEALTH RESIDENCY PROGRAM

GPR	$7,000,000

Governor: Provide $3,500,000 annually in a new, annual appropriation, for a psychiatry and behavioral health residency program to support the recruitment and training of psychiatry and behavioral health residents.

In their agency supplemental budget request, MCW pointed to research indicating a significant shortage of psychiatrists in Wisconsin. The provided funding would, according to

MCW's request, allow MCW to support at least 10 psychiatrist residents per year, including at least four in central Wisconsin and six in northeastern Wisconsin.

[Bill Section: 302]

MILITARY AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$33,901,500	$88,038,100	$41,361,000	$61,596,100	90.8%	82.08	93.48	104.48	22.40	27.3%
FED	81,686,400	111,984,000	111,987,800	60,599,000	37.1	462.80	464.90	449.90	- 12.90	- 2.8
PR	9,354,300	9,476,000	9,476,000	243,400	1.3	54.12	54.12	54.12	0.00	0.0
SEG	20,413,600	26,562,700	26,562,700	12,298,200	30.1	5.00	5.00	5.00	0.00	0.0
TOTAL	$145,355,800	$236,060,800	$189,387,500	$134,736,700	46.3%	604.00	617.50	613.50	9.50	1.6%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$311,400	0.00
FED	8,594,000	- 16.00
PR	240,000	0.00
SEG	297,200	0.00
Total	$9,442,600	- 16.00

Governor: Provide adjustments to the base totaling $155,700 GPR, $4,294,900 FED, $120,000 PR, $148,600 SEG, and -1.0 FED position in 2023-24, and $155,700 GPR, $4,299,100 FED, $120,000 PR, $148,600 SEG, and -16.0 FED positions in 2024-25. Adjustments are for: (a) turnover reduction (-$151,000 GPR and -$492,600 FED annually); (b) removal of non-continuing elements from the base (-1.0 FED position in 2023-24 and -16.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits ($271,500 GPR, $4,327,700 FED, $119,800 PR, and $148,600 SEG annually); (d) reclassifications and semiautomatic pay progression ($51,000 FED annually); (e) overtime ($35,200 GPR, $383,900 FED, and $9,700 PR annually); (f) full funding of lease and directed moves costs ($24,900 FED and -$9,500 PR in 2023-24, and $29,100 FED and -$9,500 PR in 2024-25); and (g) minor transfers within the same alpha appropriation. Regarding the transfer within the same alpha appropriation, separate budgetary units for the emergency radio network and interoperability would be created in three separate GPR appropriations and in one SEG appropriation. In total, $675,200 GPR and $711,200 SEG annually would be internally transferred. In addition, $2,259,700 ($268,200 GPR and $1,991,500 PR) and 29.42 positions (1.67 GPR and 27.75 PR) would be realigned within the Army National Guard functions and reallocated from Army National Guard to Air National Guard in order to reflect current budgetary operations.

2. FEDERAL AND PROGRAM REVENUE REESTIMATES

FED	$50,784,800
PR	3,400
Total	$50,788,200

Governor: Provide $25,392,400 FED and $1,700 PR annually to reflect current revenue projections and estimated program needs for the federal appropriations identified below. The reestimates are based on five years of past expenditure data.

a. Provide $6,891,900 FED annually for the National Guard federal aid for improvement, repair, maintenance, or operation of armories or other military property. Base funding for the appropriation is $39,787,700.

b. Provide $2,981,900 FED annually for the emergency management services federal aid to individuals and organizations appropriation. Expenditures support aid to not-for-profit organizations for public assistance and hazard mitigation. Base funding for the appropriation is $1,926,400.

c. Provide $26,900 FED annually for the emergency management services federal aid for state operations appropriation. The appropriation provides the state with 50% of the federal Emergency Management Performance Grant (EMPG) funds. Expenditures typically support staff funding, aids to other state agencies for public assistance grants, hazard mitigation grants, and hazmat training. Base funding for the appropriation is $5,331,700.

d. Provide $15,491,700 FED annually for the emergency management services federal aid for local assistance appropriation. Expenditures are federal aid payments to local units of government, including public assistance, EMPG, hazard mitigation, and the Hazardous Materials Emergency Preparedness (HMEP) grant. Base funding for the appropriation is $12,800,000.

e. Provide $1,700 PR annually for the National Guard youth programs gifts and grants appropriation. Expenditures support the Wisconsin National Guard Challenge Academy. Base funding for the appropriation is $0.

3. STATEWIDE INTEROPERABLE RADIO NETWORK REPLACEMENT

GPR	$45,000,000

Governor: Create a continuing appropriation and provide $45,000,000 in 2023-24 for the development and operation of a replacement statewide public safety interoperable communication system.

The current Wisconsin Interoperability System for Communications (WISCOM) was developed to permit local, state, and federal emergency responders to communicate across jurisdictions. Under 2017 Act 59, DMA was required to upgrade or replace WISCOM. According to DMA, the system's key components have reached end-of-life, and its technical specifications are unable to fulfill program demand. The Department released a request for proposals on November 30, 2021. On August 22, 2022, the Department sent a notice of intent letter to the selected vendor, L3Harris Technologies, Inc. The RFP received a protest to the intent to award; in January, 2023, DMA's award decision was administratively upheld by the Department of Administration. The Department intends to begin contract negotiations in March, 2023.

[Bill Section: 479]

4. NG911: PUBLIC SAFETY ANSWERING POINT GRANTS

SEG	$12,000,000

Governor: Provide $6,000,000 annually in 2023-24 and 2024-25 to help public safety answering points (PSAPs) transition to NG911 by training staff, purchasing equipment, and upgrading software. Funding would be provided from the police and fire protection fund using revenues from phone service surcharges. Funding in the agency's base budget of $6,000,000 annually is associated with PSAP grants.

To receive and process calls through the NG911 system, PSAPs must have call answering equipment compatible with NG911 technology. Under 2019 Act 26, a competitive state grant program was created to help PSAPs transition to the NG911 system. In the 2021-23 biennium, $6,000,000 SEG in 2022-23 was provided for PSAP grants. Additionally, the Department received $2.9 million in federal grant funds to assist PSAPs with equipment upgrades. In June, 2020, DMA awarded 24 federally-funded grants totaling $2.2 million. A second round of grants were distributed in February, 2021. As of September, 2022 (the latest information available), 35 PSAPs were able to complete either partial upgrades or full replacements of their answering equipment using federal grants.

5. NG911: COST RECOVERY

Governor: Require that emergency services IP network (ESInet) contract providers for Next Generation 911 reimburse the originating or 3rd-party providers used to connect an ESInet for all costs incurred by the originating or 3rd party provider.

To create an interoperable 911 system that is compatible with current and emerging digital technologies, emergency response agencies nationwide are upgrading to the "Next Generation 911" system. Under current law, DMA is responsible for supporting the development of NG911 in Wisconsin. The first step to implement NG911 is to create the ESInet, an internet-based network that will connect Public Safety Answering Points (PSAPs) across the state. The ESInet is intended to provide for broadband speed transmissions and facilitate the delivery of messages and data that public safety agencies use for field operations. The Department solicited bids for the ESInet through a request for proposal (RFP) in March, 2020. The ESInet contract was executed with AT&T in June, 2021.

[Bill Sections: 2634 thru 2637]

6. URBAN SEARCH AND RESCUE TEAMS (WISCONSIN TASK FORCE 1)

GPR	$1,012,800

Governor: Provide $506,400 annually in 2023-24 and 2024-25 for training and equipment for an urban search and rescue task force. Funding is intended to create a Type 1 urban search and rescue (USR) task force capable of 24-hour operations.

On December 6, 2021, 2021 Act 104 was signed into law. The act changed the designation of a regional collapse support team to an urban search and rescue task force and expanded the scope of emergencies with which these teams assist. Under the act, an urban search and rescue task force designated by DMA must assist in an emergency response "involving search, rescue, and recovery in the technical rescue disciplines to include structural collapse, rope rescue, vehicle extrication, machinery extrication, confined space, trench excavation, and water operations in an urban search rescue environment."

Under federal law, a USR task force is a multi-disciplined organization which conducts search, rescue, and recovery in the technical rescue disciplines, including structural collapse, rope rescue, vehicle extrication, machinery extrication, confined space, trench, excavation, and water operations. A Type 1 urban search and rescue task force is capable of 24-hour operations split into 12-hour operation periods.

Base funding in the continuing GPR appropriation under DMA for training, equipment, and administration for urban search and rescue teams is $0. On May 31, 2022, the Joint Finance Committee approved the transfer of $500,000 from its supplemental appropriation to the Department's urban search and rescue task force appropriation in 2021-22.

7. FUNDING TO SUPPORT CONTINUATION OF PAY INCREASES

FED	$821,000

Governor: Provide $418,200 in 2023-24 and $402,800 in 2024-25 to support ongoing funding for a $3 per hour add-on for Military Security Officer positions. There are currently 53 authorized Military Security Officer positions. The current $3 add-on pay was authorized by the DOA Division of Personnel Management using its compensation plan authority to create pilot add-ons "for specific classifications or locations when severe recruitment, retention, or other issues necessitate implementation of such an add-on before a meeting of the Joint Committee on Employment Relations (JCOER) can be convened." The current add-on is, and the recommended extension of the add-on would be, supported from federal funds DMA receives under master cooperative agreements with the federal government.

8. TUITION GRANT PROGRAM AUTOMATION

GPR	$225,000

Governor: Provide $225,000 in 2023-24 to update the application system for the Wisconsin National Guard Tuition Grant program. According to the Administration, the current application system requires National Guard members to complete a paper application form, submit it to the educational institution, which, in turn, submits the application to DMA for review and approval. The tuition grant program allows service members to receive reimbursement grants equal to 100% of tuition for up to eight semesters of full-time study or 120 credits of part-time study. Reimbursement may be obtained by members who were enrolled at any accredited institution of higher education in Wisconsin or an out-of-state institution with a reciprocity agreement.

9. FUEL AND UTILITIES REESTIMATE

GPR	$2,024,100

Governor: Provide increased funding of $990,900 in 2023-24 and $1,033,200 in 2024-25 associated with fuel and utility cost estimates at Army and Air National Guard facilities. Base funding for agency energy costs is $2,003,200.

10. DEBT SERVICE REESTIMATE

GPR	- $994,800

Governor: Reduce funding by -$524,600 in 2023-24 and -$470,200 in 2024-25 to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial debt issued for National Guard facilities by DMA. Base funding for debt service costs for National Guard facilities totals $6,487,900 annually.

11. BUILDINGS AND GROUNDS STAFF

	Funding	Positions
GPR	$375,800	2.90
FED	399,200	3.10
Total	$775,000	6.00

Governor: Provide $177,700 GPR and $192,100 FED in 2023-24, $198,100 GPR and $207,100 FED in 2024-25, and 2.9 GPR positions and 3.1 FED positions annually to maintain facilities under management by the Department. The Department is currently responsible for overseeing facility operations, development, and maintenance for the state's Army National Guard facilities, which includes 280 buildings on 85 sites in 47 counties. In addition, DMA has the same responsibilities for the Wisconsin Air National Guard facilities at Truax Field (Madison). The recommended positions would include: (a) state project manager (1.0 GPR); (b) heavy equipment operators at Truax Field (2.0 positions, each 0.2 GPR and 0.8 FED); (c) painter (1.0 position, 0.5 GPR and 0.5 FED); and (d) facility repair worker in northern and northeastern Wisconsin (2.0 positions, each 0.5 GPR and 0.5 FED).

12. WIRELESS NETWORK ADMINISTRATOR

	Funding	Positions
GPR	$300,100	1.00

Governor: Provide $143,200 in 2023-24, $156,900 in 2024-25, and 1.0 position annually to manage the Department's wireless network throughout the state. The position would manage the installation and maintenance of a wireless network for 67 armories located throughout the state. The wireless network is intended to provide wireless communication services in DMA armories where state employees and National Guard service members are located.

13. COUNTER-DRUG AIRPLANE

	Funding	Positions
GPR	$8,301,000	3.00

Governor: Provide $4,963,900 in 2023-24, $3,337,100 in 2024-25, and 3.0 positions annually to purchase a new aircraft for counter-drug activities, search and rescue efforts, or disasters. Create statutory language specifying that DMA may provide aerial assistance for incident awareness and assessment, drug interdiction and counter-drug activities, search and rescue efforts, or disasters, and may also seek reimbursement for the cost of any assistance. Funding would be provided as follows: (a) $283,400 in 2023-24 and $308,600 in 2024-25 for staff positions (2.0 aircraft pilots and 1.0 program and policy analyst); (b) $1,672,000 in 2023-24 in one-time costs for aircraft equipment (for example, specialized communications and operating systems, and cameras); (c) $787,600 in 2023-24 and $807,600 in 2024-25 for on-going aircraft supplies and services (fuel, parts, hangar space, maintenance of specialized equipment, and fleet services charges); (d) $1,950,000 annually for depreciation; and (e) $270,900 annually master lease interest costs. [See "Administration--General Agency Provisions."]

[Bill Sections: 478 and 2708]

14. DRUG HOUSE DEMOLITION

Governor: Create a continuing program revenue appropriation for the Department of Military Affairs to receive reimbursement from local units of government (county, city, village, or town) for the demolition of former drug dwellings that have been abated during narcotics investigations, placed into receivership, and then left unsold, unmaintained, and unoccupied.

[Bill Section: 477]

15. CYBERSECURITY GRANT MATCHING FUNDS

GPR	$2,093,600

Governor: Provide $975,100 in 2023-24 and $1,118,500 in 2024-25 for state matching funds for the federal Department of Homeland Security's State and Local Cybersecurity Grant Program. According to the Administration, the grant program would be used to: (a) develop and establish an appropriate governance structure, including developing, implementing or revising cybersecurity plans to improve capabilities to respond to cybersecurity incidents and ensure continuity of operations; (b) provide testing evaluation, and structures cybersecurity assessments; (c) implement security protections; and (d) train personnel in cybersecurity. The grant program requires that 80% of the total grant be passed through to local entities and 25% of the total grant to go to rural communities.

16. TOWN OF SILVER CLIFF PUBLIC SAFETY BUILDING

GPR	$1,000,000

Governor: Provide $1,000,000 in 2023-24 to the Town of Silver Cliff in Marinette County to rebuild a public safety building destroyed by a tornado. Funding would be provided to the Department's GPR appropriation for state disaster assistance. Base funding is $0. Specify that the current law requirements to receive assistance would not apply to the payment to the Town of Silver Cliff.

Under current law, the Department may make payments from the state disaster assistance appropriation account to local governmental units for the damages and costs incurred as the result of a disaster if federal funding is not available because: (a) the Governor's request that the President declare the disaster a major disaster under the federal definition has been denied; or (b) the Department determines the disaster does not meet the per capita impact indicator under the public assistance program issued by the federal emergency management agency (FEMA). Additionally, the entity receiving the grant is required to pay for 30 percent of the amount of damages and costs resulting from the disaster.

[Bill Section: 9131(1)]

17. EXPANSION OF THE WELLNESS PROGRAM

	Funding	Positions
GPR	$821,400	11.00

Governor: Provide $821,400 and 11.0 positions in 2024-25 to expand the comprehensive wellness program. According to DMA, the program focuses on physical, mental, spiritual, social, and financial wellness within the Wisconsin National Guard. Funds would be utilized for program administration, curriculum development and implementation, community partnerships, and a mobile health and wellness vehicle. The program is currently funded from January 1, 2022, through December 31, 2024, with $5 million in federal ARPA monies. The program is intended to enable the National Guard to enroll over 9,000 personnel and increase retention among Guard members.

18. HOMELAND SECURITY OFFICE

	Funding	Positions
GPR	$557,700	4.00

Governor: Create an Office of Homeland Security within the Department of Military Affairs and provide $244,700 in 2023-24, $313,000 in 2024-25, and 4.0 classified positions annually. Specify that the director of the office would be appointed by the Adjutant General. Further, specify that the office would coordinate with the federal Department of Homeland Security and state and local law enforcement agencies to identify, investigate, assess, report, and share tips and leads linked to emergency homeland security threats.

[Bill Sections: 63, 72, 476, and 2713]

19. AIR REFUELING WING CONSULTANT

GPR	$200,000

Governor: Provide $100,000 annually in 2023-24 and 2024-25 for a consultant to assist DMA to compete as a potential location for the United States Air Force to place new refueling aircraft. Currently, the Wisconsin Air National Guard, 128th Air Refueling Wing at General Mitchell Field (Milwaukee) uses older aircraft which the Air Force has determined will be phased-out. The newer refueling aircraft will be phased-in by 2029.

20. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$281,400
SEG	1,000
Total	$282,400

Governor: Provide $140,700 GPR and $500 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.

21. EQUITY OFFICER POSITION

	Funding	Positions
GPR	$86,600	0.50

Governor: Provide $37,900 in 2023-24 and $48,700 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."]

22. WISCONSIN NATIONAL GUARD DUTIES RELATED TO SEXUAL ASSAULT AND HARASSMENT

Governor: Require that the Department of Military Affairs (DMA) submit a report to the appropriate standing committees of the Legislature by July 1 of each year that: (a) summarizes any substantive changes made to the Uniform Code of Military Justice (UCMJ) during the prior federal fiscal year; (b) compares those changes to the Wisconsin Code of Military Justice (WCMJ); and (c) provides recommendations to the Legislature regarding whether those changes should be incorporated into the WCMJ. Require that the report be subject to at least an annual public hearing by appropriate standing committees of the Legislature.

Require that DMA establish and maintain a case management system that allows the National Guard to manage and track all misconduct case-related information.

Require that the Adjutant General submit a report on incidents of sexual assault and harassment in the Wisconsin National Guard to the Governor and appropriate standing committees of the Legislature, and publish the report on DMA's website, by February 1 of each year. Specify that the report be subject to a public hearing, conducted no less than annually, by the appropriate standing committees of the Legislature. The report must include the following information from the prior federal fiscal year: (a) data regarding all reported incidents of sexual assault and harassment made by members of the Wisconsin National Guard, in addition to historical trends relating to the data for the last five fiscal years; (b) a summary of any training related to preventing and responding to incidents of sexual assault and harassment provided to members of the Wisconsin National Guard; (c) a summary of any current federal National Guard Bureau policies related to preventing and responding to incidents of sexual assault and harassment that were enacted and a description of how those policies are being implemented in the Wisconsin National Guard; and (d) a summary of the current policies and procedures related to preventing and responding to incidents of sexual assault and harassment in the Wisconsin National Guard and any changes made since the previous report. Require that the report protect the privacy and personal information of victims of sexual assault and harassment.

Require that the Adjutant General prescribe in writing, make publicly available on its website, and implement a policy that ensures any victim of an offense under the WCMJ is treated with respect, dignity, courtesy, sensitivity, and fairness.

Amend the WCMJ to allow the Adjutant General, rather than the Governor, to prescribe procedures for pretrial, trial, and post-trial for courts-marital cases in writing, and require the

Department to make such regulations publicly available on its website.

Modify the definition of "military offenses" in the WCMJ, and repeal the definition of "nonmilitary offenses," in order to clarify jurisdictional issues between civilian courts and courts-martial. According to a July 29, 2022, Legislative Council staff brief, "The WCMJ defines 'non-military offenses' as 'offenses which are in the state's civilian penal statute and are not offenses under this code.' [s. 322.001 (16), Stats.] This definition appears, on its face, to be inconsistent with the provision of the WCMJ that grants a proper civilian court 'primary jurisdiction of a non-military offense when an act or omission violates both [the WCMJ] and local criminal law.'"

Specify that the maximum limits of punishment for violations of the WMCJ would be those under the UCMJ, unless otherwise prescribed by the Governor. Create a section of the WCMJ that prohibits any sexual activity between a specially protected junior member of the state military forces and any officer or military recruiter, punishable by court-martial.

Create a section that prohibits a person from retaliating against another person for or discouraging another person from reporting or planning to report a criminal or military offense or for making or planning to make a protected communication, punishable by court-martial. Prohibited actions include wrongfully taking or threatening to take an adverse personnel action against a person, or wrongfully withholding or threatening to withhold a favorable personnel action against a person.

Modify statutory language on officer conduct to be "conduct unbecoming of an officer" rather than "conduct unbecoming of an officer and a gentleman."

Create a section that punishes sexual harassment under the WMCJ.

These provisions are those recommended for introduction by the Joint Legislative Council's Study Committee on Wisconsin National Guard Sexual Misconduct Procedures on December 12, 2022.

[Bill Sections: 2706, 2707, 2709 thru 2711, 2714 thru 2726, and 9331(1)&(2)]

MISCELLANEOUS APPROPRIATIONS

Budget Summary						FTE Position Summary
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	There are no authorized positions for Miscellaneous Appropriations.
GPR	$162,941,200	$189,201,000	$189,798,900	$53,117,500	16.3%	
SEG	32,293,000	32,293,000	32,293,000	0	0.0	
TOTAL	$195,234,200	$221,494,000	$222,091,900	$53,117,500	13.6%	

Budget Change Items

1. GENERAL FUND SUPPLEMENT TO THE VETERANS TRUST FUND

GPR	$5,697,600

Governor: Provide $2,973,800 in 2023-24 and $2,723,800 in 2024-25 to reflect the Administration's estimate of the GPR funding that would be transferred to the veterans trust fund (VTF) to maintain a positive balance in that fund through the 2023-25 biennium under the bill. The total transfer is estimated at $18,250,000 in 2023-24 and $18,000,000 in 2024-25. See the item under "Veterans Affairs" for a complete summary of the projected veterans trust fund revenues and expenditures.

2. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE

GPR	- $384,100

Governor: Reestimate funding by -$210,000 in 2023-24 and -$174,100 in 2024-25 for debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and education facility for the Marquette Dental School. Budgeted debt service costs associated with the School are in each year of the biennium.

3. TRANSFERS TO THE CONSERVATION FUND -- RECREATIONAL VEHICLES

Governor: Maintain base funding for transfers to the conservation fund from the transportation fund and the general fund for motorized recreational vehicles. Transfers are deposited in the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, off-highway motorcycle, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. By statute, the snowmobile, motorboat, and ATV and UTV transfers are based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year. The OHM transfer is based on the number of off-highway motorcycles registered in the preceding fiscal year multiplied by the registration fee.

Motor Vehicle Fuel Tax Transfers

Source	Base
GPR	
Off-Highway Motorcycles	$60,100
Transportation SEG	
Motorboats	$13,499,400
Snowmobile	5,331,900
ATVs & UTVs	2,842,400
Subtotal	$21,673,700
Total	$21,733,800

4. TRANSFERS TO THE CONSERVATION FUND -- LAND ACQUISITION DEBT SERVICE

GPR	- $200

Governor: Reestimate the transfer to the conservation fund for land acquisition debt service by -$100 annually. 1987 Act 298 provided $2.5 million in SEG-supported bonding authority and reallocated $4.5 million in existing bonding authority to DNR to acquire land around the Chippewa Flowage in Sawyer County. 1989 Act 31 appropriated GPR to reimburse the conservation fund for the debt service related to the acquisition. The bonds issued to finance the purchase are expected to be retired in May, 2023. The bill would estimate SEG debt service and GPR reimbursement funding at $0 for the biennium. [See "Natural Resources -- Departmentwide."]

5. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND

GPR	- $1,000,000

Governor: Reestimate the disaster damage aids appropriation transfer to the transportation fund by -$1,000,000 in 2023-24.

2013 Wisconsin Act 20 established a GPR sum-sufficient appropriation to fund a transfer to the transportation fund in the second year of the biennium equal to the amount of disaster aid payments made during the biennium in excess of $1,000,000 for any single disaster event. Although the funding is only needed in the second year of each biennium, this funding is automatically included in the base funding for the first and second years of the next biennium. As a result, the first year of funding has to be removed during the biennial budget process. The current base level is $1,000,000. The Governor's recommendation would remove the 2022-23 base funding.

Other Miscellaneous Appropriation Changes

The description and fiscal effect of miscellaneous appropriation changes relating to Illinois-Wisconsin income tax reciprocity ($42,884,000) and oil pipeline terminal tax distribution ($5,920,200) are summarized under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

MISCELLANEOUS PROVISIONS

Budget Change Item

1. EXTREME RISK PROTECTION TEMPORARY RESTRAINING ORDERS AND INJUNCTIONS

Governor: Create an extreme risk protection temporary restraining order and extreme risk protection injunction, prohibiting a person from possessing a firearm if he or she is a danger to him/herself or others. The bill specifies that the intent of the provision is to implement a state crisis intervention court proceeding in the form of an extreme risk protection order program that is eligible for federal grants.

a. Extreme Risk Protection Temporary Restraining Orders and Injunctions - General. Establish a two-part procedure for an extreme risk protection injunction action. First, if the petitioner requests an extreme risk protection temporary restraining order, the court must issue or refuse to issue the order. If issued, the order must set a date for the injunction hearing, which must be within 14 days of issuing the temporary restraining order for the hearing on the injunction, and must forward a copy of the order, hearing date, and petition to the appropriate law enforcement agency. The law enforcement agency must immediately, or as soon as practicable, service it on the respondent or have the court order other appropriate service. If a temporary restraining order is not issued, the respondent must be served notice of the petition by a law enforcement officer or have the court order other appropriate service, and the date for the hearing must be set in motion. Service must include the name of the respondent and petition, and the date, time and place of the injunction hearing, if known. The date for the hearing must be set upon motion by either party. Second, the court must hold a hearing on whether to issue an injunction (the final relief).

Specify that an extreme risk protection order or injunction must include a statement that the order or injunction may be accorded full faith and credit in every civil or criminal court of the United States, any other state, and tribal courts, to the extent that the court has personal jurisdiction. In addition, specify that an extreme risk protection action must be filed in the county in which the case of action arose, or where the petitioner or respondent resides.

b. Petition and Service. Specify that no extreme risk protection temporary restraining order and injunction action may be commenced by complaint and summons (only by petition). Specify petition requirements for extreme risk protection restraining orders and injunctions. Provide that only a law enforcement officer or a family or household member of the respondent may file a petition. Require that the petition must allege specific facts to show: (a) the name of the petitioner and how the petitioner is a family or household member of the respondent (unless the petitioner is a law enforcement officer); (b) the name of the respondent; (c) that the respondent is substantially likely to injure him/herself, or another person if the respondent possesses a firearm; (d) information on the number, types, and locations of firearms possessed by the respondent; and (e) evidence of an immediate and present danger (increased by waiting for an injunction hearing), if requested a temporary restraining order. Specify that the Clerk of Circuit Court must provide simplified forms to assist a person in filing a petition. In addition, specify that a petitioner for an injunction that knowingly provides false information in the petition is subject to prosecution for false swearing (a Class H felony, a maximum sentence of three years confinement and three years extended supervision and/or a fine of up to $10,000).

c. Temporary Restraining Orders. Establish an extreme risk protection temporary restraining order, prohibiting the respondent from possessing a firearm and ordering the respondent to surrender all firearms in the respondent's possession if all of the following occur: (1) a petitioner files a petition containing the appropriate information and requesting a temporary restraining order. The petition must be heard by the court in an expedited manner and the petitioner and any witnesses may be examined under oath and may produce or rely on an a submitted affidavit; or (2) the judge finds all of the following: (a) substantial likelihood the petition will be successful; and (b) good cause that there is an immediate and president danger. If the petition is successful, the temporary restraining order remains in effect until a hearing is held and may not be renewed or extended. The order must inform the respondent named in the petition of the requirements and penalties related to a violation.

Upon issuance of a temporary order, either a law enforcement officer may require the respondent to immediately surrender all firearms in his or her possession, if the officer is able to serve the respondent with the order, or, order the respondent to surrender all firearms to a law enforcement officer or transfer or sell all firearms in his or her possession within 24 hours of service, if the officer is not able to serve the respondent with the order. Specify that the respondent must file with the court a receipt, containing certain information, indicating that the respondent's firearms were surrendered, transferred, or sold within 48 hours of service.

Under the bill, if the respondent does not comply with the requirements of an order issued to surrender firearms, or if a law enforcement officer has probable cause to believe that the respondent possesses a firearm, a law enforcement officer must request a search warrant to seize the firearms and may use information contained in the petition to establish probable cause. In addition, the court may schedule a hearing to surrender firearms for any reason relevant to the surrender of firearms.

d. Injunctions. Establish an extreme risk protection injunction prohibiting the respondent from possessing a firearm and, if the respondent was not subject to an extreme risk protection temporary restraining order, requiring the respondent to surrender all firearms in the respondent's possession if: (a) the petitioner files a petition and serves a copy or summary of the petition and notice of the injunction hearing time on the respondent, or the respondent serves a notice of the injunction hearing time on the petitioner; and (b) the judge finds by clear and convincing evidence that the respondent is substantially likely to injure him/herself or another person if the respondent possesses a firearm. Specify that the judge may enter an injunction only against the respondent named in the petition, and any issued injunction must inform the named respondent of possession of firearm requirements and penalties.

Under the bill, unless a judge vacates the extreme risk protection injunction, an injunction is effective for a period determined by the judge that is no longer than one year (although the court can extend an expired injunction, upon petition, for up to one additional year, if the judge finds the respondent is still substantially likely to injure him/herself or another person if the respondent possesses a firearm).

Specify that an injunction may be vacated upon written request by the respondent to a judge (one request during any injunction period). The petitioner must be notified of the request before it is considered, and the judge must vacate the injunction if the respondent demonstrates by clear and convincing evidence that the respondent is no longer substantially likely to injure him/herself or another person if the respondent possesses a firearm.

Provide that if an injunction is issued, extended, or vacated, the Clerk of Circuit Court must notify the Department of Justice of the action, and provide information concerning the effective period of the injunction or the date on which the injunction is vacated, along with information necessary to identify the respondent (this information may be disclosed only to: (a) a law enforcement agency for law enforcement purposes; or (b) to respond to a request to access firearm prohibition orders, for a firearms restrictions record search, or for a background check). The Clerk must also sent a copy of the injunction or order extending or vacating an injunction to the sheriff or to any other local law enforcement agency which is the central repository for injunctions, with jurisdiction over the petitioner's premises, within one business day after the injunction is issued, extended, or vacated. No later than 24 hours after receiving a copy of the issued, extended, or vacated injunction, the sheriff or law enforcement agency must enter the information into the transaction information for management enforcement system and make the information available to other law enforcement agencies. Specify that the information does not need to be maintained after the injunction is no longer in effect.

e. Modification of Court Procedure, Criminal Statutes, and Enforcement of Actions. Modify statutory language to add extreme risk protection orders: (a) to the time limits statutes for parties seeking a hearing de novo ("anew"); (b) to the list of actions for which a petitioner may combine with other actions, in certain circumstances; (c) to the list of orders for which a foreign protection order or modification with the same effect must be enforced; (d) to the list of actions circuit court commissioners have the power to hold hearings, make findings, and issue temporary orders on; (e) to the list of actions that must be extended in the case of needing a substitute judge; (f) to the list of statutes prohibiting firearm possession, used by the Department of Justice to conduct background checks to determine whether an applicant for a license to carry a concealed weapon is prohibited from possessing a firearm; and (g) to the list of orders for which a person subject to the order may not possess a firearm (or otherwise be subject to a Class G felony for possession of a firearm, a maximum sentence of five years confinement and five years extended supervision and/or a fine of up to $25,000).

f. Return of a Firearm. Specify that a firearm surrendered under extreme risk protection statutes cannot be returned until the respondent completes a petition and the judge or commissioner determines: (a) the temporary restraining order or injunction has been vacated or has expired and not been extended; and (b) the person is not prohibited from possessing a firearm under any state or federal law or order, other than the order relevant to the present petition. The judge or commissioner must use information maintained by law enforcement, identified above, to aid in their determination.

Specify that if a surrendered firearm is owned by a person other than the respondent, the owner may apply to the court for its return in the county in which the respondent is located. The court must order notice to be given to all persons who have or may have an interest in the firearm and must hold a hearing on all claims to the true ownership. The court must order the firearm returned, along with information on the requirements and penalties of straw purchasing firearms, if rightful possession is proved to the court's satisfaction.

Specify that the Director of State Courts is required to develop a petition for the return of firearms form that is substantially the same as the notice and process for firearm surrender form, available under current law.

g. *Definitions*. For the purposes of the extreme risk protections provisions, define "family or household member," to mean: (a) a person related by blood, adoption, or marriage to the respondent; (b) a person with whom the respondent has or had a dating relationship, or with whom the respondent has a child in common; (c) a person who resides with, or within the six months before filing a petition, had resided with, the respondent; (d) a domestic partner of the respondent as defined under state law; (e) a person who is acting or has acted as the respondent's legal guardian or who is or was a foster parent or other physical custodian of the respondent; or (f) a person for whom the respondent is acting or has acted as a legal guardian or for whom the respondent is or was the foster parent or other physical custodian. Use current law definitions of "firearms dealer" and "law enforcement officer" in conjunction with extreme risk protection injunctions.

Modify the statutory language to define "firearms restrictions record search" to mean a search of Department of Justice records to determine whether a person seeking to purchase a handgun is prohibited from possessing a firearm under possession of a firearm statutes, and require a search to determine whether a person is subject to an extreme risk protection order or injunction as prohibitive of firearm possession within the definition.

[Bill Sections: 2334, 2335, 2373, 2374, 2397, 2398, 3187, 3188, 3197 thru 3201, 3300, 9107(3), and 9427(1)]

2. GENDER-NEUTRAL STATUTORY REFERENCES

Governor: Modify current statutes by replacing all references to "husband" or "wife" with "spouse." Modify current statutes to make applicable to married persons of the same sex all provisions under current law that apply to married persons of different sexes, consistent with the U.S. Supreme Court decision *Obergefell v. Hodges*. Define "spouse" as a person who is legally married to another person of the same sex or a different sex.

Specify the ways in which married couples of the same sex may be the legal parents of a child, and with some exceptions, make current references in the statutes to "mother" and "father," and related terms, gender-neutral.

Adoption. Modify current law to expressly permit same sex spouses to jointly adopt a minor child. Under current law a husband and wife may jointly adopt a minor child. Further, expressly permit a same-sex spouse of a person who is the parent of a minor child to adopt the child and become the legal parent of the spouse's child.

Artificial Insemination. Specify that a same or opposite sex spouse may consent to the artificial insemination of their spouse and upon successful insemination become the natural parent of any child conceived from the procedure. Delete the requirement that artificial insemination occur under the supervision of a physician but specify that if the procedure is not supervised by a physician the semen used must have been obtained from a sperm bank. Under current law, a same or opposite sex spouse may consent to the artificial insemination of his or her wife, but while a husband would be considered the natural parent of any child conceived, a same sex spouse would not be automatically considered a natural parent. Further, under current law, the insemination must occur under the supervision of a licensed physician.

Marital Presumption of Paternity. Expand the legal marital presumption of paternity to become a legal marital presumption of parentage and apply that presumption to spouses of either sex. Under this provision, a person is presumed to be the natural parent of a child if he or she: (a) was married to the child's established natural parent when the child was conceived or born; or (b) married the child's established natural parent after the child was born but had a relationship with the established natural parent when the child was conceived and no person has been adjudicated to be the father and no other person is presumed to be the child's parent because he or she was married to the natural parent when the child was conceived or born. Modify the current law allowing for the rebuttal of the marital presumption of paternity, to allow a person to rebut the marital presumption of parentage by the results of a genetic test showing that the statistical probability of another person's parentage is 99.0 percent or higher. Specify that the marital presumption may be rebutted regardless of whether the presumption applies to a male or female spouse.

Voluntary Acknowledgement of Paternity. Expand voluntary paternity acknowledgements to allow for voluntary parentage acknowledgements. Permit both natural parents to sign a voluntary parentage acknowledgement and file it with the state registrar. If the state registrar receives such a statement, the two people who signed the statement are presumed to be the parents of the child. Specify that a statement acknowledging parentage that is not rescinded, in accordance with state law, conclusively establishes parentage with regard to the person who did not give birth to the child and who signed the statement. Under current law, the mother and a man may sign and file a statement acknowledging paternity in order for the man to become the presumed father of the child.

Modify current statutes by replacing a number of references to "biological parent" with the term "natural parent." Define "natural parent" to mean an individual who is the parent of a child who is not an adoptive parent, whether the parent is biologically related to the child or not. By replacing references to "biological parent" with "natural parent" additional rights are awarded to spouses who do not rebut the marital presumption of parentage, without requiring the non-biological parent to adopt the minor child. Additional rights are also awarded to non-biological parents who voluntarily acknowledge parentage. Under current law, these rights apply to parents and pertain to areas of the law including, but not limited to, education, medical information and decision-making, and parental responsibilities such as child support.

[Bill Sections: 626 thru 630, 632, 634, 759, 771 thru 774, 794, 821, 823 thru 825, 833 thru 841, 850, 869, 871 thru 880, 885, 991, 992, 1000 thru 1013, 1016, 1017, 1021, 1022, 1025, 1026, 1029, 1062 thru 1068, 1070, 1073, 1119, 1135, 1153, 1154, 1260 thru 1275, 1359 thru 1365, 1387, 1409, 1434, 1437, 1518, 1535, 1536, 1571, 1588, 1749 thru 1751, 1770, 1771, 1796, 1829, 1927, 2067 thru 2070, 2300, 2318, 2400, 2579, 2682, 3133, 3138 thru 3140, 3152 thru 3185, 3205 thru 3227, 3234, 3238, 3284, 3303 thru 3305, 3390 thru 3392, and 9151(1)]

3. QUARRY HOURS OF OPERATION

Governor: Prohibit a political subdivision from limiting the times that quarry operations may occur, if the materials produced by the quarry are to be used in a public works project that requires construction work to be performed during the night or an emergency repair. Specify that a "political subdivision" would mean a town, city, village, or county. Define the following:

(a) "Public works project" would mean a federal, state, county, or municipal project that involves the construction, maintenance, or repair of a public transportation facility or other public infrastructure, and in which nonmetallic minerals are used;

(b) "Quarry" would mean the surface area from which nonmetallic minerals (including soil, clay, gravel, and construction aggregate) that are used for a public works project, or a private construction or transportation project, are extracted and processed; and

(c) "Quarry operations" would mean the extraction and processing of minerals at a quarry and all related activities, including blasting, vehicle and equipment access to the quarry, and loading and hauling of material to and from the quarry.

[Bill Section: 1190]

NATURAL RESOURCES

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$94,500,100	$187,879,400	$99,744,300	$98,623,500	52.2%	222.52	225.52	225.52	3.00	1.3%
FED	90,230,800	94,503,700	94,321,800	8,363,900	4.6	531.34	527.34	526.34	- 5.00	- 0.9
PR	35,129,100	32,575,800	32,590,500	- 5,091,900	- 7.2	241.89	222.14	222.14	- 19.75	- 8.2
SEG	347,565,900	393,552,500	399,849,900	98,270,600	14.1	1,557.68	1,595.43	1,595.43	37.75	2.4
TOTAL	$567,425,900	$708,511,400	$626,506,500	$200,166,100	17.6%	2,553.43	2,570.43	2,569.43	16.00	0.6%
BR			$46,000,000							

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $51,200
FED	8,363,900
PR	- 1,022,900
SEG	7,544,200
Total	$14,834,000

Governor: Provide adjustments to the base budget as follows: (a) -$3,864,300 annually for reductions due to staff turnover (-$437,700 GPR, -$598,200 FED, -$125,300 PR, and -$2,703,100 SEG); (b) -$584,700 and -8.0 positions in 2023-24 (-$270,800 and -4.0 FED positions, -$158,300 and -2.0 PR positions, and -$155,600 and -2.0 SEG positions) and -$790,900 and -9.0 positions in 2024-25 (-$452,700 and -5.0 FED positions, -$182,600 and -2.0 PR positions, and -$155,600 and -2.0 SEG positions) for removal of non-continuing elements from the base; (c) $8,786,900 annually for full funding of continuing position salaries and fringe benefits ($847,900 GPR, $5,222,300 FED, -$233,000 PR, and $2,949,700 SEG); (d) $31,900 annually for reclassification and semi-automatic pay increases ($8,200 GPR, $5,400 FED, $9,300 PR, and $9,000 SEG); (e) $3,180,000 annually for overtime ($8,000 PR and $3,172,000 SEG); (f) $224,000 SEG annually for night and weekend differential pay; and (g) -$253,700 annually for full funding of leases and directed moves (-$444,000 GPR, -$85,800 FED, and $276,100 SEG).

2. LIMITED-TERM EMPLOYEE COMPENSATION

GPR	$118,000
SEG	2,903,200
Total	$3,021,200

Governor: Provide $1,510,600 ($59,000 GPR, $34,300 environmental SEG, and $1,417,300 conservation SEG) annually to fully fund limited-term employee (LTE) wages and fringe benefits. The provision would increase base level funding for LTE salaries by $1,205,000 ($47,100 GPR, $27,300 environmental SEG, and $1,130,600 conservation SEG), and base level fringe benefit allotments by $305,600 ($11,900 GPR, $7,000 environmental SEG, and $286,700 conservation SEG). The budget system would allot $42,600 conservation SEG to the supplies and services line, rather than the fringe benefit allotment. A modification would be needed to correct this. The table shows annual funding by subprogram and fund source.

Limited-Term Employee Compensation

	Salaries	Fringe Benefits	Total
GPR			
Environmental Management			
Water Quality	$47,100	$11,900	$59,000
SEG			
Fish, Wildlife and Parks			
Wildlife Management	$249,600	$63,300	$312,900
Southern Forests	69,600	17,600	87,200
Parks	180,700	45,800	226,500
Natural Heritage Conservation	82,200	20,800	103,000
Fisheries Management	314,200	79,700	393,900
Property and Recreation Management	66,600	16,900	83,500
Forestry	$116,900	$29,700	$146,600
Public Safety and Resource Protection	$8,100	$2,100	$10,200
Environmental Management			
Remediation and Redevelopment	$27,300	$7,000	$34,300
External Services			
Customer Service	$42,700	$10,800	$53,500
SEG Subtotal	$1,157,900	$293,700	$1,451,600
Total	$1,205,000	$305,600	$1,510,600

3. DEBT SERVICE REESTIMATE

GPR	$4,552,300
SEG	118,800
Total	$4,671,100

Governor: Provide $3,048,200 ($4,355,000 GPR and -$1,306,800 SEG) in 2023-24 and $1,622,900 ($197,300 GPR and $1,425,600 SEG) in 2024-25 to reestimate debt service payments on bonds issued for various DNR programs, as shown in the following table:

DNR Debt Service Reestimates -- Governor

		2023-24		2024-25	
	Base	Change to Base	Reestimate	Change to Base	Reestimate
GPR					
Stewardship and predecessors	$52,670,000	$4,564,900	$57,234,900	$517,800	$53,187,800
Combined sewer overflow	278,500	-79,700	198,800	-237,600	40,900
Municipal clean drinking water grants	2,300	-800	1,500	-2,000	300
Administrative facilities	537,200	-129,400	407,800	-80,900	456,300
GPR Subtotal	$53,488,000	$4,355,000	$57,843,000	$197,300	$53,685,300
SEG					
Conservation Fund					
Dam repair and removal	$135,100	-$72,600	$62,500	-$66,700	$68,400
Administrative facilities	6,511,400	-89,700	6,421,700	631,300	7,142,700
Land Acquisition	100	-100	0	-100	0
Recreation Development	0	81,100	81,100	115,100	115,100
Conservation Fund SEG Subtotal	$6,646,600	-$81,300	$6,565,300	$679,600	$7,326,200
Environmental Fund					
Remedial action	$1,346,900	$86,800	$1,433,700	$416,600	$1,763,500
Contaminated sediment cleanup	1,955,200	-20,500	1,934,700	54,200	2,009,400
Rural nonpoint source grants - priority watershed program	3,473,300	-787,300	2,686,000	-1,359,200	2,114,100
Rural nonpoint source grants - targeted runoff management	2,676,600	318,600	2,995,200	2,193,200	4,869,800
Urban nonpoint source	3,219,800	-150,900	3,068,900	707,300	3,927,100
Water pollution abatement	1,504,100	-605,100	899,000	-1,260,300	243,800
Administrative facilities	1,199,800	-67,100	1,132,700	-5,800	1,194,000
Environmental Fund SEG Subtotal	$15,375,700	-$1,225,500	$14,150,200	$746,000	$16,121,700
SEG Total	$22,022,300	-$1,306,800	$20,715,500	$1,425,600	$23,447,900
All Funds Total	$75,510,300	$3,048,200	$78,558,800	$1,622,900	$77,133,200

4. DOCUMENT DIGITIZING

GPR	$1,575,600

Governor: Provide one-time funding of $723,700 in 2023-24 and $851,900 in 2024-25 to convert DNR paper records into digital format. The Administration indicates that funding would be utilized to lease scanner machines and hire LTEs to scan and organize records.

5. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$215,800
SEG	4,255,800
Total	$4,471,600

Governor: Provide $107,900 GPR and $2,127,900 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. The table below depicts additional annual funding recommended by DNR division, program or appropriation, and fund source.

DNR Supplies and Services Annual Funding Increase

	Amount by Fund Source				
Appropriation/Program Area	GPR	Conservation SEG	Environmental SEG	Other SEG	Total Adjustment
Fish, Wildlife, and Parks					
Wildlife management		$184,000			$184,000
Fisheries management		234,700			234,700
Southern forests		42,500			42,500
Parks		138,000			138,000
State snowmobile trails and areas		10,000			10,000
State all-terrain vehicle areas		28,900			28,900
Forestry					
Forestry		573,900			573,900
Forestry curriculum		17,500			17,500
Public Safety and Resource Protection					
Boat enforcement and safety		28,700			28,700
All-terrain vehicle enforcement		21,200			21,200
General program operations	$5,500	188,900	$10,700		205,100
Environmental Management					
Drinking and Groundwater	2,300		25,200		27,500
Water Quality	11,700		5,600		17,300
Air Management			300		300
Waste and Materials Management	1,900		2,400		4,300
Remediation and Redevelopment	2,500		4,800		7,300
Division Management	1,000		11,100		12,100
Nonpoint Source Administration			700		700
Recycling Administration			9,300		9,300
Internal Services					
Administration		6,500	300		6,800
Legal Services	100	3,500	900	300	4,800
Finance	3,500	76,800	20,100		100,400
Management and Budget		1,600			1,600
Facility and Property Services		24,400			24,400
Information Technology	1,900	9,600	4,000	1,200	16,700
Human Resources	9,600	91,600	2,200		103,400
Division Management	2,400	46,100	27,700		76,200
Rent Costs	42,300	114,500	66,000	59,200	282,000
External Services					
Watershed Management	7,100		20,000		27,100
Waterways and Wetlands	6,900				6,900
Office of Communications	100		2,300	100	2,500
Community Financial Assistance	700		300		1,000
Environmental Analysis and Sustainability	6,200		4,600	900	11,700
Division Management	500			500	
Customer Service	1,700		300		2,000
Animal Feeding Operations			3,300		3,300
Water Resources -- Public Health		1,200			1,200
Totals	$107,900	$1,844,100	$222,100	$61,700	$2,235,800

6. EQUITY OFFICER POSITION

	Funding	Positions
SEG	$177,100	1.00

Governor: Provide $77,500 in 2023-24 and $99,600 in 2024-25 from conservation SEG with 1.0 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 (DOA) and with other agency equity officers to identify opportunities to advance equity in government operations. [See "Administration -- General Agency Provisions."]

7. SNOWMOBILE AUTOMATED REPORTING SYSTEM MAINTENANCE

SEG	$20,000

Governor: Provide $10,000 conservation SEG annually to fund routine maintenance to the Snowmobile Automated Reporting System (SNARS). SNARS provides publicly accessible, real-time data on the conditions and grooming status of the state's network of snowmobile trails. DNR relies on counties to report trail conditions and grooming activity and to provide geographic information systems (GIS) data on county trails to SNARS. Additionally, SNARS provides an interface for counties to report volunteer hours, grant expenses, and to seek reimbursement for trail maintenance and grooming. The bill would increase base level for snowmobile aids administration to fund estimated contract expenses to maintain the system and provide technical support.

8. OFF-HIGHWAY MOTORCYCLE REESTIMATE

SEG	$39,800

Governor: Reestimate off-highway motorcycle (OHM) revenues by $19,900 annually. All OHM registration revenues are deposited in the state transportation fund. An annual transfer equal to the total amount of OHM registration fees received by the Department of Transportation (DOT) in the previous fiscal year is made from a sum sufficient GPR appropriation to the OHM account of the SEG conservation fund. The OHM transfer and other OHM revenues, such as nonresident trail passes, may be used to acquire, develop, and maintain OHM trails and recreations facilities. The bill would estimate the transfer at $80,000 in each year of the biennium.

9. SOLAR ENERGY REVIEW STAFFING

	Funding	Positions
PR	$145,100	1.00

Governor: Provide $62,800 in 2023-24 and $82,300 in 2024-25 and 1.0 four-year project position in the External Services Bureau of Environmental Analysis and Sustainability for solar energy review. The Administration indicates that the position would assist with reviewing and permitting an anticipated increase in solar energy projects that would be supported by an interagency funding agreement with the Public Service Commission (PSC).

10. TRANSPORTATION PROJECT REVIEW STAFFING

	Funding	Positions
PR	$145,100	1.00

Governor: Provide $62,800 in 2023-24 and $82,300 in

2024-25 with 1.0 position for transportation project review. The Administration anticipates increases in transportation infrastructure funding from the Bipartisan Infrastructure Law (BIL), requiring environmental reviews beyond current workload. The position would be permanent, replacing a current LTE appointment, which the Administration indicates has experienced high turnover due to its impermanence.

11. TRANSPORTATION PERMIT DATABASE

SEG	$200,000

Governor: Provide $150,000 in 2023-24 and $50,000 in 2024-25 from the environmental management account of the environmental fund to contract information technology (IT) services to develop and maintain a transportation permit database. The Administration indicates that the database would support the DNR-DOT cooperative agreement that has been in effect since 1976, by tracking and reporting project milestones and program metrics, and by centralizing records for improved staff access.

12. TRIBAL RELATIONS PILOT PROGRAM

GPR	$25,000

Governor: Provide $25,000 in 2023-24 as one-time funding for a tribal relations pilot program. The administration reports that the program would develop a DNR database for tribal officials to submit requests and file concerns with the Department.

13. EXTERNAL SERVICES REALLOCATION

	Funding	Positions
GPR	$128,600	0.00
PR	- 348,000	- 2.00
SEG	219,400	2.00
Total	$0	0.00

Governor: Convert 2.0 PR waterways positions and $174,000 PR annually to GPR. Additionally, convert 2.0 GPR customer service positions to conservation SEG. The difference in salary and fringe benefits for the positions result in net increase in GPR funding of $64,300 annually. DNR indicates that funding for the 2.0 PR waterways positions, transferred by DOA from the federal Coastal Zone Management program, has decreased and cannot support the positions.

14. INFORMATION TECHNOLOGY POSITIONS TRANSFER

Governor: Transfer 13.0 information and technology services positions and funding from various programs, shown in the following table, to the technology services program in the Division of Internal Services. While some positions would be transferred between appropriations rather than reallocated within appropriations, no positions would be transferred between fund sources. All amounts are on an annual basis.

Information Technology Positions Transfer -- Governor's Recommendation

Program	Positions	Fund Source	Amount
Forestry	3.00	SEG	$460,100
Air Management	2.00	PR	192,600
External Services Division Management	1.00	SEG	156,400
Customer Outreach	1.00	SEG	156,400
Environmental Management Division Management	1.00	PR	155,200
Fish, Wildlife, & Parks Division Management	1.00	SEG	155,200
Finance	0.50	SEG	51,700
	0.50	FED	51,600
Southern Forests	1.00	SEG	89,200
Waterways and Wetlands	1.00	GPR	89,200
Remediation and Redevelopment	1.00	GPR	82,300
Total	13.00		$1,639,900

15. TRANSFERS WITHIN APPROPRIATIONS

Governor: Transfer positions and funding between budgetary subprograms or budgetary purposes within the same appropriation as described in the following paragraphs to reflect current allocations of program funding and responsibilities in the division indicated.

Environmental Management. Move 0.46 petroleum inspection fund SEG position from drinking and groundwater to remediation and redevelopment to correct a discrepancy between the state human resources management and budget systems.

External Services. Move 1.0 GPR section leader position from waterways to external services leaders to align the position within division leadership. Transfer 1.0 PR position from waterways and wetlands to environmental analysis and sustainability.

Parks

1. PARK AND FOREST DEVELOPMENT AND MAINTENANCE

GPR	$3,613,400
SEG	18,191,800
Total	$21,805,200

Governor: Provide $11,402,600 ($1,806,700 GPR and $9,595,900 conservation SEG) in 2023-24 and $10,402,600 ($1,806,700 GPR and $8,595,900 SEG) in 2024-25 for state park, forest, and recreation area maintenance and development. The $10.4 million in 2024-25 would be added to the agency base in continuing appropriations. $1,500,000 SEG would be provided as one-time funding in a continuing appropriation in 2023-24. The bill would fund projects on the parks and forest maintenance backlog.

2. CAMPSITE ELECTRIFICATION

SEG	$2,925,000

Governor: Increase the statutory cap on the percent of state park campsites that may be electrified from 35% to 40%. Provide $2,925,000 conservation SEG as one-time funding in 2024-25, including $1,316,300 from the parks account and $1,608,700 from the forestry account, to provide electrical service to sites. DNR estimates that it costs $8,500 to electrify each site. However, this amount is projected to rise to $14,400 per site by the end of the 2023-25 biennium under the current inflationary environment. Therefore, the bill would fund electrification for approximately 200 additional sites.

Under current law, no more than 35% of campsites in state parks may have electrical outlets. There are 3,956 campsites in state parks; 34.8%, 1,378, are electrified. Under current law, DNR may electrify an additional seven sites before the cap is met. The bill would allow an additional 198 sites to be electrified. Campsite reservations for electrified sites cost between $10 and $15 more than for non-electrified sites.

[Bill Section: 608]

3. PARKS LIMITED-TERM EMPLOYEE STAFFING

SEG	$2,191,000

Governor: Increase general operations funding for state parks and recreational areas by $1,095,500 annually. The bill would provide an additional $1,000,700 annually for LTE salaries and fringe benefits in property and recreation management. The Administration reports that these funds would be used to hire additional LTEs and custodial contractors to work on education initiatives, maintenance and operations, and customer service. DNR has experienced recruitment and retention issues in recent years as LTE funding and compensation have risen slower than market wage rates. Since 2020, state parks and recreation areas have seen rapid growth in attendance, putting stresses on existing staff and facilities. The bill would also provide $94,800 annually for LTE salaries and fringe benefits for parks interpretive staff.

4. PARKS UTILITY FUNDING

SEG	$872,500

Governor: Provide $431,900 in 2023-24 and $440,600 in 2024-25 for parks and southern forests general program operations to reflect increased utility costs. DNR reports that rising costs for water, gas, electricity, and cellular service have raised utility costs at state parks. The provision is intended to account for increased costs that could otherwise require reallocating funding from other parks program areas.

5. PARKS MAINTENANCE EQUIPMENT

SEG	$700,000

Governor: Provide $350,000 conservation SEG annually, including $100,000 from the forestry account and $250,000 from the parks account, to provide funding for a multi-year maintenance equipment replacement effort. Funding would be used to replace outdated lawnmowers, tractors, skid loaders, and ATVs used by parks personnel. The bill would increase base level funding to allow DNR to replace outdated equipment as needed.

6. PARKS TECHNOLOGY UPGRADES

SEG	$363,800

Governor: Provide $181,900 conservation SEG annually, including $43,700 from the forestry account and $138,200 from the parks account, to upgrade technology in parks and southern forests. The bill would provide $152,500 as one-time funding in each year, including $36,600 from the forestry account and $115,900 from the parks account, to acquire new credit card readers. The bill would also increase the supplies and services allotment by $29,400 annually, including $7,100 from the forestry account and $22,300 from the parks account, to fund security software licenses for the new credit card readers.

7. PROPERTY-SPECIFIC FUNDING

SEG	$292,700

Governor: Increase SEG general operations funding for state parks and recreational areas, southern forests, and wildlife management areas by $148,200 in 2023-24 and $144,500 in 2024-25 to provide additional funding for specific properties. The funds would increase LTE salary, fringe benefits, and supplies and services allotments for six properties and would provide one-time financing to construct an entrance sign at Lizard Mound State Park. The following table shows how funding would be allocated to each property under the bill.

Property-Specific Funding

Property	2023-24	2024-25
Lizard Mound State Park	$21,300	$17,800
Menominee River State Recreation Area	12,000	12,000
Sauk Prairie State Recreation Area	39,000	39,100
Mazomanie Bottoms State Natural Area	28,000	28,000
Brule River State Forest	17,800	17,800
Ice Age Trail	30,100	29,800
Total	$148,200	$144,500

8. FREE FOURTH-GRADE ADMISSION TO STATE PARKS

GPR	$487,200
SEG	- 487,200
Total	$0

Governor: Authorize the issuance of a waiver for the annual state resident park and forest vehicle admission fee to the parent or guardian of a Wisconsin fourth-grade student, beginning January 1, 2024. Create a sum-sufficient GPR appropriation equal to the value of the waivers issued in a given fiscal year to be used for parks operations. Estimate GPR parks operations at $243,600 in each year of the biennium, equal to 8,700 waivers of the normal $28 annual resident vehicle admission fee. Delete $175,400 annually for parks operations from the parks account of the conservation fund and $68,200 annually from the forestry account for forestry operations.

Under the bill, a parent or guardian of a fourth-grade student in a Wisconsin public, private, or home school could apply for a waiver of the annual resident parks vehicle admission fee for a single vehicle, except a motor bus. The bill would require that an application include: (a) the child's name and date of birth; (b) the name of the school the child is or will be attending, or a certification that the child is in a home-based private education program; (c) a certification that the child is, was, or will be a fourth-grade pupil on the January 1 of the calendar year for which the fee waiver is issued. Evidence of fourth-grade enrollment could include report cards, verified enrollment forms, a dated letter from the school on official letterhead, or other proof DNR may accept. The bill would authorize one fourth-grade fee waiver per household, regardless of how many children are in the family.

[Bill Sections: 352, 607, and 9432(4)]

9. OPEN THE OUTDOORS

SEG	$330,000

Governor: Provide $165,000 annually, including $39,800 from the forestry account and $125,200 from the parks account, to provide accessible outdoor recreational facilities and programming in state parks, forests, and recreational areas. The funding would provide $50,900 annually for LTE salaries and fringe benefits to allow DNR to hire American sign language interpreters to work in state parks. In addition, the bill would provide $114,100 annually for supplies and services, which would fund accessibility equipment for trails, boat launches, and other parks facilities, as well as to improve signage for visually impaired parks visitors.

10. ONLINE VEHICLE ADMISSION FEES

SEG	$676,000

Governor: Create a continuing appropriation from which DNR may pay the costs associated with online sales of parks and forests vehicle admission stickers. Provide $338,000 conservation SEG annually, including $94,600 from the forestry account and $243,400 from the parks account to the appropriation.

Beginning in May, 2020, DNR began offering annual state park admission stickers online through a website called Your Pass Now. Your Pass Now offers resident annual admission stickers, nonresident annual admission stickers, senior citizen annual admission stickers, and reduced-rate admission stickers to persons who also purchase a full-priced admission sticker in the same transaction. Your Pass Now was developed by NIC Wisconsin at no upfront cost to the state. Rather, NIC Wisconsin receives $1.50 for each transaction processed by the Your Pass Now System. These fees must be paid by DNR through its general operations appropriations. Under current law, the Department does not receive dedicated revenues, such as from statutory issuing fees, for this purpose. In addition to transaction costs, DNR must pay fulfillment fees to DOA for printing and mailing stickers to purchasers.

[Bill Section: 353]

11. EMINENT DOMAIN FOR STATE TRAILS

Governor: Allow DNR and local governments to use condemnation to acquire land for state trails. Current law prohibits state entities from using eminent domain to establish or extend a recreational trail, bicycle lane, or other bicycle way. Under current law and the bill, any use of condemnation would require approval by appropriate standing committees of the Legislature, as determined by the presiding officer in each house. [See "Transportation -- Local Transportation Assistance."]

[Bill Sections: 571, 606, 609 thru 613, 637, 641, 1155, 1159, 1165, 1166, 1169 thru 1172, 1690, 3387 and 9351(5)]

Forestry and Stewardship

1. PUBLIC FOREST REGENERATION GRANTS

SEG	$1,335,000

Governor: Create a grant program for reforestation and forest regeneration on non-DNR public lands, including those owned by local governments, school districts, counties, and state agencies other than DNR. Provide $667,500 forestry SEG annually, including $600,000 for grant awards and $67,500 to hire two LTE to administer the program.

The Administration notes that the public forest regeneration grants would assist local governments in meeting a goal of planting 75 million trees in the state by 2030, which was established by Executive Order 112 in 2021. The grants would support communities to regenerate understories in public forest stands to improve forest health and sustainability. LTEs hired with the funding would provide technical assistance to local governments with tree-planting plans.

[Bill Sections: 368 and 616]

2. TREE PLANTING ON STATE-OWNED LAND

SEG	$790,000

Governor: Provide $395,000 forestry SEG annually for tree-planting projects on state-owned lands. Funding would increase forestry general operations funding for LTE salaries and fringe by $45,000. The Administration reports that one LTE would be hired to administer tree-planting funds. Additionally, the bill would provide $250,000 annually for supplies and services, which would be used to prepare DNR-owned farm lands and fields for afforestation. Funding would be used to convert approximately 60 acres of DNR-owned fields and farmland to forest land annually, a process which costs an estimated $800 per acre. Funding would also be used to conduct intermediate treatments on 500 acres of DNR-owned lands each year. Intermediate treatments are used to tend to a forest after initial tree-stand regeneration but before a stand is ready for harvest. The Administration estimates that these treatments cost $400 per acre. An additional $100,000 would be provided for grants to state agencies to prepare lands for afforestation.

3. STATE NURSERY OPERATIONS

	Funding	Positions
SEG	$627,800	2.00

Governor: Provide 2.0 positions annually and $286,200 forestry SEG in 2023-24 and $341,600 forestry SEG in 2024-24 to increase seedling production at state nurseries. Positions would be funded at $166,200 for salaries and for fringe benefits in 2023-24, and $221,600 for salaries and for fringe benefits in 2024-25. In addition, the bill would provide $120,000 annually to purchase supplies for seed and seedling production, such fertilizer, pesticides, and utilities.

DNR's reforestation program operates tree nurseries, at Boscobel, Hayward, and Wisconsin Rapids. The Boscobel nursery produces and distributes seedlings (trees and wildlife shrubs) used for reforestation and conservation purposes. The Hayward and Wisconsin Rapids nurseries are used for tree improvement, reforestation field trials, seed orchard production and breeding, seed processing and storage, and as seedling distribution centers. DOA reports that 1.0 position would be hired to work at the Hayward nursery and 1.0 would be hired at the Wisconsin Rapids nursery.

4. FISH, WILDLIFE AND FORESTRY RECREATION AIDS

SEG	$256,600

Governor: Increase funding for fish, wildlife and forestry recreation aids by $128,300 forestry SEG annually, from $112,200 to $240,500. Under the program, counties may apply for grants for the development of wildlife habitat and for outdoor recreational facilities on county forestlands. County funding for habitat projects is limited to 10¢ for each acre registered as county forestland; however, funds that remain unallocated as of March 31 of each year may be allotted to any county, as long as the total received does not exceed 20¢ per acre registered as county forest.

5. URBAN FORESTRY GRANTS

SEG	$950,000

Governor: Increase funding for urban forestry grants by $475,000 forestry SEG in each year of the biennium, from $524,600 to $999,600. Under the urban forestry grant program, the Department awards grants to cities, villages, towns, counties, tribal governments and nonprofit organizations for up to 50% of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. DNR may also award grants under the urban forestry grant program to counties, cities, villages, towns, nonprofit organizations, and tribal governments for the costs of removing, saving, and replacing trees that have been damaged by catastrophic storm events in urban areas.

6. PRIVATE FOREST LANDOWNER GRANT

SEG	$620,000

Governor: Provide $310,000 forestry SEG annually to increase funding for private forest landowner grants. Of this amount $250,000 would be allocated to private forest landowner grants and $60,000 would be allocated to weed management area grants, a subprogram of the private forest land owner grant.

The private forest landowner grant program provides grants for the costs of developing and implementing forest stewardship management plans by owners of 500 acres or less of nonindustrial private forest land in the state. Management plans are required to contain practices that protect and enhance: (a) soil and water quality; (b) endangered, threatened or rare forest communities; (c) sustainable forestry; (d) habitat for fish and wildlife; and (e) the recreational, aesthetic and environmental benefits that the forest land provides. Additionally, the program funds weed management area grants, which may be awarded to weed management groups for projects that would respond to and control terrestrial invasive species. DNR administers the programs with grants up to 50% of project costs; by administrative rule, the state share of costs may be up to 75% and not to exceed $10,000. The programs have base funding of $1,147,900 in each year of the 2021-23 biennium. The bill would increase this to $1,457,900 each year.

7. COUNTY SUSTAINABLE FORESTRY AND COUNTY FOREST ADMINISTRATOR GRANTS

SEG	$500,000

Governor: Create a new appropriation for county forest administrator grants. County forest administrator grants provide aids to counties for up to 50% of the salary and fringe benefit costs of a county forest administrator or assistant administrator. Under current law, these aids are funded through the same appropriation as county sustainable forestry grants. County sustainable forestry grants provide counties with funding to implement sustainable forestry projects on county forestland. The bill would separate these two grants into dedicated appropriations.

Additionally, provide $50,000 in each year of the biennium for county forest sustainability grants and $200,000 in each year for county forest administrator grants. Base funding for administrator grants is $1,285,900. As introduced, the bill would not transfer base funding to the new appropriation. Rather, the bill would set funding for administrator grants under the new appropriation at $200,000 each year. Base funding for county sustainable forestry grants is $328,000. The bill would increase the amount available for these grants to $1,663,900 each year.

[Bill Sections: 363, 369, 614, and 615]

8. FORESTRY OUTREACH

	Funding	Positions
SEG	$195,000	1.00

Governor: Provide 1.0 position annually and $84,200 forestry SEG in 2023-24 and $110,800 forestry SEG in 2024-25 for an outreach officer. The position is intended to develop communications and public relation strategies toward groups that have traditionally had less access to the outdoors and environmental education.

9. FORESTRY PUBLIC SAFETY

SEG	$957,600

Governor: Provide $807,600 forestry SEG in 2023-24 and $150,000 in 2024-25 to acquire and upgrade fire suppression equipment. The bill would increase the forestry general operations base budget allotment for supplies and services by $150,000 annually, as well as provide $657,600 in one-time funding in 2023-24 to purchase public safety equipment for DNR forestry division employees. Funding would be used to acquire fire shelters, boots, hard hats, automated external defibrillators (AEDs), and other safety equipment.

10. FORESTRY INDUSTRYWIDE STRATEGIC PLAN

SEG	$775,000

Governor: Provide $775,000 as one-time funding in 2023-24 in a new continuing appropriation to conduct a forestry industry strategic plan, including a "road map" to accomplish strategic objectives established by the plan. Funding would support the development of a report, conducted by outside consultants under the guidance of the Council on Forestry, that would identify methods of improving coordination, partnerships, and collaboration in the state's forest products industry. The report would also identify new markets for the state's forest products. The report would be due to the Council on Forestry by September 16, 2024.

[Bill Sections: 356 and 9132(10)]

11. FORESTRY MILL RATE REESTIMATE

Governor: Reestimate the transfer from the general fund to the forestry account of the conservation fund by $25,958,700 in 2023-24 and by $19,958,700 in 2024-25. 2017 Act 59 replaced the state forestry mill tax with a sum-sufficient appropriation from the general fund equal to the value of the tax, or 0.1697 mills for each dollar of the assessed valuation of taxable property in the state (16.97¢ per $1,000). Funds are transferred to the forestry account for the purposes of acquiring, preserving and developing the forests of the state. The bill budgets the transfers at $141,500,000 in 2023-24 and at $135,500,000 in 2024-25. [See "Shared Revenue and Tax Relief -- Forestry Mill Rate."]

12. STEWARDSHIP ANNUAL TRANSFER FROM THE FORESTRY ACCOUNT

Governor: Amend two conservation SEG appropriations that fund land acquisition under the Warren Knowles-Gaylord Nelson Stewardship program to limit transfers into the capital improvement fund such that the amount held in the fund for the stewardship program is no more than $8,000,000 in a given year. 2021 Act 58 reauthorized the stewardship program for a four-year period, beginning in 2022-23. The Act authorized DNR to obligate up to $33.25 million annually, including $25.25 million in bonds, which may be used for property development, local assistance, Ice Age Trail land acquisitions, and recreational boating aids.

Additionally, $8 million, including $5 million for Department land acquisitions and $3 million for grants to counties to acquire forestland, is transferred each year from forestry SEG to the capital improvement fund. Under Act 58, the transfer must be made regardless of the amounts obligated under each land acquisition subprogram. The bill specifies that no more than $8 million may be held in the capital improvement fund subaccount for the stewardship program. The annual transfer from each appropriation would be reduced proportionally so that no more than $8 million is held within the stewardship subaccount in a given year.

[Bill Sections: 366, 367, 574 and 575]

13. STEWARDSHIP REVIEWS BY JOINT COMMITTEE ON FINANCE

Governor: Increase the threshold for Joint Committee on Finance review of stewardship grants and acquisitions from $250,000 to $500,000. In addition, repeal the requirement that all projects north of Highway 64 be subject to review.

Under current law, all stewardship projects of $250,000 or over, and any fee-simple acquisition north of state Highway 64, are subject to a 14-day passive review by the Joint Committee on Finance. The $250,000 threshold includes projects or activities that are closely related and would collectively meet the passive review requirement. After DNR has submitted a project request, the Committee has 14 working days to review the request. If, within that time period, the Co-Chairs do not notify DNR that a meeting has been scheduled, DNR may proceed with the project. If the Co-Chairs schedule a meeting, a majority vote is required to approve or amend the proposal.

[Bill Sections: 576 thru 578]

14. STEWARDSHIP PUBLIC ACCESS DIRECTORY

Governor: Repeal the requirement that DNR publish a directory of stewardship public access lands. Under current law, DNR is required to produce a written directory of all publicly accessible stewardship lands at least every two years. The bill would delete this requirement. While DNR would not be required to produce a written directory, a statutory requirement that DNR provide an online searchable map of public-access stewardship lands would not be affected by the bill.

[Bill Sections: 572 and 573]

Fish, Wildlife, and Natural Heritage Conservation

1. INLAND WATERS TROUT STAMP AND TROUT HABITAT DEVELOPMENT

SEG	$424,800
SEG-REV	$795,000

Governor: Raise the fee for the inland waters trout stamp by $5, from $10 to $15 (including the 25¢ issuing fee), effective April 1, 2024. The inland waters trout stamp is required of anyone fishing for trout in inland waters. Revenues raised by the inland trout stamp are used to improve and maintain trout habitat and conduct trout surveys in inland trout waters. In 2021-22, sales of the inland trout stamp raised $1,872,800 in revenue. DOA estimates that the increased fee would raise revenues to the stamp appropriation by $795,000 annually once in effect.

Additionally, provide $227,700 in 2023-24 and $197,100 in 2024-25 from the stamp appropriation for trout habitat development. This would include $39,500 in 2023-24 and $52,700 in 2024-25 to the inland waters trout stamp-funded appropriation to fund 1.0 position that would work on trout stream conservation planning. While funding for the trout development position would be provided to the appropriation, the bill would need to be amended to move 1.0 position from the fish, wildlife and parks general program operations appropriation to the inland water trout stamp-funded appropriation.

Funding would also include $59,700 annually for LTE salaries and $44,500 for supplies and services. DOA reports that this funding would be used to hire three LTEs to assist locally-led streambank protection efforts. Provide $50,000 in 2023-24 as one-time funding to upgrade the Department's streambank protection database.

[Bill Sections: 632 and 9432(5)]

2. GREAT LAKES RESEARCH VESSEL MAINTENANCE

SEG	$196,000

Governor: Provide one-time funding of $196,000 fish and wildlife SEG in 2023-24 for maintenance of DNR's great lakes research vessels. The Department owns three research vessels, located in Lake Michigan, Lake Winnebago, and Lake Superior. The vessels were built in 2010, 1975, and 1946, respectively. They are used to collect data on Great Lakes fish populations that informs DNR's fish stocking efforts. The funding would be used to upgrade electronics, rebuild engines, and perform other maintenance and reconstruction on the ships' bodies. DNR estimates that the funding would extend the useable lives of the ships by between 25 and 40 years.

3. DEER CARCASS DISPOSAL GRANTS

SEG	$1,100,000

Governor: Provide one-time funding of $1,000,000 fish and wildlife SEG in 2023-24 in a continuing appropriation to provide grants to local governments, businesses, or nonprofit conservation organizations for the acquisition of receptacles for the disposal of deer carcasses. Additionally, provide $50,000 annually in ongoing general program operations funding for educational programming related to chronic wasting disease (CWD).

CWD is a fatal neurological disease in cervids such as deer and elk. The disease is communicable through deformed prions that can pass to other cervids through saliva, urine, or blood. Prions shed by infected animals also are thought to persist in soils, although infectivity and the length of prion viability is still being researched. The provision is intended to provide additional secured options for disposing of a deer carcass and entrails, rather than leaving the carcass at the site of field dressing and risking the spread of prions from infected carcasses or tissues.

[Bill Sections: 364 and 618]

4. NONRESIDENT DEER HUNTING LICENSE

SEG-REV	$643,800

Governor: Raise the fee for the nonresident deer hunting license by $25.00 from $157.25 to $182.25, effective April 1, 2024. In addition to the license fee, nonresident deer hunters are assessed the $2 wildlife damage surcharge and a $0.75 issuing fee. Under the bill, the total fee for nonresident deer hunting licenses would rise from $160 to $185. The Administration estimates that the increased fee would raise an additional $643,800 for the fish and wildlife account of the SEG conservation fund each year once in effect. In 2021-22, sales of nonresident deer hunting licenses raised $4,279,000.

Deer hunting licenses are a primary source of revenue to the fish and wildlife account. Resident, nonresident, and reduced rate (such as senior and first-time buyer) deer hunting licenses are deposited in the balance of the fish and wildlife account and fund general account expenditures, such as wildlife program operations and county conservation aids.

[Bill Sections: 631 and 9432(6)]

5. SPORTING LEAD-FREE

GPR	$50,000

Governor: Provide one-time funding of $50,000 in 2023-24 to develop a program to promote the use of lead-free ammunition. The program would focus on communication and outreach. Lead is a toxic metal that can cause developmental delays in people and damage the nervous systems of wild animals. Lead poisoning in animals can often lead to death. In recent years, federal rules have restricted the use of lead shot on federal refuges and for pursuit of certain species of game bird.

6. RESIDENCY VERIFICATION

Governor: Allow Wisconsin residents purchasing hunting and fishing licenses, authorizations, and stamps to prove state residency using an identification card issued by DOT. Under current law, Wisconsin residents pay a lower price for hunting and fishing authorizations than nonresidents. To establish residency, purchasers must show they have maintained a permanent residence in Wisconsin for at least 30 days. Purchasers can demonstrate Wisconsin residency using a Wisconsin driver's license, utility bill, voting records, or income tax records. The bill would expand the categories of proof of residency to a non-driver identification card issued by DOT.

[Bill Section: 617]

7. LAC DU FLAMBEAU APPROVAL FEES

Governor: Amend a tribal gaming PR appropriation for payments to the Lac du Flambeau Band of Lake Superior Chippewa for fishing license approvals sold on the tribe's reservation to allow the appropriation's unencumbered balance to lapse to the general fund on June 30 of each odd-numbered fiscal year. Tribal gaming revenues are allocated to 48 purposes annually. Most tribal gaming appropriations lapse their unencumbered balance to the general fund at the close of each fiscal year. The bill would amend the Lac du Flambeau license approvals appropriation to allow it to lapse, similar to other tribal gaming appropriations. As of June 30, 2022, the appropriation had an unencumbered balance of $507,000.

Current law authorizes DNR to remit an amount equal to the fees collected for certain fishing licenses sold within the Lac du Flambeau reservation to non-tribal members on behalf of DNR to the Lac du Flambeau band from tribal gaming PR. However, under s. 29.2295(5) of the statutes, to receive the approval fees, the tribe must have an agreement with DNR that requires the tribe to use the fees only for reservation fishery management, and that limits tribal members' use of off-reservation fishery rights. DNR has not had such an agreement with the tribe since 2013.

[Bill Section: 379]

8. TERRESTRIAL INVASIVE SPECIES GRANTS

SEG	$1,179,000

Governor: Create a program to provide grants to cooperative invasive species management areas (CISMAs) for surveying, monitoring, and controlling invasive species. Provide $560,000 annually to fund the grants in a new conservation SEG annual appropriation. Additionally, provide $28,000 annually for salary and fringe and $1,500 for supplies and services to fund one LTE to administer the grants and coordinate with CISMAs.

Terrestrial invasive species include such plants as giant hogweed, garlic mustard, giant knotweed, and poison hemlock. CISMAs are organizations of landowners and land managers that work to develop a management plan to control invasive species within a defined geographical region. CISMAs receive limited operational support from DNR. DNR reports that the grants would provide stable funding and coordination for CISMAs.

[Bill Sections: 365]

9. ENDANGERED RESOURCES MATCH

GPR	$900,000

Governor: Raise the statutory cap on donations to the endangered resources program that may be matched with GPR from $500,000 to $950,000. Reestimate the match by $450,000 in each year of the biennium. Revenues to the endangered resources (natural heritage conservation) program accrue primarily from donations from a voluntary income tax check-off program, and from sales of the $25 endangered resources license plate. Other revenue includes private donations, the sale of resident wild ginseng harvest and Class A resident wild ginseng dealer licenses, sale of wild rice harvesting permits, and revenue from timber harvests in state natural areas. In 2021-22, these sources raised $1,756,900 and were deposited to the endangered resources account of the conservation fund. Tax check-offs and other contributions are matched with GPR, up to $500,000.

[Bill Section: 354]

10. WILD RICE RESTORATION AND PUBLIC EDUCATION

GPR	$400,000

Governor: Create an appropriation for wild rice restoration in Northern Wisconsin's ceded territory, where tribes have treaty rights to harvest wild rice. Specify that at least $50,000 each year be used for public education and outreach. Provide $200,000 annually to fund wild rice stewardship. Wild rice, known as manoomin, is an important staple for many tribes, which harvest the rice for spiritual and cultural purposes. Wild rice harvests diminished in recent years as climate change and habitat destruction have altered the traditional river and wetland habitats for the plant. The funding would be used on public outreach on wild rice conservation efforts, seed purchases, and analysis of replanting efforts.

[Bill Section: 355]

Law Enforcement

1. WARDEN SAFETY EQUIPMENT AND BODY-WORN CAMERAS

GPR	$9,000
SEG	795,800
Total	$804,800

Governor: Provide $402,400 ($4,500 GPR, $15,900 environmental SEG, and $382,000 conservation SEG) annually to purchase and operate body-worn cameras and other safety equipment for DNR law enforcement wardens. The provision would increase base funding to acquire electroshock stun guns (Tasers), automated external defibrillator (AED) units, and other supplies for the Division of Public Safety and Resource Protection (PSRP).

Of the funding provided, $76,500 ($4,500 GPR, $4,100 environmental SEG, and $67,900 conservation SEG) annually would be used to acquire AEDs. DNR anticipates acquiring 220 AED units over a six-year period. The units have an expected useable life of six years.

Additionally, $205,800 annually ($11,800 environmental SEG and $194,000 conservation SEG) would be used to acquire body-worn cameras. DNR estimates that the cameras cost $1,900 per year, including hardware, licensing, and data storage costs. The bill, and additional base-level funding, would be used to acquire and operate 176 body-worn cameras.

Thirdly, $120,100 conservation SEG annually would be used to replace obsolete electroshock stun guns. The following table shows law enforcement equipment funding by between funding sources and PSRP functions.

Annual Warden Safety Equipment and Body-Worn Camera Funding Summary

Fund Source/ Resource Area	AEDs	Body-Worn Cameras	Tasers	Subtotal
GPR	$4,500			$4,500
SEG				
Environmental Fund	$4,100	$11,800		$15,900
Conservation Fund				
Boat Enforcement	$9,900	$19,800		$29,700
Fish and Wildlife	45,300	136,300	$100,100	281,700
ATV/UTV	3,000	8,500		11,500
Water Resources	700	2,100		2,800
Parks	6,100	18,400	13,500	38,000
Forestry	2,900	8,900	6,500	18,300
Conservation Subtotal	$67,900	$194,000	$120,100	$382,000
SEG Total	$72,000	$205,800	$120,100	$397,900
All Funds Total	$76,500	$205,800	$120,100	$402,400

2. WARDEN OVERTIME

SEG	$207,600

Governor: Provide $68,700 ($6,700 environmental SEG and $62,000 conservation SEG) in 2023-24 and $138,900 ($13,500 environmental SEG and $125,400 conservation SEG) for overtime costs for DNR wardens. Under standard budget adjustments each budget cycle, funding associated with overtime and night and weekend differential is removed in the calculations of full funding of salaries and fringe benefits. The budget instructions related to overtime specify that the same dollar amounts only be restored through the standard budget adjustment for overtime. The bill would provide sufficient funding for 42,100 hours of warden overtime, paid at wage rates that will be earned by DNR wardens in the 2023-25 biennium.

3. LAW ENFORCEMENT OFF-ROAD VEHICLE MODERNIZATION

SEG	$338,600

Governor: Provide $194,300 conservation SEG annually to acquire and upgrade off-road vehicles for DNR wardens. $112,700 annually would be appropriated for snowmobile acquisition and $81,600 would be appropriated for ATV acquisition. DNR reports that these amounts would fund the purchase of seven snowmobile and eight ATVs each year, based on 2023 prices. DNR wardens share responsibility for enforcing snowmobile and ATV laws with local snowmobile and ATV patrols.

PSRP owns 102 snowmobiles and 88 ATVs. Of these, 44 snowmobiles and 42 ATVs were acquired before 2015. DNR allots $130,000 annually from law enforcement base budgets to replace outdated off-road vehicles. DNR reports that the cost of replacing these vehicles has grown significantly in recent years.

4. TRANSFER SNOWMOBILE ENFORCEMENT FROM TRIBAL GAMING REVENUES

	Funding	Positions
PR	- $2,619,000	- 9.00
SEG	2,619,000	9.00
Total	$0	0.00

Governor: Repeal the tribal gaming PR appropriation for snowmobile enforcement. Delete $1,309,500 and 9.0 positions annually. Provide $1,309,500 and 9.0 positions annually in the conservation SEG snowmobile enforcement appropriation. The provision is part of a reallocation of tribal gaming revenues to other programs intended to benefit tribal communities. [See "Administration -- Division of Gaming."]

[Bill Sections: 357, 514, and 2787 thru 2789]

Waste, Remediation, and Air

1. PFAS MUNICIPAL GRANT PROGRAM

GPR	$85,000,000
SEG	15,000,000
Total	$100,000,000

Governor: Provide $85 million GPR in 2023-24 and $15 million environmental management SEG in 2024-25 in continuing appropriations for the creation of a grant program for municipalities to investigate and respond to per- and polyfluoroalkyl substances (PFAS) contamination statewide. PFAS are synthetic chemicals commonly found in nonstick surfaces and cookware, paint, and firefighting foam. Research and studies indicate that PFAS are toxic to humans. PFAS do not easily degrade and tend to accumulate in humans and the environment. Since 2013, numerous sites have shown to have PFAS contamination in groundwater, drinking water, surface water, sediment, or soil as a result of various private and governmental uses of the chemicals.

Municipality Eligibility. Specify that eligible municipalities include any city, village, town, county, tribal government, utility district, lake protection district, sewerage district, or municipal airport, and require one of the following to have occurred: (a) the municipality or a third party tested or trained with a class B firefighting foam that contained intentionally added PFAS in accordance with applicable state and federal law, and within the boundaries of the municipality; (b) the municipality applied bio-solids to land under a DNR-issued wastewater permit; or (c) PFAS are impacting the municipality's drinking water supply, surface water, or groundwater within the area controlled by the municipality, and the responsible party is unknown, unwilling, or unable to take the necessary response actions. Require applicants to contribute matching funds equal to at least 20% of the amount of the grant, including either cash or in-kind contributions.

Eligible Activities. Authorize DNR to award grants for any of the following activities: (a) investigating potential PFAS impacts to the air, land, or water at a site or facility; (b) treating or disposing of PFAS-containing firefighting foam containers from a municipal site or facility; (c) sampling a private water supply within three miles of a site or facility known to contain PFAS or to have caused a PFAS discharge; (d) providing a temporary emergency water supply, a water treatment system, or bulk water to replace water contaminated with PFAS; (e) conducting emergency, interim, or remedial actions to mitigate, treat, dispose of, or remove PFAS contamination in the air, land, or waters of the state; (f) removing or treating PFAS in a public water system using the most cost-effective method to provide safe drinking water in areas where PFAS levels exceed either the maximum contaminant level or an enforcement standard for PFAS, or where the state has issued a health advisory for PFAS; and (g) sampling and testing in schools and daycares.

Evaluation Criteria. DNR would be required to consider the following: (a) a municipality's demonstrated financial and administrative commitment to performing and completing eligible activities; (b) the degree to which the project would have a positive impact on public health and the environment; and (c) other criteria on which DNR prioritizes available grant funds. Authorize DNR to request any applicant provide information necessary to determine the eligibility of the project, identify the funding requested, determine the priority of the project, and calculate the amount of a grant.

Emergency Rules. Authorize DNR to issue emergency rules for the PFAS municipal grant program, without the finding of emergency or providing evidence that an emergency rule is necessary to preserve public health, peace, safety or welfare. Waive the requirements that DNR prepare a scope statement and submit proposed emergency rules to the Governor.

[Bill Sections: 372, 374, 2671, and 9132(7)]

2. PFAS MANAGEMENT STAFFING

	Funding	Positions
SEG	$1,663,600	11.00

Governor: Provide $729,400 in 2023-24 and $934,200 in 2024-25 with 11.0 positions to remediate and manage PFAS.

The following table summarizes positions recommended by the Governor by DNR program area. All positions shown would be funded from the environmental management account of the environmental fund, except those for wildlife management, which would be supported by the fish and wildlife account of the conservation fund.

PFAS Management Positions and Funding

DNR Program / Positions	2023-24	2024-25	Positions
Drinking and Groundwater			
Water Supply Specialists	$176,900	$226,200	3.00
Water Quality			
Wastewater Specialists	125,600	164,400	2.00
Air Management			
Air Management Engineer / Air Management Specialist	175,700	214,600	2.00*
Remediation and Redevelopment			
Hydrogeologist Program Coordinator / Hydrogeologist	125,600	164,400	2.00
Waste and Materials Management			
Hydrogeologist	62,800	82,300	1.00
Wildlife Management			
Toxicologist	62,800	82,300	1.00
Total	$729,400	$934,200	11.00

* Includes 1.0 four-year project position.

The Administration indicates that the 11.0 staff would have the following responsibilities: (a) 3.00 drinking and groundwater staff would sample and address contaminants in drinking water and develop and implement federally-compliant administrative rules relating to PFAS regulation; (b) 2.00 water quality staff would develop water quality standards for PFAS based on Department of Health Services recommendations and assist in PFAS effluent monitoring; (c) 2.00 air management staff would identify sources of PFAS air emissions and operate the state's ambient air deposition monitoring network to monitor for PFAS; (d) 2.00 remediation and redevelopment staff would develop guidelines for PFAS sampling and establish standard procedures related to sampling, lab analysis, site screening, and cleanup standards; (e) 1.00 waste and materials management position would develop safe disposal and treatment methods for PFAS-containing wastes and evaluate landfills for potential waste disposal; and (f) 1.00 wildlife management position would develop PFAS sampling methodologies for wildlife, educate local communities impacted by PFAS in wildlife, and coordinate with DHS to establish health advisories for consumption of PFAS-impacted wildlife.

3. STATEWIDE PFAS SAMPLING AND TESTING

SEG	$2,210,000

Governor: Provide $1,480,000 in 2023-24 and $730,000 in 2024-25 for statewide PFAS sampling and testing. The Administration indicates the following intended uses of the funds: (a) $600,000 each year for investigation, mitigation, and testing for PFAS and other emerging contaminants on properties where responsible parties cannot be identified, refuse to take timely action, or where contaminants pose an active threat to human health; (b) $750,000 in 2023-24 for well sampling and testing; (c) $55,000 each year to survey and analyze 44 large rivers across the state and their watersheds for PFAS; (d) $50,000 in each year to collaborate with the University of Wisconsin-Madison and nearby states to identify sources of PFAS, impacted waterways, and possible fish consumption concerns for vulnerable populations; and (e) $25,000 each year to sample wastewater where PFAS is suspected.

4. PFAS SUBSTANCE EMERGENCY MEASURES

SEG	$1,800,000

Governor: Provide $900,000 annually to support PFAS emergency measures. The Administration indicates that funding would be used to distribute bottled water or other alternative water supplies to communities impacted by PFAS contamination in drinking water.

5. PFAS-CONTAINING FIREFIGHTING FOAM DISPOSAL

SEG	$1,000,000

Governor: Provide $1,000,000 in one-time funding in 2023-24 for the second phase of disposal and cleanup of PFAS-containing firefighting foam. 2021 Act 58 created a continuing appropriation and provided $1 million for phase one, which involved contracting with a vendor to collect and dispose of foams from fire departments throughout the state. The Administration indicates that phase two would involve DNR establishing an up-to-date registry of PFAS-containing firefighting foam inventory. Additionally, the bill would direct a portion of the funds to support local fire departments in purchasing non-PFAS-containing foams. DOA reports that the $1 million provided by Act 58 is anticipated to be fully encumbered by June 30, 2023.

[Bill Section: 362]

6. PFAS STANDARDS

Governor: Require DNR to promulgate emergency rules to establish acceptable levels, performance standards, monitoring requirements, and required response actions for PFAS. Require rules to apply to any per- or polyfluoroalkyl substance, or group or class of substances, that DNR determines are harmful to human health and the environment in the following media: (a) drinking water; (b) surface water from both point sources and nonpoint sources; (c) groundwater; (d) air, if necessary to provide adequate protection for public health and welfare; (e) solid waste and solid waste facilities; (f) beds of navigable waters; and (g) soil and other sediment.

In addition, require DNR to promulgate emergency rules to do the following: (a) add individual substances or classes of PFAS to the list of toxic pollutants in water for setting state effluent standards under the Wisconsin pollutant discharge elimination system for wastewater, provided DNR determines the substance or class to be harmful to human health; (b) identify and list PFAS as a hazardous waste constituent, provided DNR determines the listing necessary to protect human health, safety, or welfare; and (c) administer and enforce requirements under Chapter 292 of the statutes, related to remedial cleanup of hazardous substance discharges, for PFAS discharges to the environment.

Require rules described above to include sampling, monitoring, testing, enforcement, and response provisions for at least the following substances: perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS), perfluorohexane sulfonic acid (PFHxS), perfluorononanoic acid (PFNA), and perfluorobutane sulfonic acid (PFBS). Specify DNR may promulgate emergency rules without finding of emergency or providing evidence the rule is necessary to preserve public health and welfare. Specify emergency rules remain in effect until July 1, 2024, or the date on which permanent rules take effect, whichever is sooner.

Groundwater Contaminants List. Require DNR to add to the state list of groundwater contaminants any individual PFAS or class of PFAS shown to involve public health concerns and that has a reasonable probability of entering the groundwater. By statute, any substance added to the state list of groundwater contaminants is assessed for risks to public health or welfare. The Department of Health Services (DHS) and DNR then must establish an enforcement standard and preventive action limit for each substance. Enforcement standards generally represent the maximum level of contamination to which the public can be exposed; remedial responses are required if groundwater exceeds an enforcement standard. Preventive action limits by statute are between 10% and 50% of the enforcement standard, and are levels at which contamination could be investigated and mitigated to prevent an enforcement level exceedance.

Additionally, the bill would authorize DHS to recommend enforcement standards for each individual PFAS, PFAS as a class of substances, or different groups of PFAS. If DHS were to recommend an enforcement standard for PFAS, DNR would be required to apply the standard as an interim enforcement standard, unless emergency or permanent rules implemented an enforcement standard for the same substances. Further, if an interim enforcement standard were applied, DNR would be required to establish an interim preventive action limit of 20% of the concentration of the interim enforcement standard.

Further, the bill would require DNR to establish a DHS-recommended enforcement standard for an individual PFAS or class of PFAS as an interim maximum contaminant level (MCL) for public water systems, water suppliers, and certified laboratories analyzing drinking water, unless emergency or permanent rules had taken effect. This would take effect on the first day of the seventh month beginning after the bill's publication. Under current law, no water source exceeding any primary MCL may be connected to a public water system.

Water Quality Standards. Require DNR to promulgate water quality standards for PFOA, PFOS, PFHxS, PFNA, and PFBS, in addition to any other individual PFAS or class of PFAS that DNR determines is harmful to human health, and from which it is necessary to protect a water's designated use. Water quality standards are established by DNR to describe conditions under which state waters can fulfill designated uses such, including those supporting fish, wildlife and human domestic, commercial or recreational activities.

Air Standards and Emissions Reporting. Create a finding that PFAS emissions standards are required to provide adequate protection of public health and welfare. (The finding would be inconsistent with nonstatutory language under the provision giving DNR discretion to determine whether air standards were necessary to protect public health. A modification to the bill would clarify the provision's intent.) Require DNR to promulgate emissions standards for any known PFAS to adequately protect public health, but specify DNR is to account for energy, economic, and environmental impacts or other costs affecting emissions sources.

Further, require DNR to consider all PFAS as air contaminants for purposes of required reporting of certain hazardous substance or air contaminant discharges in Wisconsin. Establish the reporting level of zero pounds per year, meaning any emissions would be subject to reporting. The bill would direct DNR to establish procedures for determining financial responsibility for PFAS contamination.

[Bill Sections: 2321 thru 2323, 2643, 2665, 2673, 9132(3) thru (5), and 9432(2)]

7. CERTIFIED PFAS TESTING LABORATORIES

Governor: Require DNR to issue emergency rules for certifying laboratories that test for PFAS, including standards and methods for testing. Rules would remain in effect until July 1, 2024, or the date on which permanent rules take effect, whichever is sooner. Specify that DNR is not required to make a finding of an emergency, and is not required to provide evidence that emergency rules are necessary for the protection of public health, safety, or welfare. Specify that DNR may require testing for PFAS using nationally recognized procedures prior to emergency rules being issued.

[Bill Section: 9132(6)]

8. FINANCIAL RESPONSIBILITY FOR PFAS

Governor: Authorize DNR to require proof of financial responsibility from individuals or businesses that possess or control PFAS. Financial responsibility would be intended to ensure means of addressing potential discharges or contamination, including emergency responses, remedial action, and long-term care of contaminated sites. Require DNR to establish rules for procedures to determine when proof of financial responsibility is necessary. Specify that rules may establish types of financial responsibility, procedures for calculating necessary amounts, and other conditions determined by DNR. Specify proof of financial responsibility for PFAS is in addition to any other requirements provided under Chapter 292 of the statutes (environmental remedial action).

[Bill Section: 2672]

9. HAZARDOUS SUBSTANCE DISCHARGE INVESTIGATIONS

Governor: Authorize DNR to request, from an individual or business that generated a solid or hazardous waste at a site under DNR investigation, any records or documents related to waste that was transported to, treated at, stored at, or disposed of at another site, facility or location. Records or documents may include information on: (a) the type and quantity of waste generated; (b) the site or facility to which it was transported, treated, or stored; and (c) the dates and locations of the aforementioned activities.

Currently, the state environmental repair law under s. 292.31 of the statutes authorizes DNR to request, and requires persons to provide, information regarding wastes or discharges at sites under investigation for environmental contamination. Such investigations are intended to determine the nature and extent of contamination and the identity of potentially responsible parties. The bill would amend current authority to include investigations of solid or hazardous wastes that were moved to other sites.

[Bill Sections: 2667 and 2668]

10. BAN ON COAL TAR-BASED SEALANTS

Governor: Beginning January 1, 2024, prohibit the sale of coal tar-based sealant products and sealant products containing more than 0.1% polycyclic aromatic hydrocarbons (PAHs) by weight. Additionally, prohibit the use of these products beginning July 1, 2024. Authorize DNR to grant exemptions for research on the effects of a coal tar sealant or high-PAH sealant, or for a person developing an alternative technology if prohibited compounds are required for research or development.

[Bill Section: 2674]

11. CREATE REVITALIZE WISCONSIN PROGRAM AND ELIMINATE DRY CLEANER ENVIRONMENTAL RESPONSE PROGRAM

	Funding	Positions
SEG	$8,180,500	1.00

Governor: Create a program known as Revitalize Wisconsin to provide grants to local governments and private parties to address properties contaminated by the discharge of hazardous substances. The provision would also eliminate the current dry cleaner environmental response program (DERP) while incorporating reimbursement for cleanup of dry cleaning sites in the new program. The paragraphs below describe the program changes in greater detail.

Revitalize Wisconsin

Program Eligibility. Authorize the Department to award aids for the following types of contaminated sites: (a) brownfields; (b) sites owned by local governments, and that were acquired through such means as tax delinquency, condemnation, blight clearance, or certain other acquisitions; (c) persons with property affected by an off-site discharge; or (d) lenders who acquired a contaminated property through enforcement of a security interest (foreclosure).

Also, provide that DNR may award funds to sites being remedied under the state spills law, and owned by the following private parties who acquired a contaminated property through an arms-length transaction: (a) a bank, trust company, or credit union; (b) a developer; (c) a nonprofit or for-profit business; or (d) an innocent landowner. An innocent landowner would be an owner that acquired the property prior to November 1, 2006, has continuously owned the property, and can demonstrate or document either of the following: (a) that the discharge or environmental pollution on the property was caused by another person and that the property owner did not know, and had no reason to know, of the discharge or environmental pollution when the owner acquired the property; or (b) that the property owner conducted all appropriate inquiries as specified under federal law prior to acquisition, that the discharge or environmental pollution on the property was caused by another person, and that the property owner did not know and had no reason to know of the discharge or environmental pollution when the owner acquired the property.

Limit aids to recipients who did not cause a discharge of a hazardous substance, except for aids that may be provided to sites for which the owner or operator applied for assistance under the DERP before its repeal. (The DERP is discussed in a separate section.) Specify DNR aids may be grants, direct services, or, in the case of DERP-eligible sites, reimbursements for cleanup.

Eligible Costs. Eligible activities for grants under the program would include: (a) assessment and investigation of a discharge or environmental pollution; (b) interim and remedial actions to remove hazardous substances from contaminated media; (c) treatment and disposal of contaminated media; (d) vapor intrusion assessment and mitigation; (e) removal of abandoned containers under Chapter 292 of the statutes; (f) asbestos abatement activities conducted as part of redevelopment activities; (g) environmental monitoring; (h) restoration of a private potable water supply; (i) removal of underground substances or petroleum product storage tanks; (j) preparation of documentation to apply for case closure; and (k) other costs as determined by DNR.

Specify that DNR may not award aid to an applicant under the Revitalize Wisconsin program for any of the following: (a) cost of activities conducted prior to award of aid; (b) cost of activities that the department determines are not integral to the investigation and remediation of a discharge; or (c) legal fees or investigations conducted outside Wisconsin.

Specify that DNR may require an applicant to provide a match, either in cash or in kind, for any aid that is awarded under the program. Specify that activities for which aid may be provided include: (a) removing hazardous substances from contaminated media such as surface waters, groundwater, or soil; (b) investigating and assessing the discharge or environmental pollution; (c) removing abandoned containers; (d) asbestos abatement; and (e) restoring or replacing a private potable water supply. Allow DNR to inspect all applicant documents if such documents are relevant to the financial assistance application.

Funding. Create a biennial appropriation and provide base funding of $3,000,000 environmental management SEG for aids and other payments to pending DERP claims, as described in a separate section. Require DNR to designate 15% of funds appropriated for aid to small or disadvantaged communities. Limit awards to one per site or facility in a fiscal year, except for DERP claims.

Additionally, create a biennial appropriation with $3,000,000 environmental management SEG in 2023-24 and $500,000 beginning in 2024-25 for removing waste materials from abandoned properties, and for sampling and testing properties to assess risks of damage to the public health or environment. Provide $62,800 in 2023-24 and $82,300 in 2024-25 from environmental management SEG with 1.0 permanent position for creation and administration of the Revitalize Wisconsin program, and also provide $31,300 annually for limited-term employee (LTE) staff salaries and fringe.

Rules. Authorize DNR to promulgate rules to administer the Revitalize Wisconsin program, including: (a) criteria for determining aid; (b) records to be retained by an applicant and the minimum period for retention. Provide that DNR may inspect any document held by an applicant that is relevant to an application for aid.

Dry Cleaner Environmental Response Program

Sunset. Repeal the dry cleaner environmental response program (DERP) and its associated fund and council. Specify fees from dry cleaning operations received under current law are to be deposited to the environmental management account. Additionally, convert 2.0 SEG positions and annual funding of $228,000 annually for program administration from DERF SEG to environmental management SEG, and delete $763,600 each year for DERP cleanup awards.

Claims Backlog. As of January, 2023, there were 53 pending claims, with $3,065,800 approved for payment and $264,000 awaiting approval. DNR indicates that diminishing revenues to the fund would likely prevent the program from ever reimbursing the approved claims. The bill would provide that for any fiscal year in which there remain DERP sites awaiting payment of claims submitted by the bill's effective date, DNR is to allocate a portion of the $3,000,000 annual Revitalize Wisconsin awards appropriation to payment of those claims, up to $1,000,000 per year. For DERP-eligible sites that have not submitted claims, DNR is to allocate $450,000 each year from the Revitalize Wisconsin awards appropriation to pay those claims, until DNR determines the sites closed under current law.

This provision also would transfer the DERP's unencumbered balance, and an outstanding loan liability to the land recycling loan program under the environmental improvement fund (EIF), to the environmental management account. The dry cleaner environmental response fund (DERF), which funds the program, had a negative balance as of June 30, 2022, mostly attributable to a loan issued in 2008 from the land recycling loan program. The loan may not be forgiven. As of June 30, 2022, $13,000 in principal had been repaid and $5,900 in interest from the DERF to the EIF. A total of $522,100 in interest has accrued, and $6,709,100 is outstanding on the loan. The bill would provide authority to the Secretaries of DNR and DOA to ensure any repayment required to the EIF.

[Bill Sections: 73, 350, 359, 373, 375, 376, 380, 528, 585, 599, 601 thru 603, 1646, 2669, 2670, and 9232(1)]

12. BONDING FOR GREAT LAKES CONTAMINATED SEDIMENT REMOVAL

BR	$15,000,000

Governor: Increase bonding authority by $15,000,000 for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries. Since 2007, DNR has been authorized $40 million in contaminated sediment bonding authority, including $4 million provided by 2021 Act 58. Of these amounts, DNR has committed $36.3 million as of February, 2023. Funding under the provision would support a portion of approximately $40.3 million in additional priority state funding obligations identified for remediation in the Portage Canal, Milwaukee Estuary, Sheboygan River, St. Louis River, and Lake Superior.

Debt service for contaminated sediment bonding is supported by environmental management SEG. The bill estimates this debt service at $1.9 million in 2023-24 and $2.0 million in 2024-25.

[Bill Section: 549]

13. NON-METALLIC MINING APPROPRIATION

PR	$400,000
SEG-REV	- $400,000

Governor: Create a continuing, all-monies-received program revenue appropriation in which to deposit nonmetallic mining fees. Estimate monies received at $200,000 annually. Direct all monies received from nonmetallic mining fees to be used for the administration and enforcement of the state's nonmetallic mining regulations. Under current law, fees relating to nonmetallic mining are deposited into the segregated environmental fund, to be used for environmental management activities generally.

[Bill Sections: 361, 378 and 600]

14. AIR MANAGEMENT PROGRAM POSITION TRANSFERS

	Funding	Positions
PR	- $1,792,200	- 8.75
SEG	1,792,200	8.75
Total	$0	0.00

Governor: Transfer 8.75 positions and $896,100 PR funded by operation permit fees for federally-regulated (Title V) stationary air pollution sources to environmental fund SEG. The positions to be transferred are those budgeted for Division of Environmental Management administration, enforcement and other all-agency programs, on the basis of staffing associated with the federal operation permit program. The administration indicates permit fee revenues from federally-regulated sources are insufficient to fund all currently authorized positions. The positions and funding to be moved from PR to SEG are summarized in the following table.

Air Program Position Transfers

DNR Program	Funding	Positions
Environmental Management Administration	$249,200	2.00
Enforcement	117,300	1.00
External Services		
Customer Services	226,700	3.25
Environmental Analysis and Sustainability	300,400	2.50
Communications	2,500	0.00
Total	$896,100	8.75

In addition, transfer 3.0 PR vacant air management positions and $228,900 PR from the appropriation for federally-regulated sources to the appropriation for state-regulated sources. Additionally, transfer 1.0 PR vacant air management position and $77,800 PR from the appropriation for federally-regulated sources to the PR appropriation for asbestos management. Finally, transfer 1.0 FED vacant position and $77,800 FED from air management to the safe drinking water loan program. The provision is intended to reallocate positions according to current staffing needs and available funding sources.

15. WASTE MANAGEMENT POSITIONS TRANSFER

Governor: Transfer 3.0 waste management positions and $360,500 SEG from recycling administration to general operations to better align position funding with assigned duties.

16. LANDFILL FOOD WASTE STUDY

SEG	$250,000

Governor: Provide $250,000 in 2024-25 in one-time funding to support a landfill food waste study. DNR has historically contracted a waste characterization study to determine the contents of state waste in order to better inform policy on recycling and waste management. The most recent study was completed in 2021.

Water Quality

1. WELL COMPENSATION GRANT PROGRAM

GPR	$1,000,000

Governor: Provide $1,000,000 in 2024-25 for well compensation and well abandonment grants. DNR's well compensation grant program provides funding to eligible landowners or renters to replace, reconstruct, or treat contaminated private water supplies that serve a residence or provide water to livestock. The bill would also make changes to program eligibility and awards provisions as described in the following paragraphs.

Eligibility. Change eligibility criteria for the well compensation grant program as follows: (a) increase the annual family income limit to $100,000 from $65,000; (b) allow an owner or renter of a transient non-community water supply to apply for a grant; (c) specify that a well producing water containing levels of a per- or polyfluoroalkyl substance in excess of the maximum level set by federal or state law; and (d) specify a well or private water supply that produces water with a concentration of at least 10 parts per billion of arsenic or 10 parts per million of nitrate nitrogen is an eligible contaminated well or contaminated private water supply. A transient non-community water supply is defined as a water system that serves at least 25 persons at least 60 days of the year but that does not regularly serve at least 25 of the same persons over six months per year.

Additionally, repeal the requirement that if a claim is based on contamination by nitrates and not by any other substance, DNR may make a well compensation award only if the well: (a) is used as a source of drinking water for livestock or for both livestock and a residence; (b) is used at least three months of each year and while in use provides an estimated average of more than 100 gallons per day for consumption by livestock; and (c) produces water containing nitrates exceeding 40 parts per million (ppm) nitrate-nitrogen. This would make residential wells with nitrate contamination eligible for the program.

Grant Awards. Further, make the following program changes regarding well compensation grant awards: (a) allow a claimant whose family income is below the state's median income (estimated currently at $67,100 for a family of four) to receive a grant of up to 100% of eligible project costs, rather than 75% under current law, but not to exceed $16,000 as under current law; and (b) eliminate the requirement to reduce an award by 30% of the amount by which the claimant's income exceeds $45,000 if the claimant's family income exceeds $45,000.

Further, create an exception to the current requirement that DNR must allocate money for the payment of claims according to the order in which completed claims are received. The exception would specify that if the well compensation grant program has insufficient funds to pay claims, DNR would have discretion to prioritize claims based on nitrate contamination in the following order of priority: (1) claims based on water containing more than 40 ppm nitrate nitrogen; (2) claims based on water containing more than 30 but not more than 40 ppm nitrate nitrogen; (3) claims based on water containing more than 25 but not more than 30 ppm nitrate nitrogen; (4) claims based on water containing more than 20 but not more than 25 ppm nitrate nitrogen; and (5) claims based on water containing more than 10 but not more than 20 ppm nitrate nitrogen.

Under current law, DNR is appropriated $200,000 environmental management SEG each year in a continuing appropriation for well compensation grants, although $1,000,000 in additional funding was provided in the 2021-23 biennium on a one-time basis. In 2022, the Governor also allocated federal funding of $10 million. Well compensation grants would be appropriated a total of $200,000 in 2023-24 and $1,200,000 in base funding beginning in 2024-25 under this provision.

[Bill Sections: 370 and 2649 thru 2661]

2. WELL CONSTRUCTION NOTIFICATION FEE

PR-REV	$320,000

Governor: Increase the well construction notification fee to $70. Currently, the fee is set at $50, and the statutes also require a processing fee of $0.50. The statutes require that a property owner provides advance notice to DNR before construction of any new private well that is not a high-capacity well. The Administration estimates that the well notification fee would generate approximately $160,000 annually. Revenues from well notification and other groundwater withdrawal fees are deposited to program revenue appropriations for groundwater administration, research and management.

[Bill Section: 2644]

3. WELL CONSTRUCTION VARIANCES APPLICATION FEE

PR-REV	$50,000

Governor: Require DNR to collect a $100 fee from a person who is requesting a well construction variance. Under Chapter NR 812 of the administrative code, DNR regulates the location and operation of wells for groundwater withdrawal. NR 812 allows variances to these requirements if individuals are not feasibly able to comply. This bill would require DNR to collect a $100 fee from any individual requiring a variance. The Administration estimates that the variance application fee would generate approximately $25,000 annually.

[Bill Section: 2645]

4. BALLAST WATER AND COMMERCIAL VESSEL FEES

PR-REV	$400,000

Governor: Repeal the requirements that DNR must issue a general permit authorizing a vessel that is at least 79 feet in length to discharge ballast water into state waters, and repeal the current permit application fee of $1,200 and annual permit fee of $345. Require owners or operators of commercial vessels subject to the federal Vessel Incidental Discharge Act to pay $650 per arrival to ports in Wisconsin. Specify that such fees may not exceed $3,250 per calendar year, per operator.

Allow DNR to enter into a memorandum of agreement with the U.S. Coast Guard to authorize DNR to board and inspect any vessel to ensure compliance with the federal Vessel Incidental Discharge Act. The Administration estimates that the commercial vessel arrival fee would generate approximately $200,000 annually, based on an estimated 300 to 310 port arrivals each year. The provision is intended to conform Wisconsin's ballast water enforcement programs with terms of federal changes enacted in the Coast Guard Reauthorization Act (CGRA) of 2018. Among other terms, the CGRA limits the fees states may assess for ships carrying and discharging ballast water discharges, but allows for fees to be adjusted for inflation.

[Bill Sections: 358, 2663, 2675 thru 2677, 9132(8), and 9432(3)]

5. WASTEWATER GENERAL PERMIT STAFFING

	Funding	Positions
GPR	$113,700	1.00

Governor: Provide $49,400 in 2023-24 and $64,300 and 1.0 position for wastewater permit staffing. The Administration indicates that demand for wastewater general permits has increased, necessitating additional staff to improve administrative and compliance monitoring efforts.

6. WATER E-PERMITTING

	Funding	Positions
SEG	$641,100	1.00

Governor: Provide $310,800 in 2023-24 and $330,300 in 2024-25 with 1.0 position for electronic water permitting. The electronic water permitting system allows the public to apply for permits and track permit status. Of the funding provided, approximately $250,000 each year would be for supplies and services costs of permitting system upgrades. The Administration indicates that DNR lacks dedicated program staff to manage the system, and so the recommended position would be intended to assist customers with questions and application materials, and to satisfy administrative code requirements.

7. WISCONSIN POLLUTANT DISCHARGE ELIMINATION SYSTEM (WPDES) VIOLATION NOTICES

GPR	$96,000

Governor: Provide $96,000 in 2023-24 in one-time funding for the creation and maintenance of a notification system for notifying county health and land conservation departments of permit holder violations under the Wisconsin Pollutant Discharge Elimination System (WPDES). Require DNR to provide these notices within seven business days after a violation of a permit condition based on a groundwater protection standard has occurred, and require the notification system to contact counties at least 24 hours before notifying any other parties. Require notice be made to the county in which the violation occurred, as well as any adjacent county. The provision would take effect six months after the bill's enactment.

Authorize DNR to promulgate emergency rules, without the finding of an emergency, and promulgate permanent rules to establish procedures for providing the notices. Provide emergency rules would remain in effect until July 1, 2025, or the day permanent rules take effect, whichever is sooner.

[Bill Sections: 2664, 9132(11), and 9432(7)]

8. WINNEBAGO LAKE SYSTEM STAFFING

	Funding	Positions
SEG	$256,400	2.00

Governor: Provide $109,900 in 2023-24 and $146,500 in 2024-25 with 2.0 positions to increase staffing for Lake Winnebago local lake protection and restoration efforts, including water quality and habitat improvement projects. Duties of the positions would include oversight of breakwall projects, water level management, and bird and waterfowl management.

9. CONCENTRATED ANIMAL FEEDING OPERATION FEES

PR-REV	$138,000

Governor: Increase the fee paid by Wisconsin pollutant discharge elimination system (WPDES) permit holders that operate concentrated animal feeding operations (CAFOs) from $345 annually to $545 annually. It is estimated the proposal would increase CAFO fee revenue by approximately $69,000 annually, for a total of $376,000 in fees over the biennium.

DNR is responsible for regulating CAFOs as point sources of discharges with WPDES permits issued under s. 283.31 of the statutes. Permits are issued with five-year terms, and DNR reports 336 permitted CAFOs in Wisconsin as of February, 2023. Fees are deposited into a program revenue appropriation supporting staff and operation costs associated with CAFO regulation.

[Bill Section: 2662]

10. WATER RESOURCES ACCOUNT LAPSE

Governor: Lapse $350,000 from the DNR river management appropriation to the balance of the water resources account of the conservation fund in 2023-24. The river management appropriation supports management activities for habitat and recreational projects and environmental and resource management studies on the Mississippi and Lower St. Croix Rivers. The continuing appropriation had an available balance of $902,000 as of June 30, 2022. The provision is intended to increase the available balance of the water resources account, which had an available balance of approximately $1 million on June 30, 2022.

[Bill Section: 9232(2)]

11. DAM SAFETY BONDING

BR	$10,000,000

Governor: Provide $10,000,000 in GPR-supported general obligation bonding authority for dam safety grants. No specific estimate of debt service payments is made for the program during the biennium. However, principal and interest on $10 million in general obligation bonds could be expected to total approximately $800,000 annually, assuming all bonds were issued for 20 years.

DNR administers the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns, public inland lake protection and rehabilitation districts, and other dam owners for the repair, reconstruction, or removal of dams. To qualify for a grant, a dam must be inspected and be under a DNR directive to repair or remove the dam. A total of $46.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including $4 million in each biennium since 2009-11 and $10 million in 2021-23.

[Bill Section: 550]

12. SHEBOYGAN MARSH DAM

Governor: Require $500,000 in GPR-supported general obligation bonds for dam repair be awarded to Sheboygan County for removal and reconstruction of the dam on the Sheboygan River at Sheboygan Marsh. 2021 Act 58 directed DNR to award a $1 million dam safety grant to Sheboygan County for the project. DNR reports that those funds have been encumbered, and Sheboygan County has submitted plans to the DNR, which DNR is currently reviewing.

Sheboygan County estimated total project costs of $2.7 million in 2021, but is anticipating a $300,000 increase would be necessary to fulfill original project goals. An additional $200,000 would provide improvements to fishing and water access. Total anticipated project costs are currently $3.2 million.

[Bill Section: 9132(12)]

13. DAM LICENSING FEES

PR-REV	$340,000

Governor: Require that large dam licensing permit and approval fees be based on the hazard classification of the dam. Under current law, dam licensing fees are set based on the estimated time it will take the Department to review a request. Current fees are set as follows: (a) $30 for a permit or approval with an estimated time of less than three hours; (b) $100 for a permit or approval with an estimated time of more than three hours but less than nine hours; and (c) $300 for a permit or approval with an estimated time of more than nine hours. Also under current law, DNR is required to classify the hazard level of each dam in the state for inspection regulation purposes. The bill would eliminate time-based fees for large dams and require that fees for a permit or approval be based on their hazard classification as follows: (a) $1,000 for a high-hazard dam; (b) $500 for a significant-hazard dam; and (c) $200 for a low-hazard dam. The change would take effect on the first day of the ninth month beginning after the bill's publication.

A dam is considered a large dam if it: (a) has a structural height of 25 feet or more that can impound more than 15 acre-feet of water; or (b) has a structural height of six feet and impounds 50 acre-feet or more of water. DNR classifies each large dam in the state as: (a) high-hazard, the failure of which would probably cause loss of human life; (b) significant-hazard, the failure of which would probably cause significant property damage but would probably not cause loss of human life; or (c) low-hazard, the failure of which would probably not cause significant property damage or loss of human life. DNR is required to inspect each high-hazard dam and each significant-hazard dam at least once every 10 years.

There are approximately 3,900 dams located on waterways in Wisconsin. Of these, 966 are classified as large dams. Currently, 141 dams are classified as high-hazard, 67 are classified as significant-hazard, and 603 are classified as low-hazard. The remaining large dams are regulated by the Federal Energy Regulatory Commission and therefore are not subject to the Department's classification process. Currently, dam permit fees generate approximately $23,000 in revenue for the Department annually, with permitted activities including operation and maintenance of dams, raising or enlarging dams, abandoning dams, or removing dams. Based on current data, it is estimated that the proposal would increase generated revenue to approximately $295,100 annually, consisting of $141,000 from high-hazard dams, $33,500 from significant-hazard dams, and $120,600 from low-hazard dams.

[Bill Sections: 635, 636, and 9432(1)]

14. URBAN NONPOINT SOURCE BONDING

BR	$11,000,000

Governor: Provide $11,000,000 in SEG-supported general obligation bonding for the urban nonpoint source and storm water management (UNPS) and municipal flood control and riparian restoration (MFC) programs. Of this amount, DNR intends for $7.5 million to be allocated for MFC grants. Typically, DNR determines allocations of all new bonding authority to each program, but would retain that flexibility for the remaining $3.5 million of the new authorization.

The UNPS program supports projects that manage storm water runoff in urban settings. The MFC program supports flood-control and flood-proofing projects in urban settings, including property acquisition and structure removal. Grants generally support cost-sharing of up to 50%. Principal and interest payments on these bonds are supported by the nonpoint account of the environmental fund and are budgeted at $3.1 million in 2023-24 and $3.9 million in 2024-25.

[Bill Section: 548]

15. FLOOD MAPPING AND FLOOD INSURANCE STUDIES

SEG	$2,000,000

Governor: Provide $1,000,000 nonpoint SEG each year of the 2023-25 biennium in one-time funding for preparation of flood insurance studies and other flood mapping projects. The DNR Floodplain Mapping Program is currently funded by grants received from the Federal Emergency Management Agency (FEMA). The Department reports that additional funding could assist counties in pursuing flood mapping projects outside of federal grants.

[Bill Sections: 371 and 9132(9)]

16. GREAT LAKES AND MISSISSIPPI RIVER EROSION CONTROL LOANS

SEG	$7,000,000

Governor: Create a continuing appropriation and provide one-time funding of $7,000,000 from the environmental management account of the environmental fund in 2023-24 fund to support a revolving loan fund for municipalities and homeowners to ensure structural integrity of buildings threatened by erosion of the shoreline of Lake Superior, Lake Michigan, and the Mississippi River. Require DNR to promulgate rules to administer this provision, including establishing eligibility criteria and income limits for loans. Further, allow the Department to promulgate emergency rules while final rules are being drafted, and allow emergency rules to be promulgated without the finding of an emergency. Emergency rules would remain in effect for up to two years, unless repealed or otherwise superseded by permanent rules.

[Bill Sections: 381, 579, 580, and 9132(1)&(2)]

17. RURAL NONPOINT SOURCE BONDING

BR	$10,000,000

Governor: Provide $10,000,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. Bond proceeds support the targeted runoff management (TRM) program and provide the required 70% state cost-share for the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff. Bonding authority also may be disbursed as grants under a separate program to address runoff only from animal feeding operations that have been issued a notice of discharge or notice of intent to issue a notice of discharge for impermissible runoff to state waters. Principal and interest payments on these bonds are supported by nonpoint SEG and budgeted at $3.0 million SEG in 2023-24 and $4.9 million SEG in 2024-25.

[Bill Sections: 547]

18. TARGETED RUNOFF MANAGEMENT

SEG	$800,000

Governor: Provide $400,000 nonpoint SEG each year for additional funding for primarily nonstructural practices or staff costs under targeted runoff management (TRM) grants. TRM grants provide financial assistance to projects addressing water quality concerns or impairments, primarily in rural and agricultural settings and support the implementation of total maximum daily load (TMDLs) in Wisconsin. Funds come from general obligation bonding, nonpoint SEG, and federal funding under Section 319 of the Clean Water Act. Since the 2017-19 biennium, the TRM program has been provided $100,000 nonpoint SEG each year on an ongoing basis. DNR awarded TRM grants to 16 projects for $3,859,700 in 2022 and 11 projects for $3,429,300 in 2023.

19. MANURE TREATMENT COORDINATOR

	Funding	Positions
SEG	$145,100	1.00

Governor: Provide $62,800 environmental fund SEG in 2023-24 and $82,300 in 2024-25 with 1.0 position in the Division of External Services' general program operations appropriation. The position would provide technical and regulatory assistance needed for the permitting of biodigesters and other advanced wastewater treatment systems to manage manure at concentrated animal feeding operations (CAFOs) and other large farms.

20. TOTAL MAXIMUM DAILY LOAD STAFFING

	Funding	Positions
GPR	$390,100	2.00

Governor: Provide $169,800 in 2023-24 and $220,300 in 2024-25 with 2.0 four-year project positions for administration of total maximum daily load (TMDL) plans. TMDL plans are approved by EPA and implemented by requiring all point and nonpoint sources in a watershed, such as agricultural producers, to implement pollution control measures. DNR provides grants for implementation of TMDL plans through the targeted runoff management (TRM) program. TRM grants are currently available to non-TMDL projects, as DNR has yet to develop TMDLs for all waters it has identified as impaired in the state. Additional staff would assist with the development of TMDLs and implementation of TMDL plans.

21. PERMIT PRIMER UPDATE

SEG	$80,000

Governor: Provide $80,000 in 2023-24 from environmental management SEG in the Division of External Services' general program operations appropriation for updating the Department's interactive environmental permitting platform, Permit Primer. The goal of the platform is to assist small business owners, local governments, or others in determining permits they may need and how to acquire them to comply with state environmental laws. Funding would be provided on a one-time basis in 2023-24 and would fund approximately 1,000 hours of IT development work.

The Permit Primer was developed by DNR in 2002 and has lost functionality and interoperability with the Department's current web design protocols, causing webpage traffic to decrease. The Department intends for modernization of the Permit Primer to increase use of the platform, improve permit compliance, and reduce permitting staff workload.

22. OFFICE OF AGRICULTURE AND WATER QUALITY TRANSFERS

Governor: Transfer 1.0 conservation SEG policy analyst position from the Division of Internal Services and 1.0 program director position from communications in the Division of External Services' to watershed management in the Division of External Services, for the creation of the Office of Agriculture and Water Quality. The Office, created in 2022, consolidates some responsibilities from existing DNR programs and offices, such as watershed management, drinking and groundwater, water quality, and the Office of Great Waters, into one office focused on non-regulatory aspects of agriculture and water quality policy, research, programs, funding, and outreach.

Primary responsibilities include: (a) promoting analysis of major policies addressing agricultural impacts on water; (b) serving as a liaison between other Department offices to help with prioritization and coordination of research, policy, and funding initiatives; (c) serving on the Land and Water Conservation Board; (d) serving as an advisor to the UW Discovery Farms Steering Committee; and (e) serving as the Department's single point of contact for stakeholders engaging in agriculture and water quality issues. The creation of the office, and the provision, requires no change to existing funding levels or position authority within the Department.

23. AQUATIC PLANT MANAGEMENT APPROPRIATION

Governor: Create a program revenue continuing appropriation for the Division of Environmental Management to receive aquatic plant management permit fees, and authorize the Department to expend all monies received for administration of its aquatic plant management program. Under current law, aquatic plant management permit fees are deposited into a general operations appropriation comingled with other program revenues. The bill would not affect fees assessed by DNR, and would not budget expenditure authority for the appropriation during the biennium. Revenues in 2020-21 and 2021-22 totaled approximately $162,000 and $174,000, respectively.

Section 23.24 of the statutes requires DNR to conduct efforts to preserve diverse and stable communities of native aquatic plants. DNR is also required to establish, by administrative rule, procedures to issue permits under which a holder may remove aquatic plants through biological, chemical, or manual means.

[Bill Section: 360]

24. STORM WATER MANAGEMENT APPROPRIATION

Governor: Convert the program revenue appropriation for administration and enforcement of storm water discharge permits from an annual sum-certain appropriation to an all-moneys-received continuing appropriation. The appropriation receives fees from storm water discharge permits issued under s. 283.33 of the statutes to commercial and industrial users, large urbanized municipalities, and for transportation facilities and construction sites.

[Bill Section: 377]

PROFESSIONAL BASEBALL PARK DISTRICT

Budget Change Items

1. GRANT TO A PROFESSIONAL BASEBALL PARK DISTRICT AND DISTRICT POWERS

Governor: Require the Department of Administration (DOA) to award a grant, in the amount of $290,000,000, to a local professional baseball park district, as defined under current law. Provide $290,000,000, in 2023-24, to a newly-created continuing appropriation under DOA, to assist in the development, construction, improvement, repair, and maintenance of baseball park facilities.

Specify that DOA may not award a grant under this provision unless the DOA Secretary determines that all of the following apply: (a) the District has entered into a lease arrangement for a term that expires not earlier than December 31, 2043, with a professional baseball team that uses baseball park facilities specified in the lease as its home facilities; (b) the District has entered into a nonrelocation agreement with the professional baseball team, in a form satisfactory to the Secretary, that requires the professional baseball team to play substantially all of its home games at the baseball park facilities, and prohibits the professional baseball team from relocating while the lease term is in effect; (c) the District has entered into an agreement with the professional baseball team, in a form satisfactory to the DOA Secretary, that requires the professional baseball team, or a third party on the professional baseball team's behalf, to make expenditures relating to or in connection with the baseball park facilities during the lease term, in an agreed upon amount satisfactory to the DOA Secretary; and (d) the District has agreed to provide on an ongoing basis to the Department, the Legislative Fiscal Bureau, and the Legislative Audit Bureau, all baseball park facilities project reports and all financial reports of the District. Provide that no grant moneys awarded may be used to retire debt of the local professional baseball park district.

Require a professional baseball park district to establish and maintain a facilities enhancement fund that consists of all moneys received from the Department of Administration (DOA) from the $290,000,000 grant to the District. Specify that the District may use moneys deposited in the fund solely for purposes related to the development, construction, improvement, repair, and maintenance of baseball park facilities. Prohibit moneys deposited in the fund to be used for the securitization or retirement of bonds. Specify that if any monies remains in the fund after the District lease is no longer in effect, the District board must return the amount to DOA.

Modify the definition of "baseball park facilities" under current law to specify that such a facility is principally for the support or performance of professional baseball operations, instead of principally for professional baseball. Under current law, "baseball park facilities" is defined as property, tangible or intangible, owned in whole or in substantial part, operated or leased by a district that is principally for professional baseball including parking lots, garages, restaurants, parks, concession facilities, entertainment facilities, and transportation facilities, and other functionally related or auxiliary facilities or structures. Modify the current reference to local professional baseball park facilities as a public utility under municipal law for DOA project management, construction, and engineering assistance, to instead reference "baseball park facilities".

District Dissolution. Modify current law regarding when a district may dissolve to include the expiration or termination of all lease arrangements between the District and a professional baseball team with respect to the baseball park facilities. Under current law, a district may dissolve subject to providing for the payment of its bonds, including interest on the bonds, and the performance of its other contractual obligations, by action of the District board. Include the state as a party to whom the property of the District must be transferred upon dissolution of the District. Under current law, this property may only be transferred to counties within the District. Require that the state apportion and distribute property transferred under this provision among the state and the counties in the jurisdiction of the District, based on the tax revenues derived from each county and the $290,000,000 grant to be made by the state under the bill, as determined by the DOA Secretary.

Majority Vote Requirement. Provide that, in connection with baseball park facilities and any baseball park development, a majority vote of the District board would be required to enter into any lease of property, instead of a supermajority vote as required under current law. For the definition of "baseball park development" as specified under the bill, see the following summary item "Expand Property Tax Exemption to Include Non-Baseball Park Facilities of a Professional Baseball Team".

Sublease Authority. Specify that a district may, in connection with baseball park facilities and any baseball park development, and in addition to powers already provided for under current law, authorize the sublease of property. For the definition of baseball park development as specified under the bill, see the following summary item "Expand Property Tax Exemption to Include Non-Baseball Park Facilities of a Professional Baseball Team". Under current law, a district may, in connection with baseball park facilities, acquire; lease, as lessor or lessee; use; or transfer property.

Team Approval of Contract Standards. Specify that when a district enters into contracts, which are subject to certain standards as may be established by the District board as provided under current law, that these standards may include approval by a professional baseball team pursuant to the terms of a lease with the District.

District Investment Authority. Provide that a local professional baseball park district may delegate the investment authority over any funds held in trust to an investment manager who is registered as an investment adviser under the federal Investment Advisers Act of 1940. Specify that a local professional baseball park district be excluded from the types of local governmental entities that may invest any of its funds not immediately needed in any of the following: (a) time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in this state, (b) bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government; (c) bonds or securities of any county, city, drainage district, technical college district, village, town, school district of this state, or certain other special districts and authorities; (d) certain securities which mature or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired; and (e) certain securities of an open-end management investment company or investment trust.

Statement of Public Purpose. Specify that the Legislature finds and determines that baseball park facilities encourage economic development and tourism in this state, reduce unemployment in this state, preserve business activities within this state, generate additional tax revenues that would not exist without the baseball park facilities, and bring needed capital into this state for the benefit and welfare of people throughout the state. Provide that it is in the public interest and serves a statewide public purpose, and it is the public policy of this state, to assist a local professional baseball park district in the development, construction, improvement, repair, and maintenance of baseball park facilities. Further, add the provision of any appropriation or grant of funds to a District to the existing list of assistance that the legislature determines serves a statewide public purpose, by assisting the development, construction, improvement, repair, and maintenance of a professional baseball park facilities in the state for providing recreation, by encouraging economic development and tourism, by preserving business activities within the state, by generating additional tax revenues that would not exist without the baseball park facilities, by reducing unemployment, and by bringing needed capital into the state for the benefit and welfare of people throughout the state.

Eliminate District Sales and Use Tax Provisions. Effective April 30, 2024, eliminate the District's authority to impose a sales tax and a use tax. Although the 0.1% District sales and use tax has ended and the District Board is not be permitted to reinstate the tax under current law, there are a number of provisions under current law which reference the public purpose, creation, imposition, administration, termination, excess revenue distributions, and other provisions associated with the District sales and use tax. The bill would delete these provisions from law, effective April 30, 2024.

Effective January 1, 2025, repeal the current law provision allowing the Department of Revenue (DOR) to issue assessments or act on refund claims after the end of the calendar year that is four years after the year in which a District tax has terminated. Current law requires that the termination date of the five-county sales tax be the last day of the fiscal quarter in which the District certifies the end of the tax to DOR. The District certified full funding of the reserves necessary to meet District maintenance, capital improvement obligations, and principal and interest on its debt obligations, by a Board resolution dated March 10, 2020, and the sales tax was terminated effective March 31, 2020.

Effective April 30, 2024, provide that the District would continue to receive revenues into an existing district revenues appropriation account, modified to eliminate references to the rescinded district sales and use tax collections but retain provision providing for the receipt of monies from the sale of Brewers license plates.

Other Provisions. Define "professional baseball team" to mean a baseball team that is a member of a league of professional baseball teams that have home stadiums approved by the league in at least 10 states and a collective average attendance for all league members of at least l0,000 persons per game over the five years immediately preceding the effective date of the bill. Delete all references to "major league professional baseball team" and "major league professional baseball club" under current law and, instead, use term "professional baseball team".

Expand the definition for the types of gifts and donations that a district board is required to solicit to include donations for the development, improvement, repair, and maintenance of baseball park facilities.

Specify that a district's jurisdiction is any county with a population of more than 600,000 (Milwaukee) that is the site of baseball park facilities that are home to a professional baseball team and all counties that are contiguous to that county. Under current law, a district's jurisdiction is, in part, defined as any county with a population of more than 600,000 and all counties that are contiguous to that county.

Specify that, among the powers granted to a city or a county in a district, is the power to grant land or other property to the state, to be used for baseball park facilities or baseball park development. Under current law, this district power was reserved for grants of land to the state to be used for a professional baseball park.

1995 Wisconsin Act 56 created a local professional baseball park district for the construction and operation of a new baseball stadium for the Milwaukee Brewers. The Southeast Wisconsin Professional Baseball Park District is made up of five counties: Milwaukee, Ozaukee, Racine, Washington, and Waukesha. The District is governed by a 13-member board, appointed as follows: six persons appointed by the Governor; one person appointed by the Mayor of the City of Milwaukee; two people appointed by the Milwaukee County Executive; one person appointed by the Racine County Executive; one person appointed by the Waukesha County Executive; one person appointed by the Chairperson of the Ozaukee County Board of Supervisors; and one person appointed by the Chairperson of the Washington County Board of Supervisors.

The total amount of sales and use tax revenue retained by the District through the entire period when the tax was collected (January, 1996, through March, 2020) was $609.0 million.

[Bill Sections: 84, 155, 483, 539, 1213, 1215, 1611 thru 1614, 1617, 1619, 1621, 1623, 1625, 1627, 1638, 1639, 2464, 2465, 2467 thru 2478, 2480 thru 2485, 2498 thru 2501, 2733, and 9437(8)]

2. EXPAND PROPERTY TAX EXEMPTION TO INCLUDE NON-BASEBALL PARK FACILITIES OF A PROFESSIONAL BASEBALL TEAM

Governor: Expand the current law property tax exemption for sports and entertainment home stadium facilities to include any property that constitutes baseball park development. Define "baseball park development" to mean property, other than baseball park facilities, tangible or intangible, operated by a professional baseball team on real estate leased or subleased from a district that is part of the operations of the professional baseball team for any legally permissible use, including retail facilities, hospitality facilities, commercial and residential facilities, health care facilities, and any other functionally related or auxiliary facilities or structures. Provide that this exemption first applies to property tax assessments as of January 1, 2024.

Under current law, property exempted from general property taxes includes property consisting of or contained in a sports and entertainment home stadium, except a football stadium of a professional football team as defined under current law; including but not limited to parking lots, garages, restaurants, parks, concession facilities entertainment facilities, transportation facilities, and other functionally related or auxiliary facilities and structures, including those facilities and structures while they are being built; constructed by, leased to or primarily used by a professional athletic team that is a member of a league that includes teams that have home stadiums in other states, and the land on which that stadium and those structures and facilities are located. Current law specifies that leasing or subleasing the property; regardless of the lessee, the sublessee and the use of the leasehold income; does not render the property taxable.

[Bill Sections: 1282, 2466, and 9337(14)]

3. SALES TAX EXEMPTION FOR LOCAL PROFESSIONAL BASEBALL PARK DISTRICTS

Governor: Provide an exemption from the general sales and use tax for sales to a local professional baseball park district established under state law (which would be modified and expanded under the bill). The Administration estimates that this provision would have a minimal effect on general fund tax collections. Separate provisions of the bill would make various changes to professional baseball park districts. [For more information, see "General Fund Taxes -- General Sales and Use Taxes".]

[Bill Section: 1590]

4. SALES TAX EXEMPTION FOR IMPROVEMENTS TO BASEBALL PARK DISTRICTS AND DEVELOPMENTS

Governor: Provide an exemption from the general sales and use tax for sales of building materials used to construct, develop, improve, renovate, repair, or maintain property that constitutes a baseball park development, as created and defined under separate provisions of the bill. Such baseball park development property would include property operated by a professional baseball team, including the following facilities: (a) retail; (b) hospitality; (c) commercial and residential; (d) health care; and (e) any others that are functionally related or auxiliary.

Expand the current law exemption from the sales and use tax to include sales of building materials used to improve, repair, or maintain a home stadium for any professional athletic team participating in a multistate league that is exempt from property taxation (including baseball park development property). Under current law, sales of building materials to owners, contractors, subcontractors, or builders, if these materials are used solely to construct, develop, or renovate a home stadium for any professional athletic team participating in a multistate league are exempt from the sales and use tax. This provision would expand that exemption to also include sales of building materials used for improvements, repairs, or maintenance of such stadiums.

The Administration estimates that this provision would have a minimal effect on general fund tax collections. [For more information, see "General Fund Taxes -- General Sales and Use Taxes ".]

[Bill Sections: 1282, 1595, and 2466]

PROGRAM SUPPLEMENTS

Budget Summary						FTE Position Summary
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	
GPR	$332,100	$94,240,300	$332,100	$93,908,200	N.A.	There are no authorized positions for program supplements.
FED	0	13,175,400	0	13,175,400	N.A.	
PR	0	23,123,500	0	23,123,500	N.A.	
SEG	0	12,997,800	0	12,997,800	N.A.	
TOTAL	$332,100	$143,537,000	$332,100	$143,204,900	N.A.	

Note: Base level funding is provided in four GPR appropriations, including $5,800 for physically handicapped supplements, $10,200 for executive residence furnishings replacement, $182,500 for groundwater survey and analysis, and $133,600 for unreserved moneys available for release by the Joint Committee on Finance.

Budget Change Item

1. FUNDS FOR 27TH BIWEEKLY PAYROLL

GPR	$93,908,200
FED	13,175,400
PR	23,123,500
SEG	12,997,800
Total	$143,204,900

Governor: Provide $93,908,200 GPR, $13,175,400 FED, $23,123,500 PR, and $12,997,800 SEG in 2023-24 in the supplemental appropriations established for this purpose under current law for the estimated costs of having to pay for a 27th payroll in 2023-24 for employees paid on a bi-weekly basis. Modify these appropriations to specify that this funding could be used for permanent UW System employees, including permanent project employees, on the biweekly payroll system of the UW System. In most fiscal years, only 26 biweekly payrolls must be paid; however, every 12 years 27 biweekly payrolls must be paid. A similar adjustment was made in 2011-12, when this last occurred.

[Bill Sections: 542 thru 546]

PUBLIC DEFENDER

	Budget Summary					FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$113,150,900	$133,466,100	$135,476,100	$42,640,400	18.8%	614.85	664.85	664.85	50.00	8.1%
FED	0	1,600	1,600	3,200	N.A.	63.00	63.00	0.00	- 63.00	- 100.0
PR	1,505,200	1,479,200	1,478,800	- 52,400	- 1.7	5.00	5.00	5.00	0.00	0.0
TOTAL	$114,656,100	$134,946,900	$136,956,500	$42,591,200	18.6%	682.85	732.85	669.85	- 13.00	- 1.9%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$875,900	0.00
FED	3,200	- 63.00
PR	- 52,400	0.00
Total	$826,700	- 63.00

Governor: Provide adjustments to the base totaling $447,500 GPR, $1,600 FED, and -$26,000 PR in 2023-24 and $428,400 GPR, $1,600 FED, and -$26,400 PR and -63.0 FED positions in 2024-25. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-$624,300 GPR and -$34,700 PR annually); (b) overtime ($219,300 GPR and $2,900 PR annually); (c) removal of non-continuing elements from the base (-63.0 FED positions in 2024-25); (d) minor transfers within the same appropriation ($173,600 GPR and 1.0 GPR position would be reallocated within the program operations appropriation from appellate representation to trial representation); and (e) full funding of lease and directed moves ($852,500 GPR, $1,600 FED, and $5,800 PR in 2023-24 and $833,400 GPR, $1,600 FED, and $5,400 PR). The positions removed under non-continuing elements (30 Assistant State Public Defenders (ASPDs), 3 client service specialists, 3 legal secretaries, 23 paralegals, and 4 investigators) were supported with federal ARPA funds. Note that the calculated turnover reduction ($1,354,900 GPR annually) was restored due to constitutional considerations. Under the Constitution and U.S. Supreme Court case law, the SPD is required to provide representation for all financially eligible individuals accused of a crime. The agency provides that representation through both staff and private bar attorneys. Restoration of the turnover reduction is recommended because, if turnover reductions are taken and staff positions not filled, cases will be handled by private bar attorneys. Since staff handle a higher caseload than private attorneys and generally cost less than private bar attorneys paid at $70 an hour, not filling staff attorney positions may result in higher costs to provide representation.

2. PRIVATE BAR ATTORNEY COMPENSATION

GPR	$21,606,600

Governor: Provide $10,803,300 annually and modify current law to increase the rate at which private bar attorneys are compensated from $70 per hour to $100 per hour and from $25 to $50 per hour for travel. 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 $70 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, 2023.

[Bill Sections: 3381 and 3382]

3. STAFF COMPENSATION

GPR	$16,054,700

Governor: Provide $7,033,500 GPR in 2023-24 and $9,021,200 GPR in 2024-25 to increase staff compensation and address retention, and recruitment issues that contribute to delays in the provision of constitutionally required representation.

a. *Pay Progression.* Provide $1,987,700 in 2024-25 to support the pay progression plan. The 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 ($56,659 as of January 3, 2023) and the highest annual salary ($136,781 as of January 3, 2023). The value of one hourly salary step equals $4,722 annually. Funding is approximately equal to a step.

b. *Salary Adjustments.* Provide $7,033,500 annually to increase the starting salary of assistant state public defenders from $27.24 to $35 an hour and provide any hourly increase of $7.76 ($16,140 annually) to all ASPDs.

c. *Non-Statutory Provision.* Create non-statutory language specifying that, notwithstanding statutory provisions establishing maximum annual salary increases in correction with pay progression at no more than 10%, salary increases in 2023-24 and 2024-25 may be more than 10% annually.

[Bill Section: 9101(4)(b)]

4. SUPPORT AND ADMINISTRATIVE STAFF

	Funding	Positions
GPR	$6,363,200	50.00

Governor: Provide $2,784,200 in 2023-24 and $3,579,000 in 2024-25 and 50.0 positions annually to address workload issues for staff assisting State Public Defender attorneys.

a. *Support Staff*. Provide an additional 46.0 support staff positions (18.0 paralegals, 10.0 investigators, 7.0 client services specialists, and 11.0 legal secretaries) in the trial division and 2.0 paralegal support staff positions in the appellate division.

b. *Administrative Staff.* Provide an additional 2.0 administrative office positions to recruit, onboard, and train staff. The positions are intended to lessen turnover rates and assist with administrative duties associated with the additional staff being provided.

5. CHARGING AND SENTENCING ALTERNATIVES

GPR	- $2,260,000

Governor: Provide a reduction to funding for private bar appointments of -$753,300 in 2023-24 and -$1,506,700 in 2024-25, associated with adoption of the following law changes intended to reduce the number of SPD appointments. [Note that estimated annual savings from the recommended law changes are generally halved in 2023-24 since private bar attorneys generally bill the SPD six months after being assigned a case.]

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 2,448 cases and reduce SPD costs by $1,271,300.

b. Modify current law to legalize the possession and use of marijuana. Cost savings to the SPD associated with this modification are estimated at $235,400 annually. Note that the estimate is based on the agency's budget request 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. [See "Marijuana-Related Provisions."]

[Bill Sections: 1174 and 3357]

6. PILOT CHIPS EXTENSION

Governor: Provide an extension of the sunset date on the pilot program to provide counsel for parents of a child subject to a Child in Need of Protection or Services (CHIPS) proceeding in five counties from June 30, 2023 to June 30, 2025. Modify current law to specify that the Department of Children and Families and the State Public Defender submit a report on the program to the Joint Committee on Finance and the Legislature by January 1, 2025, rather than by January 1, 2023.

[Bill Sections: 830 thru 832]

7. TRIAL CASELOAD EXEMPTION

Governor: Amend the statutes to increase the number of trial division attorneys that may be exempted from caseload standards from 10 to 25 to perform other assigned duties beginning July 1, 2023.

[Bill Sections: 3383 and 3384]

PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$7,225,881,800	$8,190,432,800	$9,070,352,400	$2,809,021,600	19.4%	252.47	258.47	258.47	6.00	2.4%
FED	884,034,600	884,037,600	884,037,600	6,000	0.0	323.84	323.84	323.84	0.00	0.0
PR	53,631,000	55,025,100	54,970,600	2,733,700	2.5	77.69	76.69	76.69	- 1.00	- 1.3
SEG	70,664,100	84,918,100	85,196,900	28,786,800	20.4	0.00	0.00	0.00	0.00	N.A.
TOTAL	$8,234,211,500	$9,214,413,600	$10,094,557,500	$2,840,548,100	17.2%	654.00	659.00	659.00	5.00	0.8%

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION

Governor: Provide $7,576,117,800 in 2023-24 and $8,392,575,700 in 2024-25 for general and categorical school aids. Compared to the 2022-23 base level funding of $6,668,498,600, school aids would increase by $907,619,200 (13.6%) in 2023-24 and $1,724,077,100 (25.9%) in 2024-25. These proposed funding levels would represent annual changes to the prior year of 13.6% in 2023-24 and 10.8% in 2024-25.

Under the historic definition of state funding for support of K-12 education (the sum of state general and categorical school aids, the school levy and first dollar credits, and the general program operations appropriation for the program for the deaf and hard of hearing and the center for the blind and visually impaired), the bill would increase state support from the base amount of $7,771,373,000 in 2022-23 to $8,679,817,200 in 2023-24 and $9,496,275,100 in 2024-25. These proposed funding levels would represent annual changes to the prior year of 11.7% in 2023-24 and 9.4% in 2024-25.

Using the historic definition of partial school revenues (the sum of state school aids and property taxes levied for school districts, less community service levies and a portion of the referenda-approved debt levy), the Administration estimates that state support of partial school revenues would increase from 67.8% in 2022-23 to 70.5% in 2023-24 and 72.6% in 2024-25. These estimates incorporate the state support funding in the bill, which is presented in Table 1.

TABLE 1

State Support for K-12 Education

State Funding	2022-23 Base Year	Governor 2023-24	Governor 2024-25
General School Aids	$5,218,420,000	$5,431,295,000	$6,011,367,400
Categorical Aids	1,450,078,600	2,144,822,800	2,381,208,300
School Levy Tax Credit	940,000,000	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000
State Residential Schools	12,874,400	13,699,400	13,699,400
Total	$7,771,373,000	$8,679,817,200	$9,496,275,100
Change to Prior Year:			
Amount		$908,444,200	$816,457,900
Percent		11.7%	9.4%
Change to Base:			
Amount		$908,444,200	$1,724,902,100
Percent		11.7%	22.2%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Governor's funding recommendations for each general and categorical school aid program as compared to the 2022-23 base funding level. The Governor's recommendations relating to individual school aid programs are summarized in the items that follow.

TABLE 2

State Support for K-12 Education by Fund Source

	2022-23 Base Year	Governor 2023-24	Governor 2024-25
GPR			
General School Aids	$5,218,420,000	$5,431,295,000	$6,011,367,400
Categorical Aids	1,387,586,900	2,080,585,100	2,317,249,400
School Levy Tax Credit	940,000,000	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000
State Residential Schools	12,874,400	13,699,400	13,699,400
GPR Subtotal	$7,708,881,300	$8,615,579,500	$9,432,316,200
PR			
Categorical Aids	$1,507,500	$1,507,500	$1,507,500
SEG			
Categorical Aids	$60,984,200	$62,730,200	$62,451,400
Total State Support - All Funds	$7,771,373,000	$8,679,817,200	$9,496,275,100

TABLE 3

General and Categorical School Aid by Funding Source
2022-23 Base Year Compared to the Governor's Budget

Agency	Type and Purpose of Aid	2022-23 Base Year	Governor 2023-24	Governor 2024-25	2023-25 Change to Base Year Doubled Amount	Percent
	General Aid					
DPI	General School Aids	$5,201,590,000	$5,431,295,000	$6,011,367,400	$1,039,482,400	10.0%
	High Poverty Aid	16,830,000	0	0	-33,660,000	-100.0
	Total General Aid	$5,218,420,000	$5,431,295,000	$6,011,367,400	$1,005,822,400	9.6%
	Categorical Aid--GPR Funded					
DPI	Per Pupil Aid	$601,400,000	$608,973,800	$640,224,200	$46,398,000	3.9%
	Special Education	517,890,000	1,009,278,600	1,039,556,900	1,013,055,500	97.8
	High-Cost Special Education Aid	11,439,200	13,032,000	17,376,000	7,529,600	32.9
	Spec. Ed. Transition Incentive Grants	3,600,000	3,600,000	3,600,000	0	0.0
	Transition Readiness Investment Grant	1,500,000	1,500,000	1,500,000	0	0.0
	Achievement Gap Reduction	109,184,500	109,184,500	109,184,500	0	0.0
	SAGE--Debt Service	133,700	133,700	133,700	0	0.0
	Sparsity Aid	27,983,800	28,614,000	28,614,000	1,260,400	2.3
	Pupil Transportation	24,000,000	24,000,000	24,000,000	0	0.0
	High-Cost Transportation Aid	19,856,200	27,360,000	27,360,000	15,007,600	37.8
	Aid for Comprehensive Sch. Mental Health Services	0	127,914,300	127,914,300	255,828,600	N.A.
	Aid for School Based Mental Health Professionals	0	30,000,000	30,000,000	60,000,000	N.A.
	Aid for School Mental Health Programs	12,000,000	0	0	-24,000,000	-100.0
	Mental Health Collaboration Grants	10,000,000	0	0	-20,000,000	-100.0
	Peer-to-Peer Suicide Prevention Grants	250,000	250,000	250,000	0	0.0
	Aid for English Language Acquisition	0	25,992,000	25,992,000	51,984,000	N.A.
	Bilingual-Bicultural Aid	8,589,800	16,788,900	22,743,000	22,352,300	130.1
	Tuition Payments	8,242,900	8,242,900	8,242,900	0	0.0
	Head Start Supplement	6,264,100	6,264,100	6,264,100	0	0.0
	Educator Effectiveness Grants	5,746,000	5,746,000	5,746,000	0	0.0
	School Lunch	4,218,100	4,218,100	4,218,100	0	0.0
	County Children with Disabilities Educ. Boards	4,067,300	4,067,300	4,067,300	0	0.0
	School Breakfast	2,510,500	6,837,300	7,173,500	8,989,800	179.0
	Peer Review and Mentoring	1,606,700	1,606,700	1,606,700	0	0.0
	Rural School Teacher Talent Pilot Program	1,500,000	1,500,000	1,500,000	0	0.0
	MPS Summer School Grant Program	1,400,000	1,400,000	1,400,000	0	0.0
	Four-Year-Old Kindergarten Grants	1,350,000	1,350,000	1,350,000	0	0.0
	School Day Milk	1,000,000	1,000,000	1,000,000	0	0.0
	Robotics League Participation Grants	500,000	500,000	500,000	0	0.0
	Gifted and Talented	474,400	474,400	474,400	0	0.0
	Aid for Transportation--Open Enr./Early College	454,200	454,200	454,200	0	0.0
	Supplemental Aid	100,000	100,000	100,000	0	0.0
	Supplemental Nutrition Aid	0	0	120,168,500	120,168,500	N.A.
	Out-Of-School-Time Program Grants	0	0	20,000,000	20,000,000	N.A.
	Mathematics Partnership Grant	0	0	10,000,000	10,000,000	N.A.
	Driver Education Aid	0	0	6,500,000	6,500,000	N.A.
	Computer Science Education Grants	0	5,000,000	5,000,000	10,000,000	N.A.
	Teacher Pipeline Capacity Building	0	0	5,000,000	5,000,000	N.A.
	Locally Sourced Food Incentive Payments	0	0	2,750,000	2,750,000	N.A.
	Personal Financial Literacy Grants	0	2,500,000	2,500,000	5,000,000	N.A.
	Early Literacy and Reading Improvement	0	805,000	805,000	1,610,000	N.A.
	Grants for Milk Coolers and Dispensers	0	0	50,000	50,000	N.A.
DOA	Telecommunications Access for Educ. Agencies	$0	$1,553,100	$1,831,900	$3,385,000	N.A.
	Debt Service--Tech. Infrastructure Bonding	325,500	344,200	98,200	-208,600	-32.0
	Total Categorical Aid--GPR Funded	$1,387,586,900	$2,080,585,100	$2,317,249,400	$1,622,660,700	58.5%

Agency	Type and Purpose of Aid	2022-23 Base Year	Governor 2023-24	Governor 2024-25	2023-25 Change to Base Year Doubled Amount	Percent
	Categorical Aid--PR Funded					
DPI	AODA	$1,284,700	$1,284,700	$1,284,700	$0	0.0%
	Tribal Language Revitalization Grants	222,800	222,800	222,800	0	0.0
	Grants to Replace Race-Based Nicknames	0	0	0	0	N.A.
	Total Categorical Aid--PR Funded	$1,507,500	$1,507,500	$1,507,500	$0	0.0
	Categorical Aid--SEG Funded					
DPI	School Library Aids	$45,000,000	$52,000,000	$52,000,000	$14,000,000	15.6%
DOA	Telecommunications Access for Educ. Agencies	15,984,200	10,730,200	10,451,400	-10,786,800	-33.7
	Total Categorical Aid--SEG Funded	$60,984,200	$62,730,200	$62,451,400	$3,213,200	2.6%
	Total Categorical Aid--All Funds	$1,450,078,600	$2,144,822,800	$2,381,208,300	$1,625,873,900	56.1%
	Total School Aid--All Funds	$6,668,498,600	$7,576,117,800	$8,392,575,700	$2,631,696,300	19.7%

2. GENERAL SCHOOL AIDS

GPR	$1,039,482,400

Governor: Provide $229,705,000 in 2023-24 and $809,777,400 in 2024-25 above base level funding of $5,201,590,000 for general school aids. The general school aids appropriation funds equalization, integration, and special adjustment aid. The bill funding would represent an increase of 4.4% in 2023-24 and 14.9% in 2024-25 compared to the prior year.

3. HIGH POVERTY AID

GPR	- $33,660,000

Governor: Delete $16,830,000 annually and the appropriation and program statutes for high poverty aid.

A district is eligible for high poverty aid if at least 50% of its enrollment on the third Friday of September in the immediately preceding even-numbered year, rounded to the nearest whole percentage point, satisfied the income eligibility criteria for a free or reduced-price lunch in the national school lunch program. Aid per pupil is calculated by dividing the appropriated amount by the total pupil membership of all eligible districts, using the pupil membership data from the equalization aid calculation in the first year of the biennium. A district's total payment is determined by multiplying that amount by each district's pupil membership.

By law, for all districts except the Milwaukee Public School (MPS), this aid is subject to revenue limits. For MPS, high poverty aid must be used to reduce the property tax levied to offset the aid reduction attributable to the Milwaukee private school choice program. In either case, the effect of this aid is to reduce the property tax levy of the eligible school district.

[Bill Sections: 310, 2150, 2217, 2225, 2236, 2237, and 9334(5)]

4. REVENUE LIMIT PER PUPIL ADJUSTMENT

Governor: Set the per pupil adjustment under revenue limits at $350 in 2023-24 and $650 in 2024-25. Specify that, in 2025-26 and each year thereafter, the per pupil adjustment would equal the amount from the previous year 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.

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. In 2022-23, no per pupil adjustment was added to each district's base revenue per pupil to determine its current year revenue per pupil. Under current law, no per pupil adjustment will be made in subsequent years. 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.

The inflationary adjustment that would begin in 2025-26 under the bill is the same measure used to index per pupil adjustment amount prior to 2009-10.

The following table shows the per pupil adjustment under the bill compared to current law.

Per Pupil Adjustment

	2022-23	2023-24	2024-25
Current Law	$0	$0	$0
Bill	0	350	650

[Bill Sections: 2240 thru 2260]

5. LOW REVENUE ADJUSTMENT

Governor: Set the low revenue adjustment amount under revenue limits at $10,450 per pupil in 2023-24 and $11,200 per pupil in 2024-25. Specify that, in 2025-26 and each year thereafter, the low revenue adjustment amount would equal the amount from the previous year 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. Also, beginning in 2023-24, delete the statutory provisions restricting otherwise-eligible districts from any low revenue adjustment increases for three years after a failed operating referendum. (A technical correction would be needed to accomplish the Administration's intent.)

Under the low revenue adjustment, if the sum of the base revenue per pupil and the revenue limit per pupil adjustment for a district is below the statutorily-specified amount, a district may increase its revenue to that amount. Under current law, the low revenue adjustment amount in 2022-23 and each year thereafter is $10,000 per pupil.

Under current law, if the voters in a district reject an operating referendum, the low revenue adjustment amount for that district remains at the amount for the school year during which the referendum was held for the following three school years. If the voters in such a district subsequently approve an operating referendum during the three-year period, however, the district's low revenue adjustment in the school year after the referendum equals the amount for that year.

The following table shows the low revenue adjustment amount under the bill compared to current law.

Low Revenue Adjustment - Per Pupil Amount

	2022-23	2023-24	2024-25
Current Law	$10,000	$10,000	$10,000
Bill	10,000	10,450	11,200

[Bill Sections: 2238, 2239, and 9334(4)]

6. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP

Governor: Specify that a four-year-old kindergarten (K4) pupil enrolled in a program that requires full-day attendance by the pupil for five days a week would be counted as 1.0 pupil for membership purposes, beginning with the distribution of school aid in, and the calculation of revenue limits for 2024-25. This membership change would apply to school district revenue limits and general aid and to payments to schools in private school choice programs and the independent charter school program.

Under current law, a K4 pupil is counted as 0.5 member if the pupil attends for at least 437 hours, unless the program provides at least 87.5 additional hours of outreach activities, in which case the pupil is counted as 0.6 member. Under the bill, a K4 pupil enrolled in a program requiring less than full-day attendance by the pupil for five days a week would be counted as 0.5 or 0.6 member, depending on whether the additional outreach is provided.

[Bill Sections: 2221 thru 2223 and 9334(6)]

Categorical Aids

1. SPECIAL EDUCATION

GPR	$1,013,055,500

Governor: Provide $491,388,600 in 2023-24 and $521,666,900 in 2024-25 for special education categorical aid and modify the appropriation from sum certain to be a sum sufficient appropriation paying 60% of eligible costs beginning in 2023-24 and annually thereafter. Base level funding is $517,890,000, which DPI estimates will reimburse approximately 31.5% of eligible costs in 2022-23.

[Bill Sections: 309 and 2112]

2. HIGH COST SPECIAL EDUCATION AID

GPR	$7,529,600

Governor: Provide $1,592,800 in 2023-24 and $5,936,800 in 2024-25 for high cost special education categorical aid. Base level funding is $11,439,200, which DPI estimates will reimburse approximately 39.5% of eligible costs in 2022-23.

Additionally, request statutory language modifying the appropriation to be sum sufficient, establishing the following reimbursement rates in statute: 45% in 2023-24, and 60% in 2024-25 and each school year thereafter. Also request statutory language to modify the program to define costs eligible for reimbursement to include 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 the state special education categorical aid, federal Individuals with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient, payments are prorated.

[Bill Sections: 311 and 2109 thru 2111]

3. AID FOR COMPREHENSIVE SCHOOL MENTAL HEALTH SYSTEMS

GPR	$235,828,600

Governor: Provide $127,914,300 annually to create a new appropriation for aid to school districts and independent charter schools to support comprehensive mental health systems and programs in schools. Delete $10,000,000 annually and eliminate the existing school-based mental health services grants program that awards grants to school districts and independent charter schools for collaborating with community mental health agencies to provide services to pupils.

Specify that under this new aid program, school districts and independent charter schools would each be eligible to receive reimbursements for eligible expenditures, not to exceed $100,000 plus $100 per pupil enrolled in the school district or charter school in the prior year. Specify that funds could be used to provide allowable services during the school day and during after-school or other out-of-school time programs. Define the following as expenses eligible for reimbursement under the program: (a) mental health evidence-based improvement strategies; (b) mental health literacy and stigma reduction programs for pupils and adults; (c) collaborating or contracting with community mental health providers, consultants, organizations, cooperative educational service agencies, and other experts to provide consultation, training, mentoring, and coaching; (d) parent training and informational events; (e) assistance programs for pupils and families; (f) mental health navigators; (g) mental health system planning; (h) translator and interpreter services; (i) offsetting the costs associated with school-employed mental health professionals accessible to all pupils; (j) the costs of setting up spaces and purchasing equipment suitable for mental health telehealth service delivery; (k) the costs of projects designed to assist minors experiencing problems resulting from the use of alcohol or other drugs or to prevent alcohol or other drug use by minors; and (l) telehealth services. Specify that the following costs would be ineligible for reimbursement: (a) payments for direct treatment services or insurance deductibles; (b) non-mental health–related training; (c) staff salaries for non-mental health–related positions; and (d) indirect costs of regular school operations such as existing overhead expenses. Specify that if funding in the appropriation is insufficient to pay the full amount of aid, payments would be prorated among the school districts and independent charter schools that are eligible for aid.

[Bill Sections: 322, 326, 2053, and 2054]

4. AID FOR SCHOOL-BASED MENTAL HEALTH PROFESSIONAL STAFF

GPR	$36,000,000

Governor: Provide $30,000,000 annually in a new appropriation for aid for school-based mental health professional staff. Delete $12,000,000 annually and the existing appropriation for aid for school mental health programs.

Modify current law to include expenditures for any pupil services professional, rather than only social workers as under current law. Define pupil services professional as a school counselor, school social worker, school psychologist, or school nurse. Modify the program to specify that beginning in the 2023-24 school year, school districts, independent charter schools, and private schools participating in one of the private school choice programs would be eligible for reimbursement of any expenditures made to employ, hire, or retain pupil services professionals, including pupil services professionals who provided telehealth services, rather than only 50% of the increase in expenditures to employ, hire, or retain school social workers. Specify that if funding in the appropriation is insufficient to pay the full amount of aid, payments would be prorated among the school districts, independent charter schools, and private schools that are eligible for aid.

Under current law, the program reimburses eligible districts and schools for expenditures on school social workers 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.

[Bill Sections: 320, 321, and 2045 thru 2051]

5. PEER TO PEER SUICIDE PREVENTION GRANTS

Governor: Modify the program to increase the maximum grant award for the peer-to-peer suicide prevention grants from $1,000 to $6,000. Base funding of $250,000 would remain at that level for each year of the 2023-25 biennium.

[Bill Section: 2052]

6. SUPPLEMENTAL NUTRITION AID

GPR	$120,168,500

Governor: Provide $120,168,500 in 2024-25 in a new sum sufficient appropriation for reimbursing educational agencies for the cost of meals served in schools, so that those meals would be provided at no cost to pupils.

Under the program, an educational agency would be eligible to receive an annual payment equal to the sum of the following: (a) the number of school lunches provided to pupils eligible for a reduced-price lunch multiplied by the difference between the reimbursement amount for a reduced-price lunch and a free lunch in the previous school year; (b) the number of school lunches provided to pupils ineligible for a free or reduced-price lunch multiplied by the difference between the reimbursement amount for a paid lunch and a free lunch in the previous school year; (c) the number of school breakfasts provided to pupils eligible for a reduced-price breakfast multiplied by the difference between the reimbursement amount for a reduced-price breakfast and a free breakfast in the previous school year; (d) the number of school breakfasts provided to pupils ineligible for a free or reduced-price breakfast multiplied by the difference between the reimbursement amount for a paid breakfast and a free breakfast in the previous school year; (e) the number of meal supplements provided to pupils eligible for a reduced-price meal supplement multiplied by the difference between the reimbursement amount for a reduced-price meal supplement and a free meal supplement in the previous school year; and (f) the number of meal supplements provided to pupils ineligible for a free or reduced-price meal supplement multiplied by the difference between the reimbursement amount for a paid meal supplement and a free meal supplement in the previous school year. An educational agency would be defined as a school board, an operator of an independent charter school, a private school, a tribal school, an operator of a residential care center for children and youth, and the state's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired. To be eligible for reimbursement, the educational agency could not charge eligible pupils for school meals for which the educational agency receives reimbursement under the federal school lunch program or federal school breakfast program.

The basic cash reimbursement rates for all schools or institutions participating in the federal school lunch and breakfast programs in 2022-23 are $4.33 for a free lunch, $3.93 for a reduced-price lunch, and $0.77 for a paid lunch; $2.26 for a free breakfast, $1.96 for a reduced-price breakfast, and $0.50 for a paid breakfast; and $1.08 for a free snack, $0.54 for a reduced-price snack, and $0.09 for a paid snack. In the same year, a family of four qualifies for a free lunch with an annual income of less than $36,075, and a reduced-price lunch with an income of between $36,075 and $51,338. In the 2022-23 school year, approximately 345,400 public school pupils in

Wisconsin qualified for free meals, or approximately 44% of pupils statewide, and 37,900 pupils qualified for reduced-price meals, or approximately 5% of pupils statewide.

[Bill Sections: 318 and 2040]

7. SCHOOL BREAKFAST REIMBURSEMENT

GPR	$8,989,800

Governor: Provide $4,326,800 in 2023-24 and $4,663,000 in 2024-25 above base level funding of $2,510,500 for the school breakfast program. 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 5.9 cents per meal served in 2022-23. It is estimated that the additional funding would increase the state reimbursement rate to 15.0 cents per meal served.

Additionally, modify 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 for children and youth to be eligible for reimbursement. Specify that schools that ceased operations during the prior school year are not eligible for reimbursement for any breakfasts served during that year.

[Bill Sections: 2038 and 2039]

8. LOCALLY-SOURCED FOOD INCENTIVE PAYMENTS

GPR	$2,750,000

Governor: Provide $2,750,000 beginning in 2024-25 for a new categorical aid program to reimburse school food authorities that participate in the National School Lunch Program an additional 10 cents for each meal served in the previous school year that included a locally-sourced food item. Define school food authorities as school districts, independent charter schools, private schools, tribal schools, residential care centers for children and youth, and the state's residential schools for blind and deaf pupils. Locally-sourced food would be defined as food that is raised, produced, aggregated, sorted, processed, and distributed within this state. Specify that payments would be prorated if funding in the appropriation is insufficient.

[Bill Sections: 313 and 2042]

9. GRANTS FOR MILK COOLERS AND DISPENSERS

GPR	$50,000

Governor: Provide $50,000 in 2024-25 to create a new categorical aid program to reimburse educational entities that participate in the National School Lunch Program for the cost of purchasing milk coolers and milk dispensers, up to $5,000 per unit. Educational agencies would be defined as school districts, independent charter schools, private schools, tribal schools, residential care centers for children and youth, and the state's residential schools for blind and deaf pupils. Require an educational agency to specify in its application the eligible milk equipment that it intends to purchase with the grant and the cost of each unit. Specify that payments would be prorated if funding is insufficient. Allow DPI to promulgate rules to implement and administer the program.

[Bill Sections: 312 and 2041]

10. BILINGUAL-BICULTURAL AID

GPR	$22,352,300

Governor: Provide $8,199,100 in 2023-24 and $14,153,200 in 2024-25 above base level funding of $8,589,800 for bilingual-bicultural aid. Modify the appropriation from sum certain to be a sum sufficient appropriation paying 15% of eligible costs in 2023-24 and 20% in 2024-25 and annually thereafter.

Under current law, school districts are required to establish a bilingual program if, within a language group at a given school, there are 10 or more limited-English proficient (LEP) pupils in kindergarten to grade three, or 20 or more LEP pupils in grades four to eight or grades nine to 12. Aid is provided to districts to reimburse eligible costs related to providing services for LEP pupils, including salaries of personnel participating in and attributable to bilingual-bicultural education programs, special books and equipment used in such programs, and other expenses approved by the State Superintendent. Districts in which LEP pupils comprise 15% or more of total enrollment are eligible for additional aid from a $250,000 set-aside, which is divided proportionately among eligible districts based on their costs. In 2021-22, the reimbursement rate under the program was approximately 7.7%.

[Bill Sections: 314 and 2116 thru 2119]

11. AID FOR ENGLISH LANGUAGE ACQUISITION

GPR	$51,984,000

Governor: Provide $25,992,000 annually in a sum sufficient appropriation for a new categorical aid program to support limited-English proficient (LEP) pupils in school districts and independent charter schools. Specify that under the program, base funding of $10,000 would be provided to each school district and independent charter school serving at least one and up to 20 LEP pupils, and an additional $500 would be provided for each LEP pupil above 20, based on the number of pupils enrolled in the district or attending the school in the previous school year.

Require school boards and operators of independent charter schools to annually, on or before August 15, report to DPI the number of LEP pupils enrolled in the school district or attending the charter school in the previous school year and the classification of those pupils by language group.

Require DPI to award grants beginning in the 2024-25 school year. (Funding under the program is provided in both years of the biennium, but under the bill grants would first be awarded in the second year of the biennium.)

[Bill Sections: 315, 2113 thru 2115, and 2120]

12. PER PUPIL AID

GPR	$46,398,000

Governor: Provide $7,573,800 in 2023-24 and $38,824,200 in 2024-25 in per pupil aid to increase the payment from $742 per pupil in 2022-23 to $766 per pupil in 2023-24 and $811 per pupil in 2024-25. Base level funding is $601,400,000.

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 current law, each district will receive a $742 per pupil payment in 2022-23 and each year thereafter. A district's aid payment is based on its current three-year rolling average pupil count under revenue limits. The Administration estimates that per pupil aid enrollment will be 795,000 in 2023-24 and 789,400 in 2024-25.

[Bill Section: 2064]

13. PER PUPIL AID -- CLARIFY CURRENT LAW

Governor: Delete obsolete statutory language relating to the delayed payment of per pupil aid for the 2015-16 school year.

Also, change the cross-reference for the exclusions from per pupil aid enrollment to a current reference, rather than an outdated one. Under current law, pupils who attend certain independent charter schools are included in their resident districts' enrollments for revenue limit purposes. The revenue limit count is used for per pupil aid, but the provision excluding these pupils for per pupil aid refers to an outdated statutory paragraph.

[Bill Sections: 2063 thru 2065]

14. GRANTS FOR OUT-OF-SCHOOL-TIME PROGRAMS

GPR	$20,000,000

Governor: Provide $20,000,000 in 2024-25 in a continuing appropriation for a new grant program to support the implementation and expansion of after-school and other out-of-school time programs that provide services to school-age children. Require DPI to award grants to school boards, independent charter schools, and organizations that provide after-school and other out-of-school time programming to school-age children. Define an "out-of-school-time program" as any of the following: (a) a program that provides programming, activities, learning support, and supervision for K-12 pupils before school, after school, or both; (b) a day camp licensed by the Department of Children and Families; (c) a recreational or educational camp licensed by the Department of Agriculture, Trade and Consumer Protection or a local health department; or (d) a program that DPI determines will help program participants make progress in the following goals, as appropriate for age groups served: (1) developing a sense of connection to school and their place in it; (2) improving academic outcomes, including homework completion, grades, and study behaviors; (3) college graduation and career readiness; (4) reducing rates of participation in risky behaviors through access to a safe and welcoming environment during out-of-school-time hours; (5) improving social and emotional skills and accessing opportunities to demonstrate leadership;

or (6) accessing experiences and opportunities that contribute to the development of the whole child, such as civic engagement and community service. Provide that DPI could promulgate rules to implement and administer the program.

[Bill Sections: 324 and 2066]

15. EARLY LITERACY AND READING IMPROVEMENT

GPR	$20,000,000

Governor: Provide $10,000,000 annually to create two new appropriations, including $9,195,000 annually to contract with and train literacy coaches to implement a comprehensive program of trainings for educators to improve early literacy and reading outcomes for Wisconsin students, and $805,000 annually to provide payments to participating school districts and independent charter schools.

Require DPI to establish a program to improve literacy outcomes that includes the following: (a) coaches to support the implementation of evidence-based literacy instructional practices in grades K-12 by collaborating with local educational agencies to establish goals for literacy outcomes for specific grade levels and literacy areas and provide ongoing support to local educational agencies to meet those goals; (b) coaches to focus on early literacy instructional transitions by providing in-person trainings for teachers who teach 4K, kindergarten, or first grade, including in-person trainings to evaluate existing early literacy curricula and goals and to assist local educational agencies to create local, standards-aligned, and developmentally appropriate curricula and instruction for 4K to first grade pupils; and (c) trainings for the coaches on how to identify evidence-based literacy instructional practices and facilitate regional trainings focused on early literacy instructional practices. Require DPI to contract with individuals who demonstrate knowledge of and expertise in evidence-based literacy instructional practices and instructional experience in grades 4K to 12 to serve as literacy coaches under (a), and individuals who demonstrate knowledge and expertise in early literacy instructional practices and instructional experience in grades 4K through one to serve as literacy coaches under (b).

Define urban school districts as those with enrollments in the previous school year of at least 16,000 pupils (Milwaukee, Madison, Green Bay, Kenosha, and Racine), and require each urban school district to participate in the program. Require DPI to contract with one of each type of literacy coach for each urban school district, and between one and four of each type of coach for each cooperative educational service agency (CESA), depending on the number of pupils enrolled in non-urban districts located in the CESA in the previous school year, as follows: (1) for CESAs with fewer than 40,000 pupils, one coach under (a) and one under (b); (2) for CESAs with 40,001 to 80,000 pupils, two literacy coaches under (a) and two under (b); for CESAs with 80,001 to 120,000 pupils, three literacy coaches under (a) and three under (b); and for CESAs with more than 120,000 pupils, four coaches under (a) and four under (b). Specify that other than urban districts, DPI could not require any district to participate in the program.

Require DPI to pay $7,000 annually to each school district and independent charter school that elects to work with a coach to implement evidence-based literacy instructional practices under (a) and an additional $6,000 annually to each school district and independent charter school that participates in an early literacy training led by a coach under (b).

[Bill Sections: 305, 328, and 2055]

16. COMPUTER SCIENCE EDUCATION GRANTS

	Funding	Positions
GPR	$10,302,500	1.00

Governor: Provide $5,152,500 and 1.0 position in 2023-24 and $5,150,000 in 2024-25 to create a grant program to provide funds to school districts to expand computer science educational opportunities in all grade levels operated by the district. Specify that funds could be used to provide professional development, purchase curricula and related materials, and apply programming or coding concepts or integrate computer science fundamentals into other subjects.

Of the total funding amount, $5,000,000 annually would be used to award grants to school districts. An additional $132,500 in 2023-24 and $150,000 in 2024-25 would be provided in DPI's general program operations appropriation for a statewide computer science education coordinator ($76,900 salary and $55,600 fringe in 2023-24 and $87,100 salary and $62,900 fringe in 2024-25). The remaining $20,000 in 2023-24 would be for costs associated with a computer science education task force, to be chaired by the computer science education coordinator.

[Bill Sections: 325 and 2027]

17. MILWAUKEE MATHEMATICS PARTNERSHIP

GPR	$10,000,000

Governor: Provide $10,000,000 beginning in 2024-25 for a grant for a partnership between Milwaukee Public Schools (MPS) and the University of Wisconsin-Milwaukee. Require the MPS school board and UW-Milwaukee to develop and implement a plan to improve mathematics instruction in MPS schools. Specify that MPS could use the funds for personnel costs associated with the plan. Require the school board of MPS to provide matching funds in an amount equal to at least 20 percent of the amount of the grant. Specify that DPI could promulgate rules to implement and administer the program.

[Bill Sections: 323 and 2216]

18. GROW YOUR OWN EDUCATOR PROGRAMS

GPR	$5,000,000

Governor: Provide $5,000,000 beginning in 2024-25 for a new grant program to reimburse school districts and independent charter schools for programs and initiatives to build the educator workforce in Wisconsin schools. Define a "grow your own program" as a program to encourage individuals to pursue a career in teaching or to facilitate teacher licensure. Funds could be used on activities such as paying the costs associated with current staff completing education necessary to obtain licensure, partnering with community organizations to attract and develop new teachers, support for career pathways using dual enrollment, incentives for paraprofessionals to gain licensure, and supporting student organizations that encourage high school students to pursue careers in teaching. Require DPI to promulgate rules to implement and administer the program, including criteria for awarding grants. Specify that the program does not apply to any school in Milwaukee Public Schools (MPS) that was transferred to the opportunity schools partnership program, which transfers the operation and management of a school that either received the lowest rating on the most recent school accountability report or was identified as a vacant or underutilized building. No schools have been transferred into the program to date.

[Bill Sections: 317, 2059, and 2199]

19. PERSONAL FINANCIAL LITERACY

GPR	$5,000,000

Governor: Provide $2,500,000 annually in a biennial appropriation for a new personal financial literacy grant program for school districts and independent charter schools to develop, implement, or improve financial literacy curricula. Require the State Superintendent to prioritize grant applications related to innovative financial literacy curricula, as determined by the State Superintendent.

Under current law, school districts are required to adopt academic standards for financial literacy and incorporate financial literacy instruction into the curriculum in grades kindergarten through 12.

[Bill Sections: 327 and 2036]

20. HIGH COST TRANSPORTATION AID

GPR	$15,007,600

Governor: Provide $7,503,800 annually above base level funding of $19,856,200 for high cost transportation aid. It is estimated that this amount would fully fund payments to eligible districts in each year. Additionally, modify statutory language to eliminate the $200,000 cap for payments for districts that qualified for aid in the previous year, but did not qualify in the current year. As a result, payments to all school districts receiving aid under the program would be prorated at the same rate.

Under current law, school districts qualify for high cost transportation aid if they meet the following eligibility requirements: (a) a transportation cost per member greater than 140% 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 2021-22, 192 districts were eligible for aid under the program, and payments to those districts were prorated at 66.8%. Eleven districts had been eligible in the previous year but did not meet the eligibility requirements in the current year, and received payments equal to 52.8% of the maximum amount for which they were eligible (50% of their prior year payment).

[Bill Sections: 2229 thru 2234]

21. PUPIL TRANSPORTATION AID

Governor: Modify statutory language to increase the reimbursement rate for pupils transported over 12 miles to and from school in the regular school year from $375 to $400 beginning in the 2023-24 school year. It is estimated that the current funding level ($24.0 million GPR) would fully fund payments at the increased rate.

	Current Law		Bill	
Mileage	School Year	Summer School	School Year	Summer School
0-2 miles (hazardous area)	$15	--	$15	---
2-5 miles	35	$10	35	$10
5-8 miles	55	20	55	20
8-12 miles	110	20	110	20
Over 12 miles	375	20	400	20

[Bill Section: 2228]

22. DRIVER EDUCATION AID

GPR	$6,500,000

Governor: Provide $6,500,000 beginning in 2024-25 in a new, annual appropriation for driver education aid to reimburse eligible programs for the cost of providing driver education to low income pupils.

Define a driver education program as an instructional program in driver education approved by DPI and operated by a driver school or a qualified driver education provider, which would include school boards, operators of an independent charter school, and cooperative educational service agencies. Specify that eligible pupils would be pupils who qualified for free or reduced-price lunch in the federal school lunch program in the previous school year. Provide that in order to receive grants, qualified driver education providers would have to: (a) demonstrate to DPI that the provider waived the fees it would otherwise charge for eligible pupils; and (b) by October 1, 2024, and annually thereafter, report the number of eligible pupils who enrolled in and successfully completed its driver education program in the previous school year and the amount charged to a pupil who was not an eligible pupil to enroll in and complete the program in the previous year. Require DPI to calculate the amount paid to each qualified driver education provider by multiplying the number of eligible pupils reported as having successfully completed a program in the previous school year by the amount that the provider reported that it charged a pupil who was not an eligible pupil in the previous year. Provide that DPI could promulgate rules to implement and administer this program

[Bill Sections: 319 and 2227]

23. SPARSITY AID

GPR	$1,260,400

Governor: Provide $630,200 annually over base level funding of $27,983,800 for sparsity aid.

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. Districts qualify for $100 per pupil if, in the prior school year, they had an enrollment between 745 and 1,000 pupils and a population density of fewer than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. In 2022-23, 150 districts qualified for $400 per pupil aid and 33 districts qualified for $100 per pupil aid. Payments were prorated at 98%.

Additionally, modify the provision that exists under current law under which any district that qualified for sparsity aid in one year but did not qualify the following year due to an increase in its enrollment is eligible to receive 50% of its prior year award. Instead, allow a district that loses its eligibility as a result of an increase in its enrollment or its pupil population density to receive up to 50% of its prior year award. Two districts (Brodhead and Lancaster Community) qualified for aid under this provision in 2022-23. This modification would first apply to sparsity aid in the 2023-24 school year.

[Bill Sections: 2061, 2062, and 9334(7)]

24. GRANTS TO REPLACE CERTAIN RACE-BASED NICKNAMES, LOGOS, MASCOTS, AND TEAM NAMES

Governor: Create a PR appropriation for grants to school boards for the costs associated with adopting and implementing a nickname, logo, mascot, or team name that is not race-based. The State Superintendent could award a grant to a school board that adopts a resolution to terminate the use of a race-based nickname, logo, mascot, or team name that is associated with a federally recognized American Indian tribe or American Indians in general, regardless of whether the board has received an objection from a school district resident or an order to terminate the use of the nickname, logo, mascot, or team name from the Division of Hearings and Appeals in the Department of Administration (DOA). Specify that the amount of the grant could not exceed the greater of $50,000 or the school board's actual costs to adopt and implement the new team name.

The program revenue would be from tribal gaming revenue transferred from DOA. The unencumbered balance on June 30 of each year would revert to the appropriation for tribal gaming receipts. The bill creates an appropriation and statutory language for the grant program, but does not provide funding in the appropriation.

[Bill Sections: 329, 518, and 2124]

25. SCHOOL LIBRARY AIDS REESTIMATE

SEG	$14,000,000

Governor: Reestimate school library aids by $7,000,000 annually. Base level funding is $45,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

Choice, Charter, and Open Enrollment

GPR	$39,474,300
GPR Effect of Aid Reductions	22,799,700
Net GPR	$62,274,000

1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM FUNDING

Governor: Provide $9,827,900 in 2023-24 and $29,646,400 in 2024-25 over base year funding of $244,416,600 for the Milwaukee private school choice program to reflect changes in pupil participation and per pupil payments under the bill. This would reflect an increase in pupil participation from 28,100 pupils in 2022-23 to an estimated 28,300 pupils in 2023-24 and 2024-25. The table below shows the per pupil payments under the bill based on the increase in the per pupil adjustment under revenue limits provided in the bill.

Per Pupil Payments Under the Bill, 2023-24 and 2024-25

	Current Law	Bill	
	2022-23	2023-24	2024-25
K-8	$8,399	$8,773	$9,468
9-12	9,045	9,419	10,114
Change to prior year		374	695

Under current law, the estimated cost to the state of the payments from the Milwaukee choice program appropriation is partially offset by a reduction (after consideration of aid paid to the City of Milwaukee to defray the choice levy) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 3.2% of the total cost of the program in 2023-24 and 0.0% of the total cost of the program in 2024-25. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction (less the amount of high poverty aid paid to MPS, which would be eliminated under another provision of the bill).

Under the bill, the aid reduction for MPS would decrease by $7,340,600 in 2023-24 and $15,459,100 in 2024-25 from the base choice reduction of $15,459,100. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of $17,168,500 in 2023-24 and of $45,105,500 in 2024-25.

The total change in funding provided for the Milwaukee choice program under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; and (c) modifying the payment indexing mechanism.

2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM FUNDING

GPR	$78,195,000
GPR Effect of Aid Reductions	- 87,075,600
Net GPR	- $8,880,600

Governor: Provide $31,135,100 in 2023-24 and $47,059,900 in 2024-25 over base year funding of $172,417,000 for the Racine and statewide private school choice programs to reflect changes in pupil participation and per pupil payments under the bill.

The table below shows the per pupil payments under the bill based on the increase in the per pupil adjustment under revenue limits provided in the bill.

Per Pupil Payments Under the Bill, 2023-24 and 2024-25

	Current Law	Bill	
	2022-23	2023-24	2024-25
K-8	$8,399	$8,773	$9,468
9-12	9,045	9,419	10,114
Change to prior year		374	695

Estimated per pupil participation in each year of the biennium is shown in the table below.

Estimated Racine and Statewide Private School Choice Program Participation

	2022-23	2023-24	2024-25
Racine	3,800	3,900	3,900
Statewide	16,500	18,900	18,900
Total	20,300	22,800	22,800

Under current law, the cost of payments for legacy pupils (pupils who first participated in the programs in the 2014-15 school year or earlier) is fully funded through GPR. Payments for all other pupils are fully funded through an aid reduction in the general school aids that would otherwise be paid to those pupils school districts of residence. School districts receive a revenue limit adjustment equal to the amount of the aid reduction in the current year.

Under the bill, the aid reduction for the programs would total $197,749,500 in 2023-24 and $214,307,700 in 2024-25 from the base choice aid reduction of $162,490,800. The net general fund fiscal effect for the Racine and statewide programs would be decreased expenditures of $4,123,600 in 2023-24 and decreased expenditures of $4,757,000 in 2024-25 compared to the base.

The total change in funding provided for the Racine and statewide choice programs under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; and (c) modifying the payment indexing mechanism.

3. PRIVATE SCHOOL CHOICE PROGRAMS AND SPECIAL NEEDS SCHOLARSHIP PROGRAM -- CAP PARTICIPATION AT 2023-24 LEVELS

Governor: Beginning in the 2024-25 school year, specify that the total number of pupils who can participate in each of the three choice programs and the special needs scholarship program could not exceed a program cap for each program defined as the total number of pupils who attended private schools under that program in the 2023-24 school year.

Current law limits the total number of pupils residing in a school district who can participate in the statewide choice program to no more than 7% of the district's prior year membership in 2022-23. The limit will increase by one percentage point in each year until it reaches 10% in 2025-26. Beginning in 2026-27, no limit will apply. Current law does not limit the number of pupils who can participate in the Milwaukee or Racine choice programs or the special needs scholarship program.

Specify that a private school participating in the program could accept applications from eligible pupils during application periods determined by DPI. For the Racine and Milwaukee choice programs, require DPI to establish one or more application periods, the first of which may begin no earlier than the first weekday in February of the previous school year and the last of which may end no later than September 14 of the applicable school year. For the statewide choice program, maintain the application period under current law (the first weekday in February to the third Thursday in April of the previous school year). For the special needs scholarship program, require a participating private school to notify DPI of its intent to participate in the program by the first Monday in March of the previous school year, and specify that the school could accept applications for the following school year between the first weekday in April and the third Thursday in June. Delete current law allowing a pupil to apply to the special needs scholarship program at any time during the school year.

Require each private school to report to DPI the number of pupils who applied to attend the school under each program, and the names of those applicants who have siblings who also applied to attend the school under the program. For the choice programs, require that this information is reported no later than 10 days after each application period ends, and for the special needs scholarship program, require that this information is reported no later than the first weekday in May immediately following the application period. (The bill specifies a private school reporting date for applicants to the special needs scholarship program that is prior to the end date of the application period specified in the bill. A correction would be needed to modify the application period, the private school reporting date, or both, to correct the timing issue).

At the end of each application period, require DPI to determine the sum of all applicants, counting a pupil who has applied to attend more than one private school under a choice program or under the special needs scholarship program only once. If the sum exceeds the program cap (or, for the statewide program, the district participation limits under current law), require DPI to determine which applications to accept on a random basis, with the following exceptions: (a) for the choice programs, the pupil preferences established under current law; and (b) for the special needs scholarship program, children who attended a different eligible school under the special needs scholarship program in the previous school year, and siblings of pupils who already attend the private school.

Require DPI to establish a waiting list for those pupils whose applications are not accepted in accordance with the current law preferences. Require a private school to notify DPI if an accepted pupil will not attend the school, and require DPI to fill any available slot with a pupil from the waiting list. Allow a pupil on the waiting list under the choice programs to be admitted for the following school year without submitting additional financial information, provided that the applicant continues to meet the residency requirements for the program for which the pupil is applying.

No later than 60 days after the end of the application period for the special needs scholarship program, require DPI to notify each applicant and each eligible school, in writing, whether the applicant has been approved to receive a scholarship. For the Milwaukee, Racine, and statewide choice programs, require a private school to notify each applicant who is not eligible to participate in the programs for any reason, including the program caps, that their application has been rejected. Require that the notification be made in writing, and that it includes the reason the application was rejected.

Specify that current law that creates an exception under which pupils who accept a space at a private school under the statewide choice program but move to Milwaukee or Racine before the third Friday in September and continue to attend the same private school under the Milwaukee or Racine choice programs are not counted for the school district participation limits would also apply to the program caps for that school year.

Additionally, specify that if a pupil who accepts a space at a private school participating in the Milwaukee, Racine, or statewide choice program changes their residence before the third Friday in September and continues to attend the same private school under a separate program, other than pupils who move from Racine to Milwaukee, the pupil would not be counted under the program caps for that school year.

Specify that these provisions would first apply to program caps and applications or transfer of applications for the 2024-25 school year. Specify that the current law participation limits for the statewide choice program, which limits enrollment to a percentage of total district enrollment, would not apply beginning with the 2026-27 school year.

[Bill Sections: 2077 thru 2079, 2086, 2087, 2089 thru 2099, 2175, 2176, 2180, 2181, 2183 thru 2192, 2196 thru 2198, 2200, 2204, 2206 thru 2208, 2212 thru 2215, and 9334(1) thru (3)]

4. PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- TEACHER LICENSURE REQUIREMENT

Governor: Require that beginning on July 1, 2026, all of a participating private school's teachers have a teaching license or permit issued by DPI, except teachers who teach only rabbinical studies. This requirement would apply to the Milwaukee, Racine, and statewide choice programs, and the special needs scholarship program.

Specify that any teacher employed by the school on July 1, 2026, who has been teaching for at least the five consecutive years immediately preceding that date and who does not have a teaching license or permit issued by DPI could apply for a temporary, nonrenewable waiver on a form prepared by DPI. Require DPI to promulgate rules to implement this provision, including the form of the application and the process by which the waiver application would be reviewed. Require that the waiver application require the applicant to submit a plan for satisfying the licensure requirement. Specify that no waiver would be valid after July 1, 2031.

Modify current law teacher licensure requirements to include private schools participating in these programs, including the following: (a) specify that an individual located in another state may teach an online course without a Wisconsin license if he or she is properly licensed in the state from which the course is provided; (b) allow a faculty member of an institution of higher education to teach without a license or permit if the faculty member satisfies certain requirements, including a background investigation; (c) prohibit a teaching license from being issued to any individual without a bachelor's degree, except for an individual certified to teach native American languages and cultures or an individual with an experience-based license for technical and vocational education subjects, or anyone who completed a professional training program outside of Wisconsin that did not include a student teaching component; (d) specify that an individual certified to teach native American languages and culture cannot teach other courses unless otherwise qualified; (e) allow a private school participating in these programs to employ an individual who teaches a technical or vocational education subject with an experience-based license if the school and individual fulfill certain requirements; and (f) require that a private school participating in the private school choice programs employing a person who holds a professional teaching permit does not fill the position following the removal of a regularly licensed teacher. Specify that these provisions would first take effect on July 1, 2026.

[Bill Sections: 2025, 2088, 2127 thru 2138, 2177, 2178, 2182, 2201, 2202, 2205, and 9434(1)]

5. PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- INFORMATION REQUIRED ON PROPERTY TAX BILL

Governor: Require property tax bills to include information from the school district where the property is located regarding the amount of any gross reduction in state aid to the district under the private school choice and special needs scholarship programs in the previous year and the current year and the percentage change between those years, if such a reduction occurs in that year.

Require the following insert to also be included in substantially similar form: "The gross reduction in state aid to your school district in the …. (current year) is $ … as a result of pupils enrolled in the … (statewide choice program) (Racine choice program) (Milwaukee choice program) or as a result of payments to … (a private school) under the special needs scholarship program. Your school district had the option to increase property taxes to replace this aid reduction."

[Bill Section: 1545]

6. SPECIAL NEEDS SCHOLARSHIP PROGRAM FUNDING

GPR	- $11,110,700
GPR Effect of Aid Reductions	11,110,700
Net GPR	$0

Governor: Reduce funding by $6,513,900 in 2023-24 and $4,596,800 in 2024-25 from base level funding of $40,626,800 for the special needs scholarship program to reflect changes in pupil participation and per pupil payments under the bill. This would reflect changes in pupil participation from 2,150 pupils in 2022-23 to 2,600 pupils in 2023-24 and 2024-25. Based on the increase in the per pupil revenue limit adjustment provided in the bill, the per pupil payment under the program would increase from $13,076 in 2022-23 to $13,450 in 2023-24 and $14,145 in 2024-25.

Under current law, the cost of payments for pupils attending a private school under the special needs scholarship program are fully offset through an aid reduction in the general school aids that would otherwise be paid to those pupils' school districts of residence and a corresponding revenue limit increase.

The total change in funding provided for the program under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; (c) modifying the payment indexing mechanism; and (d) deleting the actual cost reimbursement provision.

7. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- DELETE ACTUAL COST REIMBURSEMENT PROVISION

Governor: Delete current law allowing a private school to submit a financial statement showing the actual costs that the private school incurred to implement a participating pupil's most recent individualized education program or services plan, as modified by an agreement between the private school and the pupil's parent, and specifying that the financial statement would be used to calculate the per pupil payment for that pupil in the following school year. Specify that the last payments using this provision would be those made in the 2022-23 school year. As a result of deleting this provision, payments for all pupils would be equal to the amount specified in current law, with adjustments for increases in the revenue limit per pupil adjustment and per pupil aid for public school districts.

Under current law, if a private school chooses to submit a financial statement, payments of up to 150% of the per pupil payment amount for that year are fully funded through a reduction in the general aid that is otherwise paid to each pupil's school district of residence, offset with an equal revenue limit adjustment for the district. If the costs incurred by the school in the previous school year exceed 150% of the per pupil payment, the school is reimbursed for 90% of the remaining costs, but no corresponding aid reduction would occur. (As a result, payments made for 90% of costs incurred above 150% of the per pupil payment are funded with state GPR; the private school would pay for the other 10% of costs.) The first payments under the actual cost reimbursement provision were made in the 2019-20 school year. In 2022-23, a total of $212,808 was paid to eight schools on behalf of nine participating pupils, based on the actual costs of educating those pupils in the 2021-22 school year.

[Bill Sections: 308, 2100, 2101, and 2103 thru 2107]

8. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- PRIVATE SCHOOL ACCREDITATION

Governor: Require that a private school that participates in the special needs scholarship program obtain accreditation by August 1 of the school year in which the private school participates or that the private school participates in the Milwaukee, Racine, or statewide parental choice program. Additionally, require a private school that is participating in the special needs scholarship program in the 2023-24 school year and is not accredited by August 1, 2023, to obtain preaccreditation by August 1, 2024, apply for accreditation by December 31, 2024, and obtain accreditation by December 31, 2027. Specify that a private school could apply for and seek to obtain preaccreditation from only one preaccrediting entity. If the school failed to obtain preaccreditation, the school could not participate in the program in the 2024-25 school year or any school year thereafter until the school obtained accreditation.

Under current law, a private school may participate in the special needs scholarship program if the private school is accredited or if the private school's educational program meets certain criteria, such as providing at least 875 hours of instruction each school year and a sequentially progressive curriculum of fundamental instruction in reading, language arts, mathematics, social studies, science, and health.

[Bill Sections: 2073 thru 2076 and 2080 thru 2085]

9. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- RELIGIOUS ACTIVITY OPT-OUT

Governor: Require a private school participating in the special needs scholarship program to allow a pupil attending the school under the program to refrain from participating in any religious activity if the pupil's parent submits to the pupil's teacher or the private school's principal a written request that the pupil be exempt from such activities.

[Bill Section: 2108]

10. INDEPENDENT CHARTER SCHOOL PROGRAM FUNDING

GPR	$33,286,600
GPR Effect of Aid Reductions	- 15,105,900
Net GPR	$18,180,700

Governor: Provide $5,918,400 in 2023-24 and $15,230,400 in 2024-25 as a reestimate of sum sufficient funding in the main appropriation for the independent charter school program. Base level funding is $86,584,100.

The main appropriation for the program currently funds payments to charter schools that the City of Milwaukee, UW-Milwaukee, UW-Parkside, and the Lac Courte Oreilles Ojibwe College contract to operate. The Administration estimates that 9,533 pupils in 2023-24 and 9,793 pupils in 2024-25 will attend schools funded from this appropriation and that, based on the relevant provisions in the bill, the per pupil payment under the program would increase from $9,264 in 2022-23 to $9,638 in 2023-24 and $10,333 in 2024-25.

Provide $5,317,000 in 2023-24 and $6,820,800 in 2024-25 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. Base level funding is $9,805,000.

The Administration estimates that 1,569 pupils in 2023-24 and 1,609 pupils in 2024-25 will attend schools funded from this appropriation. DPI pays the operators of these charter schools the same per pupil payment as other independent charter schools.

Pupils that attend charter schools authorized by the OEO or the Lac Courte Oreilles Ojibwe College 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. By law, there is no general aid reduction related to payments to schools authorized by the City of Milwaukee, UW-Milwaukee, and UW-Parkside.

Under the bill, the aid reduction for these pupils would increase by $6,565,200 in 2023-24 and $8,540,700 in 2024-25 from the base reduction of $13,664,900. The net general fund fiscal effect for the charter program would be increased expenditures of $4,670,200 in 2023-24 and $13,510,500 in 2024-25.

The total change in funding provided for the charter program under this item includes the changes attributable to other provisions in the bill, and summarized under other summary items, related to modifying the payment indexing mechanism for the program and counting full-day four-year-old kindergarten pupils as 1.0 pupil for payment purposes.

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

Governor: Modify the indexing mechanism for the payments for the private school choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program to specify that, beginning in 2023-24, these payments would increase by an amount equal to the per pupil revenue limit adjustment for the current year, if positive, plus the change in the per pupil aid payment amount between the previous year and the current year, if positive. (These provisions would also apply to payments for children with disabilities under a whole grade sharing agreement and for payments under a school board contract with Second Chance Partners for Education or similar nonprofits.)

Under current law, the various per pupil payment amounts under these programs are equal to the sum of the payment amount for the program in the previous year plus the per pupil revenue limit adjustment for the current year, if positive, plus the statewide change in funding per pupil for statutorily-specified categorical school aid appropriations, including per pupil aid, between the previous year and the current year, if positive.

Under the bill, the revenue limit per pupil adjustment would be set at $350 per pupil in 2023-24 and $650 per pupil in 2024-25. The per pupil aid payment amount would increase by $24 in 2023-24 and by $45 in 2024-25, compared to the prior year. Thus, under the bill, the various per pupil aid payments would increase by $374 per pupil in 2023-24 and a further $695 per pupil in 2024-25 as a change to the prior year. If the bill provisions for categorical aid funding and the revenue limit per pupil adjustment were included in the current law indexing calculation, it is estimated that the various program payments would increase by approximately $1,220 per pupil in 2023-24 and a further $950 per pupil in 2024-25 as a change to the prior year.

[Bill Sections: 2044, 2101, 2102, 2149 thru 2152, 2156, 2157, 2165, 2166, 2169, 2170, 2193 thru 2195, and 2209 thru 2211]

12. OPEN ENROLLMENT AID TRANSFER AMOUNT -- SPECIAL EDUCATION

Governor: Delete the current law provisions under which the aid transfer amount for special education students participating in the open enrollment program can be increased, and restore prior law under which a single aid transfer amount applied to all of these students, beginning in the 2023-24 school year.

Under the 2017-19 budget act, a process was created under which the open enrollment aid transfer amount for a special education pupil ($13,076 in 2022-23) could be adjusted. Under this process, at the end of a school year in which a special education pupil has participated in the program, a nonresident district may submit to DPI a financial statement that shows the actual costs the nonresident district incurred to provide a free appropriate public education to the pupil during that year. DPI is required to provide the resident district with a copy of any financial statement it receives. The aid transfer amount for a pupil for whom the nonresident district does not submit a financial statement equals the standard amount noted above. The aid transfer amount for a pupil for whom the nonresident district has submitted a financial statement equals the amount shown on the financial statement for that child for the previous school year, up to a maximum of $30,000.

[Bill Sections: 316, 2071, 2072, 2158 thru 2164, 2167 thru 2174, 2235, and 2261]

13. INDEPENDENT CHARTER SCHOOLS -- DRIVER EDUCATION PROGRAM FEES

Governor: Modify current law that authorizes school districts and technical college districts to charge reasonable fees for any driver education program or part of a program which is neither required for graduation nor credited toward graduation to also authorize operators of independent charter schools and cooperative educational service agencies to charge such fees.

[Bill Sections: 2226]

School District Operations and Curriculum

1. COMPUTER SCIENCE COURSE REQUIRED IN CURRICULUM

Governor: Require school boards, independent charter schools, and private schools participating in a parental choice program to make available to pupils in grades 9 to 12 at least one computer science course, which must include concepts in computer programming or coding. Specify that the requirement first applies to independent charter schools that enter into, renew, or modify their contract on the effective date of the bill, and first applies to private schools participating in a private school choice program in the 2024-25 school year.

[Bill Sections: 2148, 2153, 2179, 2203, 2224, and 9334(8)]

2. PROHIBIT VAPING ON SCHOOL PROPERTY

Governor: Specify that no individual may vape on school premises. Define "vape" as to inhale or exhale vapor from a vapor product, as defined under current state law. Define "school premises" as all of the following: (a) real property owned or rented by, or under the control of a school board, including playgrounds, athletic facilities or fields, and any other property that is occupied by pupils on a regular basis; (b) real property owned or rented by an operator or governing board of a charter school that is used for the operation of a charter school, including playgrounds, athletic facilities or fields, and any other property that is occupied on a regular basis by pupils attending the charter school; or (c) real property owned or rented by the governing body of a private school that is used for the operation of a private school, including playgrounds, athletic facilities or fields, and any other property that is occupied on a regular basis by pupils attending the private school.

[Bill Section: 2123]

3. OPIOID ANTAGONIST AVAILABILITY IN SCHOOLS

Governor: Require school boards and operators of independent charter schools to ensure that each school maintain an adequate usable supply of an opioid antagonist, as defined under current state law, on-site in a location that is easily accessible at all times.

[Bill Sections: 2121 and 2122]

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $758,200	0.00
FED	6,000	0.00
PR	- 170,700	- 1.00
Total	- $922,900	- 1.00

Governor: Provide adjustments to the base totaling -$379,100 GPR, $3,000 FED, -$58,100 PR, and -1.0 PR positions in 2023-24 and -$379,100 GPR, $3,000 FED, and -$112,600 PR in 2024-25 for: (a) turnover reduction (-$488,800 GPR and -$547,600 FED annually); (b) full funding of continuing position salaries and fringe benefits (-$179,000 GPR, $521,700 FED, and -$17,700 PR annually); (c) overtime ($274,100 GPR, $41,800 FED, and $13,900 PR annually); (d) night and weekend differential pay ($55,400 GPR, $400 FED, and $200 PR annually); (e) removal of non-continuing elements from the base (-$54,500 PR and -1.0 PR positions in 2023-24 and -$109,000 PR in 2024-25); and (f) lease and directed moves costs (-$40,800 GPR and -$13,300 FED annually).

2. FUEL AND UTILITIES REESTIMATE

GPR	$154,000

Governor: Provide $74,700 in 2023-24 and $79,300 in 2024-25 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is equal to $428,300 annually.

3. DEBT SERVICE REESTIMATE

GPR	- $15,500

Governor: Modify funding by -$69,200 in 2023-24 and $53,700 in 2024-25 as a reestimate of debt service payments for the state residential schools. Annual base level funding is $904,700.

4. DELETE LAPSE OF TEACHER LICENSING FEES

GPR-REV	- $800,000
PR-REV	800,000
Total	$0

Governor: Specify that all program revenue received in the appropriation for teacher licensure would be credited to the appropriation for that purpose, rather than 90% of certain revenues as under current law. This would result in an estimated decrease of GPR-Earned equal to $400,000 annually.

Modify the appropriation to authorize the expenditure of all moneys received rather than the amounts in the schedule of appropriations as under current law.

Under current law, 90% of revenues received from fees for the licensure of school and public library personnel are retained by DPI. The remaining 10% is credited to the general fund.

[Bill Section: 307]

5. STIPEND PROGRAMS FOR FUTURE EDUCATORS, LIBRARIANS, AND COOPERATING TEACHERS

GPR	$11,483,000

Governor: Provide $11,483,000 beginning in 2024-25 to create four new sum-sufficient appropriations to provide stipend payments to support future educators, future librarians, and cooperating teachers that supervise those individuals, including: (a) $2,400,000 for individuals participating in the Wisconsin Improvement Program (WIP); (b) $7,000,000 for individuals completing a student teaching requirement as part of a DPI-approved educator preparation program; (c) $2,033,000 for cooperating teachers overseeing student teachers; and (d) $50,000 for individuals pursuing a degree in library science and completing an internship in a public library.

Provide semester-long stipends equal to $9,600 for WIP participants, $2,500 for student teachers and library interns, and $1,000 for cooperating teachers involved in supervising student teachers. Specify that DPI could promulgate rules to implement and administer the programs.

Under current law, WIP provides prospective teachers with one-semester internships under the supervision of licensed teachers.

[Bill Sections: 331 thru 334, 758, 2056 thru 2058, and 2060]

6. MENTAL HEALTH TRAINING PROGRAMS

GPR	$1,160,000

Governor: Provide $580,000 annually above base level funding of $420,000 for mental health training programs. Require DPI to provide training to individuals employed by an out-of-school-time program, in addition to the other staff required under current law. Additionally, add suicide prevention to the topics required to be included in the trainings.

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.

[Bill Section: 2029]

7. STAFF SUPPORT FOR STATE PROGRAMS

	Funding	Positions
GPR	$758,700	4.00

Governor: Provide $330,000 and 4.0 positions in 2023-24 and $428,700 in 2024-25 in the appropriation for general program operations. DPI indicates that two positions would be school administration consultants, one who would assist with the implementation of the school financial data tool and calculating state general aids and revenue limits, and the other who would support the parental education options team. The third position would be an education consultant whose responsibilities would include providing school districts with grant writing workshops and supporting new programs. The fourth position would be an information technology management consultant in the Division of Libraries and Technology who would develop and implement a comprehensive cybersecurity plan for critical infrastructure, data, systems, and user accounts. The four positions would be funded with $192,200 salary, $80,700 fringe benefits, and $57,100 supplies and services in 2023-24 and $256,200 salary, $107,500 fringe benefits, and $65,000 supplies and services in 2024-25.

8. ACADEMIC AND CAREER PLANNING

GPR	$704,000

Governor: Provide $322,500 in 2023-24 and $381,500 in 2024-25 over annual base level funding of $1,100,000. This funding would be used to support the academic and career planning program that was created in the 2013-15 budget.

Under current law, the State Superintendent is required to do the following: (a) ensure that every school board is providing academic and career planning services to pupils in grades 6-12; and (b) procure, install, and maintain information technology, including computer software, to be used statewide by school districts to provide academic and career planning services. DPI provides districts with computer software for college and career planning, and maintains contracts with each of the twelve cooperative educational service agencies (CESAs) to support academic and career planning, including subsidizing the cost of academic and career planning coordinators in each CESA.

9. GENERAL EDUCATION DEVELOPMENT TEST FEE PAYMENTS

GPR	$500,000

Governor: Provide $500,000 beginning in 2024-25 in a new, sum-sufficient appropriation to subsidize testing fees for individuals taking the general education development (GED) test beginning on January 1, 2024. Payments would be made to GED Testing Service LLC equal to $30 for each eligible individual who takes a content area test given under the GED test at a testing site in Wisconsin that is approved by the State Superintendent. Define an eligible individual as one who meets the following criteria before taking the test: (a) meets the eligibility requirements promulgated by DPI by rule for a high school equivalency diploma or certificate of general educational development; and (b) takes and receives a passing score on a practice test for the content area that is developed by GED Testing Service LLC. Specify that for each eligible individual, no more than one testing service fee could be paid for each content area test in a calendar year.

The GED consists of tests to measure competency in math, science, social studies, and language arts. Wisconsin administrative code requires that, to be eligible to take the GED, an individual must meet the following criteria: (a) be a resident of Wisconsin for voting purposes, or have lived in Wisconsin for at least 10 days, or be a migrant worker or the child of a migrant worker; (b) be at least 18 years six months of age, or have entered 9th grade with a class that has graduated from high school; (c) have not graduated from high school, and are not enrolled in a public or private high school; and (d) have completed a career counseling session provided by a high school, technical college district, community-based organization, college, university, licensed psychologist, or licensed school counselor. In 2021, Wisconsin residents took 14,489 GED tests. Each of the four sections of the test costs $33.75. Of that amount, DPI receives a credentialing fee of $3.75 per test.

[Bill Sections: 330 and 2030]

10. WISCONSIN SEAL OF BILITERACY

GPR	$310,500

Governor: Provide $26,500 in 2023-24 and $284,000 in 2024-25 in a new appropriation to award grants to school boards and independent charter schools to reimburse them for the costs of assessments necessary for pupils to earn a state seal of biliteracy and training for instructional staff to conduct the assessments. Provide the State Superintendent with authority to establish a state seal of biliteracy to recognize high school pupils who demonstrate through various assessments advanced achievement in bilingualism, biliteracy, and sociocultural competence.

In the 2021-22 school year, 14 school districts were approved by DPI to issue the state seal of biliteracy (Abbotsford, Arcadia, Beloit, De Forest, Green Bay, La Crosse, Madison, Menasha, Middleton-Cross Plains, Milwaukee, Nicolet, Sheboygan Falls, Verona, and Waukesha) and 292 graduating students in the class of 2022 were awarded the seal. DPI indicates that 49 states provide a seal of biliteracy, and Wisconsin is the only state that requires districts to apply to implement the program. In other states, students may qualify for the seal of biliteracy through language assessments, without the need for a formal pathway or program.

[Bill Sections: 306, 2031, and 2037]

11. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$179,600

Governor: Provide $89,800 GPR 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. Of the total amount, $41,100 annually would be provided in the appropriation for general operations of the state's residential schools for blind and deaf pupils, and $48,700 annually would be provided in the appropriation for the educator effectiveness evaluation system.

12. EQUITY OFFICER POSITION

	Funding	Positions
GPR	$171,100	1.00

Governor: Provide $74,900 in 2023-24 and $96,200 in 2024-25 and 1.0 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."]

13. GRADUATION ALLIANCE

GPR	$4,000,000

Governor: Provide $2,000,000 annually to Graduation Alliance, a Utah-based corporation, to support pupils and their families through a coaching program known as Engage Wisconsin, which is designed to improve school engagement and academic performance. The program works to reengage high school students who have dropped out of school or are in danger of dropping out of school.

[Bill Sections: 337 and 2032]

14. WISCONSIN READING CORPS

GPR	$3,000,000

Governor: Provide $1,000,000 in 2023-24 and $2,000,000 in 2024-25 above base level funding of $2,000,000 to support literacy tutoring services provided through the Wisconsin Reading Corps. State funding was first appropriated for the organization in 2017-18.

15. ADULT LITERACY GRANTS

GPR	$1,485,000

Governor: Provide $742,500 annually above base level funding of $83,200 for adult literacy grants, which are awarded to a nonprofit organization to support programs that train community-based adult literacy staff and to establish volunteer-based programs in areas of the state that have a demonstrated need for adult literacy services. DPI indicates that the funding has been allocated to Wisconsin Literacy, Inc., since 2016-17. It is anticipated that the increased funding would provide additional services to more individuals throughout the state.

16. THE LITERACY LAB

GPR	$1,445,000

Governor: Provide $75,000 in 2023-24 and $1,370,000 in 2024-25 to The Literacy Lab, a Virginia nonstock corporation, to provide an evidence-based literacy intervention program in public schools located in the cities of Milwaukee and Racine.

[Bill Sections: 335 and 2035]

17. REACH OUT AND READ

GPR	$500,000

Governor: Provide $250,000 annually to Reach Out and Read, Inc., a Massachusetts nonstock corporation, for an early literacy program operated in Wisconsin to support integration of books and reading into pediatric care and encourage families to read aloud together.

[Bill Sections: 336 and 2034]

18. MENTOR GREATER MILWAUKEE

GPR	$100,000

Governor: Provide $100,000 in 2023-24 in a new biennial appropriation for Mentor Greater Milwaukee, Inc. to expand access to quality youth mentoring in Milwaukee County.

[Bill Sections: 338 and 2033]

19. PROGRAM REVENUE REESTIMATES

PR	$2,904,400

Reestimate program revenue by $1,452,200 annually. The reestimate includes $5,900 annually in the appropriation for personnel licensure; -$125,100 annually in the appropriation for school lunch handling charges; $1,561,400 annually in the appropriation for data processing; and $10,000 annually in the appropriation for leasing space at the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired.

20. PUBLIC LIBRARY AID

SEG	$14,000,000

Governor: Provide $7,000,000 annually above base level funding of $20,013,100 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.

21. RECOLLECTION WISCONSIN

SEG	$450,000

Governor: Provide $150,000 in 2023-24 and $300,000 in 2024-25 for Recollection Wisconsin, and require the State Superintendent to annually distribute the funding to Wisconsin Library Services, Inc. (WiLS) to support the digitization of historic materials in public libraries throughout the state. Create an annual, sum certain SEG appropriation for this purpose. The segregated revenue would be provided from the universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

Recollection Wisconsin is a consortium administered by WiLS, a nonprofit organization of Wisconsin libraries and other organizations, with the Wisconsin Historical Society, UW-Milwaukee, UW-Madison, the Milwaukee Public Library, Marquette University, and DPI also serving as governing partners. Its purpose is to collect digital historical resources from Wisconsin libraries, archives, museums, and historical societies, and make them publicly available.

[Bill Sections: 339 and 2026]

22. BADGERLINK AND NEWSLINE FOR THE BLIND

SEG	$307,000

Governor: Provide $104,000 in 2023-24 and $203,000 in 2024-25 above base level funding of $3,283,300 to maintain the current level of services provided through BadgerLink and 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 newspapers on a daily basis 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.

23. LIBRARY SERVICES CONTRACTS

SEG	$29,800

Governor: Provide $29,800 beginning in 2024-25 above base level funding of $1,367,700 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 indicated 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.

24. BULLYING PREVENTION GRANTS

Governor: Modify current law relating to the grants for bullying prevention to specify that the grants must be awarded to nonprofit organizations to provide training and an online bullying prevention curriculum for pupils in grades kindergarten to twelve, rather than in grades kindergarten to eight, as under current law.

[Bill Section: 2028]

25. HEALTH PROBLEMS EDUCATION PROGRAM

Governor: Make minor changes to statutory language to create a numbered list describing the topics that must be included in the comprehensive education curricula developed by the critical health problems education program under DPI, rather than a list separated by commas.

[Bill Section: 2043]

PUBLIC SERVICE COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$0	$751,750,000	$3,500,000	$755,250,000	N.A	0.00	0.00	0.00	0.00	N.A.
FED	3,021,800	3,537,300	3,537,300	1,031,000	17.1%	18.75	18.75	18.75	0.00	0.0%
PR	21,575,400	23,013,300	22,979,000	2,841,500	6.6	139.00	146.50	146.50	7.50	5.4
SEG	8,533,600	8,582,200	8,582,200	97,200	0.6	4.00	4.00	4.00	0.00	0.0
TOTAL	$33,130,800	$786,882,800	$38,598,500	$759,219,700	1,145.8%	161.75	169.25	169.25	7.50	4.6%

Budget Change Items

Broadband Provisions

1. BROADBAND EXPANSION GRANT PROGRAM

	Funding	Positions
GPR	$750,000,000	0.00
PR	183,200	1.00
Total	$750,183,200	1.00

Governor: Provide one-time funding of $750,000,000 GPR in 2023-24 for the broadband expansion grant program in a new, continuing appropriation. The program has base funding through the state segregated universal service fund (USF) budgeted at $2,000,000 each year. Combined, the total amount budgeted for broadband expansion grants would be $754,000,000 during the 2023-25 biennium. In addition, provide $80,300 PR in 2023-24 and $102,900 PR in 2024-25 with 1.0 position to support administration of the program.

The broadband expansion grant program supports projects that increase broadband access and capacity in unserved and underserved areas of the state. Since its inception in 2013, through February of 2023, approximately $300 million in grants has been awarded, supporting 434 projects statewide. In the 2021-23 biennium, $125 million in general fund-supported bonding, $140 million in one-time federal coronavirus relief funding, and $14 million in USF SEG funding was provided for state broadband expansion grants.

In addition, the federal Infrastructure Investment and Jobs Act (IIJA) created the Broadband, Equity, Access and Deployment (BEAD) Program. $42.45 billion is provided for broadband deployment under BEAD, consisting of a minimum of $100 million for each state, with the remainder allocated based on the state's proportion of unserved locations, determined by maps created by the Federal Communications Commission (FCC), and 10% set aside for certain high-cost unserved locations. The National Telecommunications (NTIA), the administrator for BEAD, has indicated BEAD's first allocations to states will be made by June 30, 2023. Wisconsin is anticipating a total allocation of approximately $700 million to $1.1 billion.

The bill would require PSC to award no less than 10% of the 2023-24 appropriation amount ($75 million) in each fiscal year beginning in 2023-24. The bill specifies that if PSC does not receive sufficient applications to meet the minimum required allocation, the Commission must award the maximum amount possible in that fiscal year based upon grant applications received. If the appropriation balance is less than 10% of the total amount, PSC must award the entire remaining balance in that fiscal year.

[Bill Sections: 282 and 2433]

2. CHANGES TO THE BROADBAND EXPANSION GRANT PROGRAM

	Funding	Positions
PR	$197,900	1.00

Governor: Make various modifications to the state broadband expansion grant program and certain related provisions, including: (a) consolidating definitions of "unserved" and "underserved"; (b) giving PSC authority to set broadband speed thresholds; (c) changing grant prioritization criteria; and (d) introducing a 30-day grant challenge period for internet service providers (ISPs). In addition, provide $86,700 in 2023-24 and $111,200 in 2024-25 with 1.0 position for administration of the grant program challenge process.

Unserved and Underserved Areas. Under current law, the statutes define "underserved" areas as areas of the state that are served by fewer than two broadband service providers and "unserved" as areas not served by an ISP that is a fixed wireless service or wired service and that provides service at actual speeds of at least 20% of the upload and download speeds for advanced telecommunications capability as designated by the FCC. Currently, the FCC definition of broadband speed is 25 megabits per second [Mbps] download speed and 3 Mbps upload speed (25/3), meaning the minimum speed under the unserved definition for state purposes is 5 Mbps download/0.6 Mbps upload (5/0.6).

The bill would repeal the definition of underserved. Additionally, various statutory references to underserved areas would instead refer to unserved areas, including: (a) easements or rights-of-way granted by the Departments of Natural Resources or Transportation for placement of broadband infrastructure in unserved areas; and (b) the public purpose finding for general obligation bonding authority provided for broadband expansion grants in the 2021-23 biennium.

The broadband expansion grant program would require providing grants to "unserved" areas, and the bill would expand the definition of unserved to specify that service must be available, reliable, and affordable, as defined by PSC. Additionally, the bill would change the speed standard for an unserved area to download speeds of at least 100 Mbps and upload speeds of 20 Mbps (100/20), and PSC would have authority to adjust speed standards on July 1 of each odd-numbered year if it is determined that there is cause to do so to align with technological changes and market conditions. Under current law, PSC uses speed standards set by the FCC to define unserved and inform the grant process.

Broadband Expansion Grant Prioritization. Under current law, PSC is to establish criteria for evaluating grant applications and awarding grants. PSC currently must give priority to projects that: (a) offer matching funds; (b) involve public-private partnerships; (c) operate in an unserved area; (d) impact a large geographic area or large number of individuals and communities; (e) demonstrate potential for broadband network growth or economic development; and (f) minimize competition with other broadband service providers. Grants also may not subsidize expenses of a telecommunications provider, or the monthly bills of customers of such a provider.

The bill would modify grant priority criteria as follows: (a) give priority to projects with at least 40% matching funds, with higher priority given to projects with higher match; (b) give priority to projects that are capable of offering download speeds of 100 Mbps and upload speeds of 100 Mbps (100/100) or faster, with PSC authorized to adjust this speed threshold on July 1 of every odd-numbered year if there is good cause to do so based on technological changes or market conditions; (c) change criteria from prioritizing projects in large geographic areas to prioritizing projects in geographic areas that are considered difficult to connect; and (d) remove the requirement to prioritize projects that minimize competition between broadband service providers.

Under current law, PSC must consider the following factors: (a) the degree to which projects would duplicate existing broadband infrastructure; (b) a project's impact on the ability of individuals to access health care services from home, and the cost of those services; and (c) a project's impacts on the ability of students to access educational opportunities from home. The bill would add required considerations of: (a) affordability of service; and (b) federal funding for broadband facilities in the project area.

Grant Challenges. In addition, the bill would create a process by which ISPs can challenge grant applications. Within 10 days of the close of a broadband expansion grant application period, PSC would be required to publish on its website information on proposed service areas and service speeds for each application. ISPs would have 30 days to challenge a proposal if it is in, or proximate to, an area where the ISP claims to already provide service. An ISP would be required to demonstrate: (a) current available, reliable, and affordable fixed wireless or wired service of 100/20 in any part of the area; or (b) a documented commitment to providing available, reliable, and affordable fixed wireless or wired service of 100/20 to any part of the area no later than 24 months after the date that PSC would award the grant. The bill would prohibit PSC from funding any area within a project where a challenge is issued and deemed credible. If an ISP issues a challenge and fails to fulfill its commitment to providing service, PSC would be prohibited from awarding grant funding to that ISP, and the ISP would be prohibited from participating in the challenge process, for two grant cycles, unless the Commission were to find the failure to fulfill was beyond the challenger's control. The Commission would then be required to prioritize grants for areas that remained unserved due to an unfulfilled commitment following a challenge.

Initial Applicability. The broadband expansion grant program changes would take effect on publication of the bill. However, the changes would first apply to the first grant cycle beginning after the bill's enactment.

[Bill Sections: 51 thru 53, 584, 1699, 2423 thru 2426, 2428 thru 2432, 2435, 2436, 9336(1)]

3. BROADBAND LINE EXTENSION GRANTS

GPR	$5,250,000

Governor: Create a broadband line extension grant program, and provide grant funding of $1,750,000 in 2023-24 and $3,500,000 beginning in 2024-25 in a new, annual appropriation. Authorize the Commission to make grants of up to $4,000 to residents of properties not served by a broadband service provider to assist in paying customer costs associated with connecting to broadband service. Allow the Commission to establish criteria for evaluating applications and awarding grants, and require the Commission to give priority to grants for properties of primary residence.

[Bill Sections: 281, 283, 284, 2427, and 2434]

4. DIGITAL EQUITY PROGRAM

Governor: Create a state digital equity program administered by PSC to provide outreach and assistance to promote digital equity, coordinate the administration of federal and state digital equity funding, provide digital navigation services, and implement digital inclusion activities. Define digital equity as all individuals and communities having the information technology capacity needed to fully participate in society. The program would operate within the Bureau of Broadband Digital and Telecommunication Access (BDATA). The program would be funded by an existing appropriation from the state universal service fund (USF), which is funded through assessments on providers of retail intrastate voice telecommunications services. The bill would retain base-level universal service funding of $5,940,000 SEG.

The federal Digital Equity Program, created by the Digital Equity Act (DEA) and funded under IIJA, is a program created to target broadband adoption efforts towards specific communities. Targeted communities include households with low income or low literacy, the elderly, residents of rural areas, people of color, individuals with disabilities, English-language learners, veterans, and incarcerated individuals. Census data indicated the populations covered under the DEA account for 79% of Wisconsin's total population. Funding for DEA will be distributed through three programs over five years: (a) planning grants for states to create digital equity plans that promote broadband availability and access by targeted groups, as well digital literacy and privacy awareness; (b) capacity grants for states to implement digital equity plans; and (c) competitive grants to units of government and nonprofit or community institutions to increase broadband access and availability among targeted populations.

As of September, 2022, NTIA awarded Wisconsin $952,200 for the creation of a digital equity plan and approved PSC to use $335,000 of this amount to conduct outreach for development of the plan. DEA is provided $550 million each year over five years, to be distributed to states based on their proportion of targeted populations, and Wisconsin is expecting an allocation of up to $30 million. PSC intends for the state digital equity program to meet ongoing digital equity needs beyond the one-time allocation of federal funds.

[Bill Sections: 280, 2404, 2410, and 2437]

5. MUNICIPAL BROADBAND FACILITIES IN UNSERVED AREAS

Governor: Modify provisions relating to municipal broadband facilities to create separate requirements for broadband facilities that are intended to serve areas defined as unserved under broadband expansion grant program eligibility criteria.

Under current law, no city, village, or town may enact an ordinance or adopt a resolution authorizing the municipality to construct, own, or operate any facility for providing video service, telecommunications service, or broadband service to the public unless certain public hearing, notice, revenue and cost reporting, and cost-benefit analysis requirements are met. Specifically, municipalities are to provide personnel costs and costs of acquiring, installing, maintaining, repairing, or operating any plant or equipment. Additionally, municipalities are to include an appropriate allocated portion of costs of personnel, plant, or equipment that are used to provide jointly both telecommunications services and other services. The bill would specify that a municipal broadband facility that serves an unserved area would not have to provide information on these specific costs.

Also under current law, the public hearing, notice, revenue, and cost reporting requirements do not apply to cases in which the municipality in writing solicits responses from area broadband providers as to whether the provider offers service in the municipality's boundaries, or intends to offer service in the area within nine months, and one of the following occurs: (a) no persons respond to the municipality's request within 60 days; (b) all respondents who purport to offer service are found not to offer service; or (c) a person intending to offer service within nine months does not meet such a time limit. The bill would specify: (a) for unserved areas, a provider would have to expect to offer service within three months; and (b) a person must actively plan to offer service within either the nine- or three-month limit.

Further, current law provides public hearing, notice, revenue, and cost reporting requirements are not required for a broadband service facility if the following apply: (a) the municipality itself does not use the facility to provide service to end users; and (b) the municipality determines at the time the facility is authorized that the facility does not compete with more than one broadband service provider. The bill would amend the provisions to specify facilities intended for unserved areas would not have to meet these requirements. The bill would not change a requirement that a municipality must offer use of the facility on a nondiscriminatory basis to persons who provide broadband service to end users of the service.

[Bill Sections: 1181 thru 1188]

6. BROADBAND CONSUMER PROTECTIONS

Governor: Create a requirement for broadband service providers to register with the Commission if providing broadband service in the state. The registration requirement would be in addition to other standards under the bill for low-income subscribers, discrimination, advertising standards, adequacy of service, notices for interruption of service, and billing practices. [See "Agriculture, Trade and Consumer Protection-- Regulatory Programs."]

[Bill Sections: 2438 and 9436(1)]

Departmentwide and Utility Regulation

1. STANDARD BUDGET ADJUSTMENTS

FED	$1,031,000
PR	114,800
SEG	93,400
Total	$1,239,200

Governor: Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-$301,600 PR annually); (b) full funding of continuing position salaries and fringe benefits ($369,900 PR, $519,000 FED, and $48,300 SEG annually); (c) reclassifications and semi-automatic pay progression ($26,800 PR annually); and (d) full funding of lease and directed moves costs (-$37,700 PR, -$3,500 FED, and -$1,600 SEG annually).

2. WATER UTILITY TRAINING AND DATA REPORTING

	Funding	Positions
PR	$1,385,900	2.00

Governor: Provide $773,400 in 2023-24 and $612,500 in 2024-25 with 2.0 positions from the PSC's general utility regulation appropriation to support PSC oversight of water utilities. The administration indicates funding is intended to support a water conservation training program for utilities serving greater than 3,300 residents, and to support modernization of water utility data reporting for use in oversight activities.

3. CYBERSECURITY POSITIONS

	Funding	Positions
PR	$395,900	2.00

Governor: Provide $173,400 in 2023-24 and $222,500 in 2024-25 with 2.0 positions in the Division of Business Operations and Office Management for supporting cybersecurity activities at PSC. The positions would document and implement processes and procedures for securing PSC's users, applications, computers and servers in compliance with state and national standards. In addition, the positions would focus on data governance to protect agency and utility data.

4. ENGINEERING MODELING SOFTWARE

PR	$340,000

Governor: Provide $170,000 each year in ongoing budget authority for licensing and associated costs of advanced engineering modeling software. PSC intends to use the software to improve review of application materials from utilities applying for various construction projects or rate changes. The software would also be used to review long-term transmission planning projects and resource shifts to renewable energy or battery systems, and to perform independent studies.

5. FOCUS ON ENERGY CONTRIBUTION RATE AND ENERGY EFFICIENCY PROGRAMS

Governor: Increase from 1.2% to 2.4% the required energy utility contribution of annual operating revenues to fund statewide energy efficiency and renewable resource programs. Wisconsin investor-owned utilities, and select municipal utilities and cooperatives, collectively operate a statewide energy efficiency and renewable resource program known as Focus on Energy (Focus). Focus provides incentives, technical resources, and information to help residential and business customers reduce energy consumption and its resulting environmental impacts through conservation, energy efficiency practices, and implementation of new technology.

PSC estimates the proposal would increase funding for Focus programs by $100 million annually. While mandated by statute, Focus is administered directly by a nonprofit constituting participating utilities, and any revenue generated from the contribution requirement is not subject to the state budget process. In calendar year 2021, Focus collected revenues of $99.9 million.

Additionally, the bill would expand the definition of energy efficiency program to include programs that deploy electric technology to meet the energy needs currently served by other fuels in order to: (a) reduce the usage of energy, increase the efficiency of usage of energy on a fuel-neutral basis, or reduce adverse environmental effects; and (b) reduce costs for electric public utilities and retail electric cooperatives or their customers or members.

[Bill Sections: 2415 thru 2417]

6. LEAD SERVICE LINE GRANT ASSISTANCE

Governor: Eliminate the maximum cost share that may be provided as principal forgiveness by utility-managed private lead service line replacement programs. Under current law, if a water utility provides financial assistance to customers to replace private lead service lines, no more than 50% of the financial assistance may be offered as a grant or principal forgiveness. Any additional costs must be provided through loans. The bill would authorize utilities to provide grants that would cover 100% of the cost of lead service line replacements.

[Bill Sections: 2413 and 2414]

7. LOW-INCOME ADVOCATE INTERVENOR COMPENSATION

Governor: Modify the intervenor compensation program to establish a set-aside of $50,000 annually for intervenors in Commission proceedings dedicated to advocating for low-income populations on economic and environmental issues. The intervenor compensation program provides financial assistance to organizations and individuals who choose to become an intervenor for a Commission proceeding. Organizations or individuals granted intervenor status may submit testimony and exhibits at hearings, which become part of the record considered by the Commission in making decisions. Intervenor financing is provided through assessments on utilities involved in a given proceeding.

[Bill Section: 2411]

8. EQUITY OFFICER POSITION

	Funding	Positions
PR	$81,900	0.50

Governor: Provide $35,900 in 2023-24 and $46,000 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."]

9. TRIBAL LIAISON POSITION

	Funding	Positions
PR	$141,900	1.00

Governor: Provide $60,800 in 2023-24 and $81,100 in 2024-25 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."]

10. STATE OPERATIONS ADJUSTMENTS

SEG	$3,800

Governor: Provide $1,900 utility public benefits fund 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.

11. TRANSFER TRANSMISSION OF HIGH-VOLTAGE IMPACT FEES

Governor: Transfer administration of one-time environmental impact fees and annual impact fees paid by persons granted certificates of public convenience and necessity for construction and operation of high-voltage transmission lines from the Department of Administration (DOA) to the PSC.

Under current law, owners of high-voltage transmission lines make a one-time payment equal to 5% of the cost of the transmission line, and annual payments equal to 0.3% of the cost of the transmission line to DOA, which then distributes the amounts in a proportional manner to local governments affected by the transmission line. [See "Administration -- Energy and Environment."]

[Bill Sections: 170 thru 175, 491, 493, 2422, and 9101(1)]

12. INCREASE PIPELINE SAFETY PENALTY

Governor: Increase the penalty for violation of PSC regulations on the safe production, transmission, and distribution of natural gas from a maximum of $25,000 to a maximum of $200,000 per instance (or each day of violation). Further, increase the cap on penalties for a single persistent violation from $500,000 to $2,000,000. Clarify that such penalties are to be deposited into the common school fund.

[Bill Section: 2439]

13. SOCIAL COST OF CARBON

Governor: Require PSC to consider the social cost of carbon in approving utility construction projects, such as those for electricity generation facilities and transmission lines. Define social cost of carbon as a measure of the cost in dollars of economic and other harm resulting from the emission of one ton of carbon dioxide in the atmosphere. Require PSC to consult with the Department of Natural Resources to determine biennially the social cost of carbon using integrated assessment models and appropriate discount rates. Require that the determined social cost of carbon be consistent with international consensus. Require PSC to submit a report biennially to relevant standing committees of the Legislature that describes the Commission's evaluation and established price. Specify that this provision first applies to applications for PSC approvals filed on December 31, 2023.

[Bill Sections: 2406 and 9336(2)]

14. FINANCING FOR RETIREMENT OF NONRENEWABLE GENERATING FACILITIES

Governor: Allow energy utilities to issue bonds to finance costs related to retiring a generation facility that uses nonrenewable combustible resources, such as coal or natural gas. Under the bill, the utility would apply to the Commission to issue such bonds, and repay them with the future revenues from its services. Under current law, a utility may issue bonds to finance costs related to retiring, or installing equipment at a generation facility to prevent or control environmental pollution produced by that facility.

[Bill Sections: 2407 and 2408]

15. UTILITY RATE SETTING

Governor: Modify current law to allow public utilities to implement low-income assistance programs if rates are approved by the Commission, through review of program eligibility criteria, credits, or rebates, and are published in the utility's schedule or tariffs. The provision would specify that establishing low-income customer assistance does not qualify as rate discrimination and is not unreasonable.

[Bill Section: 2412]

16. NONUTILITY ELECTRIC VEHICLE CHARGING STATIONS

Governor: Exempt from the definition of public utility those persons that provide electricity only at electric vehicle charging stations for use in an electric vehicle. Under current law, such provision of electricity would be subject to the same regulation as a utility providing electricity service.

[Bill Section: 2405]

17. UTILITY FINANCING OF ENERGY IMPROVEMENTS

Governor: Allow PSC to create a program by which a utility may offer financing for energy improvements at a residential location it serves, and collect repayments through a surcharge on that customer's utility bill. If the PSC intends to implement such a program, require it to promulgate rules to do so, and require rules to specify: (a) the surcharge is assigned to a location, not an individual customer; (b) energy improvements are eligible for financing only if they are estimated to save an amount that exceeds the surcharge; and (c) financing offered to a customer may not increase the person's risk or debt.

[Bill Section: 2418]

18. ELECTRIC UTILITY INTEGRATED RESOURCE PLANS

Governor: Require investor-owned and municipal electric utilities to file integrated resource plans with PSC. Define integrated resource plan as a plan that describes the resources an electric utility may use to provide service to their customers over the next five-, 10-, and 15-year periods, including the considerations of supply and demand that would dictate the use of each resource. Resource options may include: (a) using, refurbishing, and constructing electric generating plants and equipment; (b) buying electricity generated by other entities; (c) controlling customer loads; or (d) implementing customer energy conservation.

Require that plans contain: (a) data regarding the electric utility's current generation portfolio; (b) forecasts of electricity sales and peak demand under various scenarios and plans, and plans for meeting current and future capacity needs; (c) estimates of the amount of peak demand reduction to be achieved and the proposals for achieving such a reduction, including through load management and demand response; (d) for plans proposing generation facility construction as a resource option, the type of generation technology proposed for the generation facility, the proposed capacity of the generation facility, and anticipated costs; (e) details regarding the impacts of energy efficiency programs on utility sales and peak demand under various reasonable scenarios; (f) projected energy and capacity purchased or produced from renewable or cogeneration resources; (g) an analysis of potential new or upgraded electricity transmission options; (h) an analysis of the cost, capacity factor, and viability of all reasonable options available to meet projected energy and capacity needs, including existing electric generating facilities in this state, or costs of long-term natural gas transportation contracts for gas facilities, if applicable; (i) projected total costs for each scenario reviewed; and (j) any other information required by

Commission order. Require that if a utility projects the total level of electricity purchased or produced from a renewable energy resource to decrease, the electric utility must describe why the decrease is in the best interests of ratepayers.

Provide PSC the authority to approve, reject, or modify a utility's integrated resource plan based upon what is deemed to be in the interest of the public. Require PSC to use electric utility's integrated resource plans to inform the Commission's biennial Strategic Energy Assessment (SEA), which evaluates the adequacy and reliability of the state's current and future electrical supply. Each SEA covers a seven-year period and must identify the projected demand for electric energy and assess whether sufficient electric capacity and energy will be available to the public at a reasonable price.

[Bill Sections: 2419 thru 2421]

REGIONAL TRANSIT AUTHORITIES

Budget Change Items

1. REGIONAL TRANSIT AUTHORITIES

Governor: Provide local units of government in southeastern Wisconsin, Dane County, urbanized Fox Cities, and certain other metropolitan areas the authority to create a regional transportation authority (RTA) for these areas.

Provisions Specific to Individual RTAs

The following provisions pertain specifically to each of the individual RTAs that could be created under the bill.

Southeast Regional Transit Authority

Creation and Jurisdiction. Specify that a Southeast RTA, a public body corporate and politic and a separate governmental entity, would be created if the governing body of Milwaukee County or Kenosha County, or of any municipality located in whole or in part within that portion of Racine County east of I-94, adopts a resolution authorizing the county or municipality to become a member of the authority. Require that if either Milwaukee County or Kenosha County adopts a resolution to be a member of the Southeast RTA, any municipality located in whole or in part within Milwaukee County or Kenosha County, respectively, would be a member of the authority.

Provide that once a Southeast RTA is created, any of the following counties or municipalities may join the RTA if they have not already done so and if their governing body adopts a resolution to join the RTA: (a) Kenosha, Milwaukee, Ozaukee, Racine, Washington, or Waukesha counties (a county's joinder would apply to the entire geographic area of the county); (b) any municipality located in whole or in part within that portion of Racine County east of I-94; or (c) any municipality located in whole or in part within Ozaukee, Washington, or Waukesha counties, provided that the RTA board approves the joinder. Under these provisions, a municipality in Ozaukee, Racine (the part east of I-94), Washington, or Waukesha County could choose to join the Southeast RTA regardless of whether or not the county has joined. However, the municipalities in any county that joins the RTA would become part of the RTA's jurisdictional area.

Specify that the jurisdictional area of the Southeast RTA would consist of the geographic area formed by the combined territorial boundaries of the counties and municipalities that authorize a resolution to create a Southeast RTA and of those that adopt a resolution to join the Southeast RTA.

Governance. Specify that the board of directors of the Southeast RTA would consist of the following members who, unless noted otherwise, would serve four-year terms:

a. If Kenosha County adopts a resolution to create or join the RTA, one member from Kenosha County, to be appointed by the county executive and approved by the county board, and one member, whose initial term would be two years, from the City of Kenosha, appointed by the mayor and approved by the common council.

b. If Milwaukee County adopts a resolution to create or join the RTA, one member from Milwaukee County, to be appointed by the county executive and approved by the county board, and one member, whose initial term would be two years, from the City of Milwaukee, to be appointed by the mayor and approved by the common council.

c. If the City of Racine adopts a resolution to create or join the RTA, one member from the City of Racine, to be appointed by the mayor and approved by the common council.

d. Two members, one of whom would have an initial term of two years, from the jurisdictional area of the authority, to be appointed by the Governor. Specify that if Milwaukee County adopts a resolution to create or join the RTA, one of these appointees, for any term commencing after the county has adopted the resolution, would have to be from Milwaukee County.

e. One member each from Ozaukee, Washington, and Waukesha counties if the county joins the Southeast RTA, to be appointed by the county executive of the county and approved by the county board. (Racine County would also be allowed to join an existing RTA under the bill, but would not have a member on the RTA Board under this provision. DOA indicates that it intended for Racine County to have a board member if it joins the Southeast RTA). Specify that if the county does not have an elected county executive, the member would be appointed by the county board chairperson and approved by the county board.

f. One member to be appointed by the mayor and approved by the common council of each city in Ozaukee, Washington, or Waukesha counties with a population of more than 60,000 that either adopts a resolution to join the southeast RTA or is located in a county that has joined the RTA. Based on current populations, only the City of Waukesha could have a member under this provision.

Kenosha-Racine-Milwaukee (KRM) Commuter Rail Project. Require that no later than one year after the creation of a Southeast RTA, the authority would have to submit an application to the Federal Transit Administration to enter the preliminary engineering phase of the federal new starts grant program for the KRM commuter rail link.

Dane County Regional Transit Authority

Creation and Jurisdiction. Specify that the Dane County RTA, a public body corporate and politic and a separate governmental entity, would be created if the governing body of Dane County adopts a resolution authorizing the county to become a member of the authority. If Dane County creates an RTA, all municipalities located in whole or in part within the Madison metropolitan planning area would be members of the authority. In addition, any municipality located in whole or in part within Dane County, that is not located in whole or in part within the Madison metropolitan planning area, may join the Dane County RTA if the governing body of the municipality adopts a resolution to join the authority and the RTA Board approves the municipality's request to join the RTA.

Specify that the jurisdictional area of the Dane County RTA would be the geographic area formed by the Madison metropolitan planning area combined with the territorial boundaries of all municipalities that adopt a resolution to join the authority. Municipalities currently located wholly or partly in the Madison metropolitan planning area include: (a) the cities of Fitchburg, Madison, Middleton, Monona, Stoughton, Sun Prairie, and Verona; (b) the villages of Cottage Grove, Cross Plains, DeForest, Maple Bluff, McFarland, Oregon, Shorewood Hills, Waunakee, and Windsor; and (c) the towns of Blooming Grove, Burke, Dunn, Middleton, Westport, and a portion of the towns of Berry, Bristol, Cottage Grove, Cross Plains, Dunkirk, Oregon, Pleasant Springs, Rutland, Springfield, Sun Prairie, Verona, and Vienna.

Governance. Specify that the board of directors of the Dane County RTA would consist of the following members who, unless noted otherwise, would serve four-year terms:

a. Two members from the Madison metropolitan planning area, both of whom would have an initial term of two years, to be appointed by the county executive and approved by the county board.

b. Two members appointed by the mayor of the City of Madison and approved by the common council.

c. One member appointed by the Governor.

d. One member from each city with a population of more than 20,000 located in Dane County, whose initial terms would be two years, and who would be appointed by the mayor and approved by the common council of each city. Based on current population estimates this provision would apply to the cities of Fitchburg, Madison, and Sun Prairie. (DOA indicates that it did not intend for the City of Madison to have an additional board member under this provision).

Fox Cities Regional Transit Authority

Creation and Jurisdiction. Create a Fox Cities RTA, a public body corporate and politic and a separate governmental entity, that would consist of Calumet, Outagamie, and Winnebago counties and any municipality located in whole or in part within the urbanized Fox Cities metropolitan planning area (unlike the other two RTAs, the creation of the Fox Cities RTA would be automatic). In addition, specify that any municipality located in whole or in part within Calumet, Outagamie, or Winnebago counties, that is not located in whole or in part within the urbanized Fox Cities metropolitan planning area, could join the RTA if the governing body of the municipality adopts a resolution to join the authority and the RTA Board approves the municipality's request to join the RTA.

Specify that the jurisdictional area of the Fox Cities RTA would be the geographic area formed by the urbanized Fox Cities metropolitan planning area combined with the territorial boundaries of all municipalities that adopt a resolution to join the authority. Municipalities currently located wholly or partly in the urbanized Fox Cities metropolitan planning area include:

(a) the cities of Appleton, Kaukauna, Menasha, and Neenah; (b) the villages of Combined Locks, and Kimberly; and (c) the towns of Buchanan, Grand Chute, Greenville, Harrison, Kaukauna, Menasha (now the Village of Fox Crossing), Neenah, and Vandenbroek.

Governance. Specify that the board of directors of the Fox Cities RTA would consist of the following members who, unless noted otherwise, would serve four-year terms:

a. One member each from Calumet, Outagamie, and Winnebago counties, appointed by the county executive of each county and approved by the county board. If the county does not have an elected county executive, the member would be appointed by the county board chairperson and approved by the county board. Specify that the terms of the initial appointments of these members would expire on June 30, 2025.

b. One member each from the cities of Appleton and Neenah, appointed by the mayor of each city and approved by the common council. Specify that the terms of the initial appointments of these members would expire on June 30, 2027.

c. One member from the town of Grand Chute, appointed by the town board chairperson and approved by the town board. Specify that the term of the initial appointment of this member would expire on June 30, 2027.

d. One member appointed by the Governor. Specify that the term of the initial appointment of this member would expire on June 30, 2027.

e. One member that would follow a rotating order of succession and, after June 30, 2031, the same order and same selection process would be repeated. The rotating membership order and selection process would be as follows:

- a member from the Town of Menasha (now the Village of Fox Crossing), appointed by the town board chairperson and approved by the town board for a term commencing on the effective date of the budget act and expiring on June 30, 2027; and

- a member from the City of Menasha, appointed by the mayor and approved by the common council for a term beginning on July 1, 2027, and expiring on June 30, 2031.

g. One member that would follow a rotating order of succession and, after June 30, 2039, the same order and selection process would be repeated. The rotating membership order and selection process would be as follows:

- a member from the City of Kaukauna, appointed by the mayor and approved by the common council for a term commencing on the effective date of the budget act and expiring on June 30, 2027;

- a member from the Village of Kimberly, appointed by the village president and approved by the village board, for a term commencing on July 1, 2027, and expiring on June 30, 2031;

- a member from the Village of Little Chute, appointed by the village president and approved by the village board, for a term commencing on July 1, 2031, and expiring on June 30, 2035; and

- a member from the Town of Buchanan, appointed by the town board chairperson and approved by the town board, for a term commencing on July 1, 2035, and expiring on June 30, 2039.

Metropolitan Area Regional Transit Authorities

Creation and Jurisdiction. Specify that any two or more political subdivisions located within the same metropolitan area may jointly create a transit authority that is a public body corporate and politic and a separate governmental entity and that is known by a name that includes the words "regional transit authority," if the governing body of each political subdivision adopts a resolution authorizing the political subdivision to become a member of the authority and all the resolutions are identical to each other. Specify that, once created, the members of the RTA must consist of all political subdivisions that adopt resolutions. Once created, the authority may transact business and exercise any powers granted to it under this provision.

Specify that, after an RTA is created, any political subdivision located in whole or in part within a metropolitan area located in whole or in part within an authority's jurisdiction may join the authority if the governing body of the political subdivision adopts a resolution identical to the existing resolutions of the authority's participating political subdivisions and the authority's board of directors approves the political subdivision's joinder. Specify that the jurisdictional area of an RTA created is the geographic area formed by the combined territorial boundaries of all participating political subdivisions of the authority.

Specify that a political subdivision may not create or join a metropolitan area regional transit authority if the political subdivision is, or is located in whole or in part within, Calumet County, Dane County, Kenosha County, Milwaukee County, Outagamie County, Racine County, or Winnebago County or if the political subdivision is eligible to join any authority authorized under this provision.

Define "metropolitan area" to mean a metropolitan statistical area as designated by the U.S. office of management and budget. The following are the names of the metropolitan statistical areas in Wisconsin that do not include Calumet County, Dane County, Kenosha County, Milwaukee County, Outagamie County, Racine County, or Winnebago County: Eau Claire, Fond du Lac, Green Bay, Janesville-Beloit, Sheboygan, and Wausau.

Governance. Specify that the board of directors of a metropolitan area regional transit authority consists of the following members: (a) one member from each participating political subdivision that is a county, appointed by the county executive of each county and approved by the county board except that, if the county does not have an elected county executive, the member shall be appointed by the county board chairperson and approved by the county board; (b) one member from each of the two participating political subdivisions that are municipalities, if any, having the highest population, appointed by the mayor and approved by the common council or appointed by the village president and approved by the village board or appointed by the town board chairperson and approved by the town board, as applicable; (c) one member appointed by the governor; and (d) no more than two members from participating municipalities other than those previously identified, appointed by the mayor and approved by the common council or appointed by the village president and approved by the village board or appointed by the town board chairperson and approved by the town board, as applicable. If the authority opts to include board members under this provision, the bylaws of the authority must specify a method by which the members must rotate among the participating political subdivisions under this provision.

The bylaws of an authority must govern its management, operations, and administration, consistent with this provision, and must include provisions specifying all of the following: (a) the functions or services to be provided by the authority; (b) the powers, duties, and limitations of the authority; and (c) the maximum rate of the sales and use taxes that may be imposed by the authority, not to exceed 0.5%.

General Provisions

The following provisions would apply to each of the RTA districts created under the bill.

Governance of RTA Districts

Provide that, once created, an RTA would have the authority to transact business and exercise any powers granted to it under the bill. Specify that the powers of an authority would be vested in its board of directors and that: (a) a majority of the board's full authorized membership would constitute a quorum for the purpose of conducting the authority's business and exercising its powers; and (b) any action may be taken by the board upon a vote of a majority of the directors present and voting, unless the bylaws of the authority require a larger number.

Specify that the bylaws of an authority would govern its management, operations, and administration, consistent with the provisions under the bill, and that the bylaws must include provisions that specify all of the following: (a) the functions or services to be provided by the authority; (b) the powers, duties, and limitations of the authority; and (c) the maximum rate of the sales and use taxes that may be imposed by the RTA, which could not exceed a statutory maximum rate of 0.5%.

Imposition of Taxes

Provide an RTA board the authority to impose, by the adoption of a resolution, a sales tax and a use tax at a rate not to exceed 0.5% of the gross receipts or sales price. Specify that the taxes would be imposed on the same base of products and services as the state and county sales and use taxes. The sales and use tax imposition, collection, reporting, transition, and motor vehicle registration provisions that apply to the county sales and use taxes would also apply to the taxes imposed by the authority. Specify that a resolution imposing the taxes would be effective on the first day of the first calendar quarter that begins at least 120 days after a certified copy of the resolution is delivered to the Department of Revenue (DOR).

Provide that an RTA may, by adoption of a resolution, repeal the imposition of the sales and use taxes. Specify that the authority would have to deliver a certified copy of the repeal resolution to DOR at least 120 days before its effective date. DOR and retailers would not be allowed to collect sales and use taxes for any RTA, beginning on the first day of the calendar quarter that is at least 120 days after a certified copy of the repeal resolution is delivered to DOR, except that DOR could collect any such taxes that accrued before such calendar quarter and any related fees, interest, and penalties.

Imposition of Fees

Provide that if an RTA is created, the RTA could impose a $2 vehicle rental fee, within its jurisdictional area. Specify that the fee would be effective on the first day of the first month that begins at least 90 days after the board of directors of the RTA approves the imposition of the fee and notifies DOR. Although, the bill provides specific authority for the southeast regional RTA to impose a $2 vehicle rental fee, this specific authority is redundant, since the all RTAs are provided the power to impose a $2 vehicle rental fee under the bill.

Specify that retailers and DOR may not collect fees for any RTA after the calendar quarter during which the RTA ceases to exist, except that the Department may collect from retailers fees that accrued before that calendar quarter and interest and penalties that relate to those fees. Specify that if fees are collected, the RTA may use the revenue for any lawful purpose.

Duties of an RTA

Specify that any RTA that is created would be required to provide, or contract for the provision of, transit service within the authority's jurisdictional area.

Require the RTA board to annually prepare a budget for the authority. Specify that rates and other charges received by the authority could only be used for the general expenses and capital expenditures of the authority, to pay interest, amortization, and retirement charges on bonds, and for specific purposes of the authority and may not be transferred to any county or municipality. Require the authority to maintain an accounting system in accordance with generally accepted accounting principles and to have its financial statements and debt covenants audited annually by an independent, certified public accountant.

Powers of an RTA

Provide RTAs the power to do all of the following to the extent authorized in the authority's bylaws:

a. Establish, maintain, and operate a comprehensive unified local transportation system primarily for the transportation of persons. A "comprehensive unified local transportation system" would be defined as a transportation system that is comprised of motor bus lines and any other local public transportation facilities, the major portion of which is located within, or the major portion of the service of which is supplied to the inhabitants of, the jurisdictional area of the authority. A "transportation system" would mean all land, shops, structures, equipment, property, franchises, and rights of whatever nature required for transportation of passengers within the jurisdictional area of the authority and, to the extent specifically authorized, outside the jurisdictional area of the authority. A "transportation system" would include elevated railroads, subways, underground railroads, motor vehicles, motor buses, and any combination of these, and any other form of mass transportation. A "transportation system" would not include any form of transportation excluded from the current law definition of common motor carrier, or charter or contract operations that are to, from, or between points outside the jurisdictional area of the RTA.

b. Acquire a comprehensive unified local transportation system and provide funds for the operation and maintenance of the system.

c. Upon the acquisition of a comprehensive unified local transportation system, the authority may: (1) operate and maintain it or lease it to an operator or contract for its use by an operator; (2) contract for superintendence of the system with an organization that has personnel with the requisite experience and skill; (3) delegate responsibility for the operation and maintenance of the system to an appropriate administrative officer, board, or commission of a participating political subdivision (defined as a county or municipality that is a member of an RTA); and (4) maintain and improve railroad rights-of-way and improvements on these rights-of-way for future use.

d. Contract with a public or private organization to provide transportation services in lieu of directly providing these services.

e. Purchase and lease transportation facilities to public or private transit companies that operate within and outside the jurisdictional area.

f. Apply for federal aids to purchase transportation facilities considered essential for the authority's operation.

g. Coordinate either publicly- or privately-owned specialized transportation services that provide general or special service to elderly or disabled persons on a regular and continuing basis in a designated service area, for residents of the authority's jurisdictional area and who are disabled or aged 60, or older. This would include services funded from federal funds, the medical assistance program, DOT's specialized transportation assistance program for counties, and from other public funds administered by the county. An authority could contract with a county that is a participating political subdivision for that RTA to provide specialized transportation services, but the authority would not be an eligible applicant under, or receive direct payments from, DOT's elderly and disabled assistance programs.

h. Acquire, own, hold, use, lease as lessor or lessee, sell or otherwise dispose of, mortgage, pledge, or grant a security interest in any real or personal property or service.

i. Condemn property, if the authority determines the taking is a necessity, as required of local units of government under current law. Specify that the authority to acquire property by condemnation would be subject to the current law procedure used by the state, local units of government, and others for condemnations related to sewer and transportation facilities.

j. Enter upon any state, county, or municipal street, road, or alley, or any public highway, for the purpose of installing, maintaining, and operating the authority's facilities. Whenever the work is to be done in a state, county, or municipal highway, street, road, or alley, the RTA would have to notify the controlling public authority, and the highway, street, road, or alley would have to be restored to as good a condition as existed before the commencement of the work, with all costs incident to the work to be borne by the authority.

k. Fix, maintain, and revise fees, rates, rents, and charges for functions, facilities, and services provided by the authority.

l. Make, and from time to time amend and repeal, bylaws, rules, and regulations to carry into effect the powers and purposes of the authority.

m. Sue and be sued in its own name.

n. Have and use a corporate seal.

o. Employ agents, consultants, and employees, engage professional services, and purchase such furniture, stationery, and other supplies and materials as are reasonably necessary to perform its duties and exercise its powers.

p. Incur debts, liabilities, or obligations, including the borrowing of money and the issuance of bonds.

q. Invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, including the proceeds from the sale of any bonds, in such obligations, securities, and other investments as the authority deems proper in accordance with current law investment requirements for counties, municipalities, and other local districts.

r. Do and perform any acts and things authorized of an RTA under, through, or by means of an agent or by contracts with any person.

s. Exercise any other powers that the board of directors considers necessary and convenient to effectuate the purposes of the authority, including providing for passenger safety.

Limitations on RTA Powers

Provide that, notwithstanding the related powers provided to an RTA under the bill, no authority, and no public or private organization with which an authority has contracted for service, could provide service outside the jurisdictional area of the authority unless either of the following occur: (a) the authority receives financial support for the service under a contract with a public or private organization; or (b) it is necessary in order to provide service to connect residents within the authority's jurisdictional area to transit systems in adjacent counties.

Specify that whenever the proposed operations of an RTA would be competitive with the operations of a common carrier in existence prior to the time the authority commences operations, the authority shall coordinate the proposed operations with the common carrier to eliminate adverse financial impact for the carrier. Define a "common carrier" as a common motor carrier, contract motor carrier, railroad, or water carrier. Specify that this coordination may include route overlapping, transfers, transfer points, schedule coordination, joint use of facilities, lease of route service, and the acquisition of route and corollary equipment. Provide that if this coordination does not result in mutual agreement, the proposals of the authority and the common carrier shall be submitted to DOT for arbitration.

Require an authority, in exercising its powers, to consider any plan of a metropolitan planning organization that covers any portion of the authority's jurisdictional area.

Withdrawal from an RTA

Except as described below, provide that any participating county or municipality that has joined an RTA could withdraw from that authority if both of the following conditions are met: (a) the governing body of the county or municipality adopts a resolution requesting their withdrawal from the authority; and (b) the county or municipality has paid, or made provision for the payment of, all obligations it has to the authority. The ability to withdraw from an RTA would not apply to municipalities in Kenosha and Milwaukee counties, Dane County and the municipalities within the Madison metropolitan planning area, or Calumet, Outagamie, and Winnebago counties and the municipalities in the urbanized Fox Cities metropolitan planning area.

Specify that any municipality in either Kenosha or Milwaukee county that becomes a member of an RTA when their county creates or joins the Southeast RTA must withdraw from the authority if the county in which the municipality is located withdraws from the authority.

RTA Obligations to Employees of Mass Transportation Systems

Require any RTA taking an action to acquire a comprehensive unified local transportation system for the purpose of the authority's operation of the system to assume all of the employer's obligations under any contract between the employees and management of the system, to the extent allowed by law. In addition, specify that any RTA taking action to acquire, construct, control, or operate a comprehensive unified local transportation system must negotiate an agreement with the representative of the labor organization that covers the employees affected by the RTA action in order to protect the interests of those employees. The agreement would have to include all provisions required under current law for agreements negotiated when a county board acquires a transportation system. Such agreements may also include a provision for the submission of labor disputes to binding arbitration by an umpire or board of arbitration acceptable to both parties. Further, an affected employee would have all the rights and the same status under the municipal employee relations statutes that he or she enjoyed immediately before the RTA action and may not be required to serve a probationary period if he or she attained permanent status before the RTA's action. In all such negotiations, a senior executive officer of the RTA would have to be a member of the authority's negotiating body.

Bonding Authority

Provide an RTA the authority to issue bonds, the principal and interest on which would be payable exclusively from all or a portion of any revenues received by the authority. Specify that an RTA could secure its bonds by a pledge of any income or revenues from any operations, rent, aids, grants, subsidies, contributions, or other source of moneys. Allow an RTA to issue bonds in such principal amounts as the authority deems necessary.

Require an RTA to state the following restrictions on the face of any bonds that the RTA issues: (a) neither the members of the board of directors of the RTA nor any person executing the bonds would be personally liable on the bonds by reason of the issuance of the bonds; (b) the bonds would not be a debt of the participating counties and municipalities; (c) neither the participating counties and municipalities nor the state would be liable for the payment of the bonds; and (d) the bonds would be payable only out of funds or properties of the authority.

Require that any bonds of an authority be authorized by resolution of the board of directors. Specify that the bonds may be issued under such a resolution or under a trust indenture or other security instrument. Define "bonds" as any bonds, interim certificates, notes, debentures, or other obligations of an authority. Provide that the bonds may be issued in one or more series and may be in the form of coupon bonds or registered bonds. Require the bonds to bear the dates, mature at the times, bear interest at the rates, be in the denominations, have the rank or priority, be executed in the manner, be payable in the medium of payment and at the places, and be subject to the terms of redemption, with or without premium, as provided in the resolution, trust indenture, or other security instrument.

Specify that bonds of an RTA would be issued for an essential public and governmental purpose and are public instrumentalities and, together with interest and income, are exempt from taxes. Allow a transit authority to sell bonds at public or private sales at the price or prices determined by the authority. Provide that if an officer whose signature appears on any bonds or coupons ceases to be an officer of the authority before the delivery of the bonds or coupons, the officer's signature would, nevertheless, be valid for all purposes as if the officer had remained in office until delivery of the bonds or coupons.

Allow a transit authority to do all of the following in connection with the issuance of bonds:

a. Covenant as to the use of any or all of its property, real or personal.

b. Redeem the bonds, or covenant for the redemption of the bonds, and provide the terms and conditions of the redemption.

c. Covenant as to charge fees, rates, rents, and charges sufficient to meet operating and maintenance expenses, renewals, and replacements of any transportation system, principal and debt service on bonds, creation and maintenance of any reserves required by a bond resolution, trust indenture, or other security instrument and to provide for any margins or coverages over and above debt service on the bonds that the board of directors considers desirable for the marketability of the bonds.

d. Covenant as to the events of default on the bonds and the terms and conditions upon which the bonds would become or may be declared due before maturity, as to the terms and conditions upon which this declaration and its consequences may be waived, and as to the consequences of default and the remedies of bondholders.

e. Covenant as to the mortgage or pledge of, or the grant of a security interest in, any real or personal property and all or any part of the revenues of the authority to secure the payment of bonds, subject to any agreements with the bondholders.

f. Covenant as to the custody, collection, securing, investment, and payment of any revenues, assets, moneys, funds, or property with respect to which the authority may have any rights or interest.

g. Covenant as to the purposes to which the proceeds from the sale of any bonds may be applied, and as to the pledge of such proceeds to secure the payment of the bonds.

h. Covenant as to limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

i. Covenant as to the rank or priority of any bonds with respect to any lien or security.

j. Covenant as to the procedure by which the terms of any contract with, or for the benefit of, the holders of bonds may be amended or abrogated, the amount of bonds, the holders of which must consent thereto, and the manner in which such consent may be given.

k. Covenant as to the custody and safekeeping of any of its properties or investments, the insurance to be carried on the property or investments, and the use and disposition of insurance proceeds.

l. Covenant as to the vesting in one or more trustees, within or outside the state, of those properties, rights, powers, and duties in trust as the authority determines.

m. Covenant as to the appointing of, and providing for the duties and obligations of, one or more paying agent or other fiduciaries within or outside the state.

n. Make all other covenants and do any act that may be necessary or convenient or desirable in order to secure its bonds or, in the absolute discretion of the authority, tend to make the bonds more marketable.

o. Execute all instruments necessary or convenient in the exercise of the powers granted under the bill or in the performance of covenants or duties, which may contain such covenants and provisions as a purchaser of the bonds of the authority may reasonably require.

Grant an RTA the authority to issue refunding bonds for the purpose of paying any of its bonds at, or prior to, maturity or upon acceleration or redemption. Specify that a transit authority may issue refunding bonds at such time prior to the maturity or redemption of the refunded bonds as the authority deems to be in the public interest. Provide that the refunding bonds could be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium on the bonds, any interest accrued, or to accrue, to the date of payment of the bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by the resolution, trust indenture, or other security instruments. Specify that, to the extent applicable, refunding bonds would be subject to the issuance requirement and covenants required of an authority's original bonds.

Bonds as Investments

Specify that any of the following could invest funds, including capital in their control or belonging to them, in bonds of an RTA: (a) public officers and agencies of the state; (b) local governmental units; (c) insurance companies; (d) trust companies; (e) banks, savings banks, and savings and loan associations; (f) investment companies; (g) personal representatives; (h) trustees; and (i) other fiduciaries. Provide that a transit authority's bonds would be securities that may be deposited with, and received by, any officer or agency of the state or any local governmental unit, for any purpose for which the deposit of bonds or obligations of the state or any local governmental unit is authorized by law.

DOR Sales and Use Tax Administration

Provide DOR the authority to administer any RTA sales and use taxes on behalf of the RTA and make distributions to the authority imposing the tax. Specify that DOR would have all powers necessary to levy, enforce, and collect the taxes that it is provided under current law for the county and special district sales and use taxes. Under these provisions, DOR could take any action, conduct proceedings, and impose interest and penalties. Judicial review of DOR determinations would also be provided. Specify that if a retailer receives notice from DOR that the retailer is required to collect and remit the taxes imposed by an RTA, but the retailer believes it is not required to collect such taxes because the retailer is not doing business within the transit authority's jurisdictional area, the retailer must notify DOR no later than 30 days after receiving notice from the Department. DOR would be required to affirm or revise its original determination no later than 30 days after receiving the retailer's notice.

Require DOR to distribute 98.5% of the taxes reported for each transit authority that has imposed the taxes, minus the transit authority portion of the retailers' discount, to the transit authority. Specify that the "transit authority portion of the retailers' discount" is the amount determined by multiplying the total retailers' discount by a fraction, the numerator of which is the gross transit authority sales and use taxes payable and the denominator of which is the sum of the gross state and transit authority sales and use taxes payable. Require DOR to distribute the taxes no later than the end of the third month following the end of the calendar quarter in which such amounts were reported.

Create a program revenue appropriation to receive the monies generated from the taxes and from annual monies unspent by DOR for the administration of the transit authority sales and use taxes. Require DOR to indicate the taxes reported by each taxpayer at the time of distribution. Adjust the distribution to reflect subsequent refunds, audit adjustments, and all other adjustments of the transit authority taxes previously distributed. Interest paid on refunds of transit authority sales and use taxes would be paid from the program revenue appropriation created for the receipt of monies generated from the taxes, and would be paid at the 3% rate established for sales and use tax refunds. Any transit authority receiving a report on sales and use taxes would be subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

After the distributions are made, transfer the remaining 1.5% of the revenues from the transit authority sales and use taxes to a new, sum certain, DOR program revenue appropriation for administration of the taxes. Require that, at the end of each fiscal year, the unencumbered balance in this appropriation would be transferred to the appropriation created for the receipt and distribution of the transit authority sales and use taxes.

DOR Vehicle Rental Fee Administration

Provide DOR the authority to administer the RTA fee ("vehicle rental fee") on behalf of the RTA and make distributions to the RTA imposing the fee. Specify that DOR would have all powers necessary to levy, enforce, and collect the taxes that it is provided under current law for the county and special district sales and use taxes. Under these provisions, DOR could take any action, conduct proceedings, and impose interest and penalties. Judicial review of DOR determinations would also be provided. Specify that the renter must collect the vehicle rental fee from the person to whom the passenger car is rented.

Require persons who are subject to the vehicle rental fee to register with DOR. Specify that any person who is required to register; including any person authorized to act on behalf of a corporation, partnership, or other person who is required to register; who fails to do so is guilty of a misdemeanor. Require a retailer who collects a vehicle rental fee to identify the fee as a separate item on a receipt the retailer provides to a rental customer

Require DOR to distribute 97.45% of the vehicle rental fees collected for each transit authority that has imposed the fees, and is required to indicate to the RTA the fees reported by each fee payer in the RTA's jurisdiction, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. Specify that the fees distributed must be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments. Interest paid on refunds of transit authority fees would be paid from the program revenue appropriation created for the receipt of monies generated from the fees, and would be paid at the 3% rate established for sales and use tax refunds. Specify that any RTA receiving a report on vehicle rental fees would be subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

Create a program revenue appropriation to receive the monies generated from the vehicle rental fees and from annual monies unspent by DOR for the administration of the regional transit authority fees. After the distributions are made, transfer the remaining 2.55% of the revenues from the regional transit authority fees to a new, sum certain, DOR program revenue appropriation for administration of the fees. Require that, at the end of each fiscal year, the unencumbered balance in this appropriation account that exceeds 10% of the expenditures from this appropriation during the fiscal year would be transferred to the appropriation created for the receipt and distribution of the vehicle rental fees.

Other Provisions

The bill would specify the following for an RTA relative to current law:

a. The creation of an RTA would not limit the powers of counties or municipalities to enter into intergovernmental cooperation or contracts to establish separate legal entities under current law related to intergovernmental cooperation and municipal transit commissions or any other applicable law.

b. The creation of an RTA would not limit the powers of counties or municipalities to otherwise carry out their statutory powers.

c. An RTA would not be subject to the existing requirement that a municipality attempting to provide, acquire, own, operate, or engage in a municipal bus transportation system where no bus, rail, or other local transportation system currently exists can only do so following an action of its governing body and a referendum vote.

e. An RTA would be considered an employer for purposes of the Wisconsin Retirement System (WRS) and its employees would be participatory employees of that system if the RTA elects to join the WRS.

f. An RTA would be defined as a municipality as it relates to the existing municipal borrowing and municipal bonds and intergovernmental cooperation statutes.

g. The property of the RTA would be exempt from property taxation.

h. The income received by the RTA would be exempt from income taxation.

i. Sales to the RTA would be exempt from sales taxes.

j. An RTA would be considered a political subdivision that would be eligible for DOT's commuter rail transit grant program (this grant program is not funded under the bill).

k. Current law provisions relating to claims and liability for persons injured due to the negligent operation of a motor vehicle owned and operated by a municipality or other political subdivision would be extended to an RTA.

l. RTAs would be included in the list of governments that can participate in organizing municipal insurance mutuals for the provision of workers' compensation, liability, and property insurance and risk management services.

[Bill Sections: 525, 527, 540, 541, 638 thru 640, 694, 1178, 1231, 1259, 1281, 1451, 1569, 1589, 1605, 1615 thru 1633, 1636 thru 1638, 1640 thru 1644, 1647, 1689, 2783, 2784, 3060, and 9144 (3)]

REVENUE

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$192,630,300	$198,190,900	$195,268,400	$8,198,700	2.1%	950.15	983.15	983.15	33.00	3.5%
PR	21,313,300	23,522,500	22,937,200	3,833,100	9.0	135.40	140.00	140.00	4.60	3.4
SEG	29,755,200	39,881,300	39,971,000	20,341,900	34.2	92.45	96.45	96.45	4.00	4.3
TOTAL	$243,698,800	$261,594,700	$258,176,600	$32,373,700	6.6%	1,178.00	1,219.60	1,219.60	41.60	3.5%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $3,681,900
PR	572,200
SEG	532,300
Total	- $2,577,400

Governor: Provide adjustments to the base budget for: (a) turnover reduction (-$1,899,300 GPR and -$141,200 SEG annually); (b) full funding of continuing position salaries and fringe benefits ($324,100 GPR, $132,900 PR, and $252,800 SEG annually); (c) reclassifications and semiautomatic pay progression ($148,200 PR and $26,900 SEG in 2023-24 and $210,900 PR and $36,100 SEG in 2024-25); (d) full funding of lease and directed moves costs (-$271,400 GPR, -$26,600 PR, and $123,000 SEG in 2023-24 and -$260,100 GPR, -$26,100 PR, and $123,100 SEG in 2024-25); and (e) minor transfers within the same alpha appropriation.

2. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$1,006,000

Governor: Provide $503,000 GPR 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.

3. EQUITY OFFICER POSITION

	Funding	Positions
GPR	$170,800	1.00

Governor: Provide $74,800 in 2023-24 and $96,000 in 2024-25 and 1.0 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."]

4. MINOR TRANSFERS BETWEEN APPROPRIATIONS

Governor: Transfer $276,900 GPR and 3.0 positions annually from the Department of Revenue's (DOR) collection of taxes -- general program operations appropriation to its administrative services and space rental -- general program operations appropriation to create the Office of Communications in the Secretary's Office. According to DOR, the purpose of the Office of Communications would be to align the Department's internal and external communications under one manager. The Department indicates that the positions would be transferred from the Division of Income, Sales, and Excise Tax; two of the positions are communications positions and the third position is a vacant revenue tax representative.

Transfer $329,700 GPR and 3.0 FTE positions annually from DOR's collection of taxes -- general program operations appropriation to its administrative services and space rental -- general program operations appropriation to create the Engagement & Strategy Section in the Enterprise Services Division. According to DOR, the Engagement & Strategy Section would be focused on learning, engagement and retention, and promoting and supporting effectiveness, efficiency, and strategic success. DOR indicates that the positions that would be transferred consist of two vacant revenue auditor 1 positions and one vacant revenue agent position in the Division of Income, Sales, and Excise Tax. The Department does not estimate an effect on state tax collections as a result of the proposed transfer because the positions are currently vacant.

Finally, transfer $33,800 GPR from its collection of taxes -- general program operations appropriation to its administrative services and space rental -- general program operations appropriation for general overhead costs.

Tax Administration

1. DELINQUENT TAX COLLECTION AGENTS

	Funding	Positions
GPR	$1,504,800	11.00
GPR-Tax	$20,100,000	

Governor: Provide $677,300 in 2023-24 and $827,500 in 2024-25 and 11.0 positions annually to enhance delinquent tax collection efforts. According to DOR, these positions would consist of nine revenue agents, one revenue agent supervisor, and one revenue agent lead. The administration indicates that DOR is unable to attain its full collection potential of taxes owed under current law at its current staffing levels. It is estimated that this provision would increase general fund tax collections by $4,000,000 in 2023-24 and $16,100,000 in 2024-25 and annually thereafter.

2. CONVERT REVENUE AGENT PROJECT POSITIONS TO PERMANENT POSITIONS

Governor: Convert 38.0 GPR project positions to permanent positions and maintain current funding of $2,017,500 GPR for position salaries and $842,100 GPR for fringe benefits, annually. The 38 project positions are located within DOR's Division of Income, Sales, and Excise Tax, and consist of: (a) 17 audit revenue agent positions and one supervisor position in the Division's Audit Bureau; and (b) 19 tax collection revenue agent positions and one supervisor position in the Division's Compliance Bureau.

These positions were created by 2017 Act 59 and are scheduled to expire on June 30, 2025. The Administration indicates that allowing the positions to expire would result in an increase of unpaid delinquent taxes and would reduce general fund tax collections by an estimated $39.3 million annually, offsetting the annual reduction of $2,859,600 GPR associated with the expiration of these project positions, beginning in 2025-26.

3. ADVANCED TECHNOLOGY SYSTEM PROJECT

GPR	$1,950,000
PR	1,950,000
Total	$3,900,000
GPR-Tax	$7,600,000
GPR-REV	- $1,950,000

Governor: Provide $1,350,000 GPR and $1,350,000 PR in 2023-24 and $600,000 GPR and $600,000 PR in 2024-25 for supplies and services to implement an advanced technology system in the Department of Revenue's Compliance Bureau. The Administration indicates that this system would utilize data analytics to enhance collections of both delinquent taxes and debts owed to local governments and state agencies by $10,800,000, annually, once the program if fully operational. The Administration estimates that 70% ($7,600,000 annually) of enhanced collections would come from delinquent general fund taxes, beginning in 2024-25. The remaining 30% ($3,200,000 annually) of enhanced collections would come from debts owed to state agencies and local governments under the Statewide Debt Collection (SDC) program, beginning in 2024-25.

Under DOR's debt collection appropriation, all revenues collected in excess of expenditures are transferred to the general fund at the end of the fiscal year. Estimate a reduction in the year-end transfer to the general fund of $1,350,000 GPR-REV in 2023-24 and $600,000 GPR-REV in 2024-25 to reflect increased PR expenditures that would be authorized under this appropriation.

4. STATEWIDE DEBT COLLECTION POSITIONS

	Funding	Positions
PR	$940,100	7.00
GPR-REV	$1,633,300	
PR-REV	2,573,400	

Governor: Provide $423,500 PR in 2023-24 and $516,600 PR in 2024-25 and 7.0 PR positions annually to DOR's collection of taxes -- debt collection appropriation to increase efforts to collect debts owed to state agencies and local governments under the SDC program. DOR indicates that the authorization of these positions would increase the collection and remittance of debts owed by an estimated $11.9 million annually.

According to DOR, the seven positions would consist of one revenue agent supervisor, one revenue agent lead, and five revenue agents. The Administration indicates that, in addition to enhanced collections of state and local debts, providing these seven positions would result in the following changes to state revenues: (a) an increase of $516,800 PR-REV in 2023-24 and $2,056,600 PR-REV in 2024-25 from additional fees collected by DOR; and (b) an increase in the year-end transfer to the general fund of $93,300 GPR-REV in 2023-24 and $1,540,000 GPR-REV in 2024-25.

5. STATEWIDE DEBT COLLECTION OFFICE RESOURCES

PR	$892,000
GPR-REV	- $892,000

Governor: Provide $446,000 annually for supplies and services for the SDC program to enhance the program's ability to collect debts owed to state agencies and local governments. DOR indicates that additional resources are needed to cover increased costs for its current operations, as a result of increased debt amounts referred to SDC in recent years. Estimate reduced GPR-REV of $446,000 annually.

6. ADMINISTRATION AND ENFORCEMENT OF MARIJUANA TAX AND REGULATION

	Funding	Positions
GPR	$5,357,900	18.00

Governor: Provide $3,284,300 in 2023-24 and $2,073,600 in 2024-25 and 18.0 positions annually in a new appropriation for the purposes of: (a) administering the marijuana tax; and (b) enforcing the proposed taxation and regulation of marijuana producers, processors, and retailers.

The legalization of the sale and taxation of marijuana would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

[Bill Section: 523]

7. MARIJUANA PERMIT FEES

GPR-REV	$1,410,000

Governor: Estimate additional GPR-REV of $675,000 in 2023-24 and $735,000 in 2024-25 from the collection of marijuana permit fees. Under the bill, DOR would charge a $250 application fee to every person applying for a marijuana permit, as well as an annual fee of $2,000 to each person holding a valid permit. Fees would be paid to DOR and deposited directly into the general fund. [For additional information, see "Marijuana-Related Provisions."]

[Bill Section: 2294]

8. REPEAL BASEBALL STADIUM TAX ADMINISTRATION APPROPRIATION

	Funding	Positions
PR	- $855,000	- 4.40

Governor: Delete $427,500 and 4.40 positions annually to eliminate the funding and vacant positions associated with DOR's collection of taxes -- administration of special district taxes appropriation. Repeal the appropriation on April 30, 2024. This appropriation was created to administer the baseball stadium district tax, which ended March 31, 2020. The Administration indicates that the delayed effective date for the repeal of this appropriation is necessary to allow taxpayers to timely file amended returns.

[Bill Sections: 526 and 9437(8)(a)]

9. PERSONAL PROPERTY TAX REPEAL ADMINISTRATIVE COSTS

GPR	$1,430,700
PR	22,600
Total	$1,453,300

Governor: Provide $1,310,300 GPR and $22,600 PR in 2023-24 and $120,400 GPR in 2024-25 to fund the administrative costs of implementing the repeal of the personal property tax. The Administration indicates that, of the total funding for this provision, $20,500 would be provided as ongoing funding for assessor trainings and annual reviews of personal property aid based on two different assessment years. The remainder would be for one-time costs associated with updating information technology systems and applications for DOR's State and Local Finance Division. [For additional information, see "Shared Revenue and Tax Relief -- Property Taxation."]

10. MANUFACTURING PROPERTY ASSESSMENT SPECIALISTS

	Funding	Positions
GPR	$311,200	2.00
PR	311,200	2.00
Total	$622,400	4.00

Governor: Provide $140,100 GPR and $140,100 PR in 2023-24 and $171,100 GPR and $171,100 PR in 2024-25 and 2.00 GPR and 2.00 PR positions annually to ensure more timely and accurate manufacturing property assessments under current law. The Administration indicates that recent increases in workloads and decreases in available resources prevent DOR from meeting its statutory five-year review period for state-assessed manufacturing properties. DOR states that the four property assessment specialists provided under the Governor's budget would allow DOR to conduct more field audits each year to meet (or exceed) the required five-year review schedule.

11. LOCAL GOVERNMENT SERVICES BUREAU

	Funding	Positions
GPR	$149,200	1.00

Governor: Provide $67,400 in 2023-24 and $81,800 in 2024-25 and 1.0 position annually to DOR's Local Government

Services Bureau (LGS). According to DOR, the current workload assigned to LGS is beyond its capacity and the Bureau is in need of additional auditors to meet its statutory deadlines related to the administration of shared revenue, property tax credits, county and municipal levy limits, equalized values, and other programs. The Administration indicates that this revenue audit position would improve customer service to local governments and assist in the administration of shared revenue, property tax credits, and other LGS-assigned programs.

Regulation of Alcohol, Tobacco, Nicotine Products, and Vapor Products

1. WINE SALES IN PUBLIC PARKS

Governor: Permit municipalities and counties to sell wine in its public parks without an alcohol beverage license. Under current law, no person may sell alcoholic beverages to a consumer without holding the appropriate license, permit, or authorization issued under Chapter 125 of the Wisconsin Statutes. However, certain exceptions in state law waive the requirement to hold a license or permit. An exception currently applies for sales of fermented malt beverages (beer) in any public park operated by a county or municipality, if the beer is sold by officers or employees of the county or municipality under an ordinance, resolution, rule, or regulation enacted by the governing body. This bill would expand the current law exception to include sales of wine in public parks. This provision would take effect on the bill's effective date.

[Bill Sections: 2262 and 2266]

2. CLOSING HOURS DURING REPUBLICAN NATIONAL CONVENTION

Governor: Allow certain southeast Wisconsin municipalities to authorize extended closing hours for alcohol beverage retailers operating under Class "B", "Class B", or "Class C" licenses during the 2024 Republican National Convention in Milwaukee.

Class "B" licenses permit the retail sale of beer for consumption both on and off the premises, while "Class B" licenses permit the retail sale of intoxicating liquor, including wine and hard cider, by the glass, for consumption on the premises where sold. Under certain circumstances, "Class B" licenses permit the retail sale of intoxicating liquor for consumption off the premises. "Class C" licenses are issued to restaurants to permit the retail sale of wine for consumption on the premises.

Under current law, premises operating under Class "B", "Class B", or "Class C" licenses are generally required to close between the hours of 2:00 a.m. and 6:00 a.m. on weekdays, and between the hours of 2:30 a.m. and 6:00 a.m. on Saturday and Sunday. Under the bill, a southeast Wisconsin municipality may adopt a resolution allowing authorized Class "B", "Class B", and "Class C" license holders within the municipality to extend closing hours from July 15 through July 19, 2024 (during the 2024 Republican National Convention). A "southeast Wisconsin municipality" would mean any city, village, or town located, in whole or in part, within one of the following counties: Kenosha; Racine; Walworth; Rock; Milwaukee; Waukesha; Jefferson; Dane; Ozaukee; Washington; Dodge; Columbia; Sheboygan; or Fond du Lac. For any southeast Wisconsin municipality that adopts a resolution allowing extended closing hours, the closing hours would be between 4:00 a.m. and 6:00 a.m. The bill specifies that municipalities adopting such resolutions would have to establish an application process to authorize alcohol beverage retailers holding Class "B", "Class B", and "Class C" licenses to extend their closing hours.

[Bill Section: 9137(1)]

3. MINIMUM AGE FOR CIGARETTES, NICOTINE, TOBACCO, AND VAPOR PRODUCTS

Governor: Raise the Wisconsin minimum age for the purchase and sale of cigarettes, tobacco products, and nicotine products from 18 to 21. The bill would impose the same minimum age for the purchase and sale of vapor products.

Under Wisconsin law, purchases of cigarettes, tobacco products, and nicotine products by persons under the age of 18 (underage person) are prohibited. Similarly, the sale or gift of such products to underage persons is prohibited, as is the purchase of these products on behalf of such persons. Under laws governing the direct marketing of cigarettes, certain provisions apply for direct marketers to ensure that the purchaser is at least 18 years of age.

An underage person who is at least 15 years of age may attempt to purchase a cigarette, nicotine product, or tobacco product with the permission of his or her parent or guardian under current law, provided such an attempt is made during an authorized compliance investigation concerning sales to underage persons. Additionally, a person under the age of 18 may purchase such products for the sole purpose of resale in the course of employment, during working hours, if employed by a retailer.

However, on December 20, 2019, the federal minimum age for the purchase of cigarettes, tobacco products, and vapor products was raised from 18 to 21, making it illegal under federal law for Wisconsin retailers to sell such products to anyone under age 21. Therefore, the Governor's recommendation would codify the federal minimum age in state law.

The bill would prohibit individuals under the age of 21, rather than 18, from purchasing cigarettes, tobacco products, and nicotine products, and would also prohibit such individuals from purchasing vapor products. The bill would similarly prohibit the sale or gift of such products to, and purchases of such products on behalf of, persons under 21 years of age. Such products in the possession of persons under the age of 21 would be subject to seizure by a law enforcement officer. Current law provisions regarding the sale of such products in the presence of underage persons would be modified to include the sale of vapor products, and the presence of persons under the age of 21. In addition, under laws governing restrictions on the sale or gift of cigarettes, nicotine products, or tobacco products, a retailer would include a person who sells vapor products to any person not holding a cigarette and tobacco product retailer license or a tobacco product distributor permit.

Current law provisions governing the direct marketing of cigarettes would be updated to comport with the new minimum age requirements under the bill. The bill would also modify current law provisions concerning compliance investigations to reflect the new minimum age of purchase and sale under the bill, and would add vapor products to the list of products for which such investigations can be conducted. Finally, the bill would modify current law requirements regarding the posting of signs or notices by retailers and vending machine operators, compliance training for employees of cigarette and tobacco products retailers, and defense to a prosecution in cases of sales to underage persons, to also apply to vapor products and to conform with the new minimum age of purchase and sale under the bill.

These provisions would first apply to the following on the bill's effective date: (a) purchases, attempts to purchase, possession, and false representations of age for the purpose of receiving any cigarette, nicotine product, tobacco product, or vapor product by persons under 21 years of age; and (b) sales or the provision of cigarettes, nicotine products, tobacco products, or vapor products to persons under 21 years of age. The Administration indicates that the effect of this provision on general fund tax revenues would be minimal.

[Bill Sections: 2267 thru 2274, 2607 thru 2618, and 9302(2)]

Lottery Administration

1. LOTTERY SALES PROJECTIONS

Governor: Project sales of $912.1 million annually. 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 Governor's 2023-25 projected sales are based on sales models utilized by DOR to estimate both lotto (on-line) and instant ticket games. The following table shows these projections, as well as 2021-22 actual lottery sales and estimated sales in 2022-23.

Lottery Sales Projections
($ in millions)

Game Type	Actual 2021-22	2022-23	2023-24	Percent Change from 2022-23	2024-25	Percent Change from 2023-24
Scratch	$637.8	$643.5	$643.5	0.0%	$643.5	0.0%
Pull-tab	1.1	1.3	1.3	0.0	1.3	0.0
Lotto	248.9	267.3	267.3	0.0	267.3	0.0
Total	$887.8	$912.1	$912.1	0.0%	$912.1	0.0%

2. LOTTERY FUND CONDITION STATEMENT

Governor: The total revenue available for tax relief, minus a statutory reserve (2% of gross revenue) and the amount appropriated for the lottery and gaming credit late applications payments, determines the amount available for the lottery and gaming tax credit. The following fund condition statement provides information on operating revenues, appropriated amounts for expenditures, estimates of interest earnings and gaming-related revenue, and the amounts available for tax relief credits under the bill. The bill would appropriate $299,700,700 in 2023-24 and $297,926,900 in 2024-25 for both the lottery and gaming credit and the late applications lottery and gaming credit.

	Projected 2023-24	Projected 2024-25
Fiscal Year Opening Balance	$18,247,600	$18,247,600
Operating Revenues		
Total Ticket Sales	$912,117,200	$912,117,200
Retailer Fees and Miscellaneous	262,800	262,800
Gross Revenues	$912,380,000	$912,380,000
Expenditures (SEG)		
Prizes	$578,485,100	$578,485,100
Retailer Compensation	12,366,800	12,366,800
Vendor Fees	3,483,000	3,483,000
General Program Operations	20,954,500	21,034,900
Gaming Law Enforcement	415,400	415,400
Lottery Credit Administration	339,200	339,200
Program Reserves	235,300	528,700
Total SEG Expenditures	$616,279,300	$616,653,100
Expenditures (GPR)		
Retailer Compensation	$51,999,600	$51,999,600
Vendor Fees	20,875,400	20,875,400
Total GPR Expenditures	$72,875,000	$72,875,000
Net SEG Proceeds	$296,100,700	$295,726,900
Interest Earnings	$3,600,000	$2,200,000
Total Available for Tax Relief *	$317,948,300	$316,174,500
Appropriations For Tax Relief		
Lottery and Gaming Credit	$298,850,700	$297,076,900
Late Lottery and Gaming Credit Applications	850,000	850,000
Total Appropriations for Tax Relief	$299,700,700	$297,926,900
Gross Closing Balance	$18,247,600	$18,247,600
Reserve (2% of Gross Revenues)	$18,247,600	$18,247,600
Net Closing Balance	$0	$0

*Opening balance, net proceeds, interest earnings, and gaming-related revenue.

[Bill Section: 255]

3. LOTTERY RETAILER COMPENSATION AND VENDOR FEES

SEG	$19,215,600

Governor: Provide $7,061,800 annually for retailer compensation and $2,546,000 annually for vendor fees associated with increases in estimated lottery sales. This would increase SEG funding for vendor fees to $3,483,000 annually and SEG funding for retailer compensation to $12,366,800 annually. In addition to the sum sufficient SEG appropriations for retailer compensation and vendor fees, two separate GPR appropriations also provide funding for these purposes.

Basic retailer compensation is established by statute at 5.5% of the retail price of lotto lottery tickets and 6.25% of the retail price of instant tickets sold by the retailer. In addition, the retailer performance program provides an amount of up to 1% of gross lottery sales as incentive payments to retailers. Vendor fees are paid under a major procurement contract for the provision of data processing services to both the lotto and instant lottery games.

4. LOTTERY DRAW STAFF

	Funding	Positions
SEG	$99,300	1.0

Governor: Provide $42,600 in 2023-24 and $56,700 in 2024-25 and 1.0 positon to the Lottery Division's SEG general operations appropriation to assist with both the increased number of lotto games and the mid-day draws that have been implemented for several lotto games.

5. LOTTERY INVESTIGATORS

	Funding	Positions
SEG	$494,700	3.0

Governor: Provide $214,200 in 2023-24 and $280,500 in 2024-25 and 3.0 positions to the Lottery Division's SEG general operations appropriation to enhance efforts to maintain the security and integrity of the lottery.

SAFETY AND PROFESSIONAL SERVICES

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
FED	$537,500	$543,100	$542,300	$10,400	1.0%	1.70	1.70	1.70	0.00	0.0%
PR	60,517,800	73,348,400	75,254,900	27,567,700	22.8	240.44	319.94	318.94	78.50	32.6
TOTAL	$61,055,300	$73,891,500	$75,797,200	$27,578,100	22.6%	242.14	321.64	320.64	78.50	32.4%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
FED	- $33,600	0.00
PR	623,500	- 2.00
Total	$589,900	- 2.00

Governor: Increase funding by $310,300 (-$16,800 FED and $327,100 PR) and delete 2.0 PR positions in 2023-24, and provide $279,600 (-$16,800 FED and $296,400 PR) and delete 2.0 PR positions in 2024-25 to reflect the net effect of the following standard budget adjustments: (a) turnover reduction (-$351,400 PR annually); (b) removal of non-continuing elements (-$145,800 PR and -2.0 PR positions in 2023-24 and -$176,700 PR and -2.0 PR positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-$16,800 FED and $897,500 PR annually); and (d) full funding of lease and directed moves costs (-$73,200 PR in 2023-24 and -$73,000 PR in 2024-25).

2. SYSTEM PLATFORMS SUBSCRIPTIONS AND MAINTENANCE

PR	$4,352,400

Governor: Provide $2,117,900 in 2023-24 and $2,234,500 beginning in 2024-25 for the following system platforms subscriptions and maintenance: (a) $1,760,700 in 2023-24 and $1,813,600 in 2024-25 for various software subscriptions and maintenance for LicensE components required for operation of the system for health and business occupation credentialing; (b) $135,800 in 2023-24 and $139,900 in 2024-25 for the software subscriptions and maintenance fees of the electronic Safety and Licensing Application (eSLA) for safety and building plan reviews and permitting; and (c) $221,400 in 2023-24 and $281,000 in 2024-25 for a variety of software subscriptions and maintenance, including for electronic forms, call center functions, and other DSPS internal operations.

3. DIVISION OF ENTERPRISE TECHNOLOGY CONSULTING SERVICES

PR	$2,480,200

Governor: Provide $1,208,500 in 2023-24 and $1,271,700 in 2024-25 to support costs charged by the Division of Enterprise Technology (DET) in the Department of Administration (DOA), which provides information technology (IT) functions to DSPS. These amounts would include ongoing funding of $283,600 in 2023-24 and $292,000 beginning in 2024-25, and one-time funding of $924,900 in 2023-24 and $979,700 in 2024-25 to address IT programming enhancements, process improvements, and deployment of statewide projects to be adopted by all agencies' public-facing services.

4. EQUIPMENT AND SOFTWARE UPGRADES

PR	$445,800

Governor: Provide $219,700 in 2023-24 and $226,100 in 2024-25 as one-time funding for equipment updates. Funding would be intended to support replacement of agency equipment that has become obsolete or otherwise reached the end of its functionality.

5. PAY INCREASES FOR CRITICAL POSITIONS

PR	$572,300
FED	44,000
Total	$616,300

Governor: Provide $313,900 in 2023-24 ($291,500 PR and $22,400 FED) and $302,400 in 2024-25 ($280,800 PR and $21,600 FED) to support salary and fringe increases for permanent and project positions in the license and permit program associate or office operations associate groups in DSPS. Increases would affect an estimated 42.0 positions and in most instances be $6,480 per year, per position.

6. MILITARY PATHWAYS GRANT PROGRAM

PR	$100,000

Governor: Provide $50,000 each year in one-time funding to continue the Military Pathways Grant Program, by which military training may be creditable or transferrable to credentials for certain civilian jobs. The program was created under 2021 Act 58, which provided $50,000 each year in one-time funding. Eligible applicants include colleges, universities, apprenticeship programs, or other entities that create curricula to connect existing military training with licensed civilian occupations. DSPS reports that Milwaukee Area Technical College received the grant in 2021-22 to hire a part-time veterans project specialist position to assist in transferring military training and credentials to college transcripts.

7. EQUITY OFFICER POSITION

	Funding	Positions
PR	$85,900	0.50

Governor: Provide $37,600 in 2023-24 and $48,300 in 2024-25 and 0.5 position annually 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."]

8. LICENSURE FOR UNDOCUMENTED PERSONS

Governor: Provide that an individual that is not a U.S. citizen may receive a license, credential, permit, certification, or other work-related approvals, so long as a person meets all other requirements or qualifications for the approval being sought. Under federal law, certain persons who are not U.S. citizens may not receive "state or local public benefits," including professional occupational or commercial licenses or credentials. However, federal law also allows states to enact a law specifically authorizing the receipt of such benefits by persons otherwise presumed to be ineligible.

[Bill Section: 3393]

9. REVIEW OF VIOLATIONS RECORDS

Governor: Specify that DSPS, at its discretion, may choose not to investigate the following types of violations when determining applicant eligibility for licensure: (a) first-offense violations of operating vehicles or machinery while intoxicated that occurred more than five years prior to application; (b) certain violations of trying to procure alcohol under the age of 21; and (c) minor, nonviolent ordinance violations as determined by DSPS. Authorize DSPS to promulgate emergency rules to implement the provision, and specify rules remain in effect until the sooner of July 1, 2025, or permanent rules taking effect.

[Bill Sections: 2798 and 9138(2)]

10. LICENSE PORTABILITY

Governor: Specify that DSPS and its affiliated credentialing boards may promulgate rules to facilitate enhanced credential portability and paths to credentialing for internationally trained professionals and increased license reciprocity. Under current law, reciprocal licensing is provided for certain professions, and the statutes in general specify that DSPS may recognize credentials from another state only if the education, experience, and examination requirements are at least equivalent to those of Wisconsin license holders. Rules promulgated would be required to comport with existing statutory provisions.

[Bill Sections: 2801 and 2803]

Regulation of Professions

1. LICENSE PROCESSING STAFF

	Funding	Positions
PR	$2,215,600	16.00

Governor: Provide ongoing funding of $968,700 in 2023-24 and $1,246,900 in 2024-25 with 16.0 permanent positions to process license applications in the Division of Professional Credential Processing (DPCP). The following table shows the types of positions that would be provided and the funding that would be budgeted to support these positions in 2023-24 and 2024-25.

License Processing Staff -- Governor's Recommendation

		Funding	
Position Title/Category	Positions	2023-24	2024-25
License Permit Program Associate -- Health	8.00	$364,100	$485,300
License Permit Program Associate -- Business and Trades	6.00	273,000	364,000
Records Management Supervisor -- Health	1.00	55,200	73,600
Paralegal -- Legal	1.00	43,300	57,700
Subtotal	16.00	$735,600	$980,600
Supplies and Services		$233,100	$266,300
Total	16.00	$968,700	$1,246,900

As of February 1, 2023, DSPS has assigned 64.0 positions to its Division of Professional Credential Processing. This includes 42.0 license permit program associates of various classes, 8.0 office operations associates, 4.0 attorneys, 3.0 paralegals, 3.0 program and policy analysts, 3.0 records management supervisors, and 1.0 division administrator.

2. CALL CENTER STAFF

	Funding	Positions
PR	$1,811,300	14.00

Governor: Provide ongoing funding of $793,000 in 2023-24 and $1,018,300 in 2024-25 with 14.0 office operations associate permanent positions to provide additional customer service call center staff within the DPCP Customer Service Center (CSC). DSPS reports CSC is assigned 6.0 office operations associates and 1.0 supervisor. The agency reports it has also utilized limited-term employees and has contracted 20 additional employees through a third-party company using funds from the federal American Rescue Plan Act (ARPA). The Administration would assign state-funded staff to handle ongoing call volumes once federal ARPA funds have been exhausted.

3. BOARD SUPPORT STAFF

	Funding	Positions
PR	$1,730,600	10.00

Governor: Provide ongoing funding of $753,700 in 2023-24 and $976,900 in 2024-25 with 9.0 permanent positions and 1.0 two-year project position to provide existing and new credentialing boards with policy, legal, and administrative services.

The following table shows how these additional positions would be allocated within the Department, the types of positions that would be provided, and the funding that would be budgeted to support these positions in 2023-24 and 2024-25.

Board Support Staff -- Governor's Recommendation

		Funding	
Position Title/Category	Positions	2023-24	2024-25
Division of Legal Services and Compliance			
Attorney	3.00	$178,400	$237,600
Pharmacy Practices Consultant	1.00	102,500	136,700
Real Estate Specialist	1.00	55,200	73,600
Senior Consumer Protection Investigator	1.00	55,200	73,600
Program and Policy Analyst*	1.00	55,200	73,600
Consumer Protection Investigator	1.00	51,000	68,100
Subtotal	8.00	$497,500	$663,200
Division of Policy Development			
Administrative Policy Advisor	1.00	$55,200	$73,600
Administrative Rules Coordinator	1.00	55,200	73,600
Subtotal	2.00	$110,400	$147,200
Supplies and Services		$145,800	$166,500
Total	10.00	$753,700	$976,900

*Two-year project position

4. LICENSE NAVIGATORS

	Funding	Positions
PR	$256,200	2.00

Governor: Provide $113,200 in 2023-24 and $143,000 in 2024-25 with 2.0 PR positions to create license navigator positions. The Administration indicates that these positions would be intended to help individuals, employers, and higher education institutions better understand and complete the credentialing process, as individuals applying for licensure may experience varying degrees of complexity in the processes depending on their backgrounds and circumstances. The Administration would intend for navigators to attend conferences and career fairs, develop training programs on licensing protocols, or to otherwise educate future applicants and stakeholders on the licensing process.

5. LICENSURE ATTAINMENT AND FLEXIBILITY SPECIALISTS

	Funding	Positions
PR	$776,100	5.00

Governor: Provide $341,200 in 2023-24 and $434,900 in 2024-25 with 5.0 positions to create license attainment specialists. The Administration indicates that the positions would be intended to enhance licensure opportunity in Wisconsin through multistate compacts and reciprocity agreements. DOA indicates that 1.0 position would work on licensure compact development with the various credentialing boards, 1.0 would research and facilitate credentialing for persons trained internationally in healthcare fields, and 3.0 would expedite licensing decisions for applicants who already held credentials in other states.

6. PROGRAM REVENUE RETENTION

PR	$3,543,600
GPR-REV	- $3,543,600
PR-REV	$3,543,600

Governor: Eliminate the statutory requirement that DSPS must transfer 10% of revenues from health and business credentialing fees and educational approval fees to the general fund. The Administration estimates that $1,771,800 annually would be retained as program revenues, rather than transferred to the general fund. The bill would increase the DSPS general operations appropriation for health and business occupational credentialing by the same amount.

[Bill Sections: 285 thru 288 and 290]

7. PRESCRIPTION DRUG MONITORING PROGRAM

PR	$1,115,200

Governor: Provide $253,800 in 2023-24 and $861,400 in 2024-25 in ongoing funding for software improvements, electronic health records integration, and recurring licensing costs for the state's electronic Prescription Drug Monitoring Program (ePDMP). The ePDMP is an online opioid database used by approximately 70,000 registered users, including Wisconsin pharmacy staff, healthcare professionals, law enforcement agencies, and public health officials to prevent opioid abuse in the state. Originally created by 2009 Wisconsin Act 362, the program's development and deployment was funded by various federal grants.

DSPS funds the ePDMP with the agency's health and business professions general program operations PR appropriations. Recent improvements to the ePDMP were made using funds from the federal Harold Rogers PDMP Grant Program, including $1.9 million in 2019-20 and $1.6 million in 2020-21. An award of $1.4 million was granted to Wisconsin in 2021-22.

8. RENEWAL DATES AND NURSING WORKFORCE SURVEY

Governor: Eliminate the statutory renewal dates for health and business professions under s. 440.08 (2) (a) of the statutes, effective six months following the bill's effective date. Direct DSPS, in collaboration with credentialing boards, to establish new renewal cycles, and authorize DSPS to stagger renewal cycles among credential holders. Require DSPS and credentialing boards to notify credential holders of any newly established dates. Allow the Department and credentialing boards to establish a process to transition credential holders from previous renewal cycles to those newly established, and authorize the Department to adjust renewal fees if the biennial fee-setting process is not revised prior to a new credential fee taking effect.

In certain instances, the provision would delete statutory maximum credential lengths, or the number of times a credential may be renewed, and authorize the Department to establish those limits. Those instances include: (a) for private detectives, a two-year maximum credential term; (b) for substance abuse counselors in training, clinical supervisor counselors in training, or prevention specialists in training, a maximum of two renewals; and (c) for athlete agents, a certificate of registration being valid for two years.

Continuing Education. Allow DSPS and its credentialing boards to adjust or prorate continuing education requirements and to establish interim continuing education or other reporting requirements as needed to align with the new renewal cycles. In certain instances, a number of continuing education credits or hours specified by statute for a two-year credential cycle would be specified as the minimum, maximum, or designated number of credits or hours required over any two-year period.

For certain professions, the bill would require a two-year period in which no continuing education would be required for newly credentialed persons, including for home inspectors, chiropractors, dental hygienists, dentists, dental therapists, pharmacists, psychologists, nursing home administrators, hearing instrument specialists, and speech-language pathologists and audiologists. The provision would be generally consistent with current allowances for a two-year waiver of continuing education for new credential holders in their first term. A waiver of continuing education requirements would be at the discretion of the board for genetic counselors.

Nursing Workforce Survey. Repeal the requirement that registered nurses or licensed practical nurses must submit a nursing workforce survey with every license renewal application as a condition of the renewal. Instead require that a survey be completed biennially by nurse licensees.

[Bill Sections: 289, 1885, 2452, 2792, 2793, 2799, 2800, 2802, 2806 thru 2809, 2811 thru 2821, 2825 thru 2838, 2841, 2843, 2844, 2854, 2856, 2859, 2866, 2873, 2879 thru 2900, 2917, 2919 thru 2925, 2927 thru 2929, 2949 thru 2956, 2959, 2960, 2962 thru 2968, 2970 thru 2973, 2975, 2976, 2982 thru 2985, 2994 thru 2998, 3000 thru 3025, 3029, 3032 thru 3035, and 9438(2)]

9. CONTINUING EDUCATION CERTIFICATION FOR REALTORS

PR	$100,000

Governor: Provide $100,000 in one-time funding in 2023-24 to support the Wisconsin Realtors Association in the establishment of continuing education requirements for realtors in the state.

10. ADVANCED PRACTICE REGISTERED NURSING

Governor: Authorize individuals to obtain advanced practice registered nursing (APRN) licenses in Wisconsin by: (a) creating licensure requirements; (b) specifying conditions under which APRNs may practice; (c) defining the scope of practice for APRNs; (d) specifying the settings where APRNs may practice; and (e) providing new responsibilities to the Nursing Board relating to the regulation of APRNs. Under current law, the Nursing Board licenses and regulates various classes of nurses. The current statutes contain limited references to licensure of advanced practice registered nurses. In general terms, an APRN would have a broader range of practice and more advanced educational requirements than a registered nurse or licensed practical nurse. The bill would implement provisions of 2021 Assembly Bill 396/Senate Bill 394.

Licensure Requirements

Application. Require the Board of Nursing to grant an APRN license to an individual who satisfies the following criteria: (a) submits an application for the license to the Department; (b) pays the applicable license fee; and (c) possesses malpractice liability insurance. The bill would also require persons to submit evidence satisfactory to the Board that the individual: (a) has completed an accredited graduate-level or postgraduate-level education program preparing the person to practice as an APRN in one of the four recognized roles, described in a subsequent paragraph, and holds a current national certification approved by the Board; or (b) on January 1, 2023, was licensed as a registered nurse (RN) in Wisconsin, practicing in one of the four recognized roles, and satisfied additional practice or education criteria established by the Board. A person could also receive an APRN license if the certified to issue prescription orders as of the effective date of the provision. Further, licensed nurse-midwives could also be issued an APRN license if so licensed on the day prior to the provision's effective date.

The bill would require the Board, upon granting an individual an APRN license, to also grant the person one or more specialty designations corresponding to the recognized role or roles for which the person qualifies. The four recognized APRN roles are: (1) nurse-midwife; (2) nurse anesthetist; (3) clinical nurse specialist; and (4) nurse practitioner. The bill would limit the use of these titles to persons with an APRN license and the appropriate specialty designation. The bill would also replace numerous instances in the statutes of references to these occupations with the term for an APRN.

Continuing Education, License Renewal and Other Terms. The bill would require all APRNs to complete 16 contact hours in each biennium in clinical pharmacology or therapeutics relevant to the APRN's area of practice and to satisfy certain other requirements when renewing a license. Under the provision, the Board would be required to grant a renewal of both an RN license and the person's APRN license. Applicants renewing both registered nurse and advanced practice registered nurse licenses would only be required to pay a single fee.

Scope of Practice

General Practice. Under the provision, all APRNS except certified nurse-midwives would be required to practice in collaboration with a physician or dentist. APRNs with at least 3,840 hours of professional nursing practice in a clinical setting, and while working with a physician or dentist during those 3,840 hours, could practice without being supervised by a physician or dentist and upon verification by the Board of Nursing of the clinical hours. Hours practiced in Wisconsin or outside the state could be credited.

The bill would specify an APRN must adhere to professional standards when managing situations that were beyond their expertise, including by consulting with a physician or other provider with a suitable scope of practice to address patient needs. An APRN would be allowed to delegate a task or order to another clinically trained health care worker if the task or order was within the scope of the APRN's practice, the APRN was competent to perform the task or issue the order, and the APRN had reasonable evidence that the health care worker was minimally competent to perform the task or issue the order under the circumstances.

Practice of Nurse-Midwifery. APRNs with a certified nurse-midwife specialty designation would be required, if offering to deliver babies outside of a hospital setting, to file and keep current with the Board a proactive plan for involving a hospital or a physician who had admitting privileges at a hospital in the treatment of patients with acute or emergency care needs that exceed the APRN's scope of expertise and practice. The bill would direct nurse-midwives to perform tests for congenital and metabolic disorders in infants and to assess infants for shaken baby syndrome.

Prescribing Authority. The bill would generally authorize APRNs to issue prescription orders. A person who is certified to issue prescription orders under current law is automatically granted an APRN license with his or her appropriate specialty designation. RNs who are practicing in a recognized role on January 1, 2023, but who do not hold a certificate to issue prescription orders on that date and who are granted an APRN license under the bill would not be permitted to issue prescription orders. Also, an APRN would be authorized to provide pain management services if collaborating or practicing under the supervision of a physician with training, education, and experience in that practice, unless the APRN had otherwise qualified for independent practice, as described separately.

Malpractice Liability Insurance. The bill would require all APRNs to maintain malpractice liability insurance in coverage amounts specified under current law for physicians and nurse anesthetists. APRNs qualified to practice independently and who practice outside a collaborative or employment relationship, but not including those APRNs who only practice as a certified nurse-midwife, would be required to participate in the Injured Patients and Families Compensation Fund. The Injured Patients and Families Compensation Fund provides excess medical malpractice coverage for health care providers who participate in the fund and meet other participation requirements.

Other Provisions

Related Statutory Changes. The bill would allow APRNs to engage in practices or actions consistent with current requirements for included recognized specialties. These would include: (a) issuing disability assessments of persons in the state for purposes of disability license plates, fishing and hunting approvals, or worker's compensation benefits; (b) maintaining records of patient sexually transmitted illness (STI); (c) communicating confidentially with residents of nursing homes or community-based residential facilities; (d) directing the use of physical or chemical restraints for residents of nursing homes or community-based residential facilities; (e) testifying to the results of physical examinations in courts of law; (f) providing written statements to excuse children from school due to illness, injury, or other issues precluding the children from school attendance; (g) conferring with courts regarding confinement or detainment of individuals deemed threats to themselves or others; (h) disclose infection statuses of deceased patients if coroners, medical examiners, or other medical assistants are at risk of exposure to certain diseases by the deceased patients; (i) administering epinephrine auto-injectors or prefilled syringes; and (j) making therapeutic alternate drug selections for patients in and outside of prisons.

Additionally, the bill would amend sales tax provisions to incorporate the APRN designation regarding an exemption for drugs dispensed to health care practitioners, provided the substance is not available without a prescription.

Board of Nursing. The Board would be required to promulgate rules to implement APRN licensing, including specifying: (a) further provisions on scope of practice; (b) recognized national certifications; (c) training and educational requirements; (d) drugs APRNs would not be authorized to prescribe; and (e) standards of professional conduct.

Effective Date. Specify the provisions would take effect on the first day of the 13th month beginning after publication.

[Bill Sections: 619 thru 625, 791, 1136 thru 1141, 1143, 1147, 1329, 1591, 1592, 1734, 1755 thru 1759, 1761, 1768, 1769, 1884, 2125, 2142 thru 2147, 2301, 2305, 2307, 2308, 2310, 2313, 2315, 2316, 2582, 2583, 2585 thru 2589, 2591 thru 2599, 2601, 2602, 2619 thru 2622, 2640, 2642, 2732, 2753, 2779, 2780, 2794, 2796, 2797, 2804, 2805, 2822, 2824, 2839, 2840, 2842, 2845 thru 2853, 2855, 2857, 2858, 2860 thru 2865, 2867 thru 2872, 2874 thru 2878, 2945 thru 2948, 2957, 2958, 2961, 2969, 2977 thru 2979, 2981, 2987 thru 2993, 3028, 3112 thru 3132, 3318, 3324, 9138(3), and 9438(3)]

11. DENTAL THERAPISTS

Governor: Authorize individuals to practice dental therapy in Wisconsin by: (a) creating licensure requirements; (b) specifying conditions under which dental therapy can be practiced; (c) defining the scope of practice for dental therapists; (d) specifying the settings where a dental therapist may practice; and (e) providing new responsibilities to the Dentistry Examining Board relating to the regulation of dental therapists. Under current law, the Board licenses and regulates dentists and dental hygienists. The current statutes contain no references to the practice of dental therapy. In general terms, a dental therapist would have a broader scope of practice than a dental hygienist, but not the full authority granted to a dentist. The recommendations described in the subsequent sections would mostly enact provisions of 2021 Assembly Bill 169/Senate Bill 181.

Initial Licensure Requirements

General Requirements. Require the Board to grant a license for dental therapy to an individual who satisfies the following criteria: (a) submits an application for the license to the Department; (b) pays the applicable license fee; (c) submits evidence satisfactory to the Board that of graduation from a dental therapy program, as described in a separate paragraph; (d) meets examination requirements, as described in a separate paragraph; (e) demonstrates to the Board current proficiency in cardiopulmonary resuscitation (CPR), including the use of an automated external defibrillator achieved by an individual, organization, or institution of higher education to provide such instruction; and (f) completes any other requirements established by the Board by rule that are comparable to, and no more restrictive than, the requirements established by the Board for dentists and dental hygienists. Require an applicant to submit information on licensure in another U.S. state or territory, if required by the Board and the applicant is licensed in another state or territory.

Dental Therapy Program Graduation. Require an applicant to have completed one of the following: (a) a dental therapy program accredited by the American Dental Association (ADA) commission on dental accreditation, or a successor entity; (b) a dental therapy education program that was not ADA-accredited at the time of graduation, but was accredited or approved by the Minnesota Board of Dentistry; or (c) a dental therapy program that is not ADA-accredited, but that is approved by the Wisconsin Dentistry Examining Board, if the program is determined to be substantially similar to an ADA-accredited program.

Examinations. Require an applicant to: (a) submit evidence satisfactory to the Board that he or she has passed a national dental therapy examination and a dental therapy clinical examination administered by a regional testing service approved by the Board, or, if such an examination does not exist, an alternative examination administered by another entity or testing service approved by the Board; and (b) pass an examination administered by the Board on Wisconsin's statutes and rules relating to dental therapy.

Temporary Credentials. Authorize dental therapists to be issued temporary credentials under current law for persons holding unexpired credentials from a different state, not under disciplinary proceedings in any state, and who have applied for permanent credentials in Wisconsin. Authorize dental therapists licensed outside Wisconsin to be issued 10-day permits to conditionally practice in Wisconsin, without compensation, if the services provided would benefit the welfare of persons in the state.

Continuing Education Requirements

Provide that, in order to be eligible for renewal of a license, a dental therapist must complete 12 credit hours of continuing education relating to the practice of dental therapy that is sponsored or recognized by a local, state, regional, national, or international dental, dental therapy, dental hygiene, dental assisting, or medical-related professional organization, during the two-year period immediately preceding the renewal date.

Specify that applicants for renewal must maintain current proficiency in CPR, achieved through approved instruction, and that their continuing education may include up to two hours of training in basic life support or CPR. Require that the 12 credit hours include at least two hours of infection control, and courses in any specific clinical subjects established in rule by the Board, in consultation with the Department of Health Services (DHS). Specify that these credit hours may be satisfied by independent study, correspondence, or online courses. Specify that a person may substitute credit hours of college level courses related to dental therapy for the credit hour requirements, and that one credit hour of a college level course is equivalent to six hours of continuing education. Provide that one hour of teaching or preparing a continuing education program is equivalent to one hour of continuing education, but a person preparing a program may obtain credit for that program only once. Authorize the Board to require applicants for a renewal of a license to practice dental therapy to submit proof of compliance with these requirements.

Collaborative Management Agreements

Specify that, prior to providing any dental therapy services, a dental therapist must enter into a written collaborative management agreement with a qualifying dentist who would serve as the supervising dentist. The agreement must address all of the following: (a) the practice settings where services may be provided and the patient populations that may be served; (b) any conditions or limitations on the services that may be provided by the dental therapist, the level of supervision required, and any circumstances requiring consultation prior to performing services; (c) age-specific and procedure-specific practice protocols; (d) dental record-keeping procedures; (e) plans for managing dental or medical emergencies; (f) a quality assurance plan for monitoring care provided by the dental therapist; (g) protocols for administering and dispensing medications; (h) criteria or protocols relating to the provision of care to patients with specific medical conditions, treatments, or medications; (i) policies relating to supervision of dental hygienists and other staff; (j) a plan for the referral of patients to other dental or health care professionals or clinics when services needed are beyond the scope of practice or authorization of the dental therapist; (k) whether and to what extent the dental therapist may perform nonsurgical extractions, as defined in the bill.

Provide that each collaborative management agreement must be limited to covering one qualifying dentist and one dental therapist. Provide that a dental therapist may enter into multiple collaborative management agreements, but that no dentist may have collaborative management agreements with more than four dental therapists at any time.

Scope of Practice

Allowable Services, Treatments, and Procedures. Specify that the scope of practice of a dental therapist would be limited to providing the following services: (a) oral evaluation and assessment of dental disease and formulation of an individualized treatment plan; (b) identification of oral and systemic conditions requiring evaluation or treatment by dentists, physicians, or other health care providers and managing referrals; (c) comprehensive charting of the oral cavity; (d) oral health instruction and disease prevention education, including nutritional counseling and dietary analysis; (e) exposure and evaluation of radiographic images; (f) dental prophylaxis, including subgingival scaling and polishing procedures; (g) dispensing and administration via the oral or topical route of nonnarcotic analgesic, anti-inflammatory, and antibiotic medications as prescribed by a licensed health care provider; (h) application of topical preventive or prophylactic agents, including fluoride varnish, antimicrobial agents, caries arresting medicaments, and pit and fissure sealants; (i) pulp vitality testing; (j) application of desensitizing medications or resins; (k) fabrication of athletic mouth guards and soft occlusal guards; (l) changing of periodontal dressing; (m) administration of local anesthetic and nitrous oxide; (n) simple extraction of erupted primary teeth; (o) nonsurgical extraction of periodontally diseased permanent teeth with tooth mobility of +3 to +4 to the extent authorized in the dental therapist's collaborative management agreement, except that "dental therapy" does not include the extraction of a tooth that is unerupted, impacted, or fractured or that needs to be sectioned for removal; (p) emergency palliative treatment of dental pain; (q) preparation and placement of direct restoration in primary and permanent teeth; (r) fabrication and placement of single-tooth temporary crowns; (s) preparation and placement of preformed crowns on primary teeth; (t) indirect and direct pulp capping on permanent teeth; (u) indirect pulp capping on primary teeth; (v) intraoral suture placement and removal; (w) minor adjustment and repair of removable prostheses; (x) placement and removal of space maintainers; (y) pulpotomy on primary teeth; (z) tooth reimplantation and stabilization; (aa) recementing of a permanent crown; and (ab) any additional services, treatments, or procedures specified in the rules promulgated by the Board.

In addition to specifying these procedures and practices, require that a dental therapist practice those services, treatments, and procedures covered by the dental therapy education program from which the person graduated, or within any subsequent dental therapy education training.

Level of Supervision. Specify that a dental therapist may provide services only under the direct or indirect supervision of a dentist with whom the dental therapist has entered into a collaborative management agreement. "Direct supervision" would be defined as the dentist being present in the dental office or practice setting, personally diagnosing the condition to be treated, authorizing each procedure, and evaluating the dental therapist's performance prior to the patient's departure. "Indirect supervision" would be defined as the dentist being present in the office or practice setting, authorizing a procedure, and remaining in the office for the duration of the procedure.

Authorize a dental therapist to provide services under general supervision of the dentist, and under a collaborative management agreement, upon completion of 2,000 hours of practice under direct or indirect supervision. "General supervision" would be tasks or procedures performed by a dental therapist with the prior knowledge and consent of the dentist, but not requiring the presence of the dentist in the office or on the premises at the time a task or procedure is being performed by the dental therapist. General supervision would not require prior examination or diagnosis of a patient by the dentist before the dental therapist provides services to the patient.

Specify that a supervising dentist must accept responsibility for all services performed by a dental therapist pursuant to a collaborative management agreement and that if services needed by a patient are beyond the dental therapist's scope of practice or authorization under the collaborative management agreement, the dental therapist must consult with the supervising dentist as needed to arrange for those services to be provided by a dentist or another qualified health care professional.

Specify that a dental therapist may authorize a dental hygienist to practice dental hygiene in a facility where the dental therapist is present, or another facility under a written or oral prescription. A dental therapist may also delegate to any unlicensed individual the performance of remediable procedures in a facility where the dental therapist is present, in accordance with an approved treatment plan and subject to inspection by the dental therapist. Specify that a dental therapist may authorize, by prescription, a licensed operator to use diagnostic X-ray equipment on a patient.

Specify that no employment contract under which a dental therapist is employed to practice dental therapy may require a dental therapist to meet a minimum quota for the number of patients seen or the number of procedures performed.

Location of Practice. Require a dental therapist must at all times practice in one of the following: (a) one or more dental health shortage areas, as designated under federal law; or (b) in a setting in which at least 50% of the patient base are: (1) receiving aid under the Medical Assistance (MA) program; (2) uninsured; (3) receiving dental care at free or charitable clinics, or at federal qualified health centers; (4) reside at long-term care centers; (5) veterans; (6) members of a federally recognized American Indian tribe or band; (7) receiving dental care at clinics or facilities on tribal lands; or (8) persons with disabilities or chronic conditions the create barriers to accessing dental care.

Other Provisions

Composition of the Dentistry Examining Board. Specify that, effective when the 50th individual becomes licensed as a dental therapist in the state, following the Board's notification to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register, the Governor shall to the extent possible appoint at least one dental therapist to the Dentistry Examining Board if appointing one of the three Board seats to be held by dental hygienists. Specify the appointment must occur no later than five years following the bill's publication.

Rulemaking. Require the Board to present a statement of scope for permanent and emergency rules required to implement the licensure of dental therapists no later than the 30th day after the bill's general effective date. Provide that if the Governor does not disapprove the statement of scope by the 30th day after the statement is presented to the Department of Administration, the statement would be considered approved by the Governor.

Require the Board to promulgate emergency rules that are necessary to implement these provisions, which would remain in effect for two years, or until the date on which permanent rules take effect, whichever is sooner. Require the Board to submit a proposed emergency rules no later than the 150th day after the bill's general effective date, and specify that if the Governor does not reject the proposed emergency rule by the 14th day after the rule is submitted to the Governor in final draft form, the emergency rule would be considered approved by the Governor.

Require the Board to submit a proposed permanent rule required to implement these provisions no later than 365 days after the effective date of the bill. Provide that if the Governor does not reject the proposed permanent rule by the 30th day after the rule is submitted to the Governor in final draft form, the permanent rule would be considered to be approved by the Governor.

Other Related Statute Changes. Modify various statutory provisions relating to healthcare provider rights and responsibilities that apply to dentists to also apply to dental therapists, including: (a) requiring persons or businesses offering dental therapy to comply with health records preservation provisions established by the Dentistry Examining Board; (b) expanding the definition of "health care provider" for the purposes of the health care records law to include dental therapists; (c) expanding the definition of "volunteer health care provider" for the purposes of the volunteer health care provider program to include dental therapists, and specify that a dental therapist may provide dental services under this program; (d) expanding the definition of "health care provider" for the purposes of the health care worker protection program enforced by the Department of Workforce Development to include dental therapists; (e) expanding the definition of "health care provider" for the purposes of power of attorney for health care to include dental therapists; (f) specifying that the statutes prohibiting discrimination on the basis of HIV status apply to dental therapists; (g) expanding the definition of "health care provider" for the purposes of the emergency volunteer health care practitioner law to include dental therapists; (h) specifying that a dental therapist must provide patients with the same information about alternate modes of treatment as is required of a dentist; (i) modifying the statutes relating to insurance coverage to specify that no policy, plan or contract may exclude coverage for diagnosis and treatment of a condition or complaint by a licensed dental therapist within the scope of the dental therapist's license, if the policy, plan or contract covers diagnosis and treatment of the condition or complaint by another health care provider; (j) modifying the civil liability exemption for emergency medical care to cover health care rendered by dental therapists; and (k) modifying the criminal statute relating to possession, distribution, or delivery of nitrous oxide to specify that nitrous oxide may be administered by a dental therapist for the purpose of providing dental care.

[Bill Sections: 74, 2304, 2306, 2309, 2311, 2312, 2314, 2317, 2590, 2639, 2641, 2795, 2810, 2823, 2901 thru 2916, 2918, 2926, 2930 thru 2944, 2974, 2980, 2986, 3026, 3027, 3030, 3031, 3092, 3232, 3233, 3302, 9138(1), and 9438(1)]

Safety and Buildings Programs

1. BUILDING PLAN REVIEW

	Funding	Positions
PR	$3,936,200	25.00

Governor: Provide 25.0 positions to increase commercial building plan review staff in the Division of Industry Services. The Administration indicates that the three proposals described in the following paragraphs would increase plan review staff to facilitate reviews in ways suggested by construction industry participants.

Schedule-in-Advance Plan Review

Governor: Provide ongoing funding of $470,300 in 2023-24 and $610,200 in 2024-25 with 7.0 permanent plan review positions to conduct plan reviews that are scheduled in advance of plan paperwork submission but not submitted until 48 hours prior to review appointments with DSPS. The positions would be intended to respond to certain construction firms that utilize a plan creation process whereby the final plan is not complete until shortly before construction. DSPS and the Administration intend for the provision to accommodate plan reviews in a timely manner commensurate with actual building timelines. All 7.0 positions would be supported by the DSPS appropriation for safety and buildings general operations.

Schedule-in-Advance Plan Review -- Governor's Recommendation

		Funding	
Position Title/Category	Positions	2023-24	2024-25
Senior Commercial Building Plan Reviewer	2.00	$110,400	$147,200
Fire Systems Plan Reviewer	2.00	110,400	147,200
Plumbing Plan Reviewer	2.00	94,300	125,700
Senior Elevator Plan Reviewer	1.00	55,200	73,600
Subtotal	7.00	$370,300	$493,700
Supplies and Services		$100,000	$116,500
Total	7.00	$470,300	$610,200

Four-Week Plan Review

Governor: Provide ongoing funding of $972,500 in 2023-24 and $1,263,000 in 2024-25 with 14.0 permanent positions to provide building and plumbing plan review in four weeks or less. DSPS has reported that discussions with industry stakeholders suggested that plan reviews should occur in 20 business days or less to align with construction industry practices. DSPS indicates that such plans are, in most cases, currently reviewed in 30 business days or less and that the provision would allow the Department to meet the suggested 20-day time frame. All 14.0 positions would be allocated to the DSPS appropriation for safety and buildings general operations.

Four-Week Plan Review -- Governor's Recommendation

		Funding	
Position Title/Category	Positions	2023-24	2024-25
Senior Commercial Building Plan Reviewer	6.00	$331,000	$441,400
Fire Systems Plan Reviewer	4.00	220,700	294,300
Plumbing Plan Reviewer	3.00	141,400	188,600
Senior Elevator Plan Reviewer	1.00	55,200	73,600
Miscellaneous Salary and Fringe Benefits		24,200	32,100
Subtotal	14.00	$772,500	$1,030,000
Supplies and Services		$200,000	$233,000
Total	14.00	$972,500	$1,263,000

Accelerated Review of Small Projects

Governor: Provide ongoing funding of $270,000 in 2023-24 and $350,200 in 2024-25 with 4.0 permanent positions to provide building and plumbing plan reviews in one week for small and simple plans. The 4.0 positions would include: (a) 1.0 commercial building plan reviewer; (b) 1.0 plumbing plan reviewer; (c) 1.0 fire systems plan reviewer; and (d) 1.0 elevator plan reviewer.

2. INDUSTRY SERVICES FIELD INSPECTION STAFF

	Funding	Positions
PR	$723,600	5.00

Governor: Provide ongoing funding of $315,300 in 2023-24 and $408,300 in 2024-25 with 5.0 permanent positions to increase departmental presence in certain plan review activities and reduce wait times on building inspections. The 5.0 positions would include: (a) 2.0 commercial building plan inspectors; (b) 1.0 elevator inspector; (c) 1.0 boiler inspector; and (d) 1.0 electrical inspector. All 5.0 positions would be allocated to the appropriation for DSPS safety and buildings general operations.

3. MUNICIPAL BUILDING INSPECTION AND OVERSIGHT

	Funding	Positions
PR	$161,200	1.00

Governor: Provide $70,800 in 2023-24 and $90,400 in 2024-25 with 1.0 position for coordinating municipal building inspection programs. The statutes allow DSPS to delegate certain building plan review and inspection functions to municipalities. The position to be created would provide increased oversight and training to ensure that delegated municipalities are informed of, and implementing, consistent building code standards in the state.

4. PRIVATE ON-SITE WASTEWATER TREATMENT SYSTEM (POWTS) GRANT PROGRAM UPDATE AND CONTINUATION

PR	$1,680,000

Governor: Reinstate the grant program for the replacement or rehabilitation of failing private on-site wastewater treatment systems (POWTS), also called septic systems. Under current law, the program is repealed on June 30, 2023. Provide $840,000 each year in a continuing appropriation.

In addition, change the installation deadline for POWTS grant eligibility to include systems installed at least 33 years before a person submitted a grant application. Current program eligibility extends only to systems installed before July 1, 1978, or approximately 45 years ago.

Further, retain the current program limit of $45,000 in annual family income for persons applying for a grant for a POWTS serving a principal residence. However, require DSPS on July 1, 2024, and each July 1 thereafter, to adjust the income limit by the percentage change in the U.S. Consumer Price Index for urban wage earners and clerical workers (CPI-W), U.S. city average, for the prior year, rounded to the nearest dollar. Require DSPS to publish the change in income limit on the Department website. Exempt the annual income limit change from being promulgated through the administrative rule process.

The POWTS grant program provides financial assistance to certain owners of a principal residence or small commercial establishment to cover a portion of the cost of repairing or replacing failing private onsite wastewater treatment (septic) systems. Under 2021 Wisconsin Act 67, the grant program is repealed on June 30, 2023. The last year of funding for the program is 2022-23, and final awards were made in the fall of 2022. The provision would extend the program indefinitely. The program is funded from a transfer from the DSPS safety and buildings operations appropriation, which receives program revenue from sanitary permits and private onsite wastewater treatment system plan review fees, as well as fees from other building permit, plan review, inspection, and credentialing activities. The bill would recreate statutes governing the POWTS grant program nearly identically to current program provisions, except as described above.

[Bill Sections: 291, 293, 2297 thru 2299 and 2646]

5. PRIVATE SEPTIC SYSTEM PLAN REVIEWERS

	Funding	Positions
PR	$282,000	2.00

Governor: Provide $123,000 in 2023-24 and $159,000 in 2024-25 and 2.0 permanent positions for private septic system plan review. DSPS is authorized 6.0 permanent private septic system plan reviewers, and 2021 Act 67 provided 2.0 two-year project septic system plan reviewers that expire on June 30, 2023. This provision would make the Act 67 positions permanent.

6. PRIVATE ON-SITE WASTEWATER TREATMENT SYSTEM RESEARCH

PR	$216,000

Governor: Provide $116,000 in 2023-24 and $100,000 in 2024-25 as one-time funding to support research related to POWTS and potential effects on nearby drinking water wells. The Administration indicates that the provision would allow for evaluation and organization of data from recent water quality studies in Kewaunee County and southwest Wisconsin to determine a relationship between age of septic systems and well contamination, and also provide for performance monitoring of POWTS.

7. TRADE EXAMINATION PROVIDERS

PR	$1,000,000

Governor: Provide $500,000 each year in one-time funding for procurement of third-party trade examination services. Under current law, examinations for health and business professions may be conducted by a test service provider outside the Department. The bill would extend the authorization to examinations for building trades occupations. The provision would authorize DSPS to contract with a third-party vendor to administer trade exams through an online platform. The Administration indicates that individuals taking the exams would pay the selected vendor directly for the examination. The $1 million over the biennium would be intended for vendor procurement processes.

[Bill Sections: 1741, 2295, and 2296]

8. SUM SUFFICIENT APPROPRIATION FOR INSPECTION CONTRACT ACCOUNTING

PR	- $1,130,000

Governor: Create a new sum sufficient appropriation to account for contracted activities by the Division of Industry Services. Delete $565,000 each year in expenditure authority under safety and buildings general operations for third-party contracted inspection services. DSPS is one of several state agencies that had previously not included in its annual fiscal reporting certain amounts associated with contractor activities for which the agency does not directly receive revenues or incur expenses. DSPS indicates that these activities relate to inspections performed on behalf of the Division of Industry Services for such things as boilers, electrical systems, uniform dwelling code inspections, and elevators. Although these activities have been reported in the Wisconsin Annual Fiscal Report, they had been presented as accounting notes rather than transactions under legislatively created appropriations.

2021 Act 58 provided $565,000 in expenditure authority annually to reflect costs attributable to DSPS' contracted activities. The provision would delete Act 58 funding for inspection contract accounting and record such activity under the sum sufficient appropriation in the amounts necessary to reflect the third-party services performed under the auspices of DSPS. Contracted activities can vary greatly in cost depending on multiple factors, and the provision does not budget any estimated costs.

[Bill Section: 292]

9. YOUTH VOLUNTEER FIREFIGHTER TRAINING PROGRAM

PR	$200,000

Governor: Provide $100,000 each year in ongoing funding to continue the Youth Volunteer Firefighter Training Program. The program provides grants to fire departments to create and operate youth firefighter training programs with the goal of increasing recruitment and retention of volunteer firefighters in the state. The grant program was created under 2021 Act 58, which provided with $50,000 PR each year in one-time funding. Funding in the 2021-23 biennium has been awarded to six grantees, with individual grants being between $4,050 and $24,950.

10. MANUFACTURED HOUSING REHABILITATION AND RECYCLING PROGRAM

PR	$40,000

Governor: Provide $20,000 in each year as one-time funding for the manufactured housing rehabilitation and recycling program. Under the program, DSPS awards funds for disposal of abandoned manufactured homes and repairs to manufactured homes owned and occupied by low-income, elderly, and disabled persons. Current funding of $40,000 for the program is administered by the Tomorrow's Home Foundation and comes from the titling fees for manufactured homes, which are deposited into the DSPS general operations appropriation for industry and trades.

11. STRETCH ENERGY CODE WORKING GROUP

	Funding	Positions
PR	$250,000	1.00

Governor: Provide $250,000 in one-time funding in 2023-24 with 1.0 one-year project position to establish a working group to evaluate a stretch energy code. Stretch energy codes refer to local energy codes that aim to achieve energy savings in all types of buildings. In Wisconsin, DSPS promulgates rules for design requirements for construction and equipment, for the purpose of energy conservation in public buildings and places of employment. In general, local units of government are prohibited from establishing and enforcing ordinances for public buildings, places of employment, or one- and two-family dwellings unless those ordinances conform to applicable DSPS rules. The provision would provide DSPS with 1.0 position and funding to create and establish a stretch energy code for Wisconsin, but the provision would not affect current statutory language related to building codes.

12. PROHIBIT USE OF VAPOR PRODUCTS IN INDOOR LOCATIONS

Governor: Specify that the general prohibition on smoking indoors under Chapter 101 of the statutes (industry, safety and buildings) applies to the use of vapor products. Under current law, a vapor product is defined as "a noncombustible product that produces vapor or aerosol for inhalation from the application of a heating element to a liquid or other substance that is depleted as the product is used, regardless of whether the liquid or other substance contains nicotine." The bill would also make changes to the definition of vapor product. [See "General Fund Taxes -- Excise Taxes -- and Other Taxes."]

[Bill Sections: 1742 thru 1749, 2123, 2268, 2281, and 2282]

SECRETARY OF STATE

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
PR	$288,100	$485,100	$500,300	$409,200	71.0%	2.00	4.00	4.00	2.00	100.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	- $13,000

Governor: Provide an adjustment of -$6,500 annually to the Secretary of State's (SOS) program fees appropriation for full funding of continuing position salaries and fringe benefits.

2. ADDITIONAL RESOURCES FOR THE OFFICE

	Funding	Positions
PR	$422,200	2.00

Governor: Provide $203,500 in 2023-24 and $218,700 in 2024-25 and 2.0 positions annually to the SOS's program fees appropriation. The increased expenditure authority would reflect increased funding for salary, fringe, and supplies and services, offset partially by reduced LTE funding, for a new unclassified Deputy (Assistant) Secretary of State position and a classified Office Operations Associate position for the Office of the Secretary of State, as well as one-time financing ($23,700) that would be necessary to move the office to a new location that could accommodate the additional positions. The Administration indicates that the new positions created under the bill would restore SOS staffing levels to those experienced prior to 2015 Act 55. According to the Administration, the new location for the office has not been determined.

The bill would allow the SOS to appoint an Assistant Secretary of State who could perform and execute any of the duties and powers of the SOS, except as a member of the Board of Commissioners of Public Lands. The Assistant would have to take and subscribe the Oath of Office, as prescribed under the state constitution, and would have 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 would have to be filed and preserved in the Office of the Governor. The salary of the Assistant could not exceed the maximum of the salary range one range below the salary range of the executive salary group to which the SOS is assigned.

The Administration states that the Office Operations Associate position would take the place of the current LTE position provided to the SOS. Duties of this position would include records management, as it relates to apostilles and other authentications, and office assistant responsibilities that had to be reallocated when staffing levels were reduced.

[Bill Sections: 62, 250, 565, 567, and 2521]

3. TRANSFER FROM DFI

PR-REV	$220,000

Governor: Increase the amount of funds transferred from the Department of Financial Institutions' (DFI) general program operations appropriation to the SOS's program fees appropriation from $150,000 to $260,000, annually. As a result, increase estimated program revenues deposited into the SOS's program fees appropriation by $110,000, annually. The Administration indicates that the increased revenue transfer would support the SOS's general program operations, including the additional requested positions. [See "Financial Institutions."]

[Bill Section: 271]

4. GPR-EARNED ESTIMATE

GPR-REV	- $236,780

Governor: Estimate the SOS's GPR-REV at $0, annually, to reflect the changes made for the additional positions and the increased transfer from DFI provided under the bill. This estimate represents a decrease of $118,400 in 2023-24 and $118,380 in 2024-25.

Under current law, operations of the SOS are primarily funded from its program fees appropriation. Revenues deposited into this appropriation are from a transfer of revenues from DFI and from fees charged by the SOS for services performed by the Office. Any unencumbered balance at the close of a fiscal year exceeding 10% of that fiscal year's expenditures in this appropriation are transferred to the general fund.

SHARED REVENUE AND TAX RELIEF

Budget Summary by Funding Source					
	2022-23	Governor's Recommendation		Change Over Base Year Doubled	
	Adjusted Base	2023-24	2024-25	Amount	Percent
Direct Aid Payments					
Expenditure Restraint	$59,311,700	$58,145,700	$58,145,700	-$2,332,000	-2.0%
County and Municipal Aid	708,387,500	713,464,200	713,464,200	10,153,400	0.7
Municipal and County Shared Revenue	0	0	576,153,200	576,153,200	N.A.
Supplemental County and Municipal Aid; Lac Courte Oreilles Decision	0	578,000	520,200	1,098,200	N.A.
Public Utility Distribution	87,916,900	88,181,700	96,696,300	9,044,200	5.1
State Aid; Tax Exempt Property	98,047,100	196,094,200	98,047,100	98,047,100	50.0
State Aid; Personal Property Tax Exemption	75,530,900	75,620,900	278,020,900	202,580,000	134.1
State Aid; Video Service Provider Fee	10,008,200	10,008,200	10,008,200	0	0.0
Interest Payments on Overassessments of Manufacturing Property	10,000	10,000	10,000	0	0.0
Payments for Municipal Services	18,584,200	19,513,400	19,513,400	1,858,400	5.0
Property Tax Credits					
Homestead Tax Credit	47,300,000	88,200,000	97,900,000	91,500,000	96.7
Pre-2010 Farmland Preservation Credit	290,000	260,000	220,000	-100,000	-17.2
Farmland Preservation Credit	16,500,000	16,100,000	16,100,000	-800,000	-2.4
School Levy Tax Credit	940,000,000	940,000,000	940,000,000	0	0.0
First Dollar Credit	148,500,000	148,228,000	148,228,000	-544,000	-0.2
Veterans and Surviving Spouses Property Tax Credit	50,000,000	75,200,000	77,800,000	53,000,000	53.0
Other Credits					
Claim of Right Credit	150,000	122,000	122,000	-56,000	-18.7
Jobs Tax Credit	1,000,000	418,000	292,000	-1,290,000	-64.5
Business Development Credit	11,700,000	6,904,000	10,032,000	-6,464,000	-27.6
Enterprise Zone Jobs Credit	77,500,000	54,102,000	35,538,000	-65,360,000	-42.2
EITM Zone Credit	8,570,700	8,325,000	6,332,000	-2,484,400	-14.5
Research Credit	21,000,000	13,500,000	77,900,000	49,400,000	117.6
Cigarette and Tobacco Products Tax Refunds	29,700,000	28,540,000	28,034,000	-2,826,000	-4.8
Marijuana Tax Refunds	0	0	2,200,000	2,200,000	N.A.
Earned Income Tax Credit	25,500,000	44,734,000	46,998,000	40,732,000	79.9
Forestry Mill Rate					
Forestry Mill Rate -- GPR Transfer to the Conservation Fund	115,541,300	141,500,000	135,500,000	45,917,400	19.9
GPR Total	$2,551,048,500	$2,727,749,300	$3,473,775,200	$1,099,427,500	21.5%
Other Credits					
Earned Income Tax Credit; Temporary Assistance for Needy Families	$66,600,000	$104,145,000	$109,662,000	$80,607,000	60.5%
PR Total	$66,600,000	$104,145,000	$109,662,000	$80,607,000	60.5%
Direct Aid Payments					
County and Municipal Aid	$34,424,800	$28,652,300	$28,652,300	-$11,545,000	-16.8%
Property Tax Credits					
Lottery and Gaming Credit	277,116,000	298,850,700	297,076,900	41,695,600	7.5
Lottery and Gaming Credit; Late Applications	665,600	850,000	850,000	368,800	27.7
SEG Total	$312,206,400	$328,353,000	$326,579,200	$30,519,400	4.9%
Total	$2,929,854,900	$3,160,247,300	$3,910,016,400	$1,210,553,900	20.7%

Direct Aid Payments

1. MUNICIPAL AND COUNTY SHARED REVENUE ACCOUNT -- 20% OF STATE SALES AND USE TAXES LESS EXISTING PROGRAMS

Governor: Establish a new account in the general fund entitled the "Municipal and County Shared Revenue Account" (MCSR account). Specify that the fund would consist of an amount equal to 20% of the amount of the revenues received from state sales and use taxes, as specified in the general fund condition summary under s. 20.005(1) in each fiscal year, less the payments from the following programs: (a) the amount distributed through the expenditure restraint program, under the bill; (b) the amount distributed through the existing county and municipal aid program; and (c) amounts distributed to counties and municipalities as state aid for tax-exempt personal property, including the new aid payment associated with the exemption of personal property from taxation included in the bill. The remaining funds each year would be available for a newly-created municipal and county shared revenue program.

As drafted, the MCSR account would consist of 20% of state sales and use tax revenue in each year of the biennium. The Administration indicates that its intent was that beginning in calendar year 2024, the fund would consist of 20% of the sales tax and use tax revenues for the fiscal year ending in that calendar year, and each year thereafter, less the amounts for the programs identified earlier. This would mean that the MCSR account would first consist of 20% of state sales and use tax revenues in 2024-25, with the amount to be included in the fund being based on 2023-24 sales tax collections, less the amounts for programs identified earlier. An amendment would be needed to reflect the Administration's intent. Using the Administration's intended language, the following table indicates how the administration calculated the $576,153,200 that would be available for the new municipality and county shared revenue program (described in a separate recommendation below).

Governor's Estimate of Sales and Use Tax Available to the MCSR Account and New Municipal and County Shared Revenue Program

State Sales and Use Tax Revenues (2023-24)	$7,603,150,000
Estimate of 20% of State Sales Tax	$1,520,630,000
Less Existing Program Funding	
Existing County and Municipal Aid	753,075,800
Expenditure Restraint	58,145,700
Existing Exempt Personal Property Aid (Counties and Municipalities)	29,090,500
Proposed Exempt Personal Property Aid (Counties and Municipalities)	104,164,800
Total Existing Program Amounts	$944,476,800
Amounts Available for New Municipal and County Shared Revenue Program	$576,153,200

For the purposes of calculating the MCSR account funds available for the new municipal and county shared revenue program, the bill refers to the existing county and municipal aid distribution amount of $748.1 million. This amount does not include the $5.0 million that the Secretary of the Department of Health Services is required to pay from medical assistance funds to specific local government units for medical care transportation services. The Administration indicates that its intent was to include these amounts when calculating the funds available for the new municipal and county shared revenue program. The bill would have to be amended to reflect this intent.

[Bill Sections: 534 and 1651]

2. NEWLY-CREATED MUNICIPAL AND COUNTY SHARED REVENUE AID PROGRAM AND FORMULA

GPR	$576,153,200

Governor: Provide $576,153,200 in 2024-25 for calendar year 2024 municipal and county aid payments to be distributed under a new municipal and county shared revenue aid payment program administered by DOR. This funding level represents the amount of funds available in the Municipal and County Shared Revenue (MCSR) account, described above in a separate recommendation, for distribution under the new aid payment. Because the MCSR account would consist of 20% of state sales and use taxes, less the required reductions to fund other programs described in the previous item, the amount available to be distributed under the new aid payment program would grow each year by the percentage growth in state sales and use taxes. These aid payments would be in addition to the $748.1 million currently distributed under the existing county and municipal aid program, and would be made from a newly-created sum sufficient appropriation.

Beginning in 2024-25, create a public safety payment, a per capita aid payment, and an aidable revenue aid payment. In addition, beginning in 2025-26, create an aids deficiency payment. Specify that these payments are to be funded from the MCSR account and distributed to municipalities and counties.

Public Safety Payments. Create a public safety payment that could only be used to pay for the following services: (a) law enforcement; (b) fire protection; (c) ambulance and emergency medical services; and (d) the costs of prosecutorial and judicial functions. Specify that that the funding level for this payment would equal 43.4% of the total funding in the newly-established MSCR account, rounded to the nearest $1,000,000, which would equal $250,000,000 in 2024-25, for calendar year 2024 payments, given the recommended funding. Require DOR to calculate the payment as a percentage of the most recent three-year average of qualifying public safety expenditures for each county and municipality as necessary to distribute the full amount of aid available, or $10,000, whichever is greater. Specify that "qualifying public safety expenditures" would mean amounts expended by each municipality or county for the purposes of law enforcement, fire protection, or ambulance and emergency medical services, as reported to DOR under current law.

Funding Available for Per Capita, Aidable Revenues, and Deficiency Payments. Specify that the funding level for these aid payments would equal the amount of remaining funds in the MCSR account, after accounting for the distribution of the public safety payments. Given the recommended funding under the bill, $326,153,200 would be available for these aid payments in 2024-25 for calendar year 2024 payments. Specify that 70% of this funding ($228,307,200) would be distributed to municipalities and 30% ($97,846,000) to counties.

Specify that 15% of the funding provided municipalities and counties would be available for per capita aid payments for each group, while 85% of the funding available for each group would be used to make aidable revenue payments. Based on the funding available for these payments for each group, $34,246,100 in per capita aid and $194,061,000 in aidable revenue payments would be available for distribution to municipalities in 2024-25 for calendar year 2024 payments. Counties would have $14,676,900 in per capita and $83,169,100 in aidable revenue funding available for distribution in 2024-25 for calendar year 2024 payments.

Per Capita Aid Payment. Require DOR to calculate the per capita aid payment amounts for municipalities and counties by dividing the per capita funding available for each group by the state's total population to derive a statewide average municipal and county per capita amount. The per capita amount for each group would then be multiplied by the population of each municipality and county to determine each municipality's and county's per capita aid payment.

Aidable Revenues Payment. Require DOR to determine the following in order to calculate aidable revenue payments:

(a) "aidable revenues," would equal the total of the three-year average of the following revenues: (1) general property taxes and other taxes; (2) payments in lieu of taxes; (3) special assessments; (4) licenses and permits; (5) fines and forfeitures; (6) public charges; (7) intergovernmental revenues; and (8) other shared revenue distributions, consisting of the existing county and municipal aid program, the expenditure restraint program, exempt property aid payments, including the aid related to proposed full exemption of personal property, and video service provider fee payments, but not including public utility aid payments;

(b) "equalized value" would equal the assessed value of county and municipal property adjusted to reflect full value, including, for municipalities, the value increment for tax incremental districts and excluding manufacturing land and improvements assessed by DOR;

(c) "equalization factor," would equal the ratio of municipal or county equalized value per capita divided by the statewide equalized value per capita, as calculated by DOR separately for municipalities as a group and counties as a group, but not to exceed 500% of the statewide equalized value per capita;

(d) "standard aidable revenue match percentage" would mean the percentage match of aidable revenues determined by DOR, as necessary to distribute the total funding available for the aidable revenues payment;

(e) "municipal equalized value per capita," would mean the amount of a municipality's most recent equalized value divided by the municipality's population; and

(f) "county equalized value per capita," would mean the amount of a county's most recent equalized value divided by the county's population.

Require DOR to calculate the aidable revenues payment for municipalities and counties separately as follows: (a) divide the standard aidable revenue match percentage by the equalization factor for the municipality or county receiving the payment; and (b) multiply that result by the municipality's or county's aidable revenues.

The following table indicates the funding amount available to municipalities and counties under the proposed municipal and county shared revenue program.

Funding Available Under the Proposed Municipal and County Shared Revenue Program

	2024
Municipalities and Counties	
Public Safety Payments	$250,000,000
Municipalities	
Per Capita Aid Payments	$34,246,100
Aidable Revenues	194,061,100
Subtotal	$228,307,200
Counties	
Per Capita Aid Payments	$14,676,900
Aidable Revenues	83,169,100
Subtotal	$97,846,000
Total	$576,153,200

Aids Deficiency Payment. Specify that, beginning with payments distributed in 2025 (2025-26), a municipality or county is determined to have an aids deficiency if the amount that a municipality or county receives from the sum of aid payments paid from the MCSR account and from the existing county and municipal aid program, is less than 95% of the amount that county or municipality received from these programs in the prior year. Provide that the amount of the aids deficiency would equal the amount by which 95% of the total payment received from payments to a municipality or county made from the MCSR account and the existing county and municipal aid program in the prior year exceeds the amount of the same payments calculated for the municipality or county in the current year.

Specify that beginning with payments in 2025 (2025-26), a "maximum allowable increase" would be determined each year. Require the annual growth in the amount that each municipality or county may receive from the sum of the payments from the MCSR account and the existing county and municipal aid payment to be limited to that maximum allowable increase. Require DOR to withhold any amount of calculated payments in excess of the maximum allowable increase. Specify that the "maximum allowable increase" would equal a percentage derived by taking the sum of the payments calculated that year, as described above, over those same payments as limited by the maximum allowable increase, and setting that difference equal to the total of aids deficiency payments for that year. The administration indicates that its intention was to require DOR to calculate the aids deficiency and maximum allowable increase separately for counties and municipalities, which is not clearly indicated as drafted. As a result, an amendment would be needed to clarify this intent.

Reporting Requirements. Specify that no municipality or county may receive a payment from the new aid payments that would be funded from the MSCR account in any year in which it fails to submit the annual financial report form to DOR required under current law. Provide that if a county or municipality does not submit the information, as required, or if a county or municipality submits incomplete information, DOR would be directed to notify the county or municipality and provide a reasonable opportunity to provide the information or correct the deficiency.

Distribution of Payments. As under current law for certain existing aid payments, require DOR to provide each municipality and county with an estimate of their payments from the MCSR account for the next calendar year by September 15 of each year. Require DOR to distribute 50% of the MCSR account aid payments on the fourth Monday in July and the remainder on the third Monday in November annually. Specify that these payments shall be considered local funds on the date that they are distributed, and may be paid into the separate accounts of all local governments established in the local government pooled-investment fund, and may be disbursed or invested, pursuant to the instructions of local officials.

[Bill Sections: 533, 604, 1652 thru 1654, and 1658]

3. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION FUND REVENUE REESTIMATE

GPR	- $1,406,600
SEG	15,000
Total	- $1,391,600

Governor: Decrease funding by $703,300 GPR annually and increase funding by $7,500 SEG annually for the county and municipal aid program to fund the current law statutory distribution amount, as reduced to reflect the offsets to payments to certain municipalities that received Volkswagen settlement transit capital grants. This reestimate reflects an increase of $7,500 annually in the estimated amount of police and fire protection fund revenues being available for the county and municipal aid distribution each year. A corresponding reduction of $703,300 annually is made to the GPR amounts needed to fund the county and municipal aid distribution amount as adjusted to reflect the Volkswagen settlement offsets. With these adjustments, including the offsets, an estimated $1,959,300 less funding would be needed to fund the annual statutory distribution. Estimated current law GPR payments for the county and municipal aid program would be $707,684,200 annually and estimated payments from the police and fire protection fund would be $34,432,300 annually. These estimated amounts would be reduced under a separate recommendation, as shown below, that would use police and fire protection fund SEG funding for the other agencies, including a recommendation for the Department of Military Affairs for public safety answering grants.

4. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION FUNDING FOR OTHER AGENCIES

GPR	$11,560,000
SEG	- 11,560,000
Total	$0

Governor: Provide an increase in funding of $5,780,000 GPR annually and make a corresponding decrease in funding of $5,780,000 SEG annually for the county and municipal aid program. These funding changes reflect the recommended changes in funding provided from the police and fire protection fund to the Public Service Commission and the Department of Military Affairs under the bill. County and municipal aid is paid from sum sufficient GPR and police and fire protection fund SEG appropriations. The GPR increase reflects a reestimate of the GPR sum sufficient appropriation that would be needed to offset the police and fire protection fund SEG funding decrease for county and municipal aid. Under the bill, the sum-sufficient GPR appropriation for county and municipal aid would be estimated at $713,464,200 GPR annually and $28,652,300 SEG annually.

Annual revenues to the police and fire protection fund are estimated $52,200,700 annually under the bill. Of these amounts, $28,652 300 would be used to fund county and municipal aid. In addition, an increase of $6,149,100 in funding is recommended for the Department of Military Affairs, including $6,000,000 annually for public safety answering point grants and $149,100 annually in standard budget and other adjustments (see "Military Affairs"). Finally, $19,399,300 in police and fire protection fund revenues would be used to fund base level funding in other agencies as follows: (a) $166,000 annually for the Public Service Commission administration of the police and fire protection fee; (b) $324,100 annually to fund the Department of Military Affairs interoperability council; and (c) $18,908,600 annually to fund the Department of Military Affairs implementation of Next Generation 911.

5. SUPPLEMENTAL COUNTY AND MUNICIPAL AID -- LAC COURTE OREILLES FEDERAL COURT DECISION

GPR	$1,098,200

Governor: Provide $578,000 in 2023-24 and $520,200 in 2024-25 and create a sum sufficient appropriation to make supplemental county and municipal aid payments to certain towns and counties affected by the 2022 U.S. 7th Circuit Court of Appeals decision *Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers*. The Court ruled in that case that the state of Wisconsin and its political subdivisions are prohibited under the 1854 Treaty of La Pointe from taxing all real property within the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations if that property is owned by the tribe or one or more tribal members, regardless of whether the property had been previously owned by a non-tribal member. The effect of this decision is to reduce the amount of taxable property within certain towns and counties in which such property exists, which also shifts property taxes to the remaining taxable properties within those jurisdictions.

The affected towns and counties that will receive a payment from this program are: (a) the Town of Gingles in Ashland County; (b) the Town of Sanborn in Ashland County; (c) the Town of White River in Ashland County; (d) the Town of Russell in Bayfield County; (e) the Town of Sherman in Iron County; (f) the Town of Bass Lake in Sawyer County; (g) the Town of Lac du Flambeau in Vilas County; (h) Ashland County; (i) Bayfield County; (j) Iron County; (k) Sawyer County; and (l) Vilas County.

Direct the Department of Administration to calculate the amount of property tax revenue lost as a result not being able to legally impose general property taxes on property located within the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations and owned by the tribe or one or more tribal members, and provide a payment in 2023-24 equal to that amount. Reduce the payment provided to each town and county by 10% in 2024-25 and each year thereafter. Specify that no payment will be provided in 2032-33, or thereafter. Modify the existing county and municipal aid GPR appropriation to exclude these payments.

[Bill Sections: 533, 535, and 1657]

6. COUNTY AND MUNICIPAL AID OFFSET ASSOCIATED WITH VOLKSWAGEN SETTLEMENT TRANSIT CAPITAL ASSISTANCE GRANTS

Governor: Modify the percentage reduction in county and municipal aid that Milwaukee County (Tier A-1) or the City of Madison (Tier A-2) would receive associated with a Volkswagen settlement transit capital assistance grant received after the effective date of the bill by a transit system serving their populations. Under current law, Milwaukee County and the City of Madison are subject to an annual reduction to their county and municipal aid payment over 10 consecutive years in the amount of 75% of the total amount of Volkswagen settlement transit capital assistance grants received by their transit systems. Under this modification, the annual reduction to county and municipal aid would instead be equal to 20% of the amount for any such grants awarded after the effective date of the bill.

Under current law, any county or municipality with an urban mass transit system that receives a transit capital assistance grant funded with Volkswagen settlement funds will receive a state aid reduction to its county and municipal aid payment in the following amounts, over 10 consecutive years: (a) for a Tier A-1 (Milwaukee County) or Tier A-2 (Madison) urban mass transit system serving a population exceeding 200,000, 75% of the total amount of grants received; (b) for a Tier B urban mass transit system serving a population of at least 50,000, 20% of the total amount of grants received; and (c) for a Tier C urban mass transit system serving a population of less than 50,000, 10% of the total amount of grants received.

[Bill Sections: 1655 and 1656]

7. EXEMPTION OF PERSONAL PROPERTY FROM TAXATION -- ADDITIONAL EXEMPT PERSONAL PROPERTY AID PAYMENTS

GPR	$202,400,000

Governor: Provide $202,400,000 in 2024-25 and expand the existing sum sufficient appropriation to include additional payments to taxing jurisdictions associated with Governor's recommendation to exempt all personal property from property taxation. Require that beginning in 2025, the Department of Administration distribute to each taxing jurisdiction an amount equal to the property taxes levied in 2023(24) on items of personal property that would be exempt from taxation under the bill. Specify that beginning in 2026, and each year thereafter, the amount of aid received by taxing jurisdictions would equal the previous year's distribution, adjusted by the percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, for the 12 months ending on June 30, but not less than zero. The current law aid payment is meant to hold taxing jurisdictions harmless of the loss in taxable value associated with the 2017 exemption of personal property classified as machinery, tools, and patterns not used for manufacturing, from taxation.

Require municipalities to report to DOR the amount of property taxes levied on items of personal property as of January 1, 2023, on behalf of the municipality and other taxing jurisdictions. Specify that a municipality's 2025 personal property aid payment would be reduced by 50% if the municipality does not provide this information by June 30, 2024, and forfeited if the municipality does not provide this information by July 15, 2024. If a municipality fails to submit this information to DOR, the Department may use the best available information to estimate the amount of the 2025 aid payment to the other affected taxing jurisdictions.

Delete the aid payment appropriation created by 2021 Act 58 to make payments to local taxing jurisdictions if the personal property tax was repealed during the 2021-22 legislative session. Repeal the requirement that the Joint Finance Committee transfer funds appropriated in 2021-22 from its biennial supplemental appropriation to that personal property aid payment appropriation following a repeal of the personal property tax.

[Bill Sections: 536, 1664 thru 1669, and 3396]

8. EXISTING EXEMPT PERSONAL PROPERTY AID REESTIMATE

GPR	$180,000

Governor: Increase funding by $90,000 annually to reflect a reestimate of the current law exempt personal property aid payments to local governments for exempt personal property classified as non-manufacturing machinery, tools, and patterns. This reestimate reflects changes to the treatment of personal property aid payments provided to tax incremental financing (TTF) districts after the district closes, made by 2021 Act 61. That Act required those payments to be distributed among all overlying taxing jurisdictions in the year after the district closes, according to each jurisdiction's share of the TIF district's value. This aid payment was created to hold local taxing jurisdictions harmless for this property being made tax exempt in 2017. With this reestimate, base level funding of $75,530,900 would increase to $75,620,900 in both years of the biennium (the amount in 2024-25 would be increased under a separate recommendation, shown below, to exempt additional items of personal property from taxation).

9. ELIMINATE COMPUTER AID PAYMENT DELAY

GPR	$98,047,100

Governor: Provide $98,047,100 in 2023-24 associated with eliminating the delay in computer aid payments, beginning with the 2024 aid payment. Specify that the date for the distribution of the current calendar year computer aid payment to taxing jurisdictions be the first Monday in May of that year, rather than the fourth Monday in July (the subsequent fiscal year), as required under current law. For example, under current law, the 2024 aid payments are distributed on the fourth Monday in July, which means these computer aid payments are made in 2024-25. Under the recommended payment date change, the 2024 aid payment would instead be made in 2023-24. To reflect the change in payment dates, eliminate the requirement that school districts treat computer aid payments received in July as if they had been received in the previous school year. Specify that this change would first take effect on January 1, 2024. The provision would result in both the calendar year 2023 and 2024 computer aid payments being made in 2023-24. Computer aid payments are made to hold local taxing jurisdictions harmless for exempt computer property that was made tax exempt in 1999.

[Bill Sections: 1663 and 9437(9)]

10. PUBLIC UTILITY AID -- SUM SUFFICIENT REESTIMATE

GPR	$8,641,500

Governor: Increase funding by $264,800 in 2023-24 and $8,376,700 in 2024-25 to the sum sufficient utility aid distribution account to reflect estimated payment amounts in the biennium. With these adjustments, base level funding of $87,916,900 would increase to $88,181,700 2023-24 and $96,293,600 in 2024-25. The public utility aid distribution account is used to make aid payments to counties and municipalities containing light, heat, power, and electric public utility generation and transmission properties that are exempt from local property taxation.

11. UTILITY AID -- ENERGY STORAGE FACILITIES

GPR	$400,000

Governor: Provide $400,000 in 2024-25 associated with requiring utility aid payments to be made to municipalities and counties where energy storage facilities are located. Calculate the amount of the payment by multiplying the facility's name-plate capacity by $2,000 and divide the resulting payment between the municipality and the county in which the facility is located. As drafted, if the facility is located in a town, the town will receive a payment equal to three mills multiplied by the total name-plate capacity payment, and the county will receive a payment equal to six mills multiplied by the name-plate capacity payment. If the facility is located in a city or village, the municipality will receive a payment equal to six mills multiplied by the total name-plate capacity payment, and the county will receive a payment equal to three mills multiplied by the name-plate capacity payment. However, the administration indicates that its intention was to divide these payments in a manner similar to the way net book value payments are divided under current law. This would mean that if the facility is located in a town, the town would receive one-third of this payment, while the county would receive two-thirds; if the facility is located in a city or village, the municipality would receive two-thirds of the payment, and the county would receive one-third. A technical amendment would be required to reflect the intention of the administration.

Utility aid payments are made on the fourth Monday in July (15%) and the third Monday in November (85%). As drafted, this provision would first apply to utility aid distributions made after January 1, 2025, or the 2025-26 aid payment. However, the Administration indicates that the intention was to have the additional distributions begin in 2024-25. An amendment to the bill would be needed to reflect this intent.

Define "energy storage facility" as a property to which all of the following apply: (a) the property is interconnected to the electrical grid; (b) the property is designed to receive electrical energy, to store the electrical energy as another form of energy, and to convert that other form back into electrical energy; (c) the property delivers the electrical energy, converted from some other form of energy, for sale or to use for providing reliability or economic benefits to the electrical grid; and (d) the property is owned by a light, heat, and power company or electric cooperative paying state licensing fees, or a municipal electric company, but not property used by a municipal utility to provide service outside the municipal boundaries unless that property is owned or operated by a local governmental unit located outside of the municipality. Clarify that an "energy storage facility" may include hydroelectric pumped storage, compressed air energy storage, regenerative fuel cells, batteries, superconducting magnetic energy storage, flywheels, thermal energy storage systems, and hydrogen storage, or any combination thereof. Specify that an "energy storage facility" may also include any similar technologies, as determined by the federal energy regulatory commission.

[Bill Sections: 1649, 1659, and 9337(9)]

12. UTILITY AID -- ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

GPR	$2,700

Governor: Provide $2,700 in 2024-25 associated with requiring utility aid payments to be made to municipalities and counties where qualifying electric vehicle charging infrastructure is located. Calculate the amount of the payment in the same manner as the current law nine mill formula, by multiplying the value of the qualified electric vehicle charging station by nine mills and divide the payment between the municipality and the county in which the infrastructure is located. Specify that if the charging infrastructure is located in a town, the town would receive one-third of this payment, while the county would receive two-thirds; if the charging infrastructure is located in a city or village, the municipality would receive two-thirds of the payment, and the county would receive one-third.

Utility aid payments are made on the fourth Monday in July (15%) and the third Monday in November (85%). As drafted, this provision would first apply to utility aid distributions made after January 1, 2025, or the 2025-26 aid payment. However, the Administration indicates that the intention was to have the additional distributions begin in 2024-25. An amendment to the bill would be needed to reflect this intent.

Define "qualifying electric vehicle charging infrastructure" as level 3 electric vehicle supply equipment that has a minimum charging capacity of 480 volts and is owned by a light, heat, and power company or electric cooperative paying state licensing fees, or a municipal electric company, but not property used by a municipal utility to provide service outside the municipal boundaries unless that property is owned or operated by a local governmental unit located outside of the municipality.

[Bill Sections: 1650, 1660, and 9337(10)]

13. PAYMENTS FOR MUNICIPAL SERVICES PROGRAM

GPR	$1,858,400
GPR-REV	606,600

Governor: Provide $929,200 annually for the payments for municipal services program, to increase base level funding from $18,584,200 to $19,513,400 for the program. In addition, increase GPR-REV by $303,300 annually to reflect additional chargebacks to facilities funded from non-GPR sources. The program provides annual payments to reimburse municipalities for all or a portion of property tax supported expenses incurred in providing services to state facilities, which are exempt from property taxation. When calculated entitlements under the program exceed the appropriation, payments are prorated. In 2022-23, payments under this program were prorated at 38.1% of total calculated entitlements.

14. EXPENDITURE RESTRAINT PAYMENT PROGRAM

GPR	- $2,232,000

Governor: Reduce funding by $1,166,000 annually in the appropriation for the expenditure restraint payment program. These decreases reflect the elimination of payments made to the Village of Maine and the City of Janesville, which ended with the payment made in 2022-23. With these adjustments, base level funding would decrease from the adjusted base level funding amount of $59,311,700 to $58,145,700 each year.

15. EXPENDITURE RESTRAINT PROGRAM -- DEFINITION OF MUNICIPAL BUDGET

Governor: Specify that for the purposes of determining eligibility for an expenditure restraint payment, the definition of "municipal budget" would not include the following; (a) revenues resulting from a referendum to exceed the municipal levy limit; (b) revenues from a municipal motor vehicle registration fee that is approved at referendum; and (c) moneys received from the federal government. The provision would first apply to payment distributions made for 2024 (2024-25).

Under current law, a municipality must satisfy two eligibility criteria to receive an expenditure restraint payment: (a) a municipality must have a full value property tax rate that exceeds five mills; and (b) a municipality must restrict the rate of year-to-year growth in its municipal budget to a percentage determined by a statutory formula. For the purpose of determining eligibility for an expenditure restraint payment, this provision would exclude from a municipality's budget the amount by which a municipality would be allowed to adjust its allowable levy following passage of a referendum to increase the municipal levy limit. In 2022, 29 municipalities approved an increase in the levy limit at referendum.

The provision would exclude from a municipality's budget the amount of revenues associated with municipal registration fees for motor vehicles (the "wheel" tax), if the imposition of the fee is approved at referendum. Municipalities are allowed under state law to impose a flat, annual registration fee on automobiles and trucks of not more than 8,000 pounds customarily kept within their jurisdiction. The revenues from the registration fee must be used for purposes related to transportation. In order to impose a municipal registration fee, the municipal governing body must adopt an ordinance. While the proposed exclusion would only apply to revenues associated with a wheel tax approved at referendum, current law does not require electors to approve a wheel tax at referendum.

The provision would also exclude from a municipality's budget any moneys received from the federal government. Municipalities receive intergovernmental revenue from the federal government for a variety of purposes. In 2021, municipalities received a total of $477.5 million in direct federal intergovernmental revenues, which does not include federal moneys that were paid to local governments through the state government.

[Bill Sections: 1661 and 9337(8)]

Property Tax Credits

1. FIRST DOLLAR CREDIT REESTIMATE

GPR	- $544,000

Governor: Decrease funding by $272,000 annually to reflect the $148,228,000 actual amount of 2022(23) credits to be paid in 2023-24 and the estimated credits to be paid for property tax year 2023(24) in 2024-25. The 2022(23) credits are to be distributed in July, 2023, based on the $8,500 credit base established by the Department of Revenue in November, 2022, and an estimate of the eligible parcels on which the credit was claimed. The base funding level for the first dollar credit is $150 million.

2. FARMLAND PRESERVATION CREDIT REESTIMATE

GPR	- $900,000

Governor: Reestimate the sum-sufficient appropriations for the farmland preservation tax credit by -$430,000 in 2023-24 and -$470,000 in 2024-25. The credit applies to certain lands in farmland preservation zoning districts and under farmland preservation agreements. The bill would budget payments under the credit at $16,360,000 in 2023-24 and $16,320,000 in 2024-25. The cost of the credit for 2022-23 is estimated to be $16,340,000.

3. LOTTERY AND GAMING CREDIT REESTIMATE

SEG	$41,695,600

Governor: Increase funding by $21,734,700 in 2023-24 and $19,960,900 in 2024-25 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for lottery and gaming property tax credit distribution. With these adjustments, estimated total funding for the credit would increase from an adjusted base level of $277,116,000 to $298,850,700 in 2023-24 and $297,076,900 in 2024-25. The estimated cost of the credit for 2022-23 is $319.9 million.

4. LOTTERY AND GAMING CREDIT; LATE APPLICATIONS

SEG	$368,800

Request increases of $184,400 in each year to the sum sufficient appropriation to reflect estimated lottery and gaming credits to be paid to persons who apply for the credit after tax bills have been issued. With these adjustments, estimated total funding would increase from an adjusted base level of $665,600 to $850,000 annually.

Property Taxation

1. LEVY LIMITS -- 2% MINIMUM LEVY INCREASE

Governor: Increase the minimum allowable percentage change that counties and municipalities may increase their allowable levies from 0% to 2%. Current law prohibits counties and municipalities from increasing their levies by a percentage that exceeds their annual valuation factor, aside from specific exclusions or adjustments. The "valuation factor" is currently defined as a percentage equal to the greater of either the percentage change in a county or municipality's January 1 equalized value due to new construction, less improvements removed between the previous year and current year ("net new construction"), or 0%. This valuation factor is then multiplied by each county's and municipality's actual prior year levy to obtain their allowable levy for the current year prior to any allowable exclusions or adjustments.

Under this provision, the definition of "valuation factor" would be changed so that the minimum allowable percentage change to county and municipal levies is 2% rather than 0%. As a result, this modification would increase the allowable levies of counties and municipalities over their prior year actual levies by the greater of the percentage change in equalized values due to net new construction or 2%. This provision would first apply to property tax levies imposed in December, 2023, for the 2023(24) property tax year.

For tax year 2021(22), the statewide average change in equalized value from net new construction was 1.1% for towns, 1.4% for villages, 1.4% for cities, and 1.3% for counties. For 2021(22), 136 towns, 98 villages, 37 cities, and six counties had an actual change in their levy above 2% due to the change in equalized value from net new construction.

[Bill Sections: 1200 and 9330(3)]

2. LEVY LIMITS -- REPEAL OF NEGATIVE ADJUSTMENT FOR FEES FROM COVERED SERVICES

Governor: Repeal the negative levy limit adjustment for covered services on the effective date of the bill. Current law requires counties and municipalities to reduce their allowable levies by an amount equal to the estimated fee revenues received in lieu of property taxes for providing a covered service that was funded with the property tax levy in 2013. A "covered service" is defined to mean garbage collection, fire protection, snow plowing, street sweeping, or storm water management, although some specific exceptions exist (garbage collection for any county or municipality that owned and operated a landfill on January 1, 2013, and fire protection services, including the production, storage, transmission, sale and delivery, or furnishing of water for public fire protection services). Under this provision, counties and municipalities that receive new or additional annual fee revenues for covered services, which were previously funded from their levy, would no longer be required to reduce their allowable levies by the estimated annual fee revenues.

[Bill Section: 1201]

3. LEVY LIMITS -- REPEAL OF NEGATIVE ADJUSTMENT FOR TRANSFERRED SERVICES

Governor: Repeal the negative adjustment to the annual levy limit that is required for a county or municipality that transfers services to another local government. Current law requires a county or municipality to reduce their allowable levy after transferring the responsibility for providing a service to another unit of government. The amount of this reduction is equal to the cost that the county or municipality would have incurred if it had continued to provide the transferred service. Under this provision, any county and municipality that transfers services to another unit of government would no longer be required to reduce their annual allowable levy associated with the cost of the transferred service. Specify that this provision would first apply to levies imposed in December, 2023, for the 2023(24) property tax year.

[Bill Sections: 1203 and 9330(2)]

4. LEVY LIMITS -- APPROVAL OF CARRYOVER LEVY CAPACITY ADJUSTMENT

Governor: Repeal the current law requirement for a supermajority to approve the use of carryover levy authority. Instead, allow counties and municipalities to approve carryover levy authority by a simple majority of the governing body, up to the current law maximum percentages, beginning on the effective date of the bill.

Two exclusive carryover adjustments to levy limits exist under current law. Under the first, if a local government's allowable levy in the preceding year exceeded its actual levy in the same year, the local government may increase its allowable levy in the current year by an amount equal to the unused levy authority in the preceding year. If approved by the local governing board, the increase for this adjustment under current law is limited to not more than 0.5% unless approved by a two-thirds or three-quarters vote, depending on the size of the municipal or county governing body. If approved by these supermajority votes, the levy may be increased to a maximum of 1.5%.

Under the second carryover adjustment, a factor is calculated for each year equal to the difference between the local government's valuation factor (the percentage change in the local government's equalized value due to net new construction in the current year) and the actual percentage increase in its levy attributable to the valuation factor. The local government's maximum carryover adjustment equals the sum of the factors for the five preceding years, except the sum of the factors cannot exceed 5%. A local government cannot claim this adjustment unless its level of outstanding general obligation debt in the current year is less than or equal to its level of general obligation debt in the preceding year, and the adjustment is approved by a two-thirds majority vote.

[Bill Sections: 1205 thru 1207]

5. LEVY LIMIT -- MODIFICATION TO CURRENT EXCLUSION FOR JOINT FIRE DEPARTMENTS AND JOINT EMERGENCY MEDICAL SERVICES DISTRICTS

Governor: Modify the current law definitions related to the exclusion to county and municipal levy limits for amounts levied to pay for charges assessed by a joint fire department or joint emergency medical services district. Rename and modify any references to a "joint fire department service" to instead be referenced as a "joint fire service." Specify that a joint fire service would continue be defined as a joint fire department, but would also include a joint fire service organized by two or more municipalities through the formation of the following specified types of service arrangements: (a) a joint fire service district; (b) a joint ownership; (c) joint purchase of services from a nonprofit corporation; or (d) a joint contracting with a public or private fire service provider. Make the same changes to the definition of a "joint emergency medical services district", which would be renamed a "joint emergency medical service," to include the same types of arrangements for the provision of joint emergency medical services. Specify that charges assessed by a joint fire service or joint emergency medical service would include all fees charged to a municipality by the joint fire service or joint emergency medical service. These provisions would first be effective on the general effective date of the bill.

Current law allows a municipality that is part of a joint fire department or joint emergency medical service district to exceed their levy limits by the amount of charges assessed by the joint fire department or emergency medical service district, if the charges would cause the municipality to exceed its levy limit, if the other members served by the joint department adopt resolutions supporting the municipality exceeding its limit, and if the total charges assessed by the joint department increase on a year-to-year basis by a percentage less than or equal to the percentage change in the consumer price index for the 12 months ending on August 31, plus 2%.

[Bill Sections: 1198, 1199, and 1208 thru 1211]

6. LEVY LIMIT -- EXCLUSION FOR REGIONAL PLANNING COMMISSION CONTRIBUTIONS

Governor: Create an exclusion to county and municipal levy limit for amounts levied in a year to pay for the county or municipality's share of a regional planning commission's budget, as charged by the commission under current law. As a result, these costs would not be subject to the annual levy limit of the affected local governments. This provision would first apply to levies imposed in December, 2023 (payable 2024). Further, specify that for the purpose of a levy imposed in December, 2023, the amount levied in the previous year to pay for a county or municipality's share of a regional planning commission's budget would not be included in the base levy amount to which the levy limit applies. Regional planning commissions have the authority under current law to charge local governments up to 0.003% of the equalized value under the local government's jurisdiction, unless the governing body of the commission approves a greater amount.

[Bill Sections: 1204, 9130(1), and 9330(1)]

7. LEVY LIMIT -- EXCLUSION FOR CROSS-BORDER TRANSIT ROUTES

Governor: Create an exclusion to the county and municipal annual levy limit for amounts levied in a year for operating and capital costs directly related to the provision of new or enhanced transit services across adjacent county or municipal borders. As a result, these costs would not be subject to the annual levy limit of the affected local governments.

Specify that all of the following would have to apply for the exclusion to be taken: (a) the starting date for the new or enhanced transit services occurs after the effective date of the bill; (b) the political subdivisions between which the new or enhanced transit routes operate have entered into an intergovernmental cooperation agreement to provide for the new or enhanced transit routes, and the agreement describes the services and the amounts that must be levied to pay for those services; and (c) the intergovernmental cooperation agreement is approved in a referendum, by the electors of each political subdivision that is a party to the agreement. Specify that the referendum be held at the next succeeding spring primary or election, partisan primary, or general election, which could be held no earlier than 70 days after the adoption of the agreement by all parties. Require the governing body that has proposed the referendum to file the resolution to be submitted to the electors under current law referenda filing procedures.

[Bill Section: 1212]

8. PERSONAL PROPERTY TAX EXEMPTION

GPR-Transfer	$9,000,000

Governor: Require DOA to transfer $9.0 million from the general fund to the transportation fund on December 30, 2024, associated with the exemption of the personal property tax from taxation. Further, require DOA to transfer from the general fund to the transportation fund an amount equal to the amount transferred to the transportation fund in the previous year, increased by 1.25%, on December 30, 2025, and each December 30 thereafter.

Under current law, taxes paid by railroad companies are deposited into the transportation fund. Due to the exemption of personal property taxes from taxation and the changes made to the taxation of railroads, revenues to the transportation fund would decrease due to the reduction in taxable value of railroad companies. This annual payment would compensate the transportation fund for that lost revenue each year.

Personal Property Exemption

Make the following statutory modifications to related to the provisions to exempt personal property from taxation, beginning with property tax assessments as of January 1, 2024.

Property Made Exempt from Property Taxation. In addition to those items specifically exempt from the personal property tax, specify that the exemption would apply to the following types of property, defined as personal property under current law: (a) all goods, wares, merchandise, chattels, and effects, of any nature or description, having any real or marketable value, and not defined as real property; (b) saw logs, timber, and lumber, either upon land or afloat; (c) steamboats, ships, and other vessels, whether at home or abroad, and ferry boats, including the franchise for running the same; (d) ice cut and stored for use, sale, or shipment; (e) irrigation implements used by a farmer, including pumps, power units to drive the pumps, transmission units, sprinkler devices, and sectional piping: (f) off-premises advertising signs that do not advertise the business or activity that occurs at the site where the sign is located; (g) manufactured or mobile homes, if the land upon which the this type of property is located is not owned by the home owner or the home is not set upon a foundation or connected to utilities.

Specify that the exemption would also apply to steam and other vessels, and furniture and equipment. Classify recreational mobile homes, as currently defined, as personal property and make such homes exempt from the property taxation if the land upon which the this type of property is located is not owned by the home owner or the home is not set upon a foundation or connected to utilities. Under current law, all recreational mobile homes are specifically exempt from the personal property tax. However, this specific exemption would be modified to include only recreational mobile homes that would be classified as personal property under the bill.

Allow taxing jurisdictions to include the most recent valuation of personal property to be exempt from taxation that is located in the taxing jurisdiction for the purposes of complying with debt limitations applicable to the jurisdiction.

Property Remaining Subject to Property Taxation. Specify that this exemption would not apply to any property defined as real property, improvements on leased lands assessed as real property, or any property owned by electric utility companies that is located entirely in a single municipality and is subject to local property taxation. Reclassify certain property currently assessed as personal property to real property, which would result in the property remaining subject to general property taxation. Specify that beginning with the property tax assessments as of January 1, 2024, the following property would be specifically assessed as real property and remain subject to the property tax: (a) manufactured and mobile homes, if the home is on land owned by the homeowner or set upon a foundation and connected to utilities; (b) advertising signs, except off-premises signs that do not advertise the business or activity that occurs at the site where the sign is located; (c) buildings, improvements, and fixtures on leased lands; (d) buildings, improvements, and fixtures on exempt lands, not otherwise exempt from taxation; (e) buildings, improvements, and fixtures on forest croplands; (f) buildings, improvements, and fixtures on managed forest lands; and (g) improvements on lands in the state owned by the federal government. Provide that real property buildings and improvements would not include any property classified as personal property. Update cross-references to require that this property be assessed as real property.

Remove toll bridges, private railroads and bridges, and entire property of utility companies, which are located entirely within one taxation district, from the definition of personal property. (The property of utility companies located entirely within one taxation district is discussed further below, under the section "Treatment of Public Utility Taxes.")

Aid Payment to Hold Taxing Jurisdictions Harmless. Create an aid payment to compensate local taxing jurisdictions for loss in taxable value associated with the exemption of personal property from taxation. [See "Direct Aid Payments."]

Changes to Certain Assessment Practices. Specify that the following current law requirements apply only to assessments of personal property made before January 1, 2024: (a) the assessment of personal property in the assessment district where it is located; (b) to whom the property is to be assessed, including when owner is not in the charge or possession of the property; (c) the liability to the owner when personal property is assessed to another, including a debtor's interest or right to receive property; (d) personal property under partnership, including limited liability partnerships; (e) the treatment of undistributed personal property belonging to an estate, of a decedent and claims for taxes against that property for estates with no personal representative or trustee, or one or more such representative or trustees; (f) the duties of the assessor regarding the valuation, and the placement of assessments and aggregate values on the assessment rolls; (g) the taxpayer oath regarding determination of the amount and value of personal property tax on the tax rolls, including the assessor and board of review responsibilities; (h) penalties for false statements regarding personal property on assessments, including the District Attorney's duties; (i) the correction of tax rolls regarding personal property tax; (j) the treatment of personal property omitted from tax rolls; (k) the requirement for the name and address of owners of all personal property and amounts of taxes to appear on tax rolls; (l) the collection of taxes in certain cities; (m) the correction of errors in the listing of personal property on the tax roll; (n) the reassessment of property; and (o) with regard to examining the practices of assessors, delete the current law reference relating to DOR having to solve disputes between the Department, municipalities, and property owners regarding the taxability of computers, cash registers and fax machines.

Assessor's Plat. Include land and the buildings, improvements, and fixtures on that land to the current law definition of an assessor plat involving land owned by two or persons in severalty. Update statutory references to assessor's plats to include references to the land and the buildings, improvements, and fixtures on that land.

Recalculation of TIF District Base Values. Specify that upon receiving a written application from the town, village, city or political subdivision clerk, in a form prescribed by DOR, the Department would be required to recalculate the base value of a tax incremental financing (TIF) district or an environmental remediation TIF district affected by the exemption of personal property from taxation to remove the value of such personal property. Require that any request received before October 31 would be effective in the year following the year in which the request is made. Any request received after October 31 would be effective in the second year following the year in which the request is made.

Assessment of Manufacturing Property. Modify the assessment of manufacturing property to: (a) delete references to lands, buildings and structures to refer instead to real property; (b) delete references to personal property or tangible personal property to refer instead to real property only; (c) clarify that "manufacturing, assembling, processing, fabricating, making, or milling" includes the entire productive process, and includes activities such as the storage of raw materials, the movement thereof to the first operation thereon, and the packaging, bottling, crating, or other preparation of products for shipment when located at the site of the production process; (d) delete the requirement that DOR assess tangible personal property used in manufacturing; (e) require that a change in location of a manufacturing establishment would not necessitate a new request for the Department to classify a property as manufacturing property; and (f) delete the requirement that the DOR calculate the value of tax-exempt computer property, cash registers, and fax machines that are used in manufacturing.

Establish a procedure for DOR to classify an establishment as manufacturing, if the Department determines that the establishment is engaged in manufacturing. Require an establishment that wishes to be classified as manufacturing to submit a written request to DOR by July 1 of the year for which that classification is desired. Allow DOR to audit or investigate requests for classification and to revoke classification of an establishment as manufacturing. Require an establishment that submits a request for classification to notify DOR of any termination of manufacturing activity within 60 days. Require DOR to issue a notice of determination by December 31 for any classification request received by July 1, and allow DOR to issue a notice of determination by December 31 for classification requests received after July 1 at its discretion. Specify that the notice be in writing and sent by first class mail or electronic mail, and require that the notice include information that objections must be filed in writing with the state Board of Assessors no later than 60 days after the date of the notice and that a fee of $200 must be paid when the objection is filed. Specify that an objection will not be considered to have been filed until the fee is paid and that the requirement that the objection be in writing may not be waived by either the Board of Assessors or the Tax Appeals Commission. Provide that an objection would be considered timely if received by the Board no later than 60 days after the date of the notice of determination or sent by U.S. postal service certified mail in a properly addressed envelope, with postage paid, that is postmarked before midnight of the last day of filing. Require the state Board of Assessors to investigate any timely objections and provide notice of its decision to the objector or the objector's agent by 1st class mail or electronic mail. Specify that if the state Board of Assessors result in an establishment should not be classified as manufacturing, the person who has been notified of the Board's decision will be assumed to accept the determination, unless that person files a petition for review with the clerk of the Tax Appeals Commission. Extend references to this classification procedure and objections to include current law determinations of the Tax Appeals Commission.

Miscellaneous Property Tax Provisions. Remove various statutory references to personal property to reflect the exemption of personal property from the assessment of property taxes. Specify that property that is used in part in a non-profit trade or business under Sections 511 to 515 of the federal internal revenue code would not be assessed for taxation, if that property is otherwise exempt from general property taxation. Repeal the current law provision that the property tax for property that is owned or leased by a corporation that provides services to a light, heat, and power company, that is subject to tax under Chapter 76 of statutes, be assessed for taxation in part at the portion of the fair market value of the property that is not used to provide such services.

Delete the current law reference that delinquent dog license taxes can be collected using the same process for collecting personal property taxes. Rather, allow delinquent dog licenses to be collected in a civil action, if that action is brought within six years after the January 1 of the year in which the taxes are required to be paid.

Income and Franchise Tax Changes

The bill would provide for technical changes to correct various cross references to the personal property tax in the income and franchise tax statutes.

In regards to the manufacturing and agriculture tax credit (MAC), the bill would alter the definition of "manufacturing property factor" and "qualified production property" as follows. Under current law, the credit is designed to provide tax relief in proportion to the amount of the claimant's manufacturing and agricultural property that is located in Wisconsin. Generally, the MAC is computed as 7.5% of a claimant's eligible qualified production activities income (QPAI). QPAI is the sum of production gross receipts less certain costs, where production gross receipts are defined as including certain personal property grown by the claimant on Wisconsin agricultural land and tangible personal property manufactured in whole or in part by the claimant on property assessed as manufacturing. Eligible QPAI for the manufacturing credit is the claimant's QPAI multiplied by the manufacturing property factor.

Because personal property would no longer be assessed under the personal property tax, the bill would make the following changes to computing the MAC. First, the manufacturing property factor would be based on the claimant's land and depreciable property, rather than real and personal property assessed as manufacturing. Second, the definition of "qualified production property" would exclude property that is not manufactured within the state on property approved to be classified and assessed as manufacturing real property. (The bill would also clarify that this includes property not eligible to be listed on DOR's manufacturing roll until January 1 of the following year.) This modification is intended to prevent property manufactured outside the state from qualifying for the credit.

Third, to provide a Wisconsin manufacturer that does not own any real property within the state a means of claiming the MAC, the bill would define qualified production property as also including tangible personal property manufactured in whole or in part by the claimant at an establishment that is located in this state and classified as manufacturing. A person wishing to classify the person's establishment as manufacturing would be required to file an application in the form and manner prescribed by DOR no later than July 1 of the taxable year for which the person wishes to claim the MAC. DOR would be required to make a determination and provide written notice by December 31 of the year in which the application is filed. Such determination on the classification could be appealed in the same manner as classifying an establishment under the property tax.

The Administration did not provide a fiscal effect for the foregoing alterations to the definitions of the manufacturing property factor and qualified production property.

Finally, the bill would provide for technical changes under income and franchise tax provisions to remove cross references to the personal property tax, including: (a) the homestead tax credit; (b) the veterans and surviving spouses property tax credit; (c) the property tax/rent credit; and (d) an administrative provision for liens on trust estates for taxes levied against a beneficiary.

Sales Tax Provisions

Under current law, several general sales and use tax exemptions apply for items and property used in real property construction activities. "Real property construction activities" means activities that occur at a site where tangible personal property that is applied or adapted to the use or purpose to which real property is devoted is affixed to that real property, if the intent of the person who affixes that property is to make a permanent accession to the real property. "Real property construction activities" do not include: (a) affixing leased property to real property, if the lessor has the right to remove the leased property upon breach or termination of the lease agreement; or (b) affixing tangible personal property to real property, if the tangible personal property remains tangible personal property after it is affixed.

The bill would modify the definition of "real property construction activities" to mean activities that occur at a site where tangible personal property that is applied or adapted to the use or purpose to which real property is devoted is permanently affixed to that real property. It would specify that DOR could promulgate rules to determine whether activities that occur at a site where tangible personal property is affixed to real property are real property construction activities for the purposes of the general sales and use tax. If the classification of property or an activity is not identified by rule, DOR would have to make its determination of whether tangible personal property becomes a part of real property by considering the following criteria: (a) actual physical annexation to the real property; (b) application or adaptation to the use or purpose to which the real property is devoted; and (c) an intention on the part of the person making the annexation to make a permanent accession to the real property.

Modify current law sales and use tax exemptions for certain prepared food manufactured by the retailer and certain property used in biotechnology and manufacturing research to reflect the exemption of personal property from the assessment of property taxes.

Treatment of Public Utility Taxes

Specify that nothing related to the local taxation of property (Chapter 70), as modified, would be construed as exempting personal property from taxation for entities as public utilities that pay utility tax to the state under the taxation of public utilities (Chapter 76), except for the following property specifically exempt from local taxation under current law: (a) treatment plant and pollution abatement equipment; (b) computers, cash registers, and fax machines; (c) property assessed a gross receipts tax or license fee under Chapter 76; (d) motor vehicles, bicycles and snowmobiles; and (e) an airline hub facility.

Air Carrier Companies. Delete the current law reference to the definition of an air carrier and the exemption from local property taxation for hub facilities and instead create the same definition and exemption under Chapter 76 of the statutes for the purposes of state taxation. Specify that such facilities would not be subject to local assessment and taxation. Amend various cross references to reflect these changes to the definition and exemption.

Light, Heat, and Power Companies. Maintain that the property of light, heat, and power companies, not including qualified wholesale electric companies, would continue to be subject to local assessment and taxation, as it existed in the 2021 statutes (prior to the repeal of the personal property tax), if that property is located entirely in a single town, village, or city. Property of these companies would continue to be exempt from license fees (taxation) under Chapter 76.

Railroad Companies. In determining the property of a railroad company owned or rented by the company and used in operation of the business in the state, replace the reference to road property to refer instead to real property. Repeal migratory road property and the apportionment of such unit miles to Wisconsin from the calculation used by DOR in determining the property of railroad companies. Delete the requirement that rolling stock, equipment, and personal property of railroad companies be included on assessment rolls prepared by DOR.

Under current law, taxes paid by a railroad company that are derived from or can be apportioned to repair facilities, docks, ore yards, piers, wharves, grain elevators, and their approaches, or car ferries, are distributed from the transportation fund to the towns, villages, and cities in which they are located. This is the terminal tax distribution, which is currently funded at $1,906,000 annually. Specify that beginning with amounts distributed in 2023, any town, village, or city may not receive less than the amount received in 2022. This provision would hold local governments that receive a terminal tax distribution harmless for the loss in value associated with making this property exempt from state taxation. Further require that beginning with amounts distributed to any town, village, or city in 2024, the amount distributed may not be less than the amount distributed in 2022, adjusted by an inflation factor. Define "inflation factor" to mean a percentage equal to the average annual percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, for the 12 months ending on December 31 of the year before the year of assessment, but not less than zero. No estimate of the impact of this provision on transportation fund revenues is included in the bill.

Subchapter 1 of Chapter 76 Companies. Delete the requirement that all real and personal property of an air carrier, railroad, conservation and regulation, or a pipeline company be deemed personal property for the purposes of taxation. Rather, both types of property would be valued and assessed together as a single unit. Require public utilities to differentiate between real and personal property when submitting reports to DOR.

Telephone Companies. To reflect the changes that the exemption of personal property from taxation would make to manufacturing assessment practices under the bill, delete the requirement that DOR assess property of telephone companies using the methods used to assess manufacturing property, including exempt manufacturing machinery and specific processing equipment property.

Domestic Insurance Companies. To reflect the exemption of personal property from local taxation, repeal the allowable deduction of a portion of personal property taxes from the amount of license fees to be paid by a domestic insurer.

[Bill Sections: 123, 1160 thru 1163, 1189, 1235, 1236, 1242, 1249, 1250, 1277 thru 1280, 1284, 1286 thru 1313, 1317 thru 1328, 1330 thru 1351, 1412 thru 1416, 1421, 1431, 1444, 1476 thru 1480, 1519, 1541, 1543, 1546 thru 1551, 1553 thru 1556, 1561 thru 1563, 1566 thru 1568, 1570, 1579, 1580, 1593, 1594, 1599, 1645, 1648, 1662, 2370, and 3204]

9. DARK PROPERTY AND LEASED PROPERTY TAX ASSESSMENTS ("DARK STORES")

Governor: Require that real property be valued by an assessor at its highest and best use. Define "highest and best use" to mean: (a) the specific current use of the property; or (b) a higher use for which the property may be used as of the current assessment date, if the property is marketable for that use, is legally permissible, physically possible, not highly speculative, and financially feasible and provides the highest net return. Specify that "legally permissible" would not include a conditional use that has not been granted as of the assessment date. Further specify that when the current use of a property is the highest and best use of that property, the value in the current use would equal full market value.

Under current law, an assessor is required to consider recent arm's-length sales of the assessed property. The bill would define "arm's-length sale" to mean a sale between a willing buyer and willing seller, neither being under compulsion to buy or sell, and each being familiar with the attributes of the property.

Require that in determining the value of real property, an assessor must consider any lease provisions and actual rent pertaining to a property and affecting its value. Specify that the assessor include the lease provisions and rent associated with a sale and leaseback of the property, if all such lease provisions and rent are the result of an arm's-length transaction involving persons who are not related, as provided under section 267 (b) of the Internal Revenue Code (relating to certain transactions between related taxpayers) for the year of the transaction. With regard to this provision, an "arm's-length transaction" would mean an agreement between willing parties, neither being under compulsion to act, and each being familiar with the attributes of the property.

Specify that in determining the value of property using generally accepted appraisal methods, an assessor would be required to consider all of the following as comparable to the property being assessed:

a. sales or rentals of properties exhibiting the same or a similar highest and best use, with placement in the same real estate market segment. Define "real estate market segment" to mean a pool of potential buyers and sellers that typically buy and sell properties similar to the property being assessed, including potential buyers who are investors or owner-occupants. Specify that depending on the property being assessed, the pool of potential buyers and sellers may be found locally, regionally, nationally, or internationally.

b. sales or rentals of properties, that may be found locally, regionally, or nationally, which are similar to the property being assessed with regard to age, condition, use, type of construction, location, design, physical features, and economic characteristics, including similarities in occupancy and the potential to generate rental income.

For the purpose of determining the value of a property using generally accepted appraisal methods, specify that a property would not be comparable to the property being assessed if at, or before, the time of the sale: (a) the seller places any deed restriction on the property that changes the highest and best use of the property or prohibits competition, so that it no longer qualifies as a comparable property; and (b) the property being assessed lacks such a restriction. Further specify that a property would not be comparable if the property is dark property and the property being assessed is not dark property. Define "dark property" to mean property that is vacant or unoccupied beyond the normal period for property in the same real estate market segment. Specify that what would be considered vacant or unoccupied beyond the normal period could vary depending on the property location.

Modify the current law definition of "real property," "real estate," and "land" to include fixtures and leases, as well as assets that cannot be taxed separately as real property, but are inextricably intertwined with the real property, enable the real property to achieve its highest and best use, and are transferrable to future owners. With regard to this definition, a "lease" would mean a right in real estate that is related primarily to the property and not to the labor, skill, or business acumen of the property owner or tenant. Specify that, similar to the current law definition, the proposed changes to the definition of real property, real estate, and land would apply to the statutes pertaining to property taxes, income taxes, motor vehicle fuel and general aviation taxes, and state shared revenue.

Specify that these provisions first apply to property tax assessments as of January 1, 2023, the 2023(24) property tax year.

The provisions related to the assessment of leased property would attempt to remove the legal basis of a 2008 decision by the Wisconsin Supreme Court (*Walgreen Company v. City of Madison*) that held an assessment of leased retail property using the income assessment approach must be based on market rent, which is what a person would pay based on similar rentals, rather than the actual rent. This provision could result in higher assessments for these property types, compared to current law, which could prevent any further, and possibly undo any existing, shift of property tax levies away from these properties to other property within the taxing jurisdiction.

The provisions related to the use of comparable properties in assessment could have a similar effect as a more recent 2023 Wisconsin Supreme Court decision (*Lowe's Home Centers, LLC v. City of Delavan*), which held that "dark property" (property that is vacant or distressed) is not comparable to property that is not "dark property" for the purposes of property assessments.

[Bill Sections: 1276, 1314 thru 1316, and 9337(13)]

10. WORKFORCE HOUSING LAWS RELATED TO TIF DISTRICTS, LOCAL HOUSING INTIATIVES AND STATE GRANTS, AND IMPACT FEES

Governor: Make the following changes to current law pertaining to low-cost and affordable housing related to TIF districts, local housing initiatives and related state grants, and impact fees.

TIF Law Modifications. Modify current tax incremental financing law to allow that after a district created by a city, village, or towns of a certain size ($500 million of total assessed value and a population of at least 3,500) pays off all of its project costs, the life of the district may be extended for up to three years, instead of one year under current law, if a city or village: (a) receives approval from the district's joint review board, in the form of an adopted resolution by the joint review board, if the extension is more than one year; (b) the resolution extends the life of the district for a specified number of months and specifies how the municipality intends to improve its housing stock or increase the number of affordable and workforce housing units; (c) uses the tax increments received that are not supporting housing stock improvement during the district's extended life, to increase the number of affordable and workforce housing units with at least 50% of the funds supporting units for families with incomes of up to 60% of the county's median household income; and (d) forwards a copy of the resolution adopted by the city or village and the district's joint review board to DOR, which notifies the Department to continue to authorize the allocation of tax increments to the district.

Under current law, a city or village with a TIF district that pays off its project costs can extend the life of the district for one year if the city or village does the following: (a) adopts a resolution extending the life of the district for a specified number of months that specifies how the city intends to improve its housing stock; (b) use at least 75% of the increments received to benefit affordable housing in the city, village, or town, and the remaining portion of the increments to improve the municipality's housing stock; (c) forward a copy of the resolution adopted under these provisions to DOR, which notifies the Department to continue to authorize the allocation of tax increments to the district.

Delete the definition of "affordable housing" under current TIF law and replace with the term "workforce housing." Define “workforce housing” to mean housing to which all of the following apply: (a) the housing costs a household no more than 30% of the household's gross median income, and (b) the residential units are for initial occupancy by individuals whose household median income is no more than 120% of the county's gross median income. Under the bill, income and housing cost figures would be adjusted for family size and the county in which the household is located, based on the county's five-year average median income and housing costs as calculated by the U.S. Census Bureau in its American Community Survey. Under current law, affordable housing is defined as housing that costs a household no more than 30% of the household's gross monthly income.

Modify the definition of “mixed-use development" under current TIF law to allow newly platted residential uses to exceed the current law limit of 35% of the real property area of a TIF district, to up to 60% of the real property area within the TIF district, if the residential use that exceeds the existing 35% limit is used solely for workforce housing. Under current law, “mixed-use development" means a development that contains a combination of industrial, commercial, or residential uses, except that lands proposed for newly-platted residential use, as shown in the project plan, may not exceed 35%, by area, of the real property within the district.

Workforce Housing Initiatives and Grant Priority. To implement a workforce housing initiative, a political subdivision may enact an ordinance, adopt a resolution, or put into effect a policy to accomplish any of the following: (a) reduce by at least 10% the processing time for all permits related to workforce housing; (b) reduce by at least 10% the cost of impact fees that a political subdivision may impose on developments that include workforce housing units; (c) reduce by at least 10% the parking requirements for developments that include workforce housing units; (d) increase by at least 10% the allowable zoning density for developments that include workforce housing units; (e) establish a mixed-use TIF district with at least 20% of the housing units to be used for workforce housing; (f) demonstrate compliance with a housing affordability report as specified under current law; (g) rehabilitate at least five dwelling units of existing, uninhabitable housing stock into habitable workforce housing; (h) modify existing zoning ordinances to allow for the development of workforce housing in areas zoned for commercial or mixed-use development, or in areas near employment centers or major transit corridors; (i) extend the life of a TIF district to increase the number of affordable and workforce housing units; (j) reduce by at least 10% the cost of roads for developments that include workforce housing units; or (k) implement any other initiative to address the workforce housing needs of the political subdivision.

Specify that after a political subdivision completes one of the specified workforce housing initiatives, the initiative be considered in effect once the political subdivision submits to DOA a written explanation of how the action complies with the workforce housing initiative and posts the explanation on the political subdivision's website. Provide that, once a political subdivision's action takes effect, its workforce housing initiative remains in effect for five years.

Specify that a political subdivision may put into effect one or more housing initiatives at a time After June 30, 2024, if a political subdivision has in effect at the same time at least three workforce housing initiatives, require that a housing agency must give priority to housing grant applications from, or that relate to a project in, the political subdivision. Require the Department of Administration (DOA) to create rules establishing how and based on what information the Department will give priority to housing grant applications and prescribing the form of application for receiving priority. Provide that workforce housing initiatives, related definitions, and grant priority, as described under the bill, would first take effect on January 1, 2024.

Create the following definitions related to workforce housing initiatives: (a) "housing agency" would mean DOA; (b) "housing grant" would mean DOA-administered federal housing grant programs and DOA-administered state-funded housing grant programs, as authorized under current law; (c) "political subdivision" would mean any city, village, town, or county; and (d) "workforce housing" would be the same definition of "workforce housing" as specified under the modified TIF law definition described above.

Impact Fee Exemptions and Deductions. Extend the low-cost housing impact fee exemption and fee deduction specified in current law to also apply to workforce housing, as defined above. Currently, a municipality may provide an exemption from, or a reduction in the amount of, impact fees on land development that provides low-cost housing, except that no amount of an impact fee for which an exemption or reduction is provided may be shifted to any other development in the land development in which the low-cost housing is located or to any other land development in the municipality. Under the bill, workforce housing would be included with low-cost housing for the purposes of these impact fee exemptions and deductions.

[Bill Sections: 1214, 1228, 1232 thru 1234, 1237, 1238, 1243 thru 1247, and 9430(2)]

11. TIF DISTRICT MODIFICATIONS

Governor: Modify existing tax incremental financing (TIF) law as follows:

Joint Review Board Affirmative Vote Requirement. Require three affirmative votes to constitute a majority when a joint review board votes to approve or deny TIF district creations, project plan amendments, and tax incremental base redeterminations. Specify that the requirement for three affirmative votes not pertain to multijurisdictional TIF district votes. Under current law, a TIF district's joint review board consists of a public member and one member representing each taxing jurisdiction that can levy taxes on property within the TIF district. If more than one of the same type of taxing jurisdiction has the power to levy taxes on property within the TIF district, the one with the greatest value in the district chooses the representative. No TIF district can be created and no plan can be amended unless approved by a majority vote of the board within 45 days after a resolution is adopted.

Economic Projections within TIF District Project Plans. Require a TIF district's project plan to contain alternative projections of the district's finances and economic feasibility under different economic scenarios, including the scenario in which work on a public work or improvement specified in the project plan begins three years later than expected and the scenario in which the rate of property value growth in the district is at least 10% lower than expected. Under current law, a project plan is required to include a number of elements such as information regarding the number, location and type of all proposed public improvements within the district, an economic feasibility study, a detailed list of project and non-project costs, and a description of how the projects will be financed.

[Bill Sections: 1239 and 1241]

12. TIF DISTRICT EQUALIZED VALUE LIMIT EXCEPTION

Governor: Allow a city or village to create a tax incremental financing (TIF) district, and the Department of Revenue (DOR) to certify the base value of the district, despite the equalized value of the district, plus the value increment of all existing TIF districts within the city or village, exceeding 12% of the total value of all taxable property within that municipality. Specify that this would only occur if the city or village certifies the following to DOR: (a) that, not later than one year after the certification, districts having sufficient value increments will terminate so that the municipality will no longer exceed the 12% limit; and (b) that the municipality will not take any action that would extend the life of any district whose termination is necessary to satisfy the prior requirement.

Under current law, a city or village can only create a new TIF district if there is a finding that the equalized value of the proposed district plus the value increment of all existing districts does not exceed 12% of the total equalized value of property within the city or village. This limit also applies to any proposed amendment to a district that adds territory to the district. The calculation of the limit is based on the most recent equalized value of taxable property of the proposed district, as certified by DOR, before the date on which a resolution is adopted creating the proposed district.

[Bill Sections: 1240 and 1248]

13. COLLECTION OF MANUFACTURING PROPERTY ASSESSMENT FEES

Governor: Direct the Department of Revenue (DOR) to collect manufacturing property assessment fees by reducing municipal shared revenue payments in the following year by the amount of each municipality's fee rather than first attempting to directly collect the fee from each municipality. Any amount that the Department is unable to collect from a municipality by reducing its shared revenue payment, would be directly imposed on the municipality.

DOR is responsible for assessing manufacturing property for the purposes of the property tax, and imposes a fee on municipalities where manufacturing property is located in order to cover the cost of that assessment. Under current law, this fee is first imposed directly on municipalities, and only if a municipality does not pay by March 31 of the following year can the Department reduce its July shared revenue payment by the amount of the fee.

[Bill Section: 1352]

14. WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY HEADQUARTERS PROPERTY TAX EXEMPTION

Governor: Create a property tax exemption for the land and the buildings located on land owned by the Wisconsin Housing and Economic Development Authority (WHEDA) and used exclusively as the corporate headquarters of WHEDA, including the parking facilities associated with those headquarters. Specify that the provision would first apply to property tax assessments as of January 1, 2023, the 2023(24) property tax year.

The WHEDA corporate headquarters are located at 908 East Main Street in Madison. In 2022(23), the property was assessed at a value of $18.8 million and had a net tax bill of $372,642. This exemption would result in tax levies being shifted to other properties within the taxing jurisdictions in which the WHEDA property is located. [See "Wisconsin Housing and Economic Development Authority."]

[Bill Sections: 1283 and 9337(1)]

15. CRANBERRY RESEARCH STATION PROPERTY TAX EXEMPTION

Governor: Provide a property tax exemption for all property, not exceeding 50 acres of land, that is used primarily for research and educational activities associated with commercial cranberry production. Specify that the property must be owned or leased by a nonprofit organization that is exempt from income taxation under federal section 501(c)(3) of the Internal Revenue Code. This provision would first apply to the property tax assessments as of January 1, 2024, for the 2024(25) property tax year.

This exemption would apply to the Wisconsin Cranberry Research Station, owned by the Wisconsin Cranberry Research and Education Foundation and located in the Town of Manchester in Jackson County. The exemption would result in the tax currently levied on this property being shifted to other properties within the taxing jurisdictions in which the Research Station is located.

[Bill Sections: 1285 and 9337(12)]

Forestry Mill Rate

1. FORESTRY MILL RATE -- GPR TRANSFER TO THE CONSERVATION FUND CURRENT LAW REESTIMATE

GPR	$47,517,400

Governor: Increase funding by $25,958,700 in 2023-24 and $21,558,700 in 2024-25 for the annual transfer to the conservation fund from the sum sufficient appropriation to reflect projected changes in statewide equalized values. Funds equal to the amount calculated by multiplying the value of all taxable property in the state, as determined by DOR, by a rate of 0.1697 mills (0.01697%) are transferred from the general fund to the conservation fund annually. This transfer occurs due to the repeal of the state forestry mill tax as of property taxes levied in 2017, payable in 2018. With these adjustments, base level funding of $115,541,300 would increase to $141,500,000 in 2023-24 and $137,100,000 in 2024-25. [See "Natural Resources -- Forestry and Parks."]

2. GPR TRANSFER TO THE CONSERVATION FUND -- IMPACT OF THE EXEMPTION PERSONAL PROPERTY FROM TAXATION

GPR	- $1,600,000

Governor: Reduce the amount of the annual transfer (under the forestry mill rate) to the conservation fund by $1,600,000 in 2024-25 to reflect statewide decreases in taxable equalized values associated with the exemption of personal property from taxation. This reduction would correspond to a decrease in taxable values of approximately $9.4 billion in 2024-25 due to personal property no longer being taxable. Additional information on the proposed exemption of the personal property from taxation can be found under a separate item (see "Shared Revenue and Tax Relief -- Property Taxation"). Under this recommendation, the total transfer to the conservation fund, as reestimated, would equal $135,500,000 in 2024-25.

Local Revenue Options

1. MILWAUKEE COUNTY SALES TAX AUTHORITY

Governor: Provide that, in addition to the existing 0.5% county sales and use tax option under current law, Milwaukee County may, by ordinance, impose a sales and use tax at the rate of

1% of the sales price or purchase price. Specify that the enacted 1% sales and use tax may not take effect unless approved by a majority of the county electors at a referendum. Require that the referendum question submitted to county electors describe both the taxes to be imposed and the required distribution to the City of Milwaukee of 50% of the revenue from the taxes.

Require that, if approved at a referendum, the ordinance must be effective on January 1, April 1, July 1, or October 1, and that a certified copy of that ordinance must be delivered to the Department of Revenue (DOR) Secretary at least 120 days prior to its effective date. Specify that the 1% sales and use taxes may be imposed only in their entirety. The taxes would be imposed on the same base of products and services as the state and county sales and use taxes. Create provisions related to the imposition, collection, distribution, enforcement, and administration of the newly-created Milwaukee County sales and use taxes similar to those that currently exist for the county sales and use tax. However, the current law provision for the existing county sales and use taxes that specifies that those taxes may only be imposed for the purpose of directly reducing the property tax levy would not apply to the taxes allowed under these provisions.

Require the county to distribute 50% of the revenue from the taxes imposed under this provision to the City of Milwaukee, and that the revenue may be used for any purpose designated by the common council. Specify that the remaining revenue may be used for any purpose designated by the county board or as specified in the ordinance or in the referendum approving the ordinance.

The distribution, retailers discount, reporting, administrative cost, and repeal provisions under current law for the existing county taxes, also apply to the Milwaukee County sales and use taxes under this provision. Under current law, DOR is required distribute 98.25% of the county taxes reported for each enacting county, minus the county portion of the retailers' discounts, to the county. The "county portion of the retailers' discount" is determined by multiplying the total retailers' discount by a fraction, the numerator of which is the gross county sales and use taxes payable and the denominator of which is the sum of the gross state and county sales and use taxes payable. DOR is required to indicate to the county the taxes reported by each taxpayer, no later than 75 days following the last day of the calendar quarter in which such amounts were reported.

DOR would retain 1.75% of the Milwaukee County sales and use taxes, as provided under current law, to cover the administrative costs of collecting the existing county taxes. At the end of each fiscal year, any unencumbered balance in DOR's appropriation account for administration of the taxes is lapsed to the general fund. The repeal of any such ordinance must be effective on December 31, and a certified copy of a repeal ordinance must be delivered to the DOR Secretary at least 120 days before the effective date of the repeal. DOR may not issue any assessment or act on any refund claim or any adjustment claim after the end of the calendar year that is four years after the year in which the county has enacted a repeal ordinance.

Milwaukee County received $96.3 million in 2022 from the existing 0.5% county sales and use taxes.

[Bill Sections: 1607 and 1610]

2. LOCAL SALES TAX AUTHORITY

Governor: Specify that a county, other than Milwaukee County, or a municipality, other than the city of Milwaukee, with a population exceeding 30,000 may enact an ordinance, if approved by a majority of electors in the county or municipality at a referendum, to impose a 0.5% local sales and use tax. Provide that the revenue from the taxes may be used for any purpose designated by the county board or governing body of the municipality or as specified in the ordinance or in the referendum approving the ordinance. Specify that a municipality with a population exceeding 30,000 would be determined by data from the 2020 federal decennial census or under the Department of Administration's population estimates for 2020.

Similar to the existing county sales and use taxes, require that the taxes imposed under these provisions may be imposed only in their entirety (meaning at only a 0.5% rate). Specify, that any tax imposed by a county under these provisions would be in addition to its existing authority to impose a 0.5% county sales and use tax. Including the state 5.0% sales and use tax rate, under these provisions, sales and use taxes imposed in the state could equal a 6.5% total rate, if the electors of a county and an eligible municipality in a county, that has the existing county sales and use tax both choose to impose the taxes allowed under these provisions.

Create provisions related to the imposition, collection, distribution, enforcement, and administration of the newly-created county and municipal sales and use taxes similar to those that currently exist for the county sales and use tax. However, the current law provision for the existing county sales and use taxes that requires that those taxes may only be imposed for the purpose of directly reducing the property tax levy would not apply to the taxes allowed under these provisions.

Require that, if the county or municipal sales and use taxes allowed under this provision are approved at a referendum, the ordinance must be effective on January 1, April 1, July 1, or October 1, and that a certified copy of that ordinance must be delivered to the Department of Revenue (DOR) Secretary at least 120 days prior to its effective date. Specify that the repeal of any such ordinance must be effective on December 31, and require a certified copy of a repeal ordinance to be delivered to the DOR Secretary at least 120 days before the effective date of the repeal. Specify that DOR may not issue any assessment or act on any refund claim or any adjustment claim after the end of the calendar year that is four years after the year in which the county or municipality has enacted a repeal ordinance.

Using current law authority, 68 of Wisconsin's 72 counties have adopted a 0.5% sales tax and use tax imposed on the same goods and services that are subject to the state sales tax. The current 0.5% county tax applies to items purchased within the county and to some items purchased in a county without a tax, if they are customarily kept in a county with a tax (this is the "use" tax). The existing county tax is "piggybacked" onto the state sales tax in that the county rate is added to the state rate and is administered, enforced, and collected by the state.

Provide that county and municipal sales and use taxes under this provision would be collected, administered, reported, and distributed to counties as provided under current law for the existing county sales and use taxes. DOR's appropriation used to administer county taxes under current law would be also used to administer the county and municipal sales and use taxes under this provision.

DOR retains 1.75% of the county sales and use taxes to cover the administrative costs of collecting the existing county taxes. At the end of each fiscal year, any unencumbered balance in DOR's appropriation account for administration of the taxes is lapsed to the general fund.

Specify that the distribution, retailers discount, and reporting provisions under current law for the existing county taxes, also apply to the county and municipal sales and use taxes under this provision. Under current law, DOR is required distribute 98.25% of the county taxes reported for each enacting county, minus the county portion of the retailers' discounts, to the county. The "county portion of the retailers' discount" is determined by multiplying the total retailers' discount by a fraction, the numerator of which is the gross county sales and use taxes payable and the denominator of which is the sum of the gross state and county sales and use taxes payable. DOR is required to indicate to the county the taxes reported by each taxpayer, no later than 75 days following the last day of the calendar quarter in which such amounts were reported. Also under current law, the distribution of tax collections to the counties is adjusted to reflect subsequent refunds, audit adjustments, and all other adjustments of the county taxes previously distributed. Any county receiving a report on sales and use taxes is subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

Modify the existing county taxes program revenue appropriation to also receive the monies generated from the county and municipal sales and use taxes under this provision and from annual monies unspent by DOR for the administration of these taxes.

Given that the additional local sales and use tax authority allowed under these provisions would be subject to referendum, no estimate of an increase in amount of lapses to the general fund from DOR's county sales tax administration appropriation resulting from Department's administration of any taxes imposed under these provisions is included in the bill.

[Bill Sections: 524, 538, 1569, 1605 thru 1609, 1616 thru 1635, 1637, 1638, and 1641 thru 1644]

3. PREMIER RESORT AUTHORITY - CITY OF PRESCOTT

Governor: Provide an exemption for the City of Prescott in Pierce County from the statutory requirement that 40% of their equalized value be used by tourism-related retailers in order to declare themselves a premier resort area. Require that in order to impose a 0.5% premier resort area tax, the City's governing body would have to adopt a resolution proclaiming its intent to impose the tax. Require that the resolution be approved by a majority of the electors in the City voting on the resolution at a referendum, to be held at the first spring primary or election or partisan primary or general election at least 70 days after the date of adoption of the resolution. Specify that this provision would take effect on the first day of the first calendar quarter beginning at least 120 days after publication of the bill.

Under current law, the proceeds from a premier resort area tax may only be used to pay for infrastructure expenses within the jurisdiction of that premier resort area. Currently, eight municipalities impose the premier resort area tax.

[Bill Sections: 1251 thru 1253, and 9430(1)]

4. PREMIER RESORT AUTHORITY - VILLAGE OF PEPIN

Governor: Provide an exemption for the Village of Pepin in Pepin County from the statutory requirement that 40% of their equalized value be used by tourism-related retailers in order to declare themselves a premier resort area. Require that in order to impose a 0.5% premier resort area tax, the Village's governing body would have to adopt a resolution proclaiming its intent to impose the tax. Require that the resolution be approved by a majority of the electors in the Village voting on the resolution at a referendum, to be held at the first spring primary or election or partisan primary or general election at least 70 days after the date of adoption of the resolution. Specify that this provision would take effect on the first day of the first calendar quarter beginning at least 120 days after publication of the bill.

Under current law, the proceeds from a premier resort area tax may only be used to pay for infrastructure expenses within the jurisdiction of that premier resort area. Currently, eight municipalities impose the premier resort area tax.

[Bill Sections: 1251, 1252, 1254, and 9430(1)]

Other Credits

Descriptions of budget provisions related to the homestead tax credit, earned income tax credit, enterprise zone tax credits, veterans property tax credit, other tax credits, and cigarette and tobacco products tax refunds are provided under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

STATE FAIR PARK

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	2022-23	Governor 2023-24	Governor 2024-25	2024-25 Over 2022-23 Number	%
GPR	$1,660,300	$1,229,800	$1,303,000	- $787,800	- 23.7%	0.00	0.00	0.00	0.00	0.0%
PR	21,096,000	20,570,400	20,470,800	- 1,150,800	- 2.7	47.00	47.00	47.00	0.00	0.0
TOTAL	$22,756,300	$21,800,200	$21,773,800	- $1,938,600	- 4.3%	47.00	47.00	47.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$399,200

Governor: Provide adjustments to the agency base budget for the following: (a) overtime ($189,000 each year); and (b) full funding of continuing position salaries and fringe benefits ($10,600 each year).

Additionally, the State Fair Park base budget will be adjusted within 30 days of enactment of the budget bill to reflect 7.0 permanent positions approved in November of 2022 by the Joint Committee on Finance under a passive review. The Committee approved permanent positions for several roles previously staffed by multiple appointments of limited-term employees; affected positions include a deputy police chief and several managers for events, admissions, vendor services, and other Park facilities. Although these positions are not included in the agency base established for the bill, s. 16.517 of the statutes specifies a process by which such positions will be incorporated into the agency base immediately after enactment of the biennial budget. With these positions, the State Fair Park is authorized 54.0 positions.

2. DEBT SERVICE REESTIMATES

GPR	- $787,800
PR	- 1,550,000
Total	- $2,337,800

Governor: Reestimate principal and interest payments on general obligation bonds issued for State Fair Park facilities by -$430,500 GPR in 2023-24 and by -$357,300 GPR in 2024-25. Further, reestimate PR-supported principal and interest payments by -$725,200 in 2023-24 and by -$824,800 in 2024-25.

GPR debt service is associated with bonds issued to fund primarily agricultural and other exhibition facilities at State Fair Park, as well as various land acquisitions, certain infrastructure projects, and the Tommy G. Thompson Youth Center. Total GPR debt service payments for State Fair Park are budgeted at $1.2 million in 2023-24 and $1.3 million in 2024-25. State Fair Park's

PR-supported debt service is primarily associated with the Milwaukee Mile racetrack and grandstand, the Wisconsin Exposition Center, and other general facilities improvements. PR-supported debt service is budgeted at $1.2 million in 2023-24 and $1.1 million in 2024-25.

STATE TREASURER

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
PR	$130,300	$180,000	$197,400	$116,800	44.8%	1.00	2.00	2.00	1.00	100.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	- $5,000

Governor: Provide adjustments to the base totaling -$2,500 annually for full funding of continuing positions salaries and fringe benefits.

2. INCREASED RESOURCES FOR OFFICE

	Funding	Positions
PR	$121,800	1.00

Governor: Provide $52,200 in 2023-24, $69,600 in 2024-25, and 1.0 position to support an office manager position. The source of the PR would be unclaimed property.

SUPREME COURT

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$18,231,100	$18,100,700	$18,113,200	- $248,300	- 0.7%	115.50	115.50	115.50	0.00	0.0%
FED	1,007,100	1,031,100	1,031,600	48,500	2.4	5.00	5.00	5.00	0.00	0.0
PR	14,776,100	17,400,200	17,568,700	5,416,700	18.3	110.75	111.00	111.00	0.25	0.2
SEG	602,700	329,800	330,100	- 545,500	- 45.3	1.60	1.60	1.60	0.00	0.0
TOTAL	$34,617,000	$36,861,800	$37,043,600	$4,671,400	6.7%	232.85	233.10	233.10	0.25	0.1%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $248,300
FED	48,500
PR	1,203,200
SEG	- 7,100
Total	$996,300

Governor: Provide $482,900 in 2023-24 and $513,400 in 2024-25 associated with: (a) full finding of continuing position salary and fringe benefits ($12,400 GPR, -$2,300 FED, $558,600 PR, and -$900 SEG annually); and (b) full funding of lease and directed move costs (-$142,800 GPR, $26,300 FED, $34,400 PR, and -$2,800 SEG in 2023-24 and -$130,300 GPR, $26,800 FED, $51,600 PR, and -$2,500 SEG in 2024-25).

2. CYBERSECURITY PROGRAM FUNDING

PR	$3,924,200

Governor: Provide an increase in expenditure authority of $1,832,100 in 2023-24 and $2,092,100 in 2024-25 in the continuing court information systems appropriation for new and on-going cybersecurity initiatives and related maintenance. According to the Director of State Courts, additional cybersecurity measures are necessary given the increase in the court system's reliance on digital records and remote work. Base funding for the appropriation is $9,518,800.

Additional expenditure authority includes: (a) $372,100 in 2023-24 and $787,100 in 2024-25 for on-going cybersecurity program maintenance and testing (including services for email protection, firewalls, testing against cyber-attacks, phishing detection, and an advanced anti-virus program); (b) $820,000 in 2023-24 and $665,000 in 2024-25 for the purchase and maintenance of new, high-priority cybersecurity programs (including denial of service protection, security information and event management (which aggregates data and provides real-time analysis for security monitoring and attack recovery), and upgraded remote access solutions); and (c) $640,000 annually for the purchase and maintenance of new, lower-priority cybersecurity programs (including web proxy (to block access to specific sites), data loss prevention software, and secure access server edge (which extends security protections to devices outside of the court system network)).

3. SUPPORT FOR NEW CIRCUIT COURT BRANCHES

PR	$165,800

Governor: Provide an increase in expenditure authority of $139,100 in 2023-24 and $26,700 in 2024-25 in the continuing court information systems appropriation to support the additional circuit court branches created in 2019 Act 184. Base funding for the appropriation is $9,518,800.

Under 2019 Act 184, 12 circuit court branches will be added over a three-year period (four judges each in 2021, 2022, and 2023), at the discretion of the Director of State Courts. The last four judicial circuit court branches will begin operation on August 1, 2023, in Clark, Manitowoc, Sawyer, and Wood counties. [See "Circuit Courts."]

4. PROGRAM AND SEGREGATED REVENUE EXPENDITURE ESTIMATES

PR	$97,200
SEG	- 538,400
Total	- $441,200

Governor: Provide $48,600 PR and -$269,200 SEG annually in funding estimates for the board of bar examiners appropriation ($48,600 PR annually), and the mediation fund appropriation (-$269,200 SEG annually) to reflect anticipated expenditure levels in the 2023-25 biennium.

5. CENTRAL SERVICES SUPPORT

	Funding	Positions
PR	$26,300	0.25

Governor: Provide an increase in expenditure and position authority of $11,300 in 2023-24, $15,000 in 2024-25, and 0.25 position annually in the continuing central services appropriation to provide central administrative support for the court system. The appropriation is funded by the transfer of chargebacks to the programs administered by the courts and supported by the positions. Base funding for the appropriation is $255,500 with 2.5 positions.

6. COUNTY LAW LIBRARIES

Governor: Create a continuing county law libraries PR appropriation for all moneys received from counties for providing materials or other services under contracts for county law libraries. Since the late 1990s, the Director of State Courts Office (DSCO) has maintained contracts with Milwaukee and Dane counties to provide space, furniture, utilities, copies, supplies (including law book materials), and 4.0 positions for the operation of the libraries. The contracts allow the DSCO to operate the libraries, as well as purchase items for the print library, online services, catalogs, Internet, and provide assistance to the legal community and Dane County inmates. Revenue from the contracts is currently is maintained in the gifts and grants appropriation. The provision incorporates the recommendation from the State Controller's Office, Wisconsin

Court System Compliance Review for 2020-21 (published in November, 2022) to create a new appropriation, specifically dedicated to receive these funds. The recommendation does not provide for the transfer of existing county law library revenue and positions to the new appropriation.

[Bill Section: 532]

TOURISM

Budget Summary						FTE Position Summary				
		Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$6,487,000	$73,166,800	$29,583,400	$89,776,200	692.0%	32.00	40.50	40.50	8.50	26.6%
FED	780,900	781,000	781,000	200	0.0	1.00	1.00	1.00	0.00	0.0
PR	9,416,300	304,000	304,000	- 18,224,600	- 96.8	1.00	0.00	0.00	- 1.00	- 100.0
SEG	1,603,500	1,604,100	1,604,100	1,200	0.0	0.00	0.00	0.00	0.00	N.A.
TOTAL	$18,287,700	$75,855,900	$32,272,500	$71,553,000	195.6%	34.00	41.50	41.50	7.50	22.1%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$565,600	- 3.00
PR	9,200	0.00
FED	200	0.00
Total	$575,000	- 3.00

Governor: Provide adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits ($304,000 GPR, $4,600 PR, and $100 FED annually); (b) reclassifications and semiautomatic pay progression ($17,200 GPR annually); (c) full funding of lease and directed moves costs (-$38,400 GPR annually); and (d) removal of non-continuing elements from the base (-3.00 GPR positions annually).

2. MARKETING AND ADVERTISING FUNDS

	Funding	Positions
GPR	$37,000,000	4.00

Governor: Provide $33,600,000 in 2023-24 to expand Tourism's marketing and advertising initiatives. The Administration intends for the provision to increase marketing and exposure of the state, particularly relative to the annual marketing campaigns of other neighboring Midwest states. Funding would be provided in a biennial appropriation, meaning Tourism would be able to expend or encumber the amounts through June 30, 2025, at which time unencumbered amounts would return to the general fund.

Additionally, provide $1,700,000 in base funding each year with 4.0 permanent positions. The Administration intends funds and staffing to address rising costs of production fees, website management, research, and information management. The 4.0 positions would include a consumer communications specialist, a marketing coordinator, a content marketing writer, and a social media assistant. Funding would include $157,800 in 2023-24 and $211,000 in 2024-25 for salaries and fringe benefit costs, with $1,542,200 in 2023-24 and $1,489,000 in 2024-25 for supplies or contracted services.

3. OPPORTUNITY ATTRACTION AND PROMOTION FUND

	Funding	Positions
GPR	$30,124,300	1.00

Governor: Provide $20 million in 2023-24 and $10 million in 2024-25 to attract opportunities and events to the state. Direct Tourism to collaborate with the Wisconsin Economic Development Corporation to implement this provision. Funding would be provided in a new, continuing appropriation intended to support marketing, advertising, and outreach to encourage large events to be held in the state. The Administration indicates that such events could include professional and collegiate sporting events and other large-scale conventions or festivals wherein vendor activities, ticket sales, and general travel into the state would encourage visitor spending and state exposure. The provision would also include 1.0 permanent position with funding of $54,800 in 2023-24 and $69,500 in 2024-25 in Tourism's general operations appropriation to administer the program. Funding of $10 million in 2024-25 would continue in the agency base for future biennia.

[Bill Sections: 383 and 751]

4. CONVERT TRIBAL GAMING MARKETING FUNDS TO GENERAL PURPOSE REVENUE

GPR	$17,534,200
PR	- 17,534,200
Total	$0

Governor: Convert $8,767,100 tribal gaming PR marketing funding in each year to GPR. Repeal Tourism's tribal gaming PR marketing appropriation, and repeal requirements that Tourism make expenditures for advertising activities and Joint Effort Marketing grants in equal proportion between its GPR and tribal gaming PR marketing appropriations within each fiscal year. The Administration indicates the provision is part of a reallocation of tribal gaming revenues to other programs intended to benefit tribal communities. [See "Administration -- Division of Gaming.]

[Bill Sections: 382, 385, 513, and 755]

5. MEETINGS, CONVENTIONS, AND SPORTS BUREAU

	Funding	Positions
GPR	$2,666,800	2.00
PR	- 299,600	- 1.00
Total	$2,367,200	1.00

Governor: Create a Meetings, Conventions, and Sports Bureau and provide $1,314,300 GPR in 2023-24 and $1,352,500 in 2024-25 with 2.0 positions. The Bureau would be responsible for advertising Wisconsin as a site for meetings, conventions, sporting events, and tournaments. The Administration reports the provision should have included 3.0 GPR positions instead of 2.0, and an errata will be submitted. The 3.0 GPR positions would include a director, an events coordinator, and a sales manager.

Additionally, eliminate the Office of Marketing Services and delete $149,800 PR annually and 1.0 position. The Administration reports that overall state agency utilization of the Office of Marketing Services has declined in recent years, as has funding.

[Bill Sections: 384 and 756]

6. OFFICE OF OUTDOOR RECREATION

	Funding	Positions
GPR	$1,092,200	3.00

Governor: Provide $519,500 in 2023-24 and $572,700 in 2024-25 with 3.0 permanent positions for the Office of Outdoor Recreation. Of these amounts, specify that $282,500 GPR annually would be intended to: (a) enhance website and research features related to the Office; (b) increase the Office's physical presence at trade shows; (c) continue publication of the Wisconsin Trail Report; and (d) improve the assets collection tool, which is an online source for recreation amenities information.

The Office of Outdoor Recreation is responsible for promoting Wisconsin's outdoor recreational opportunities and connecting businesses in the outdoor recreation industry. 2019 Act 9 provided 3.0 project positions and one-time funding in the 2019-21 biennium for the creation and operation of the Office of Outdoor Recreation. 2021 Act 58 reauthorized the Office's funding and project positions for two more years. Current funding and positions expire on June 30, 2023, and authorized positions are removed under standard budget adjustments.

7. ARTS BOARD FUND MATCHING

GPR	$552,500

Governor: Provide $337,200 in 2023-24 and $215,300 in 2024-25 to match anticipated annual federal grants from the National Endowment for the Arts (NEA). The Arts Board uses NEA grants for both agency operations and grants to artists and arts organizations in Wisconsin. NEA grants require at least an equal (dollar-for-dollar) match of state funding. Of the amounts recommended for 2023-24, an estimated $148,100 would be associated with matches to NEA grants received by September 30, 2023.

The bill would also transfer $100 million from the general fund to the Wisconsin Artistic Endowment Foundation in 2023-24 with interest earnings of an estimated $4.5 million in the biennium distributed for support of the Arts Board and various arts programs across the state. The Artistic Endowment Foundation is a statutorily created nonprofit organization, although currently inactive, with the goal of establishing arts programs throughout the state and providing funding to various arts programs. [See "Wisconsin Artistic Endowment Foundation."]

8. NATIVE AMERICAN TOURISM OF WISCONSIN CONTRACT TRANSFER

PR	- $400,000

Governor: Transfer management of Tourism's marketing contract with Native American Tourism of Wisconsin (NATOW) to the Department of Administration (DOA). Further, transfer $200,000 tribal gaming PR each year for the NATOW contract from Tourism's marketing appropriation to the DOA appropriation for American Indian economic development. Currently, Tourism administers $200,000 each year under contract with NATOW, a part of the Great Lakes Inter-Tribal Council (GLITC), for marketing tribal destinations and producing promotional materials. The provision would combine the marketing funding for NATOW programs with existing tribal PR-funded grants to GLITC that are administered by DOA. [See "Administration -- Division of Gaming."]

[Bill Sections: 106 thru 108 and 9143(1)]

9. TRIBAL LIAISON POSITION

	Funding	Positions
GPR	$150,800	1.00

Governor: Provide $64,600 in 2023-24 and $86,200 in 2024-25 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 DOA. [See "Administration -- General Agency Provisions."]

10. EQUITY OFFICER POSITION

	Funding	Positions
GPR	$87,000	0.50

Governor: Provide $38,100 in 2023-24 and $48,900 in 2024-25 and a 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."]

11. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$2,800
SEG	1,200
Total	$4,000

Governor: Provide $1,400 GPR and $600 conservation fund 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.

12. TOURISM CAPITAL GRANTS

Governor: Provide $50,000,000 in one-time funding in 2023-24 to create a tourism capital grant program. DOA would administer the grant program to provide funds to local governments, tribal governments, and nonprofit organizations that aim to strengthen the state's tourism, travel, and lodging economies. [See "Administration -- General Agency Provisions."]

13. TOURISM MARKETING AND REPORTING REQUIREMENTS

Governor: Repeal or modify several statutory requirements for Tourism marketing activities and other program reporting. The changes would implement provisions of 2023 Assembly Bill 43/Senate Bill 70.

Cheese Distribution in Information Centers. Eliminate the statutory requirement that Tourism must distribute donated, Wisconsin-made cheese at tourism information centers that the Department operates. Since 1983, Tourism and its predecessor agencies have been required to distribute Wisconsin-made cheese samples free of charge at state-operated tourist information centers from the Monday preceding Memorial Day through Labor Day. The Department is to seek donations of cheese and refrigeration equipment for these purposes. Tourism no longer directly operates Wisconsin Welcome Centers.

Marketing Activities Reporting. Modify the requirement that Tourism must annually report the activities, marketing efforts, receipts, and disbursements for the previous fiscal year to the Senate Natural Resources Committee and the Assembly Committee on Tourism. Instead, direct these reports to the relevant standing committees of the Legislature.

Famous Residents in Marketing. Repeal the statutory requirement that Tourism consider using famous current and former residents of Wisconsin in tourism marketing strategies.

Wisconsin Professional Golfers' Association (WPGA) Junior Foundation Reporting. Repeal the requirement that the WPGA Junior Foundation must submit annually to the Attorney General and each house of the Legislature an audited financial statement of its use of payments by Tourism to fund efforts to provide opportunities, enjoyment, and education to junior golfers in this state. The WPGA Junior Foundation is a nonprofit organization dedicated to promoting the game of golf to Wisconsin junior golfers and their families. Payments are made to the Foundation from fees on specialty Golf Wisconsin license plates. Payments to the WPGA Junior Foundation were $14,300 in 2021-22. The Administration and past testimony on the legislation indicate the audit requirement is cost-prohibitive for the Foundation relative to the proceeds received.

[Bill Sections: 752 thru 754 and 757]

TRANSPORTATION

Budget Summary						FTE Position Summary				
				2023-25 Change Over Base Year Doubled					2024-25 Over 2022-23	
	2022-23	Governor					Governor			
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$87,559,900	$150,277,200	$78,008,700	$53,166,100	30.4%	0.00	0.00	0.00	0.00	N.A.
FED	922,538,800	1,133,502,800	1,152,513,200	440,938,400	23.9	874.32	874.32	874.32	0.00	0.0%
PR	11,228,400	11,407,300	11,407,300	357,800	1.6	18.00	18.00	18.00	0.00	0.0
SEG	2,053,720,400	2,192,664,700	2,270,383,800	355,607,700	8.7	2,390.09	2,444.09	2,444.09	54.00	2.3
SEG-L	115,325,600	152,100,700	152,618,300	74,067,800	32.1	0.00	0.00	0.00	0.00	N.A.
SEG-S	112,778,200	115,570,500	115,570,500	5,584,600	2.5	5.00	5.00	5.00	0.00	0.0
TOTAL	$3,303,151,300	$3,755,523,200	$3,780,501,800	$929,722,400	14.1%	3,287.41	3,341.41	3,341.41	54.00	1.6%
BR			$441,787,300							

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT

Governor: The following table shows the estimated 2023-25 transportation fund condition statement under the Governor's budget recommendations. Revenues reflect the Department of Administration's (DOA's) re-estimates of collections under existing taxes and fee rates.

	2023-24	2024-25
Unappropriated Balance, July 1	$83,404,100	$23,408,500
Revenues		
Motor Fuel Tax	$1,104,792,400	$1,139,127,800
Registration and Title Fee Revenues		
Registration Revenues	719,931,500	725,678,500
Title Revenues	222,137,600	232,800,200
Miscellaneous Motor Vehicle Fees	29,889,200	30,097,600
Less Revenue Bond Debt Service	-205,912,300	-126,500,700
Petroleum Inspection Fee One-Cent Deposit	36,726,400	40,961,100
Driver's License Fees	39,111,100	39,060,900
Aeronautical Fees and Taxes	6,659,700	7,035,600
Railroad Property Taxes	32,675,200	25,883,200
Miscellaneous Departmental Revenues	14,553,100	14,167,400
Investment Earnings	3,000,000	3,000,000
Transfers to the Fund		
General Fund Transfer	54,326,400	56,363,000
Petroleum Inspection Fund Unencumbered Balance	17,103,800	17,146,500
Petroleum Inspection Fund Ongoing Transfer	6,258,500	6,258,500
APART Sales Tax Transfer	43,625,700	52,895,500
Electric Vehicle Sales Tax Transfer	39,300,000	55,100,000
Railroad Personal Property Tax Transfer	0	9,000,000
Total Annual Revenues	$2,167,178,300	$2,328,075,100
Total Available	$2,250,582,400	$2,351,483,600
Appropriations and Reserves		
DOT Appropriations	$2,192,219,700	$2,269,938,800
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	10,000,000	10,000,000
Other Agency Appropriations	27,954,200	27,936,500
Net Appropriations and Reserves	$2,227,173,900	$2,304,902,300
Unappropriated Balance, June 30	$23,408,500	$46,581,300

The "General Fund Transfer" amounts are the annual statutory transfers made from the general fund to the transportation fund of 0.25% of general fund taxes, based on estimated general fund tax revenues under the bill. The amounts shown for "APART Sales Tax Transfer" (automotive parts, accessories, repair and maintenance services, and tires), "Electric Vehicle Sales Tax Transfer", and "Railroad Personal Property Tax Transfer" are new, ongoing transfers from the general fund to the transportation fund recommended under the Governor's bill, which are summarized in separate items. The "Railroad Personal Property Tax Transfer" would transfer $9,000,000 to the transportation fund in 2024-25, which would compensate the transportation fund for an anticipated reduction in railroad property tax revenues being deposited to the fund associated with the Governor's recommendation to repeal the personal property tax beginning in 2024-25. Under current law, DOT categorizes railroad personal property tax revenues under the "Railroad Property Taxes" category. Accordingly, the figure shown under "Railroad Property Taxes" in the table for 2024-25 reflects a reduction of the estimated $9,000,000 in railroad personal property tax collections under the Governor's bill.

An annual transfer is also made from the petroleum inspection fund (PIF) to the transportation fund of the PIF unencumbered balance. Under current law, on June 30 of each year, a transfer is made from the PIF to the transportation fund of the unencumbered balance of the PIF, except for an amount of not less than 5% of the gross annual revenues to the fund during the fiscal year in which the transfer is made.

Revenue bond debt service amounts are shown as a reduction to registration and title revenue, as they are held in a registration fee trust to pay annual debt service on transportation revenue bonds before the residual amount is deposited to the transportation fund. The 2024-25 amount of revenue reduction is lower due to the Governor's recommendation to use GPR to defease a portion of the revenue obligation debt service in that year.

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.

2. ONGOING GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR ESTIMATED SALES TAX ON AUTOMOTIVE PARTS, ACCESSORIES, REPAIR, MAINTENANCE, AND TIRES

GPR Transfer	$96,521,200
SEG-REV	96,521,200

Governor: Transfer $43,625,700 in 2023-24 and $52,895,500 in 2024-25 from the general fund to the transportation fund associated with the estimated annual sales tax revenue from the sale of automotive parts, accessories, repair and maintenance services, and tires. Beginning on June 30, 2024, and in each fiscal year thereafter, require the Department of Administration (DOA) Secretary to transfer an amount calculated by DOA approximating the difference between the sales tax generated in 2020-21 from the sales of these items, and the amounts generated on the items in the fiscal year of each transfer (See also "General Fund Taxes -- General Fund Tax Transfers"). [A technical amendment would be needed to clarify the Administration's intent that 2019-20 would be the base year for this calculation.]

[Bill Section: 125]

3. ONGOING GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR ESTIMATED SALES TAX ON ELECTRIC VEHICLES

GPR Transfer	$94,400,000
SEG-REV	94,400,000

Governor: Transfer $39,300,000 in 2023-24 and $55,100,000 in 2024-25 from the general fund to the transportation fund associated with estimated annual sales tax revenue from the sale of electric vehicles. Beginning on June 30, 2024, and in each fiscal year thereafter, require the DOA Secretary to transfer an amount calculated by the Department of Administration approximating the amount of sales tax generated by the sale of electric vehicles in the state. In addition, specify that beginning in 2025-26, the transfer not exceed 120% of the amount transferred in the previous year or $75,000,000, whichever is less (See also "General Fund Taxes -- General Fund Tax Transfers").

[Bill Section: 124]

4. GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR REDUCED PERSONAL PROPERTY TAX REVENUE FROM RAILROAD PROPERTY TAX

Governor: Decrease revenues by $9,000,000 in 2024-25 associated with the Governor's recommended provision to repeal the personal property tax. Make a corresponding increase in revenues associated with the transfer of $9,000,000 in 2024-25 from the general fund to the transportation fund equal to an amount to compensate the transportation fund for reduced railroad property tax revenues (see "Shared Revenue and Tax Relief -- Property Taxation"). Specify that on December 30, 2025, and each December 30 thereafter, transfer an amount equal to the amount transferred in the previous fiscal year, increased by 1.25%.

Railroad companies are taxed on their personal and real property as public utilities under Chapter 76 of the statues. Revenue from these taxes are deposited to the transportation fund. Under a separate provision, the Governor's recommends the repeal of the personal property tax for local tax purposes. Under federal statute and case law, railroad companies would likely no longer be taxed on their personal property. Railroad companies' real property would continue to be taxed.

[Bill Section: 123]

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

Under current law, the transportation fund annually receives revenue from the general fund and the petroleum inspection fund (PIF) to support transportation programs. The current law general fund transfer is equal to 0.25% of projected general fund tax collections for each year, as included in the general fund summary condition statement under each enacted biennial budget. The Governor's recommendation would also create three additional general fund transfers (see earlier items). Two annual transfers are also made from the PIF: (a) an ongoing annual transfer of $6,258,000; and (b) the annual transfer of the unencumbered balance of the PIF to the transportation fund on June 30, except for 5% of the gross revenues of the PIF during the fiscal year in which the transfer is made. The following table compares the estimated current law amounts to be transferred from the general fund and PIF in the 2023-25 biennium and 2021-23 biennium, as well as the estimated amounts to be transferred under the new general fund transfers proposed by the Governor.

Use of Other Funds for Transportation Purposes -- Biennial Comparison

	2021-23	2023-25	Biennial Change	% Change
Current Law				
General Fund				
0.25% Transfer of General Fund Taxes	$93,362,100	$110,689,400	$17,327,300	18.6%
One-Time Transfers	182,796,800	0	-182,796,800	-100.0
Subtotal	$276,158,900	$110,689,400	-$165,469,500	-59.9%
Petroleum Inspection Fund				
Annual Transfer Unencumbered Balance	$34,079,700	$34,250,300	$170,600	0.5%
Ongoing Appropriation Transfer	12,517,000	12,517,000	0	0.0
Subtotal	$46,596,700	$46,767,300	$170,600	0.4%
Current Law Total	$322,755,600	$157,456,700	-$165,298,900	-51.2%
Governor's Recommendation				
General Fund				
Automotive Parts and Repair Sales Tax	$0	$96,521,200	$96,521,200	N.A.
Electric Vehicle Sales Tax	0	94,400,000	94,400,000	N.A.
Railroad Personal Property Tax	0	9,000,000	9,000,000	N.A.
Governor's Recommendation Total	$0	$199,921,200	$199,921,200	N.A.
Total	$322,755,600	$357,377,900	$34,622,300	10.7%

Note: Excludes debt service amounts on general fund-supported bonds issued for transportation purposes, other GPR appropriations provided for specific transportation purposes, and the direct deposit of one cent of the two cent petroleum inspection fee to the transportation fund.

6. ALLOCATION OF FEDERAL HIGHWAY AID

Governor: Estimate federal highway formula aid at $1,016,252,500 in 2023-24 and $1,034,808,400 in 2024-25, which represents increases of $192,311,200 in 2023-24 and $210,867,100 in 2024-25 relative to the 2022-23 appropriation adjusted base. The increased federal highway formula aid in the 2023-25 biennium is due to passage of the Infrastructure Investment and Jobs Act (IIJA) in November, 2021, which authorized higher baseline funding levels for federal highway formula aid than the prior federal reauthorization act. The actual amount of the state's federal highway aid in 2023-25 will be determined on an annual basis under federal transportation appropriation 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.

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 Governor's recommendation would provide the largest increases in federal highway formula aid for the local transportation facility improvement assistance appropriation, which primarily provides funding for the surface transportation program, the local bridge improvement assistance program, and the southeast Wisconsin freeway megaprojects program.

Appropriation	Base	Change to Base 2023-24	Change to Base 2024-25	Governor 2023-24	Governor 2024-25
State Highway Rehabilitation	$485,856,300	$27,767,400	$25,236,700	$513,623,700	$511,093,000
Major Highway Development	184,848,900	4,983,900	6,768,600	189,832,800	191,617,500
Local Transportation Facility Improvement Assistance	72,331,300	66,458,600	77,674,200	138,789,900	150,005,500
Local Bridge Improvement	24,523,900	40,095,100	30,095,100	64,619,000	54,619,000
Departmental Mgmt. and Ops.	15,659,200	-3,464,000	-3,429,300	12,195,200	12,229,900
Southeast Freeway Megaprojects	14,366,000	25,254,300	42,940,700	39,620,300	57,306,700
Congestion Mitigation/Air Quality Improvement	10,719,000	4,461,200	4,550,500	15,180,200	15,269,500
Transportation Alternatives	7,049,300	10,969,600	11,189,000	18,018,900	18,238,300
Administration and Planning	3,982,400	293,300	293,300	4,275,700	4,275,700
Railroad Crossing Improvements	3,291,800	2,823,800	2,880,300	6,115,600	6,172,100
Highway System Mgmt. and Ops.	1,313,200	12,668,000	12,668,000	13,981,200	13,981,200
Total	$823,941,300	$192,311,200	$210,867,100	$1,016,252,500	$1,034,808,400

Note: Includes adjustments to the base and standard budget adjustment amounts.

7. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in 2021-23 and under the Governor's recommendations for 2023-25, by type of bond and program. The amounts shown for the use of transportation revenue bonds reflect both the amount authorized and the SEG-S appropriations for the two programs using these bonds, the major highway development program and the administrative facilities program. These projects may be initially financed through a temporary use of cash balances from the respective funds. Eventually, bonds are sold to replenish those balances and this becomes the ultimate financing source for these projects.

	2021-23	2023-25
Transportation Fund-Supported, General Obligation Bonds		
Southeast Wisconsin Freeway Megaprojects	$40,000,000	$140,873,000
Southern Bridge	0	50,000,000
Major Interstate Bridge Program	0	47,200,000
Freight Rail Preservation	20,000,000	20,000,000
Harbor Assistance	15,300,000	16,000,000
Design-Build Projects	20,000,000	0
Subtotal	$95,300,000	$274,073,700
Transportation Revenue Bonds		
Major Highway Development	$128,258,200*	$149,214,300
Administrative Facilities	0*	18,500,000
Subtotal	$128,258,200	$167,714,300
Total	$223,558,200	$441,787,300

*2021 Act 58 allocated $20,765,000 in existing revenue bond proceeds for the major highway development program and $13,000,000 in existing revenue bond proceeds for administrative facilities in 2021-23.

8. TRANSPORTATION REVENUE BOND AUTHORIZATION

BR	$167,714,300

Governor: Provide transportation revenue bond authority of $167,714,300, reflecting the planned use of revenue bonds for major highway development projects (see "State Highway Program") and administrative facility construction projects (see "Departmentwide") in the 2023-25 biennium. The Department indicated that a balance of $80,571,100 in unused transportation revenue bond authority will remain available at the end of the 2021-23 biennium. This balance along with the Governor's recommendations would result in the availability of $248,285,400 in ongoing revenue bond authority. Of this total, $165,523,200 SEG-S would be appropriated in the 2023-25 biennium, as follows: (a) $73,511,600 annually for the major highway development program; and (b) $9,250,000 annually for administrative facility construction projects. Estimated reductions to transportation fund revenue would be $1,034,600 in 2023-24 and $7,675,600 in 2024-25 associated with the debt service due from the partial issuance of these bonds in the biennium (shown in a separate item). Under the Governor's recommendation, $82,761,800 in existing unused revenue bond authority would remain available for projects in the 2023-25 biennium that would be initiated, but not completed, in the 2023-25 biennium.

[Bill Section: 1687]

9. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE

SEG-REV	$6,375,400

Governor: Decrease estimated transportation fund revenue by $4,749,700 in 2023-24 and by $1,625,700 in 2024-25 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds. Of these amounts, $918,900 in 2023-24 and $6,817,700 in 2024-25 relate to the revenue bonds that would be authorized under the bill for the major highway development program and $115,700 in 2023-24 and $857,900 in 2024-25 relate to the revenue bonds that would be authorized under the bill for DOT administrative facilities purposes.

Annual revenue bond debt service is primarily paid from vehicle registration and title fee revenue paid to the registration fee trust, with any annual residual revenues being deposited in the transportation fund. Consequently, these debt service payments are considered a negative adjustment to revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2022-23 is estimated at $201,162,700, an amount that is projected to increase under the bill to an estimated $205,912,400 in 2023-24 and $202,788,400 in 2024-25.

[Bill Section: 1687]

10. TRANSPORTATION REVENUE BOND DEFEASANCE

GPR Transfer	$379,369,800

Governor: Transfer $379,369,800 from the general fund to a newly-created transportation revenue bond defeasance trust fund to pay principal and interest on outstanding transportation revenue bonds. Require the Department to deposit the $379.4 million in a separate and distinct fund outside the state treasury, in an account maintained by a trustee, and require the state and trustee to create an agreement or resolution pledging trust fund revenues to the repayment of transportation revenue bond debt service obligations. The Administration indicates that, each year over an eight-year period from 2024-25 to 2031-32, a portion of the $379.4 million would be used to pay off outstanding transportation revenue bonds. The Administration anticipates using $76,287,700 of these funds in 2024-25 to pay debt service costs on outstanding transportation revenue bonds.

Annual revenue bond debt service is primarily paid from vehicle registration and title fee revenue paid to the registration fee trust, with any annual residual revenues being deposited in the transportation fund. Consequently, these debt service payments are considered a negative adjustment to revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2024-25 paid from the transportation fund under this provision would decrease from $202,788,400 to $126,500,800.

[Bill Sections: 1686 and 9244(1)]

11. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS AND HIGH-COST BRIDGE PROJECTS

SEG	- $6,403,200

Governor: Decrease funding by $6,159,700 in 2023-24 and $243,500 in 2024-25 to fund the estimated transportation fund-supported, general obligation bond debt service associated with bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge projects. Base funding for these appropriations is $90,814,900, and would decrease to $84,655,200 in 2023-24 and $95,229,800 in 2024-25 under this reestimate.

This debt service reestimate would be associated with the following: (a) a decrease in debt service due on existing bonds by $6,159,700 in 2023-24 and $1,731,500 in 2023-24; (b) an increase in debt service for bonds authorized in the bill for southeast Wisconsin freeway megaprojects by $1,488,000 in 2024-25.

12. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS

SEG	- $918,300

Governor: Decrease funding by $446,400 in 2023-24 and $471,900 in 2024-25 to fund the estimated transportation fund-supported, general obligation bond debt service associated with existing bonds authorized for state highway rehabilitation and major highway development projects. No new bonds would be authorized associated with this bonding purpose under the bill. Base funding for this appropriation is $12,129,200, and would decrease to $11,682,800 in 2023-24 and $11,657,300 in 2024-25 under this reestimate.

13. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS

SEG	$3,581,000

Governor: Decrease funding by $592,700 in 2023-24 and increase funding by $4,173,700 in 2024-25 to fund the estimated transportation fund-supported, general obligation bond debt service for state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities and with those bonds that would be authorized under the bill. Combined base funding for these appropriations is $56,898,200, and would decrease to $56,305,500 in 2023-24 and increase to $61,071,900 in 2024-25 under this reestimate.

This debt service reestimate would be associated with the following: (a) a decrease in debt service by $592,700 in 2023-24 and increase by $3,799,500 in 2024-25 due on existing bonds; and (b) an increase in debt service funding by $166,300 in 2024-25 for harbor assistance and $207,900 in 2024-25 for freight rail preservation to reflect the bonding authorizations included in the Governor's recommendations for these purposes.

14. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE

GPR	- $6,833,900

Governor: Increase funding by $2,717,300 in 2023-24 and decrease funding by $9,551,200 in 2024-25 to fund the reestimated debt service associated with existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. No new general fund-supported, general obligation bonds would be authorized under the Governor's recommendations. Base funding for this appropriation is $87,559,900 and would increase to $90,277,200 in 2023-24 and decrease to $78,008,700 in 2024-25.

15. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY

Governor: This item summarizes the transportation fund-supported and general fund-supported debt service on transportation-related bonds under current law and the Governor's 2023-25 budget recommendations.

Transportation Fund-Supported. Estimated transportation fund-supported debt service on previously authorized bonds and the bonds authorized in the biennium would total $358,555,900 in 2023-24 and $289,801,400 in 2024-25. The DOA's reestimates of existing transportation fund-supported debt service on bonds issued for transportation purposes are shown in separate entries. The following table provides information on the estimates of transportation fund-supported debt service levels for each year of the 2021-23 biennium, as well for each year of the 2023-25 biennium under the provisions of the bill. Gross transportation fund revenue includes revenues estimated under the Governor's recommended budget for 2023-25 excluding transfers.

Gross Transportation Fund Revenue
(Excluding Federal Aid, Bond Revenue, and Transfers from Other Funds)
and Transportation Fund-Supported Debt Service
($ in Millions)

Fiscal Year	Transportation Fund Debt Service	Gross Transportation Fund Revenue*	Debt Service as % of Revenue
2021-22	$358.4	$2,159.2	16.6%
2022-23	359.1	2,141.6	16.8
2023-24	358.6	2,212.5	16.2
2024-25	289.8	2,257.8	12.8

*Revenue is shown before the payment of debt service on transportation revenue bonds, and does not contain transfers from other funds, including the three new transfers from the general fund to the transportation fund that are included in the bill.

Note: Debt service and revenue amounts shown for 2021-22 are actual. The amounts for 2022-23 reflect February, 2023, estimates by the Administration. Amounts for 2023-24 and 2024-25 are estimates that reflect the provisions of the Governor's 2023-25 recommendations.

General Fund-Supported. General fund-supported debt is not included in the above calculation of transportation fund-supported debt service as a percentage of transportation revenue. DOA's reestimate of existing general fund-supported debt service on bonds issued for transportation purposes ($90.3 million in 2023-24 and $78.0 million in 2024-25) is shown in the previous item.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS

SEG	$51,481,200

Governor: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by $3,141,100 in 2023-24 and $8,277,600 in 2024-25 to fund a 4.0% increase each year to the calendar year general transportation aid distribution for counties. The calendar year distribution for counties is currently equal to $127,140,200. This would provide a calendar year distribution amount for counties equal to $132,225,800 for 2024 and $137,514,800 for 2025 and thereafter.

b. *Municipal Aid.* Increase funding by $11,891,700 in 2023-24 and $28,170,800 in 2024-25 to fund a 4.0% increase each year to the calendar year general transportation aid distribution for municipalities. The calendar year distribution level for municipalities is currently equal to $398,996,800. This would provide a calendar year distribution amount for municipalities equal to $414,956,700 for 2024 and $431,555,000 for 2025 and thereafter. Increase the mileage aid rate by 4.0% each year (from its current level of $2,734 per mile) to $2,843 per mile for calendar year 2024 and $2,957 per mile for calendar year 2025 and thereafter.

There are two basic formulas by which general transportation aid is distributed: (a) share of costs aid; and (b) mileage aid. Counties receive only share of costs aid, while municipalities (including towns) receive payments based on either share of costs aid or mileage aid, whichever is greater. Share of costs aid amounts are computed by multiplying each community's six-year average highway-related costs (2016 through 2021 for 2023 payments) by a statewide average cost-sharing percentage. Mileage aid (mostly received by towns) is computed by multiplying the number of miles of road or street under the jurisdiction of each municipality by a specified mileage rate.

Delete the statutory references to prior calendar year funding amounts for counties and municipalities, as well as the prior year mileage aid rate amounts for municipalities.

[Bill Sections: 1703 thru 1705]

2. MASS TRANSIT OPERATING ASSISTANCE

SEG	$6,822,600

Governor: Provide $1,129,600 in 2023-24 and $5,693,000 in 2024-25 to provide a 4.0% increase in mass transit operating assistance to each tier of mass transit systems for both calendar year 2024 and calendar year 2025. Specify that the increase in funding would be distributed as follows: (a) $654,800 in 2023-24 and $3,300,100 in 2024-25 for Tier A-1 (Milwaukee County); (b) $172,100 in 2023-24 and $867,200 in 2024-25 for Tier A-2 (Madison); (c) $249,800 in 2023-24 and $1,258,900 in 2024-25 for Tier B transit systems (systems serving a population of 50,000 or more that are not in Tiers A-1 or A-2); and (d) $52,900 in 2023-24 and $266,800 in 2024-25 for Tier C transit systems (systems serving areas with population between 2,500 and 50,000).

Set the statutory calendar year distribution amounts as follows; (a) $68,096,900 for 2024 and $70,820,800 for 2025 for Tier A-1; (b) $17,893,600 for 2024 and $18,609,400 for 2025 for Tier A-2.

It should be noted that while the funding provided in the bill for 2023-24 and 2024-25 would fully fund a 4.0% increase for calendar year 2024 and 2025, no increase in the statutory calendar year amounts for Tier B or Tier C were specified in the bill. A 4.0% funding increase, as provided under the bill, would require the statutory calendar year distribution amounts to be specified as follows: (a) $25,975,500 for 2024 and $27,014,500 for 2025 for Tier B; and (b) $5,504,400 in 2024 and $5,724,600 for 2025 for Tier C.

Delete the statutory references to prior calendar year funding amounts for each tier of transit systems.

[Bill Sections: 1691 and 1692]

3. TRANSIT CAPITAL ASSISTANCE GRANTS

SEG	$20,000,000

Governor: Provide $10,000,000 annually to a new, continuing SEG appropriation under DOT for transit capital assistance grants. Require DOT to administer a transit capital assistance grant program and award grants to eligible applicants for the replacement of public transit vehicles. Specify that DOT would be required to establish criteria for awarding grants under the transit capital assistance grant program.

Define "eligible applicant" to mean a local public body in an urban area that is served by an urban mass transit system incurring an operating deficit. Specify that "public transit vehicle" would mean any vehicle used for providing transportation service to the general public that is eligible for replacement as an eligible mitigation action established under the Volkswagen settlement.

[Bill Sections: 386 and 1693]

4. SENIORS AND INDIVIDUALS WITH DISABILITIES SPECIALIZED ASSISTANCE PROGRAM

SEG	$453,200

Governor: Provide $143,900 in 2023-24 and $309,300 in 2024-25 for a 15% increase to funding for the seniors and individuals with disabilities specialized assistance program in each year of the 2023-25 biennium. This would increase funding from $959,000 in base funding to $1,102,900 in 2023-24 and $1,268,300 in 2024-25. State specialized assistance funding supplements federal section 5310 funding (enhanced mobility of seniors and individuals with disabilities program) to aid eligible applicants in Wisconsin's rural and small urban areas with transit capital and operating projects that serve seniors and individuals with disabilities.

5. PARATRANSIT AIDS

SEG	$386,700

Governor: Provide $127,200 in 2023-24 and $259,500 in 2024-25 for a 4.0% increase to funding for paratransit aid in each year of the 2023-25 biennium. This would increase funding from $3,178,100 in base funding to $3,305,300 in 2023-24 and $3,437,600 in 2024-25.

Under current law, DOT is required to provide paratransit aid to assist eligible urban mass transit operating assistance recipients with the provision of paratransit service required under the Americans with Disabilities Act. In awarding the paratransit grants to eligible urban mass transit systems, the Department must: (a) maximize the level of paratransit service provided by those systems; and (b) give priority to eligible applicants for the maintenance of paratransit service provided on July 1, 2011.

6. NONDRIVER ADVISORY COMMITTEE -- MOBILITY MANAGEMENT FUNDING

SEG	$853,200

Governor: Provide $543,900 in 2023-24 and $309,300 in 2024-25 to implement the recommendation of the Department's Nondriver Advisory Committee. The funding would be provided for the following: (a) $400,000 in 2023-24 to fund the coordination of nondriver services in Wisconsin; and (b) a $143,900 in 2023-24 and $309,300 in 2024-25 to provide a 15% increase to funding for the seniors and individuals with disabilities specialized assistance program in each year of the 2023-25 biennium.

The Administration indicates that, the funding would be used to fund mobility management projects, coordinate services for nondrivers, and support the implementation of recommendations from DOT's Nondriver Advisory Committee. State specialized assistance funding supplements federal section 5310 funding (enhanced mobility of seniors and individuals with disabilities program) to aid eligible applicants in Wisconsin's rural and small urban areas with transit capital and operating projects that serve seniors and individuals with disabilities.. Mobility management activities are eligible for federal section 5310 transit funding as a capital expense. Examples of mobility management activities include travel training, transit itinerary planning, transportation needs studies, one-stop traveler call centers, and transportation brokerages to coordinate providers.

7. TRANSPORTATION EMPLOYMENT AND MOBILITY

SEG	$126,900

Governor: Provide $41,600 in 2023-24 and $85,300 in 2024-25 for a 5.0% increase to the Department's transportation employment and mobility continuing appropriation funding in each year of the 2023-25 biennium. This would increase funding from $832,600 in base funding to $874,200 in 2023-24 and $917,900 in 2024-25. Under current law, DOT may award grants from this appropriation to public and private organizations for the development and implementation of demand management, ridesharing, and job access and employment transportation assistance programs. Currently, the Wisconsin employment transportation assistance program (WETAP) is funded from this appropriation. WETAP is an annual competitive grant program that combines both state and federal funding for transit systems and organizations that assist low-income individuals in getting to work.

Under current law, the Department of Workforce Development (DWD) is appropriated $464,800 GPR annually for employment transit assistance grants. Although not statutorily required, DWD typically transfers all funding appropriated for the employment transit grants program to DOT to jointly fund WETAP. The additional funding provided to DOT under the bill would increase funding to the WETAP program to $1,339,000 in 2023-24 and $1,382,700 in 2024-25, if combined with the funding provided to DWD.

Local Transportation Assistance

1. LOCAL ROADS IMPROVEMENT PROGRAM

SEG	$4,016,800

Governor: Provide the following increases to the local roads improvement program (LRIP): (a) $714,600 in 2023-24 and $1,457,800 in 2024-25 for the formula allocation component of the program; and (b) $606,700 in 2023-24 and $1,237,700 in 2024-25 for the discretionary grants component of the program. This would represent a 4% increase each year in the base level of funding currently provided for the program.

Beginning in 2023-24, and each year thereafter, modify the statutes specifying how funds under the discretionary grants component are divided among local units of government. Under this provision, 35.6% of funds would be used for county trunk highway improvements, 39.0% for town road improvements, and 25.4% for municipal street improvement projects. LRIP discretionary component funds were distributed in these same proportions in previous program cycles, however the statutes had previously specified amounts, rather than percentages, to be allocated to each local government category. The table below compares funding for LRIP in 2021-23 with the recommended 2023-25 funding level for both program components.

Current Law and Governor's Recommended Biennial LRIP Funding

	2021-23	2023-25	Difference	% Change
Formula-Based Allocation*				
Counties (43%)	$15,106,400	$16,040,600	$934,200	6.2%
Municipalities (28.5%)	10,012,400	10,631,500	619,100	6.2
Towns (28.5%)	10,012,400	10,631,500	619,100	6.2
Total Formula Funds	$35,131,200	$37,303,600	$2,172,400	6.2%
Discretionary Allocation				
Counties (35.6%)	$10,786,800	$11,455,800	$669,000	6.2%
Municipalities (39.0%)	11,847,200	12,549,900	702,700	5.9
Towns (25.4%)	7,700,800	8,173,500	472,700	6.1
Total Discretionary Funds	$30,334,800	$32,179,200	$1,844,400	6.1%
Biennial Program Total	$65,466,000	$69,482,800	$4,016,800	6.1%

*Does not include $600,000 from the formula-based allocation, which supports 3.0 positions in DNR for the environmental review of local road projects under current law and under the bill. This amount is deducted from the total prior to calculating the percentage-based formula allocations shown in the top section of the table.

LRIP provides discretionary and formula-based grants through separate appropriations of state funds. These grants are provided on a biennial basis for capital improvements on existing county, town, and municipal roads and for feasibility studies for such improvements. For the purposes of the program, a capital improvement is defined as a project with a projected design life of at least 10 years. Grants may cover up to 50% of the total project cost, with the balance being provided, generally, by the local recipient. All costs of improvements are initially the responsibility of the local government. County and municipal projects must have eligible costs exceeding $250,000 and town projects must have eligible costs exceeding $100,000. Upon completion of a project, a local government can apply to DOT for reimbursement of up to 50% of the project costs.

[Bill Sections: 1706 thru 1708]

2. LOCAL ROADS IMPROVEMENT PROGRAM -- DISCRETIONARY SUPPLEMENTAL GRANTS

SEG	$100,000,000

Governor: Provide $50,000,000 annually for the discretionary supplemental grants component of LRIP (LRIP-S). In each of the last two biennia, one-time funding was provided from a separate LRIP-S appropriation, with no ongoing funding. This recommendation would establish ongoing funding for this program, which is administered in the same fashion as the discretionary grants component of LRIP that distributes grants to local units of government for capital improvements on existing roads under their jurisdiction. Grant recipients are required to provide matching funds of a minimum 10% of the total cost of a selected project.

Similar to 2021-22 funding for LRIP-S, the intent of this provision was to distribute these LRIP-S funds among local units of government in the same proportion as the LRIP discretionary program component beginning in 2023-24: 35.6% for county trunk highway improvements ($17,800,000 annually in the 2023-25 biennium), 39.0% for town road improvements ($19,500,000 annually), and 25.4% for municipal street improvement projects ($12,700,000 annually). However, modifications would need to be made to the bill to specifically reference the LRIP-S appropriation to the LRIP discretionary component distribution percentages in order to subject this funding to those required percentages.

3. SOUTHERN BRIDGE PROJECT IN BROWN COUNTY

BR	$50,000,000

Governor: Authorize $50,000,000 in general obligation bonding authority for the accelerated local bridge improvement assistance program to support the construction of the "Southern Bridge" in Brown County. The debt service estimates included in the bill do not anticipate the issuance of these bonds in the 2023-25 biennium.

The 2021-23 budget required DOT to submit a request for funding for the Southern Bridge project as part of its 2023-25 biennial budget request. The scope of the project is defined as the segment of County Highway GV in Brown County from County Highway D to State Highway 57, a stretch of the highway crossing over the Fox River and connecting to I-41 west of the River, which does not currently exist. Additional local road construction would be needed as County Highway GV currently ends 2.8 miles east of the Fox River and no local highway currently connects the west bank of the River to I-41. DOT also indicates that the bridge would remain under the jurisdiction of Brown County after construction. DOT has identified a preferred alternative, and has published a notice of intent to prepare a Tier 1 environmental impact statement associated with the project. In March, 2022, the project also received $5,000,000 in congressionally-directed, federal funding under the federal Consolidated Appropriations Act, 2022.

As part of the I-41 major highway development expansion project, DOT is constructing a new diamond interchange that will allow for the future connection of County Highway GV, to be constructed west of the Fox River, to the interstate. The Department has indicated that the state funding for the Southern Bridge would only be used for the bridge portion of the project and that the participating local governments would be responsible for the local highway connections to the proposed bridge and the I-41 interchange.

[Bill Section: 551]

4. LOCAL TRAFFIC CALMING GRANTS

GPR	$60,000,000

Governor: Provide $60,000,000 GPR in 2023-24 for a newly-created local traffic calming grants program. Require the Department to award grants from a new, continuing appropriation to local governments for infrastructure projects that are designed to reduce the speed of vehicular traffic, and are eligible for federal transportation alternatives program funding, such as construction of on-road and off-road trail facilities for pedestrians, bicyclists, and other nonmotorized forms of transportation. Specific federally-eligible projects include sidewalks, bicycle infrastructure, traffic calming techniques, and lighting and other safety-related infrastructure. Require that the Department determine form, nature, intent, and the extent of information that shall be contained in grant applications, as well as establish criteria for evaluating applications and awarding grants.

[Bill Sections: 391 and 1688]

5. FREIGHT RAIL PRESERVATION PROGRAM

BR	$20,000,000

Governor: Authorize $20,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program in the 2023-25 biennium. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds authorized would be identical to the bond authority provided under the 2021-23 biennial budget. Estimated transportation fund-supported debt service of $207,900 SEG in 2024-25, associated with the partial issuance of these bonds, is shown under a separate item (see "Transportation Finance").

[Bill Section: 555]

6. HARBOR ASSISTANCE PROGRAM

SEG	$4,000,000
BR	16,000,000
Total	$20,000,000

Governor: Provide $2,000,000 SEG annually and authorize

$16,000,000 BR in transportation fund-supported, general obligation bonds for the harbor assistance program in the 2023-25 biennium. The program provides grants for making capital improvements to harbors on the Great Lakes or the Mississippi River system. The amount authorized would be $700,000 more than the $15,300,000 in bonding authority provided in the 2021-23 biennium. Base program funding of $651,000 annually also exists to help fund project costs ($493,000 annually) and administrative costs ($157,200 annually). Estimated transportation fund-supported debt service of $166,300 in 2024-25, associated with the partial issuance of these bonds, is shown under a separate item (see "Transportation Finance").

[Bill Section: 554]

7. LOCAL TRANSPORTATION FACILITY IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION

FED	$143,806,800
SEG-L	40,884,900
Total	$184,691,700

Governor: Provide $66,295,600 FED in 2023-24 and $77,511,200 FED in 2024-25, and $19,014,800 SEG-L in 2023-24 and $21,870,100 SEG-L in 2024-25 to DOT's local transportation facility improvement assistance FED and SEG-L appropriations. The FED appropriation receives funding through the federal surface transportation block grant program, local highway safety improvement program, and carbon reduction program. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IIJA, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase base level funding for the appropriations from $72,331,300 FED to $138,626,900 in 2023-24 and $149,842,500 in 2024-25, and from $43,898,600 SEG-L to $62,913,400 in 2023-24 and $65,768,700 in 2024-25.

8. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION

FED	$70,000,000
SEG-L	17,500,000
Total	$87,500,000

Governor: Provide $40,000,000 FED in 2023-24 and $30,000,000 FED in 2024-25, and $10,000,000 SEG-L in 2023-24 and $7,500,000 SEG-L to the local bridge improvement assistance program, which makes grants using both state and federal funds for projects to rehabilitate and replace bridges that are under local jurisdiction (not on state trunk highways or connecting highways). The federal funding increase is associated with the federal Bridge Formula Program, which is expected to provide the state with $45,000,000 annually over each year of the IIJA's five-year federal authorization (2022-26) for state and local bridge projects that reduce the overall number of bridges in poor condition. The recommended SEG-L funding reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase the adjusted base funding levels from $24,523,900 FED to $64,523,900 in 2023-24 and $54,523,900 in 2024-25, and from $11,157,600 SEG-L to $21,157,600 in 2023-24 and $18,657,600 in 2024-25. The program is also annually provided with $18,470,600 SEG.

9. NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM

FED	$34,511,700
SEG-L	8,628,300
Total	$43,140,000

Governor: Provide $17,085,000 FED in 2023-24 and $17,426,700 FED in 2024-25, and provide $4,271,600 SEG-L in 2023-24 and $4,356,700 SEG-L 2024-25. The expenditure authority would be provided to the following newly-created appropriations: (a) a FED continuing appropriation for all monies received from the federal government from the newly-created National Electric Vehicle Infrastructure (NEVI) formula program; and (b) a SEG-L continuing appropriation to receive and expend monies from local units of government and other sources for the construction of electric vehicle charging infrastructure. In addition, create a SEG appropriation to support the implementation of the state's federally-approved NEVI plan, but no SEG funding would be provided.

Provide authority to allow DOT to establish and administer an electric vehicle infrastructure program that would provide funding for eligible electric vehicle infrastructure projects under the NEVI formula program. Specify that all funding under this provision would be provided from the three newly-created appropriations under the bill.

Provide a statutory exemption from regulation as a public utility, to a person who supplies electricity through the person's electric vehicle charging station to users' electric vehicles. This exemption would only apply if the person does not otherwise directly or indirectly provide electricity to the public. Under current law, with certain exceptions, a person who directly or indirectly provides electricity to the public is regulated as a public utility by the Public Service Commission.

The IIJA includes the five-year authorization of the NEVI program to provide funding to states to deploy electric vehicle charging infrastructure. The NEVI program includes both a formula and discretionary component. Wisconsin is eligible to receive an estimated $78.7 million in formula funds through federal fiscal year 2026. To qualify for NEVI formula funding, all states were required to submit an EV infrastructure deployment plan to FHWA describing how the state intends to use its apportioned NEVI formula program funds. On September 14, 2022, DOT was notified by FHWA that the state plan was approved for implementation.

[Bill Sections: 392 thru 394, 1697, and 2405]

10. TRANSPORTATION ALTERNATIVES PROGRAM FEDERAL FUNDING ALLOCATION

FED	$22,158,600
SEG-L	5,539,700
Total	$27,698,300

Governor: Provide $10,969,600 FED in 2023-24 and $11,189,000 FED in 2024-25, and $2,742,400 SEG-L in 2023-24 and $2,797,300 SEG-L in 2024-25 to the Transportation Alternatives Program (TAP). TAP provides grants to local governments for a variety of non-motorized vehicle transportation projects. Eligible activities include construction and planning of on-road and off-road bicycle, pedestrian, and other non-motorized vehicle facilities, viewing areas such as overlooks and turnouts, and historical preservation, environmental mitigation, and safe routes to school projects. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IIJA for this purpose, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase base level funding for the program from $7,049,300 FED to $18,018,900 in 2023-24 and $18,238,300 in 2024-25, and from $2,012,300 SEG-L to $4,754,700 in 2023-24 and $4,809,600 in 2024-25. In addition, the Administration indicates that it indented to provide $1,200,000 SEG annually to TAP to assist small communities with meeting federal matching requirements for TAP grants. However, this funding is not included in the bill.

11. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION

FED	$9,011,700
SEG-L	2,252,900
Total	$11,264,600

Governor: Provide $4,461,200 FED in 2023-24 and $4,550,500 FED in 2024-25, and $1,115,300 SEG-L in 2023-24 and $1,137,600 SEG-L in 2024-25 to the congestion mitigation and air quality improvement (CMAQ) program. CMAQ provides grants using federal funds for projects designed to reduce transportation-related air pollution or reduce traffic congestion. Under federal law, CMAQ funds may only be used in counties that are classified as non-attainment or maintenance areas for ozone, carbon monoxide, or particulate matter pollution. In Wisconsin these counties are Door, Kenosha, Kewaunee, Manitowoc, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Washington, and Waukesha. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IIJA for this purpose, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase the adjusted base funding levels from $10,719,000 FED to $15,180,200 in 2023-24 and $15,269,500 in 2024-25, and from $3,124,700 SEG-L to $4,240,000 in 2023-24 and $4,262,300 in 2024-25.

12. LOCAL GOVERNMENT PROJECT DEVELOPMENT AND TECHNICAL ASSISTANCE

SEG	$8,000,000

Governor: Provide $4,000,000 annually from a newly-created SEG continuing appropriation that would contribute state funds for local transportation facility improvement projects. The Department has existing FED & SEG-L appropriations for local transportation facility improvements funded through the federal surface transportation block grant program, local highway safety improvement program, and carbon reduction program. The SEG-L appropriation is used to receive and expend local matching funds for these federal aid programs. In 2022-23, these programs are appropriated $161,551,500 FED and $64,660,600 SEG-L. The new SEG appropriation would match the current law statutory language for these existing appropriations. The Administration indicates that the SEG funding would be used to provide local governments with technical assistance in project development, so all local governments can benefit from federal funding available for projects to improve local transportation facilities.

[Bill Section: 388]

13. RAILROAD CROSSING IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION

FED	$5,704,100

Governor: Provide $2,823,800 in 2023-24 and $2,880,300 in 2024-25 for the railroad crossing improvement program, which improves the safety of railroad crossings with projects such as the installation of railroad gates and signal lights. This funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA. The requested funding would increase base level federal funding for the program from $3,291,800 to $6,115,600 in 2023-24 and $6,172,100 in 2024-25. The program is also annually provided with $1,595,700 SEG.

14. PASSENGER RAIL OPERATIONS ASSISTANCE

SEG	$3,550,000

Governor: Provide $1,700,000 in 2023-24 and $1,850,000 in 2024-25 to the Department's passenger rail service appropriation. This would increase funding from $6,800,000 in base funding to $8,500,000 in 2023-24 and $8,650,000 in 2024-25.

The Administration indicates that the additional funding would be used to support the implementation of a second daily round-trip passenger train between the Twin Cities, Milwaukee and Chicago (TCMC). The TCMC project which would add service between Chicago and the Twin Cities to augment Amtrak's current Empire Builder service. The proposed TCMC project would provide one additional daily round-trip run between the Twin Cities and Chicago with stops in St. Paul, Red Wing, Winona, La Crosse, Tomah, Wisconsin Dells, Portage, Columbus, Milwaukee, General Mitchell International Airport, Sturtevant, Glenview, and Chicago's Union Station. Amtrak's long-distance Empire Builder service which operates between Chicago and Seattle and Portland, and provides one trip per day in each direction, currently uses the proposed TCMC corridor. Amtrak's Hiawatha Service also operates on this corridor between Milwaukee and Chicago.

15. RAIL CROSSING SAFETY INITIATIVES

SEG	$800,000

Governor: Provide $400,000 annually to establish a program to plan and install interconnected traffic signal and railroad signal systems. Create a new, continuing SEG appropriation and a new all monies received FED appropriation for the program. Under current law, in addition to the railroad crossing improvement program (see previous item entitled "Railroad Crossing Improvement Program Federal Funding Allocation"), state funding is also provided under two other existing SEG appropriations for safety improvements at railroad crossings: (a) railroad crossing improvement and protection maintenance, provided $2,112,000 annually; and (b) railroad crossing repair assistance, provided $467,300 annually.

[Bill Sections: 389 and 390]

16. SUPPORT FOR METROPOLITAN PLANNING ORGANIZATIONS AND REGIONAL PLANNING COMMISSIONS TRANSPORTATION PROGRAMS

FED	$3,503,900
SEG	1,314,500
Total	$4,818,400

Governor: Provide funding increases for DOT's department management and operations appropriations of $646,600 SEG in 2023-24 and $667,900 SEG in 2024-25, and $1,734,600 FED in 2023-24 and $1,769,300 FED in 2024-25. The Administration indicates that the requested funds would be used to provide state support to metropolitan planning organizations (MPOs) and regional planning commissions (RPCs), including fully funding the Department's informal policy of providing half (10%) of the federal match level for MPOs and RPCs on the expected federal funding they will receive related to their transportation programs. The amount of SEG budgeted for this purpose has not been changed since 2012. Under current law, MPOs and RPCs plan, coordinate, and support development, including development of the transportation system, in designated areas of the state, which encompass multiple units of local government (counties, towns, villages, and cities). MPOs and RPCs can receive certain funding directly from the Federal Highway Administration, for which these entitlements are required to provide matching funds, typically of at least 20% of the funds received.

17. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM - RAY NITSCHKE MEMORIAL BRIDGE

Governor: Require the Department to set aside $1,200,000 SEG in 2023-24 for repairs to the Ray Nitschke Memorial Bridge located on USH 141 (City of Green Bay) in Brown County from funding provided to the local bridge improvement assistance program in the 2023-25 biennium. Provide that the grant would be an allowable expenditure from the program's SEG appropriation, which has base level funding of $18,470,600. Specify that DOT provide the funding notwithstanding the eligibility criteria of the program.

[Bill Sections: 387 and 9144(2)]

18. REPEAL PROHIBITION ON USE OF CONDEMNATION AUTHORITY FOR RECREATIONAL AND PEDESTRIAN TRAILS

Governor: Repeal the provisions enacted under 2017 Act 59 that prohibit the use of condemnation authority for recreational trails, state trails, bicycle lanes and ways, and pedestrian ways by certain entities, including county boards, city councils, village or town boards, or DOT. Current law prohibits the use of general eminent domain authority by these entities for these purposes. [See "Natural Resources -- Parks."]

[Bill Sections: 571, 606, 609 thru 613, 637, 641, 1155, 1159, 1165, 1166, 1169 thru 1172, 1690, 3387, and 9351(5)]

19. REPEAL 2017 ACT 368 LOCAL TRANSPORTATION PROJECT PROVISIONS

Governor: Repeal the following 2017 Act 368 local transportation program requirements:

(a) the requirement that DOT notify a political subdivision of whether the aid provided to each subdivision includes federal moneys and which project components must be paid for with federal moneys, if any; (b) the requirement that any local project funded in whole or in part with state funds under the surface transportation urban and rural programs, or under the local bridge program, be let through competitive bidding and by contract to the lowest responsible bidder; and (c) the requirement that for any local project meeting both of the following criteria, DOT may not require a local government to comply with any portion of the Department's facilities development manual other than design standards: (1) the project proposal is reviewed and approved by a professional engineer or by the highway commissioner for the county in which the project will be located; and (2) the project is conducted by a political subdivision with no expenditure of federal money. Repeal the definitions of a local bridge, local roads, political subdivision, and a project created under Act 368 associated with the above provisions.

[Bill Section: 1709]

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

Governor: The following tables compare funding for state highway improvement programs in 2022-23 with the Governor's recommended funding for those programs in the 2023-25 biennium. Since the state highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2022-23 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2022-23. The first table breaks down the total funding for the state highway improvement programs by current appropriations (SEG and FED) and bond proceeds, and shows the proposed change compared to the base year funding doubled, while the second table shows funding for the four individual programs by fund type.

State Highway Improvement Program --
Base Year Doubled to 2023-25 Governor's Recommendation Comparison

Fund Source	2022-23 Base Plus Bonds	Governor* 2023-24	Governor* 2024-25	Change to Base Plus Bonds Doubled Amount	Change to Base Plus Bonds Doubled % Change
SEG	$592,438,700	$605,543,900	$647,211,200	$67,877,700	5.7%
FED	685,071,200	743,076,800	760,017,200	132,951,600	9.7
Bonds	103,511,600**	167,548,100	167,548,100	128,073,000	61.9
Total	$1,381,021,500	$1,516,168,800	$1,574,776,500	$328,902,300	11.9%

State Highway Improvement Program Component Summary --
Base Year Doubled to 2023-25 Governor's Recommendation Comparison

Fund Source	2022-23 Base Plus Bonds	Governor* 2023-24	Governor* 2024-25
State Highway Rehabilitation			
SEG	$559,006,800	$580,432,300	$609,489,800
FED	485,856,300	513,623,700	511,093,000
Total	$1,044,863,100	$1,094,056,000	$1,120,582,800
Major Highway Development			
SEG	$25,319,400	$25,111,600	$37,721,400
FED	184,848,900	189,832,800	191,617,500
Trans. Revenue Bond Proceeds	73,511,600**	73,511,600	73,511,600
Total	$283,679,900	$288,456,000	$302,850,500
SE Wis. Freeway Megaprojects			
SEG	$8,112,500	$0	$0
FED	14,366,000	39,620,300	57,306,700
Gen. Ob. Bonds (SEG)	20,000,000	70,436,500	70,436,500
Total	$42,478,500	$110,056,800	$127,743,200
Major Interstate Bridge			
Gen. Ob. Bonds (SEG)	$0	$23,600,000	$23,600,000
Design-Build Projects			
Gen. Ob. Bonds (SEG)	$10,000,000	$0	$0
Total	$1,381,021,500	$1,516,168,800	$1,574,776,500

* Amounts shown comprise all highway improvement program recommendation items, including base funding, adjustments to the base, and standard budget adjustments.
** Amount shown includes $10.4 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

The following tables compare total funding for state highway improvement programs in the 2021-23 biennium with the Governor's 2023-25 budget recommendation. The first table shows total biennial program resources by funding type and the percentage change to the composition of program funding. The second table shows the funding for the individual programs by fund type.

State Highway Improvement Program Summary --
2021-23 to 2023-25 Governor's Recommendation Comparison

Fund Source	2021-23	2023-25 (Governor)*	Biennial Change in Resources	% Change
SEG	$1,180,234,900	$1,252,755,100	$72,520,200	6.1%
FED	1,485,562,200**	1,503,094,000	17,531,800	-1.2
Bond Proceeds	209,023,200***	335,096,200	78,873,000	60.3
Total	$2,874,820,300	$3,090,945,300	$168,925,000	7.5%

State Highway Improvement Program Component Summary --
2021-23 to 2023-25 Governor's Recommendation Comparison

Fund Source	2021-23	2023-25 (Governor)*	Biennial Change in Resources	% Change
State Highway Rehabilitation				
SEG	$1,118,011,700	$1,189,922,100	$71,910,400	6.4%
FED	1,089,208,600**	1,024,716,700	-64,491,900	-5.9
Subtotal	$2,207,220,300	$2,214,638,800	$7,418,500	0.3%
Major Highway Development				
SEG	$50,223,200	$62,833,000	$12,609,800	25.1%
FED	366,353,600	381,450,300	15,096,700	4.1
Bond Proceeds	149,023,200***	147,023,200	-2,000,000	-1.3
Subtotal	$565,600,000	$591,306,500	$25,706,500	4.5%
SE Wis. Freeway Megaprojects				
SEG	$12,000,000	$0	-$12,000,000	-100.0%
FED	30,000,000	96,927,000	66,927,000	223.1
Gen. Ob. Bonds (SEG)	40,000,000	140,873,000	100,873,000	252.2
Subtotal	$82,000,000	$237,800,000	$155,800,000	190.0%
Design Build Projects				
Gen Ob. Bonds (SEG)	$0	$47,200,000	$47,200,000	N.A.
Design Build Projects				
Gen Ob. Bonds (SEG)	$20,000,000	$0	-$20,000,000	-100.0%.
Total	$2,874,820,300	$3,090,945,300	$216,125,000	7.5%

* Amounts shown comprise all highway improvement program recommendation items, including base funding, adjustments to the base, and standard budget adjustments.
** Includes $123.6 million FED in 2021-22 federal plan and $15.6 million FED in 2022-23 federal plan, approved by the Joint Committee on Finance.
*** Amount shown includes $20.8 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

2. STATE HIGHWAY REHABILITATION PROGRAM

FED	$45,911,500
SEG	69,514,900
Total	$115,426,400

Governor: Make the following changes to the state highway rehabilitation program's funding in order to provide a 2023-25 funding level of $2,214,638,800: (a) increases of $20,228,700 SEG in 2023-24 and $49,286,200 SEG in 2024-25; and (b) $24,221,100 FED in 2023-24 and $21,690,400 FED in 2024-25. Standard budget adjustment increases of $1,196,800 SEG and $3,546,300 FED annually are reflected in a separate item.

The following tables compare the adjusted base year (2022-23) and 2021-23 biennium's state highway rehabilitation program funding with the 2023-25 biennial funding level recommended by the Governor.

State Highway Rehabilitation Program --
Base Funding to Governor's Recommendation Comparison

	2022-23	Governor**	
Fund	Adjusted Base*	2023-24	2024-25
SEG	$559,006,800	$580,432,300	$609,489,800
FED	485,856,300	513,623,700	511,093,000
Total	$1,044,863,100	$1,094,056,000	$1,120,582,800

* Includes $2,823,000 SEG and $2,800,200 FED associated with adjustments to the 2022-23 base funding amount.
** Amounts shown comprise all highway improvement program recommendation items, including base funding, adjustments to the base, and standard budget adjustments.

State Highway Rehabilitation Program Funding --
2021-23 to 2023-25 Governor's Recommendation Comparison

	2021-23 Biennium		
Fund Source	2021-22	2022-23	Biennial Total
SEG	$561,827,900	$556,183,800	$1,118,011,700
FED	590,564,200*	498,644,400*	1,089,208,600
Total	$1,152,392,100	$1,054,828,200	$2,207,220,300

	Governor - 2023-25*		
Fund Source	2023-24	2024-25	Biennial Total
SEG	$580,432,300	$609,489,800	$1,189,922,100
FED	513,623,700	511,093,000	1,024,716,700
Total	$1,094,056,000	$1,120,582,800	$2,214,638,800
% Change in Resources			0.3%

* Includes $123.6 million FED in 2021-22 federal plan and $15.6 million FED in 2022-23 federal plan, approved by the Joint Committee on Finance.
** Includes $2,823,000 SEG and $2,800,200 FED associated with adjustments to the 2022-23 base funding amount and standard budget adjustments.

3. MAJOR HIGHWAY DEVELOPMENT PROGRAM

FED	$10,587,900
SEG	11,786,000
Total	$22,373,900

Governor: Make the following changes to the major highway development program's funding in order to provide a 2023-25 funding level of $591,306,500: (a) a decrease of $411,900 SEG in 2023-24 and an increase of $12,197,900 SEG in 2024-25; (b) increases of $4,401,600 FED in 2023-24 and $6,186,300 FED in 2024-25; and (c) authorization of additional transportation revenue bond authority of $147,023,200, which is included in a separate item (see "Transportation Finance").

In addition, base level funding of $73,511,600 SEG-S for the expenditure of transportation revenue bond proceeds would be provided in the biennium for the major highway development program. A recommendation to increase the statutory transportation revenue bond authority associated with this funding level, and its corresponding estimated reductions to transportation fund revenue associated with the debt service of $918,900 in 2023-24 and $6,817,700 in 2024-25 for the partial issuance of these bonds, are shown in separate items. Standard budget adjustment increases of $204,100 SEG and $582,300 FED annually are also reflected in a separate item.

The following tables compare the base year (2022-23) and 2021-23 biennium's major highway development program funding with the 2023-25 biennial funding level recommended by the Governor.

Major Highway Development Program --
Base Funding to 2023-25 Governor's Recommendation Comparison

	2022-23 Adjusted	Governor**	
Fund	Base Plus Bonds*	2023-24	2024-25
SEG	$25,319,400	$25,111,600	$37,721,400
FED	184,848,900	189,832,800	191,617,500
Trans. Revenue Bond Proceeds	73,511,600***	73,511,600	73,511,600
Total	$283,679,900	$288,456,000	$302,850,500

* Includes $207,800 SEG and $672,100 FED associated with adjustments to the 2022-23 base funding amount.
** Amounts shown comprise all major highway development recommendation items, including base funding, adjustments to the base and standard budget adjustments.
*** Amount shown includes $10.4 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

Major Highway Development Program Funding --
2021-23 to 2023-25 Governor's Recommendation Comparison

Fund Source	2021-23 Biennium 2021-22	2022-23	Biennial Total
SEG	$25,111,600	$25,111,600	$50,223,200
FED	182,176,800	184,176,800	366,353,600
Trans. Revenue Bond Proceeds	75,511,600*	73,511,600*	149,023,200
Total	$282,800,000	$282,800,000	$565,600,000

Fund Source	Governor - 2023-25** 2023-24	2024-25	Biennial Total
SEG	$25,111,600	$37,721,400	$62,833,000
FED	189,832,800	191,617,500	381,450,300
Trans. Revenue Bond Proceeds	73,511,600	73,511,600	147,023,200
Total	$288,456,000	$302,850,500	$591,306,500
% Change in Resources			4.5%

* Amounts shown include $10.4 million annually in existing revenue bond proceeds associated with premiums from previously issued bonds.
** Includes $207,800 SEG and $672,100 FED associated with adjustments to the 2022-23 base funding amount, and standard budget adjustments.

Estimated project completion schedules for major highway development projects receiving funding under the Governor's recommended 2023-25 program funding level are shown in the following table. Anticipated completion dates indicate when the mainline is open to traffic provided by DOT in the February, 2023, report to the Transportation Projects Commission (TPC), which may be different than the final year of expenditure. The bill recommends a funding level of $591.3 million for major highway development projects in 2023-25, while the February, 2023 TPC report provides an estimate of $659.0 million in project expenditures during the 2023-25 biennium, a difference of $67.7 million. However, the Department anticipates that it will receive an $80.0 million grant in the biennium from the federal INFRA program for the I-39/90/94 Wisconsin River Bridges project, which was announced on September 19, 2022.

Anticipated Major Highway Development Project Completion Dates
Under Governor's Recommendation ($591.3 Million in 2023-25)

Highway	Project Segment	Counties	Completion Year	2023-25 Costs ($, millions)*
STH 15	STH 76 to New London	Outagamie	2024	35.5
I-43	Silver Spring Drive to STH 60	Milwaukee & Ozaukee	2024	91.4
I-41	STH 96 to Scheuring Rd	Outagamie & Brown	2029	323.4
I-39/90/94	Bridges over Wisconsin River	Columbia	2028	150.5
USH 51	I-39/90 to USH 12/18	Dane	2029	58.2
USH 53	La Crosse Corridor	La Crosse	**	**
Total				$659.0

* Estimated 2023-25 costs, inflated to year of expenditure, were included in DOT's February, 2023 report to the TPC.
** The La Crosse Corridor project was enumerated in 1997, but a preferred alternative was not selected and the project study process was restarted in 2021. The project's scope and estimated costs will be known once the preferred alternative is selected.

[Bill Section: 1687]

4. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS

FED	$67,646,600
SEG	- 16,327,400
BR	140,873,000
Total	$192,192,200

Governor: Make the following changes to the southeast Wisconsin freeway megaprojects program's funding in order to provide a 2023-25 funding level of $237,800,000: (a) reductions of $8,163,700 SEG annually; (b) increases of $24,980,100 FED in 2023-24 and $42,666,500 FED in 2024-25; and (c) authorization of $140,873,000 in transportation fund-supported, general obligation bonds.

Estimated transportation fund-supported debt service associated with the partial issuance of these general obligation bonds in the biennium would be $1,488,000 SEG in 2024-25. This debt service amount along with standard budget adjustment increases of $51,200 SEG annually and $274,200 FED annually are reflected in separate items.

The following tables compare the base year (2022-23) and 2021-31 biennium's southeast Wisconsin freeway megaprojects program funding with the 2023-25 biennial funding level recommended by the Governor.

Southeast Wisconsin Freeway Megaproject Program --
Base Funding to Governor's Recommendation Comparison

Fund	2022-23 Adjusted Base Plus Bonds*	Governor** 2023-24	Governor** 2024-25
SEG	$8,112,500	$0	$0
FED	14,366,000	39,620,300	57,306,700
Gen. Ob. Bonds (SEG)	20,000,000	70,436,500	70,436,500
Total	$42,478,500	$110,056,800	$127,743,200

* Includes $112,500 SEG and $366,000 FED associated with adjustments to the 2022-23 base funding amount.
** Amounts shown comprise all highway improvement program recommendation items, including base funding, adjustments to the base, and standard budget adjustments.

Southeast Wisconsin Freeway Megaprojects Program Funding --
2021-23 to 2023-25 Governor's Recommendation Comparison

	2021-23 Biennium		
Fund Source	2021-22	2022-23	Biennial Total
SEG	$4,000,000	$8,000,000	$12,000,000
FED	16,000,000	14,000,000	30,000,000
Gen. Ob. Bonds (SEG)	20,000,000	20,000,000	40,000,000
Total	$40,000,000	$42,000,000	$82,000,000

	Governor - 2023-25*		
Fund Source	2023-24	2024-25	Biennial Total
SEG	$0	$0	$0
FED	39,620,300	57,306,700	96,927,000
Gen. Ob. Bonds (SEG)	70,436,500	70,436,500	140,873,000
Total	$110,056,800	$127,743,200	$237,800,000
% Change in Resources			190.0%

*Includes $112,500 SEG and $366,000 FED annually associated with adjustment to the 2020-21 base funding amount, and standard budget adjustments.

[Bill Section: 553]

5. MAJOR INTERSTATE BRIDGE IMPROVEMENT PROGRAM -- BLATNIK BRIDGE RECONSTRUCTION

BR	$47,200,000

Governor: Authorize $47,200,000 in transportation fund-supported, general obligation bonding authority for the major interstate bridge program to reconstruct the Blatnik Bridge between the cities of Superior and Duluth, Minnesota. The Department is working with the Minnesota Department of Transportation to advance a project to replace the bridge, which is nearing the end of its useful life. Preparatory planning and design would be completed before construction can occur, which could begin in 2026 at the earliest according to the Department. The debt service estimates included in the bill do not anticipate the issuance of any of these bonds in the biennium.

The Blatnik Bridge was constructed in 1958 and is currently experiencing significant truss deterioration, resulting in the need for weight restrictions and regular structural repairs. The Department estimates that the project to reconstruct the bridge would cost approximately $1.8 billion. Costs to replace the bridge would be split between Wisconsin and Minnesota, with Minnesota leading the project. The Department has also indicated that it may complete improvements to related roadways and interchanges on the Wisconsin side of the bridge in conjunction with the project. The states have jointly submitted an $889 million federal grant application for the project. However, the Department indicates that the federal government may not approve a grant until further design and planning work is completed. The project has also received $7,500,000 in congressionally-directed funding from the federal Consolidated Appropriations Act, 2023.

[Bill Section: 552]

6. STATE HIGHWAY MAINTENANCE -- HIGHWAY SYSTEM MANAGEMENT AND OPERATIONS

FED	$24,700,000
SEG	4,744,400
Total	$29,444,400

Governor: Provide $2,372,200 SEG and $12,350,000 FED annually to the highway system management and operations program. These funds would be provided in addition to adjusted base level funding of $101,194,400 SEG and $1,313,200 FED annually. This component of the Department's state highway system maintenance program funds non-routine traffic operations and system management activities on the state trunk highway system, including pavement parking activities, installation, replacement, or maintenance of highway signs, traffic control signals, and highway lighting. It also provides funding for state traffic operations center support, bridge maintenance and operation, and purchasing deicing salt for winter maintenance.

7. STATE HIGHWAY MAINTENANCE -- ROUTINE MAINTENANCE

SEG	$11,394,400

Governor: Provide $3,497,200 in 2023-24 and $7,897,200 in 2024-25 for routine maintenance activities on the state trunk highway system. These funds would be provided in addition to base level funding of $188,366,500 annually for routine maintenance. This component of the Department's state highway maintenance program provides funding for a wide variety of activities related to the upkeep of state highways and highway right-of-way through contracts with counties and private contractors, as well as DOT staff. Specific activities include preventative maintenance of highways and bridges, corrective maintenance to fix urgent problems such as road washouts, and routine maintenance activities such as plowing, salting, mowing, and minor pavement repairs.

8. TRIBAL NATION WELCOME SIGNS

Governor: Authorize a federally-recognized American Indian tribe or band to erect and maintain a tribal nation welcome sign within the right of way of any highway within the boundaries of an Indian reservation or other land held in trust for the tribe or band. Define a tribal nation welcome sign as an official sign erected and maintained by a federally-recognized American Indian tribe or band that the tribe or band determines is necessary to inform motorists of the territorial boundaries of the Indian reservation or other land held in trust for the tribe or band. Prohibit any such sign from being erected within the right of way of a highway designated as part of the national system of interstate and defense highways. Specify that a tribal nation welcome sign would not be considered a traffic control device and would not be subject to the provisions of the Wisconsin manual on traffic control devices.

[Bill Sections: 1700 and 1701]

9. REINSTATE DOT'S AUTHORITY RELATED TO BICYCLE AND PEDESTRIAN FACILITIES ON NEW HIGHWAY CONSTRUCTION PROJECTS

Governor: Require the Department to ensure, rather than give due consideration as allowed under current law, that bikeways and pedestrian ways are established in all new highway construction and reconstruction projects funded from state or federal funds. DOT would be required to promulgate rules identifying certain exceptions to the requirement. Specify that exceptions may only be provided if any of the following apply: (a) the cost of establishing bikeways or pedestrian ways would be excessively disproportionate (exceeding 20% of total project cost) to the need or probable use of the bikeways or pedestrian ways as determined by the DOT Secretary or their designee; (b) establishing bikeways or pedestrian ways would have excessive negative impacts in a constrained environment; (c) there is an absence of need for the bikeways or pedestrian ways, as indicated by sparsity of population, traffic volume, or other factors; or (d) the community where pedestrian ways are to be located refuses to accept an agreement to maintain them. Under current law, the Department may not establish a bikeway or pedestrian way as a part of a new highway construction or reconstruction project if bicyclists or pedestrians are prohibited by law from using the highway that is the subject of the project.

Repeal the current law provision that only allows DOT to establish a bikeway or pedestrian way as part of a new highway construction or reconstruction project funded from state or federal funds if either of the following occurs: (a) the governing body of each municipality in which a portion of the project will occur has adopted a resolution authorizing DOT to establish the bikeway or pedestrian way; or (b) the federal government provides written notice that the establishment of a bikeway or pedestrian way is a condition for the use of federal funds for that project.

These provisions would reinstate several changes made as part of 2015 Act 55, the 2015-17 biennial budget bill.

[Bill Sections: 1670 thru 1673]

10. REPEAL 2017 ACT 368 FEDERAL FUNDING LIMITATIONS ON STATE HIGHWAY PROJECTS

Governor: Repeal the provisions of 2017 Act 368 that require that for certain state highway projects on which the Department expends federal moneys, it must expend federal moneys on not less than 70% of the aggregate project components eligible for federal funding each fiscal year. Under current law, this requirement applies to the following project types: (a) southeast Wisconsin freeway megaprojects; (b) major highway development projects; and (c) state highway rehabilitation projects with a total cost of less than $10 million. Repeal related provisions that allow DOT to submit a passive review request for waiver of these requirements.

[Bill Section: 1685]

Division of Motor Vehicles

1. PRODUCTION OF LICENSE PLATES REQUIRED UNDER 2021 ACTS 163 AND 178

SEG	$6,506,000

Governor: Provide $3,253,000 annually to the Division of Motor Vehicles general operations appropriation to fund the replacement of primary vehicle license plates 10 years old or older as required under 2021 Act 163, and to fund the 2021 Act 178 creation of fleet plates for the vehicle owners with registered fleets of ten or more vehicles. To offset the additional costs of producing and distributing these license plates, Act 163 increased the fee for new or replacement license plates from $4 to $8 per set, and Act 178 created an initial $8.50 fee for each set of fleet plates. The additional revenues associated with these fees would fund the increased expenditure authority needed to carry out the administration of these replacement and fleet plate requirements. In August, 2022, the Joint Committee on Finance approved $3,253,000 SEG in 2022-23 for this purpose, but the funding is not included in base level funding for the 2023-25 biennium. This recommendation would provide the necessary funding on an ongoing basis.

The Department of Corrections' (DOC) Bureau of Correctional Enterprises is responsible for the production of state vehicle registration plates. Once the plates are produced, DOT purchases them from DOC. Under Act 163, DOC would incur additional costs related to both manufacturing registration plates with new materials, and producing an increased volume of plates, which would be reimbursed by DOT (see "Corrections -- Adult Institutions").

2. MODERNIZATION OF DMV SOFTWARE SYSTEM

SEG	$5,000,000

Governor: Provide $5,000,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to fund the modernization of the Division's software systems. This would provide ongoing supplies and services funding for this purpose. DMV utilizes several software programs to perform tasks including serving customers, processing revenue, sharing information with external agencies, and storing data and files including customer personal identifiers and documents. The Department indicates that DMV's current software systems are dated, inefficient, and subject to cybersecurity risks. In addition, the Department indicates that the American Association of Motor Vehicle Administrators, which provides support for DMV's systems to interface with federal databases, will discontinue such support for older, outdated software systems in 2025. The Department estimates the total cost of the ten-year master lease at $30.0 million.

3. EXPANDED HOURS OF OPERATION AT DMV LOCATIONS

SEG	$2,400,000

Governor: Provide $1,200,000 annually in ongoing funding to the Division of Motor Vehicles general operations appropriation for costs associated with expanding hours of operation at Division of Motor Vehicles service centers.

4. DMV OPERATIONS INCREASE

SEG	$1,000,000

Governor: Provide $500,000 annually to the Division of Motor Vehicles general operations appropriation to cover increased postage, data processing, and REAL ID compliance costs. The Department indicates that since it last received additional funding for postage in 2012-13, its postage costs have increased by $2.9 million annually due to higher postage rates, and growth in the volume of postage sent, as the numbers of customers and transactions increase over time. The Department also indicates that data processing costs have grown in recent years with the expansion of online services, new information technology (IT) initiatives, and rising prices for servers, storage, networking, and IT support. Specifically, the Department notes that annual assessments associated with data processing and IT infrastructure, as well as services provided by the Department of Administration, have grown by over $1.0 million since 2011-12. In addition, the Administration indicates that the Division could incur additional costs to ensure compliance with the federal REAL ID Act of 2005, which established minimum security standards for state issued-driver licenses.

5. REAL ID EQUIPMENT

SEG	$400,000

Governor: Provide one-time funding of $400,000 in 2023-24 to the Division of Motor Vehicles general operations appropriation to purchase equipment needed to comply with the federal REAL ID Act of 2005. The REAL ID Act established minimum security standards for state-issued driver licenses and identification cards and prohibits federal agencies from accepting for official purposes licenses and identification cards from states that do not meet these standards, including accessing federal facilities and boarding federally regulated aircraft. REAL ID was scheduled to be enforced on October 1, 2020, but was extended to October 1, 2021, as part of the federal CARES Act in response to the COVID-19 pandemic, and then to May 7, 2025 by the Department of Homeland Security. To obtain a REAL ID compliant license or card, applicants must provide their social security number and present an original document or certified copy of proof of: (a) name and date of birth; (b) legal presence in the United States; (c) identity; (d) name changes if applicable; and (e) address, which requires two forms. The Administration indicates that the additional funds would be utilized to purchase equipment needed to comply with the REAL ID Act, while funds to cover ongoing costs associated with REAL ID Act are included in the previous item.

6. IDENTIFICATION STICKER FOR ELECTRIC VEHICLES

SEG	$16,000
SEG-REV	19,000

Governor: Provide $10,000 in 2023-24 and $6,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to issue identification stickers for electric and hybrid-electric vehicles. Require that DOT issue a decal for each hybrid and hybrid-electric vehicle in the state that identifies the vehicle as electric. Require that the decals must be displayed on the front and rear registration plates of the vehicle, and establish a one-time registration fee of $1 for issuance of the decals. Estimate revenues to the transportation fund from the decal fee of $11,000 SEG-Rev in 2023-24 and $8,000 SEG-Rev in 2024-25.

[Bill Sections: 2731 and 2734 thru 2736]

7. DRIVING SKILLS TEST WAIVER

Governor: Specify that the Department may waive the driving skills test of an individual applying for an operator's license if all of the following apply: (a) the applicant is under the age of 18 (drivers over age 18 rarely take driver education courses because they are only required to have an instructional permit for seven days prior to testing); (b) the application is for authorization for a Class D (non-commercial driver license) license; (c) the applicant has satisfactorily completed a currently allowed driver education course, or a substantially equivalent course approved by the Department or another state; and (d) an adult sponsor (typically parent or guardian) who has signed for the applicant as part of their application (as required by statute for persons under the age of 18) consents to a waiver of the driving skills test. Modify existing statutory requirements for a driving examination skills test to include a reference to the newly allowed skills test waiver.

Under current law, the Department, or a third party tester, is required to conduct a driving skills test for an applicant for an operator's license, and every applicant for authorization to operate a vehicle class or type for which the applicant does not currently hold valid authorization, other than an instruction permit.

In response to the COVID-19 pandemic, the Department instituted a pilot program to grant waivers to the driving skills test. The Department indicates that the program was instituted to decrease the number of DMV customers during the pandemic as a matter of public safety, reduce workload for DMV staff, and streamline the driver's license application process. Under the 2021-23 budget, the Governor recommended that the skills test waiver pilot program be made permanent, and requested that the Division's budget be reduced by $631,900 in the biennium and that 6.2 positions be deleted associated with the decreased workload needed to administer driving skills tests. 2021 Act 58 (the 2021-23 budget act) did not include the statutory provisions that would have made the pilot program permanent, but retained associated funding and position reductions.

[Bill Sections: 2739 and 2748 thru 2750]

8. ONLINE DRIVER LICENSE RENEWAL

Governor: Modify the Department's authority relating to requirements for driver license renewals to allow applicants to apply for renewal of a license, and the Department to issue the license, by any electronic means offered by the Department. Allow the Department to establish additional criteria for any license renewal by electronic means. Prohibit the Department from making consecutive renewals of an operator's license by electronic means.

Provide an exception from current law, which requires the Department to test the eyesight and take digital photographs of applicants, when applicants renew their licenses electronically. Specify that the Department may renew a license electronically without a photograph being taken if the Department is able to produce a photograph of the applicant from its records. Specify that to be eligible to renew their license or identification card electronically, applicants must verify their eyesight is sufficient to meet the current standards and satisfy any additional eligibility criteria established by DOT.

Under current law, Wisconsin drivers must renew their driver licenses at a customer service center once every eight years. These provisions would allow drivers to renew their license online every other time a renewal is due, thus reducing required visits to customer service center to once every 16 years. The Department initiated a pilot alternating license renewal program in the 2019-21 biennium in response to the COVID-19 pandemic. Under these provisions, the Department's pilot program would be made permanent. Federal REAL ID requirements mandate identification photos to not be more than 16 years old, thus requiring in-person renewals once every 16 years.

[Bill Sections: 2747, 2751, and 2752]

9. ELECTRONIC NOTIFICATION AUTHORITY

Governor: Allow the Department to provide certain notifications to individuals by electronic means, rather than by mail, if an individual has requested electronic notifications from the Department. These electronic notifications would include: (a) notices of extensions of probationary license restrictions; (b) notices related to amount of security required under certain financial responsibility requirements; and (c) certain notices related to operator's license revocations, suspensions, or disqualifications. Under current law, these specific notifications are required to be provided by mail.

For these notifications, allow the Department to prescribe the manner by which individuals can request electronic notification. In addition, specify that if an individual is subject to an order of driver license revocation, suspension, or disqualification and has changed the electronic contact information provided to the Department without informing the Department, failure to receive the Department's notification is not a defense to the driver license charge.

Under current law, DOT has authority to provide certain applications and renewals by electronic means in a manner prescribed by the Department.

[Bill Sections: 2740, 2768 thru 2770, 2781, 2782, 2790, and 2791]

10. DATA TRANSMISSION TO FEDERAL COURTS FOR JURY SELECTION

Governor: Require the Department to annually transmit lists of residents' personal data without charge to the clerks of courts for the federal district courts located within the state to be used for identification of jurors. Under current law, the Department is required to compile a list including the name, address, county, date of birth, race, gender, identification number and renewal date of each person residing in the state who is licensed as a motor vehicle operator, or who has received an identification card number and social security number. The Department is required to transmit the list and information without charge to the Office of the Director of State Courts each year on a date agreed upon with the office. Specify that if the Department does not secure a record sharing agreement with the clerk of court for a district court that requires the clerk of court to keep prospective jurors' identification numbers, renewal dates, and social security numbers confidential and secure from unauthorized access, the Department must redact that information from the list transmitted to the clerk of that district court.

[Bill Section: 3149]

11. IGNITION INTERLOCK DEVICE REQUIREMENT FOR OPERATING WHILE INTOXICATED OFFENSES

Governor: Expand the following operating privilege restrictions to include all first time operating while intoxicated (OWI) violations regardless of the offender's blood alcohol concentration (BAC): (a) that the offender's operating privilege be restricted to vehicles that are equipped with an ignition interlock device; or (b) that the offender participate in 24-7 sobriety program or frequent sobriety testing program. Under current law, a court can order one or both of these restrictions if the person had a BAC of 0.15 or more at the time of their first offense, or if the person has one or more prior OWI convictions, suspensions, or revocations. Applicable offenses include operating of a vehicle under the influence of an intoxicant or other drug, injuring another person while operating a vehicle under the influence of an intoxicant, and homicide by intoxicated use of a vehicle or firearm. Specify that this provision first apply to violations committed on the effective date of the bill.

[Bill Sections: 2767 and 9344(2)]

12. INCREASED FORFEITURE FOR SAFETY BELT VIOLATIONS

Governor: Increase the forfeiture for violating state vehicle safety belt laws from $10 to $25 per violation. Under current law, any person operating a vehicle, and any person who is at least eight years old and is a passenger in a vehicle, must be properly restrained if the vehicle and seat are required by law to have a safety belt installed. The vehicle operator is required to forfeit $10 if either they or a passenger is not wearing a safety belt, and any passenger 16 years of age or older not wearing a required safety belt must also forfeit $10. This provision would increase these penalties to $25. Revenues from penalties for these violations, regardless of the law enforcement agency issuing the citation, are distributed equally between the county where the citation was issued and the state common school fund.

[Bill Section: 2785]

13. SEASONAL PERIOD FOR FARM SERVICE LICENSE ENDORSEMENT

Governor: Increase the minimum period that a seasonal farm service industry employee is eligible for a restricted commercial driver license from 180 to 210 days in any calendar year. Under current law, no person may operate a motor vehicle upon a highway in the state unless the person possesses a valid operator's license. Specific license endorsements are also required for the operation of certain vehicles, such as commercial vehicles with weights above certain statutory thresholds. Current law allows a seasonal employee of a farm service industry employer to receive an "F" endorsement, which authorizes the employee to receive a restricted commercial driver license to operate "Class B" or "Class C" vehicles under applicable federal laws or regulations. This license endorsement permits the transporting of liquid fertilizers in vehicles or implements of husbandry with total capacities of 3,000 gallons or less, solid fertilizers that are not transported with any organic substance, or 1,000 gallons or less of diesel fuel, but no combination of these materials. The endorsement does not permit operation of a commercial motor vehicle beyond 150 miles of the farm service industry employer's place of business or, in the case of custom harvesters, the farm currently being served.

[Bill Section: 2763]

14. AUTOMATIC VOTER REGISTRATION

SEG	$349,000

Governor: Provide $349,000 in 2023-24 to the Division of Motor Vehicles general operations appropriation to assist in the initial implementation of automatic voter registration. Modify current law relating to the voter record matching program between the Elections Commission and DOT, to include a requirement that DOT electronically transfer Department records related to the verification of voter eligibility for regular driver license and identification card holders, including: (a) the full name of each individual who holds a current driver license or identification card; (b) such persons' name history, current address and address history, date of birth, and driver license or identification card number; (c) a copy of each proof of citizenship document that such persons used to obtain a driver license or identification card; and (d) a statement from the Department indicating that it verified such persons' citizenship. Specify that DOT's agreement with the Elections Commission related to its voter record matching program include a provision to electronically provide these voter eligibility-related records on a continuous basis, not less than weekly, notwithstanding various current law restrictions related to the disclosure of personally identifiable information maintained by the Department. Require DOT, for each of these items of information, to provide the most recent date that the item of information was provided or obtained. Under the bill, the Elections Commission would be required to facilitate the registration of all eligible voters in the state. This information sharing provision would assist the Elections Commission in fulfilling this requirement. [See "Elections Commission."]

Require that DOT's application and renewal forms used by applicants for obtaining driver licenses and identification cards inform the applicant of the Department's duty to make the relevant personally identifiable information contained in the application available to the Elections Commission for voter eligibility verification and registration purposes. Specify that these applications and renewal forms would be required to provide the applicant an opportunity to elect not to have this information made available to the Elections Commission for these purposes. Provide that if an applicant elects not to make available the information required for the purposes of voter registration and eligibility verification, the Department would be prohibited from making this information available to the Elections Commission for these purposes. Specify that this provision would not preclude the Department from sharing this information with the Elections Commission for the current law purposes of proving residency or for any other purpose other than automatic voter registration.

Notwithstanding current law requirements related to the existing voter record matching program and restrictions on the disclosure of personally identifiable information, require DOT to enter into and begin transferring information under a revised voter record matching agreement with the Elections Commission administrator no later than the first day of the ninth month after the effective date of this provision.

[Bill Sections: 7, 20, 1698, 2746, and 9112(1)]

15. REAL ID NON-COMPLIANT DRIVER LICENSES AND IDENTIFICATION CARDS FOR UNDOCUMENTED PERSONS [FOR PURPOSES OTHER THAN VOTING]

Governor: Extend eligibility to receive REAL ID non-compliant driver licenses and identification cards to undocumented persons. Under current law, in processing driver license or identification card applications or renewals that are REAL ID non-compliant, DOT is required to verify the following: (a) an identification document that includes the applicant's photograph or both the applicant's full legal name and date of birth; (b) documentation showing the applicant's date of birth if not provided in (a); (c) documentation showing the applicant's name and address of principal residence; and (d) proof of the applicant's social security number or verification that the applicant is not eligible for a social security number. Make the following related changes to the current law driver license and identification card application, issuance, and renewal processes for REAL ID non-compliant credentials:

a. *Proof of Citizenship or Legal Presence.* Provide that current law driver license and identification card valid documentary proof requirements and requirements related to the person's legal presence in the United States would not apply to REAL ID non-compliant licenses and identification cards. Specify that when processing, issuing, or renewing a REAL ID non-compliant driver license or identification card, the Department may not include any question, or require any proof or documentation, as to whether the applicant is a citizen or national of the United States or lawfully present in the United States, despite existing requirements that DOT examine personally identifiable information and other biometric data in order to determine if an applicant is entitled by law to obtain these credentials. Exempt REAL ID non-compliant licenses and identification cards from being required to expire on the date that the license holder's legal presence in the United States expires. Specify that in lieu of required documentation showing the applicant's date of birth, name, and principal address, an applicant for a REAL ID non-compliant driver license or identification card may provide any documentation deemed acceptable to the Department.

b. *Applicants without a Social Security Number.* Specify that if a driver license or identification card applicant does not have a social security number and the application is for a REAL ID non-compliant license or card, the application must include a statement made or subscribed under oath, or affirmation that they do not have a social security number, in a manner prescribed by DOT with the assistance of the Department of Children and Families. Provide that any license that is issued or renewed in reliance on such a statement would be invalid if the statement is false. Specify that in lieu of current documentation requirements, the applicant could provide an individual taxpayer identification number, a foreign passport, or any other documentation deemed acceptable by DOT. Specify that the Department would not need to verify that an applicant is not eligible for a social security number. Under current law, a similar requirement exists for applicants for, or renewals of, a driver license or identification card that requires the applicant to state under oath the reason why they do not have a social security number.

Specify that the following current law requirements would not apply to an application for, or renewal of, a REAL ID non-compliant driver license or identification card: (a) the requirement that DOT verify driver license and identification card application information and that the Department direct applicants to investigate and resolve social security number discrepancies prior to issuance; (b) the requirement that DOT cancel a driver license or identification card regardless of expiration date, if the Department receives information from a local, state, or federal government agency that the holder no longer satisfies the requirements (including those related to legal presence) for issuance; and (c) the requirement that DOT may not accept any foreign document other than an official passport to satisfy personal identification documentation. Prohibit DOT from disclosing to any person the fact that an applicant has provided verification of not having a social security number in applying for a REAL ID non-compliant driver license or identification card, except to the Elections Commission for administering its voter records matching program.

Require that any applicant issued a REAL ID non-compliant driver license or identification card who does not provide a verified social security number during the license application process receive a license marked, "Not valid for voting purposes. Not evidence of citizenship or immigration status." Specify that DOT would have the discretion, at the time of renewal, as to whether to take an applicant's photograph and administer an eyesight exam, so long as both actions occur at least once every eight years. Provide that any identification cards without a verified social security number would expire every two years and that an original or reinstated card would be valid for a period of two years from the applicant's next birthday occurring after issuance. Specify that a renewed card would be valid for a period of two years from the card's last expiration date.

c. *Discrimination.* Prohibit discrimination on the basis of a person's status as a holder or a non-holder of a REAL ID non-compliant license and add this license status as prohibited basis for discrimination in public or private employment, transportation with a motor carrier, automobile insurance, rental housing, acquiring a mortgage, real estate practices, and businesses that provide motorist services that are identified on DOT's specific signage program. Include nondiscrimination on the basis of being a holder or non-holder of a noncitizen limited-term license on the list of written assurances that businesses must provide to DOT in order to be identified as a motorist service on DOT specific information signs. Permit the real estate examining board to revoke, suspend, or limit the broker's license of any licensee, or reprimand the licensee, if it finds the licensee has discriminated on the basis of a person's status as a holder or non-holder of a REAL ID non-compliant license.

d. *Insurance.* Specify that no person may operate a motor vehicle with a REAL ID non-compliant license, unless the owner or operator of the vehicle has in effect a motor vehicle liability policy with respect to the vehicle being operated.

e. *Effective Date, Initial Applicability, and Statutory References.* These provisions would first take effect on the first day of the fourth month beginning after publication of the bill and would first apply to driver license and identification card applications received by the Department on this date. Renumber various statutory sections and amend statutory cross references as necessary to accomplish the recommended modifications.

A driver license issued under these provisions would continue to be subject to current law driver knowledge and skills requirements applicable for licensing. A REAL ID non-compliant credential is not valid for certain federal purposes, such as air travel.

[Bill Sections: 1230, 1255 thru 1258, 1702, 1886 thru 1894, 1920 thru 1922, 1928, 2403, 2449, 2519, 2529, 2555, 2737, 2738, 2741 thru 2745, 2754 thru 2762, 2764 thru 2766, 2772 thru 2778, 2999, 3067, 9344(1), and 9444(1)]

16. IDENTIFICATION CARD RECEIPTS FOR VOTING PURPOSES -- VALID PERIOD

Governor: Extend the period for which identification card receipts issued by DOT for the purposes of voting remain valid as a temporary identification card, from 60 days to 180 days. Under current law, the Department may not charge a fee to an applicant for the initial issuance, renewal, or reinstatement of an identification card (or temporary receipt) if the applicant is a U.S. citizen who will be at least 18 years of age on the date of the next election and the applicant requests that the identification card be provided without charge for voting purposes. Because identification cards may be used for voting and are mailed to applicants, DOT provides those card applicants who are also eligible voters with a temporary receipt that may be used for voting purposes. The fee for identification cards issued for purposes other than voting is $28 ($18 for the card itself, plus a $10 issuance fee).

[Bill Section: 2771]

State Patrol

1. STATE PATROL TROOPERS -- TRAFFIC OFFICER POSITIONS

	Funding	Positions
SEG	$12,094,800	35.00

Governor: Provide $8,507,600 in 2023-24 and $3,587,200 in 2024-25, and 35.00 positions annually to the Division of State Patrol general operations appropriation to expand the size of the traffic officer force. Modify the statutes to increase the upper limit on the number of traffic officers that can be employed by the Division from 399 to 434. Under current law, the statutes establish a force of traffic officers under the Division of State Patrol, and outline their powers and duties, including enforcing and assisting in the administration of state laws pertaining motor vehicles, driver licensing, and rules of the road, and assisting local enforcement officers wherever possible in the regulation of traffic and the prevention of accidents upon public highways. The Administration indicates that the higher recommended funding level in 2023-24 would be associated with initial costs of onboarding the new officers, including recruitment, provision of equipment such as vehicles and personal protective equipment, and training at the State Patrol Academy.

[Bill Section: 1913]

2. IN-VEHICLE VIDEO CAMERAS

SEG	$4,356,000

Governor: Provide $2,178,000 annually to the Division of State Patrol general operations appropriation to purchase 500 in-vehicle video cameras each year. All State Patrol squad cars are equipped with in-vehicle camera systems, and the Division is required to store video records from the cameras. In the 2017-19 budget, the Division was provided with a one-time allocation of $2.75 million GPR to purchase 500 cameras. DOT indicates that these devices have reached the end of their useful life and have begun to experience equipment failures. The recommended funding would be used to purchase 500 cameras annually at the estimated price of $4,356 each, a figure that includes costs for licensing, software, security, and data storage.

3. INSTALLATION AND MAINTENANCE OF COMMUNICATIONS EQUIPMENT

	Funding	Positions
SEG	$4,199,100	5.00

Governor: Provide $1,168,800 in 2023-24, $430,300 in 2024-25, and 5.00 positions annually to the Division of State Patrol general operations appropriation, and $1,300,000 annually to the DOT departmental management and operations appropriation for the maintenance and installation of communication equipment across the state. The Division of State Patrol owns, operates, and maintains 67 communications towers and 92 network locations across the state that provide communications and internet protocol networks for State Patrol, as well as a wide variety of other federal, state, and local agencies, including other law enforcement departments. The Administration indicates that the requested funding would be used to install and update communications equipment located on DSP towers, and contained in State Patrol and DOT fleet vehicles.

4. STATE TROOPER OVERTIME

SEG	$3,450,000

Governor: Provide $1,725,000 annually to the Division of State Patrol general operations appropriation to fund overtime pay for Wisconsin State Troopers. Troopers earn overtime wages of 1.5 times their regular hourly pay when they work more than 40 hours a week, including for nonstandard occurrences such as civil disturbance, natural disasters, and other special events. Certain types of scheduled overtime activities are reimbursed, but all unscheduled overtime is not reimbursed. DOT indicates that State Patrol's overtime budget is $1.0 million annually. The Division has exceeded that allocation in recent years by between $1.4 million and $2.0 million each year.

5. MOTOR CARRIER INSPECTOR POSITIONS

	Funding	Positions
FED	$789,200	0.00
SEG	1,610,500	10.00
Total	$2,399,700	10.00

Governor: Provide $1,036,500 SEG in 2023-24 and $574,000 SEG in 2024-25, 10.00 SEG positions annually, and $338,200 FED in 2023-24 and $451,000 FED in 2024-25 for the Division of State Patrol to supply additional State Patrol inspectors and offer increased funding for safety and weight enforcement facilities in the state. The statutes authorize the Secretary of Transportation to employ State Patrol inspectors, whose duties include the inspection of motor vehicles to determine compliance with equipment provisions in state law. Inspectors perform enforcement duties either at fixed weight and inspection stations, or on mobile patrol. The Division currently has authority for 88 inspector positions. The Administration indicates that the higher funding level in 2023-24 would be associated with initial costs of onboarding the new officers, including recruitment, provision of new equipment, and training at the State Patrol Academy.

6. STATEWIDE MICROWAVE RADIO NETWORK

SEG	$1,172,000

Governor: Provide $586,000 annually to the Division of State Patrol general operations appropriation to upgrade the statewide microwave radio network. The Division owns and maintains a statewide network of communications infrastructure. DOT indicates that the requested funding would be used to initiate a new seven-year master lease for the network after the two existing master leases expire. The recommended funds would be combined with $529,500 in expenditure authority that has already been authorized for the existing master leases. The Department indicates that the new master lease would upgrade 59 microwave radio network link locations at a total estimated cost of $6.5 million over the seven-year lease period.

7. STAFFING FOR OPEN RECORDS REQUESTS ON BODY CAMERA FOOTAGE

	Funding	Positions
SEG	$179,800	2.00

Governor: Provide $77,100 in 2023-24 and $102,700 in

2024-25, and 2.00 positions annually to the Division of State Patrol general operations appropriation to fulfill open records requests relating to body camera footage. 2021 Act 58 (the 2021-23 biennial budget act) provided $700,000 in 2021-22 to fund the purchase of body-worn cameras and storage of camera data for State Patrol. Under current law, law enforcement agencies utilizing body-worn cameras must retain recordings for a minimum of 120 days, with some exceptions requiring longer retention, such as data used in an investigation, case, or complaint and the encounter resulted in the death or physical injury to an individual, or an encounter that included the use of force by an officer.

8. TACTICAL HELMETS FOR STATE TROOPERS

SEG	$170,700

Governor: Provide $170,700 in 2024-25 to the Division of State Patrol general operations appropriation to purchase tactical helmets for state troopers. This would be an ongoing increase to base funding for the Division of State Patrol's operations appropriation to fund the continued purchase of this tactical equipment. 2017 Act 59 (the 2017-19 budget) created a new GPR appropriation for purchasing protective gear for State Patrol officers, and provided a one-time funding amount of $800,000 in 2017-18 to purchase equipment, including 500 tactical helmets at an estimated price of $365 each. The Department indicates that the seven-year warranty on this stock of existing tactical helmets will expire in April, 2025. In addition, 2021 Act 28 (the 2021-23 budget act) provided a one-time amount of $387,500 in 2021-22 to replace personal protective gear for State Patrol officers. This funding was used to purchase tactical vest ballistic plates, while the need for tactical helmets remains.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

FED	$14,346,600
PR	357,800
SEG	10,732,000
SEG-S	84,600
Total	$25,521,000

Governor: Make adjustments to the agency base budget for: (a) turnover reduction (-$4,672,000 SEG and -$1,511,600 FED annually); (b) full funding of continuing position salaries and fringe benefits ($6,654,800 SEG, $42,300 SEG-S, $7,636,400 FED, and -$42,900 PR annually); (c) overtime ($3,832,300 SEG, $1,030,400 FED, and $221,800 PR annually); (d) night and weekend differential pay ($344,900 SEG and $18,100 FED annually); and full funding of lease and directed moves costs (-$794,000 SEG annually).

2. DOT ADMINISTRATIVE FACILITIES -- CAPITAL BUILDING PROJECTS

SEG-S	$5,500,000

Governor: Provide $2,750,000 SEG-S annually in transportation revenue bond proceeds to fund DOT administrative facility projects to be included in the Department's capital building budget. This would increase base level funding of $6,500,000 SEG-S to $9,250,000 SEG-S annually for DOT facility capital projects, which equals the additional bonding authorization amount associated with this recommendation as shown in a separate item (see "Transportation Finance").

The Department has provided an inventory of scheduled capital projects to begin in 2023-25, totaling $18,500,000: (a) a new shared multi-division facility in Spooner ($11,000,000); (b) bathroom upgrades and window replacement at the State Patrol Academy at Fort McCoy ($425,000); and (c) other miscellaneous agency facility projects ($7,075,000). Estimated reductions to transportation fund revenue, associated with the debt service for the partial issuance of these bonds, of $115,700 in 2023-24 and $857,900 in 2024-25, are shown in a separate item (see "Transportation Finance").

3. DOT ADMINISTRATIVE FACILITIES -- MINOR CONSTRUCTION PROJECTS

SEG	$5,000,000

Governor: Provide $5,000,000 in 2023-24 to cash fund minor construction projects on DOT administrative facilities. Under current law, the Department has a SEG appropriation that can provide funding for projects on DOT administrative facilities, but the total construction cost of any project receiving funding from the appropriation may not exceed $1,000,000. The Administration indicates that these funds would be used alongside the transportation revenue bonds provided for DOT administrative facility projects, contained in the previous item, to increase funding for administrative facilities.

4. OPERATIONS AND ONLINE APPLICATION SECURITY AND MODERNIZATION FUNDING

SEG	$3,504,200

Governor: Provide $1,752,100 annually to DOT's department management and operations appropriation as follows: (a) $1,418,100 annually for increased supplies and services costs associated with Department program efforts; and (b) $334,000 annually to hire consultants or contractors to improve the security of the Department's online and electronic application systems, including those used by the Division of Motor Vehicles.

5. DEPARTMENT MANAGEMENT AND OPERATIONS FEDERAL FUNDING ALLOCATION

FED	$1,000,000

Governor: Provide $500,000 annually for DOT's department management and operations FED appropriation. This funding increase is associated with the additional annual federal administrative funding expected to be provided under federal highway formula aid amounts authorized under the IIJA.

6. EQUITY OFFICER POSITION

	Funding	Positions
SEG	$172,900	1.00

Governor: Provide $75,700 in 2023-24 and $97,200 in 2024-25 and 1.00 position annually under DOT's department management and operations appropriation to create an agency equity officer position within the Office of the Secretary of Transportation. The agency equity officer would be responsible for collaborating with the chief equity officer in the Department of Administration and other agency equity officers to identify opportunities to advance equity in government operations [see "Administration -- General Agency Provisions"].

7. MISSISSIPPI RIVER PARKWAY COMMISSION POSITION

	Funding	Positions
SEG	$140,000	1.00

Governor: Provide $60,000 in 2023-24 and $80,000 in 2024-25, and create 1.00 SEG position to support the Mississippi River Parkway Commission. Specify that the authorized positions for the Mississippi River Parkway Commission would be increased by 1.00 FTE, for the purpose of providing administrative support to the commission.

Under current law, the Commission assists in coordinating the development and preservation of the Great River Road in Wisconsin. The Great River Road is a designated collection of roads that follow the course of the Mississippi River through 10 states. The Wisconsin portion consists of a network of state and local highways spanning between Kieler (Grant County) and Prescott (Pierce County). The Commission is comprised of designated civilian and public sector stakeholders, as well as two senators and two representatives. The members are appointed to four-year terms by the Governor and serve without compensation, but may be reimbursed for actual expenses of performing their duties from DOT's departmental management and operations SEG appropriation.

[Bill Section: 9144(1)]

8. MODIFICATIONS TO DEPARTMENT MANAGEMENT AND OPERATIONS APPROPRIATIONS

FED	- $12,740,200
SEG	13,977,800
SEG-L	- 738,000
Total	$499,600

Governor: Provide $6,988,900 SEG annually to DOT's department management and operations appropriations and make corresponding annual decreases of $6,370,100 FED and $369,000 SEG-L to the FED and SEG-L department management and operations appropriations. The Administration indicates that these funding modifications would correct for a mismatch in funding and expenditures among these appropriations. This provision would result in a net funding increase of $249,800 annually.

9. INTERNAL REORGANIZATION OF POSITION AND FUNDING

Governor: Reallocate $131,500 SEG and 1.00 position annually from the Division of Motor Vehicles general operations appropriation to DOT's department management and operations appropriation. The Administration indicates that this would reallocate funding and position authority for an agency equity and inclusion policy advisor to an appropriation that is a better fit for the position's agency-wide responsibilities.

10. TRANSFER AMBULANCE INSPECTION PROGRAM TO THE DEPARTMENT OF HEALTH SERVICES

Governor: Delete the current law requirement that DOT inspect ambulance medical equipment and require DHS to do so prior to DOT issuing or renewing an ambulance's registration. Currently, the Department conducts vehicle safety inspections of ambulances as well as inspections of medical equipment such as stretchers, suction aspirators, and oxygen equipment. However, under recent modifications to DOT administrative rules, DOT will cease inspections of medical equipment on July 15, 2023, with the intent to transfer this responsibility to DHS. DHS currently provides other oversight of emergency medical services (EMS) programs, including approving operational plans and licensing EMS professionals (see "DHS -- Public Health").

[Bill Sections: 2728 thru 2730]

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$1,238,072,200	$1,266,299,200	$1,343,447,100	$133,601,900	5.4%	17,817.99	17,725.99	17,728.02	- 89.97	- 0.5%
FED	1,637,976,700	1,637,976,700	1,637,976,700	0	0.0	5,154.09	5,154.09	5,154.09	0.00	0.0
PR	3,868,345,500	3,959,805,900	3,949,193,300	172,308,200	2.2	13,429.09	13,460.36	13,460.36	31.27	0.2
SEG	30,012,900	30,012,900	30,012,900	0	0.0	133.19	133.19	133.19	0.00	0.0
TOTAL	$6,774,407,300	$6,894,094,700	$6,960,630,000	$305,910,100	2.3%	36,534.36	36,473.63	36,475.66	- 58.70	- 0.2%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$20,846,400

Governor: Provide adjustments to the agency base budget of $10,423,200 annually for full funding of continuing position salaries and fringe benefits.

2. GENERAL OPERATIONAL INCREASE

GPR	$66,400,000

Governor: Provide $22,100,000 in 2023-24 and $44,300,000 in 2024-25 to provide additional funding to all system campuses to offset increased inflationary costs of goods and services and provide ongoing support for key initiatives at UW institutions such as dual enrollment, equity diversity and inclusion efforts, Title IX compliance, sustainability, and student mental health services. Additionally, funds would be utilized to increase compensation to recruit and retain critical faculty and staff in information technology, facilities, behavioral health, and academic advising.

3. TUITION PROMISE EXPANSION

GPR	$24,500,000

Governor: Provide $24,500,000 in 2024-25 to expand the tuition promise initiative to all campuses in the UW System outside of UW-Madison.

The Bucky's Tuition Promise program at UW-Madison was implemented beginning in fall, 2018, and provides scholarships and grants to cover tuition and segregated fees for students whose household adjusted gross income is $60,000 or less. Incoming freshmen are eligible for eight consecutive semesters (four years) and transfer students are eligible for four consecutive semesters (two years). Eligible students are required to file a Federal Application for Federal Student Aid (FAFSA) by UW-Madison's December 1 priority enrollment deadline. Aid is provided after other student aid such as grants and scholarships are applied, resulting in a student's net cost for tuition and fees of zero.

In their budget request, UW indicated that the program would begin in the 2023-24 academic year with UW System allocating existing funding for the estimated $13.8 million cost of the first year. UW System estimates 8,000 students would receive assistance through the expanded tuition program in the first four years, at an estimated total cost of approximately $35.6 million annually.

4. VETERANS SUPPORT SERVICES

	Funding	Positions
GPR	$2,822,000	21.50

Governor: Provide $1,209,500 in 2023-24 and $1,612,500 annually beginning in 2024-25 in a new, continuing appropriation, with 21.50 positions beginning in 2023-24 to provide support services to UW System students who are veterans. State budget office staff indicate funding would be utilized to increase the number of School Certifying Officials (SCOs) at UW System campuses. SCOs act as liaisons between the U.S. Department of Veterans Affairs (VA) and each institution. The VA recommends one SCO for every 200 GI Bill-eligible student. Funding could also provide staffing for Veterans Resource Centers on each campus. VRCs provide additional services to veterans, students on active military duty, and their families.

[Bill Section: 341]

5. FINANCIAL FUTURES INCENTIVE PROGRAM APPROPRIATION

	Funding	Positions
GPR	$2,000,000	2.00

Governor: Provide $1,000,000 annually and 2.0 positions beginning in 2023-24, in a new, continuing appropriation for a Wisconsin Financial Futures Incentive Program in UW-Madison's Division of Extension Financial Education Program. The financial education program provides programming to assist Wisconsin residents in reaching financial goals, managing expenses, and planning for unexpected life events.

A pilot project was conducted in Walworth County using $90,000 in federal ARPA funds for financial management and rental training. Qualified individuals who completed the required financial education courses received economic assistance of up to $500. The 2.0 positions would be statewide UW-Extension educators, including one who would focus on serving English-learners or bilingual individuals.

[Bill Section: 340]

6. JOURNALISM PROGRAMS AND FELLOWSHIPS

GPR	$2,000,000

Governor: Provide $1,000,000 annually in the UW System's largest GPR appropriation for journalism programs and fellowships for graduates of UW System journalism programs.

7. DIRECT ADMISSION PROGRAM

GPR	$1,000,000

Governor: Provide $1,000,000 and require the Board of Regents to establish a direct admission program that provides Wisconsin high school graduates with conditional or guaranteed undergraduate admission to an institution based on established eligibility criteria. Require the Board to work with a consultant to develop the program, and to also consult with the Department of Public Instruction (DPI), the Technical College System Board, and other interested stakeholders. Specify that the plan be implemented by no later than the beginning of the admissions cycle for the 2025-26 academic year.

[Bill Sections: 643, 644, and 9147(6)]

8. HEALTH CARE PROVIDER LOAN ASSISTANCE PROGRAM

GPR	$1,000,000

Governor: Provide $500,000 GPR annually in a new, continuing appropriation, for the Health Care Provider Loan Assistance (HCPLA) Program. Expand the eligible recipients of HCPLA awards to include medical assistants, dental assistants, dental auxiliaries, and dental therapists. Define "medical assistant" as an individual who has received a medical assistant technical diploma from a Wisconsin Technical College System institution or who has successfully completed the national certification examination for medical assistants; define "dental assistant" as an individual who holds a certified dental assistant credential issued by a national credentialing organization; define "dental auxiliary" as an expanded function dental auxiliary holding a certification under section 447.04(3) of the statutes; and define "dental therapist" as an individual licensed under section 447.04(1m) of the statutes as created by the bill. In addition, specify that loans to medical assistants may not exceed $12,500. Further specify that repayment for medical assistants may be repaid by the Board of Regents at the following rate: (1) 40% of the principal up to $5,000 in each of the first and second years of participation; and (2) 20% of the principal up to $2,500 in the third year.

Currently, under the health care provider loan assistance program, the Board of Regents may repay up to $25,000 in education loans on behalf of a health care provider, defined as a dental hygienist, physician assistant, nurse midwife, or nurse-practitioner, who agrees to practice in one or more eligible practice areas in this state. To be eligible for loan repayment, the physician, dentist, or health care provider must enter into a written agreement with the Board in which he or she agrees to practice at least 32 clinic hours per week, 45 weeks per year, for three years in an eligible practice area. Program participants who meet additional requirements may also be eligible for federally-funded loan repayments through the expanded loan assistance program. Loans to health care providers are repaid as follows: (1) 40% of the principal up to $10,000 in each of the first and second years; and (2) 20% of the principal up to $5,000 in the third year. Total state funding for the health care provider and physician and dentist provider programs is $798,700 in 2022-23. Of this amount, $488,700 is from tribal gaming revenues and $310,000 is from the critical access hospital assessment fund with hospital assessment funds limited to repayments on behalf of physicians practicing in rural areas. In addition, approximately $300,000 in federal funding is provided annually. The bill would expand eligible recipients to include medical assistants, dental assistants, dental auxiliaries, and dental therapies. With the exception of medical assistants which the bill specifies would have a maximum loan of $12,500 and different repayment terms, current law provisions would apply to the newly-expanded eligible recipients. The bill would provide $500,000 GPR annually in a new appropriation in addition to existing program funding sources.

[Bill Sections: 344 and 653 thru 670]

9. MISSING IN ACTION RECOVERY AND IDENTIFICATION PROJECT

GPR	$1,000,000

Governor: Provide $500,000 annually in a new, continuing appropriation for the University of Wisconsin Missing in Action (MIA) Recovery and Identification Project. Require the Board of Regents to provide funding from this appropriation for the MIA Recovery Project to perform a mission for the recovery and identification of Wisconsin veterans who are missing in action. At the conclusion of the mission, require the MIA Recovery Project, through its representative, to submit a report on the mission's findings and an accounting of expenditures for the mission to the Governor, Joint Committee on Finance, Board of Regents, the standing committees of each house of the Legislature dealing with veterans matters, and the Departments of Veterans Affairs and Military Affairs.

[Bill Sections: 345 and 9147(7)]

10. FOSTER YOUTH SUPPORT PROGRAMS

GPR	$1,000,000

Governor: Provide $500,000 annually in a new annual appropriation to establish or continue foster youth support programming at UW System institutions. Require the Board of Regents to allocate funding to each institution to establish or maintain support programs for students enrolled in the institution who formerly resided in a foster home or group home. Specify that support programs may include any of the following: scholarships; employment; emergency funds; basic supplies; mentorships to assist with academic preparations and successful navigation of the complex college environment; or other resources such as career planning, financial literacy training, and math and writing support.

2021 Act 58 provided $250,000 GPR in 2021-22 and $500,000 GPR annually beginning in 2022-23 for foster youth programs.

[Bill Sections: 346 and 646]

11. UW-RIVER FALLS FARM AND INDUSTRY SHORT COURSE

GPR	$700,000

Governor: Provide $402,300 in 2023-24 and $297,700 in 2024-25 in a new, biennial appropriation, for general program operations of a farm and industry short course at UW-River Falls.

[Bill Section: 343]

12. UW-MADISON UNIVERCITY ALLIANCE PROGRAM

GPR	$600,000

Governor: Provide $300,000 annually in a new, annual, appropriation for the UniverCity Alliance program to connect in partnership Wisconsin communities, towns, cities, and counties with UW-Madison education, service, and research activities in order to address the communities' biggest local challenges.

[Bill Sections: 347 and 647]

13. UW-STEVENS POINT INSTITUTE FOR SUSTAINABLE TECHNOLOGY

GPR	$500,000

Governor: Provide $250,000 annually in appropriation 20.285(1)(a) (UW's block grant appropriation) and require the Board of Regents to provide funding from this appropriation to the Wisconsin Institute for Sustainable Technology at the University of Wisconsin-Stevens Point to broaden the Institute's support for, and further technical contributions to, the state's forest and paper industries and for the Institute's ongoing operations.

[Bill Section: 648]

14. RURAL WISCONSIN ENTREPRENEURSHIP INITIATIVE

	Funding	Positions
GPR	$254,100	2.03

Governor: Provide $254,100 GPR in 2024-25 and 2.03 positions in a new, continuing appropriation for a Rural Wisconsin Entrepreneurship Initiative (RWEI) in UW-Madison's Division of Extension that provides business development assistance, rural entrepreneurship ecosystems, and access to finance for rural entrepreneurs in Wisconsin. State budget staff indicate funding would support two new positions including an outreach specialist and graduate research assistant as well as a portion of existing RWEI personnel. An initial $1 million in ARPA funds was allocated for the initiative in fall, 2022. Through the initiative, UW-Extension will work with WEDC and other partners across the state to increase rural entrepreneur's access to resources and technical assistance.

[Bill Section: 342]

15. REMOVE VACANT POSITIONS

	Positions
GPR	- 142.00

Governor: Delete 142.00 vacant and unfunded GPR positions beginning in 2023-24. Because the budget for the UW System is determined using filled positions, there is no funding associated with these vacant positions.

16. CREATE POSITIONS UNDER THE FRESHWATER COLLABORATIVE

	Positions
GPR	22.50

Governor: Provide 22.50 positions beginning in fiscal year 2023-24 to support the work of the Freshwater Collaborative.

2021 Act 58 provided $2.5 million in 2022-23 and $2.5 million in 2023-24 in the Joint Committee on Finance supplemental appropriation for release to UW System upon request and approval by the Committee and created a new, continuing appropriation under UW System. The Committee approved release of the funding on February 1, 2022. According to UW System, the additional positions reflect campus budgets following the Freshwater Collaborative request for proposal process.

The Freshwater Collaborative is a partnership between the 13 UW-System public universities, connecting students and faculty with industry partners, local communities, policymakers, non-profit organizations, and advocacy groups. The Collaborative' s mission is to: (1) contribute to Wisconsin's reputation as a world leader in freshwater science, technology, entrepreneurship, and economic growth; (2) provide support to meet the need for a knowledgeable and skilled water workforce through explicit structuring of curriculum, training, and workplace experience; and (3) establish a global water resource to identify and manage problems through collaborative research across the natural science, engineering, social science, economics, and policy arenas. A primary focus of the Collaborative is fostering collaborative research and initiatives across the 13 campuses, private sector, and state institutions. Examples of the Collaborative's activities include providing scholarships and student support, developing new watercentric training programs for undergraduates, and recruiting new faculty and staff to advance training programs, research, and innovation related to water science.

17. STATE LABORATORY OF HYGIENE -- NEWBORN SCREENING

GPR	$4,400,000

Governor: Provide $2,200,000 annually for newborn screening laboratory testing operations. Funding would support an identified annual shortfall between testing costs and moneys received by the State Laboratory of Hygiene (SLH) from newborn screening fees. The funding would support lab salaries ($812,500) and fringe benefits ($307,300) and lab supplies and services ($1,080,200).

Currently, section 253.13 of the statutes requires newborn screening of all infants born in Wisconsin for 48 disorders that if left untreated could lead to severe health problems. The Department of Health Services (DHS) is responsible for monitoring the screening program and providing necessary diagnostic services, special dietary treatment, periodic evaluation, and counseling to affected patients with a congenital disorder identified by the screenings and their families. Current law requires DHS to contract with the SLH to perform any necessary laboratory tests for the newborn screenings. The SLH is also responsible for furnishing materials for use in the laboratory tests. Current law requires DHS to impose a fee, by administrative rule, for the newborn screening tests, which is sufficient to pay for the services provided under the contract with SLH and any necessary diagnostic services, dietary treatment, evaluation, and counseling services required as well as the costs of administering infant hearing screening required under section 253.115 of the statutes, and administrative costs of the screenings.

According to the SLH, the current newborn screening fee is $109 and was last increased in 2010. The SLH conducts approximately 62,000 newborn screening laboratory tests annually, at a cost of $94.05 per test, while the SLH receives $58.50 per newborn screening fee (DHS receives the remaining $50.50 per fee).

18. STATE LABORATORY OF HYGIENE -- FORENSIC TOXICOLOGY TESTING

GPR	$4,000,000

Governor: Provide $2,000,000 annually for forensic toxicology testing. Funding would support an identified annual shortfall between testing costs and moneys received by the State Laboratory of Hygiene (SLH) from the Driver Improvement Surcharge Fund. Funding would be provided as follows: lab salaries ($866,900) and fringe benefits ($327,800); lab supplies and services ($605,300); and equipment ($200,000).

The forensic toxicology section serves the state's police departments, prosecutors' offices and coroner/medical examiner (C/ME) facilities. The laboratory conducts blood alcohol and drug testing for OWI enforcement and motor vehicle deaths in Wisconsin as well as drug and alcohol testing for C/ME. Scientists at the SLH conduct sample analysis and provide expert testimony regarding the samples analyzed. In recent years, SLH indicates that it has conducted approximately 20,000 alcohol samples per year, and approximately 10,700 of those samples were also analyzed for drugs of abuse. The SLH indicates OWI drug testing cases have increased by 260% from 2014 to 2021. As these tests are more complicated than forensic alcohol testing, requiring multiple analysts and instruments, SLH indicates they require additional program resources.

19. STATE LABORATORY OF HYGIENE RENT

GPR	$642,300

Governor: Provide $271,200 in 2023-24 and $371,100 in 2024-25 for State Lab of Hygiene (SLH) rental costs. Funding would bring GPR funding to 50% of the rental costs 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, and again in 2021, this facility was expanded to provide increased space for the SLH. Rent increases since 2021 have resulted in the current GPR funding level falling below the 50% level.

20. STATE LABORATORY OF HYGIENE -- SOIL HEALTH

	Funding	Positions
GPR	$227,200	1.00

Governor: Provide $97,400 in 2023-24 ($70,700 salary and $26,700 fringe) and $129,800 ($94,200 salary and $35,600 fringe) in 2024-25 with 1.0 position for a soil health faculty position. The position would be located in the State Laboratory of Hygiene (SLH) Environmental Health Division and have an academic appointment in the UW-Madison Department of Soil Science in the College of Agricultural and Life Sciences. The position would assist in the collaboration of soil health research, testing, and outreach between government agencies, agriculture producers, local communities, and academic researchers. The position may teach at UW Madison and partner with other UW-Madison faculty and staff on research to further collective efforts to sustain and protect Wisconsin soil resources.

21. STATE LABORATORY OF HYGIENE- CYANOBACTERIAL BLOOMS MONITORING

GPR	$121,800

Governor: Provide $121,800 in 2023-24 in the state laboratory of hygiene's general operations appropriation to purchase instrumentation to facilitate more rapid testing of Wisconsin waters for harmful cyanobacterial blooms. Cyanobacteria, also called blue-green algae, are microscopic single-cell organisms found naturally in all types of water, some of which produce toxins, called cyanotoxins.

22. VETERINARY DIAGNOSTIC LABORATORY MICROBIOLOGISTS

	Funding	Positions
GPR	$822,200	6.00

Governor: Provide $352,400 ($261,000 salary and $91,400 fringe) in 2023-24 and $469,800 ($348,000 salary and $121,800 fringe) annually beginning in 2024-25 with 6.0 microbiologist positions beginning in 2023-24 to improve capacity and response to annual chronic wasting disease (CWD) and foreign animal disease (FAD) surveillance surge testing.

The Veterinary Diagnostic Laboratory (VDL) is the sole provider of CWD and FAD surveillance, investigation, and outbreak response for Wisconsin. Providing CWD diagnostic testing supports Department of Natural Resources (DNR) efforts to manage CWD (an infectious prion disease). In addition, the diagnostic testing provides hunters with important food safety information. Each year, the VDL provides testing for 16,000 to 24,000 whitetail deer samples and 75% of the samples are submitted within a four to six-week period following the November nine-day gun deer hunting season. During this testing surge, the CWD diagnostic facility operates for 20 hours per day, seven days per week. In 2021, VDL indicates a seasonal labor shortage and staff overload led to an increase in CWD testing turnaround time from nine to 19 days. The additional six microbiologists would assist in decreasing testing turnaround time to a week or less to provide quicker results to Wisconsin hunters. VDL indicates that the six microbiologist positions would also be cross-trained for diagnostic testing so that they could be utilized to provide sustainable services to maintain Wisconsin agricultural industry testing services to support the poultry, dairy, and bovine genetics industries in the event of an FAD (such as was done with avian flu in 2022).

23. VETERINARY DIAGNOSITC LABORATORY BIOINFORMATICS

	Funding	Positions
GPR	$212,600	1.00

Governor: Provide $91,100 in 2023-24 and $121,500 in 2024-25 with 1.0 position for a bioinformatician position. Funding would support a bioinformaticist ($67,500 salary and $23,600 fringe in 2023-24 and $90,000 salary and $31,500 fringe in 2024-25).

Bioinformatics, as related to genetics and genomics, is a scientific subdiscipline that involves using computer technology to collect, store, analyze and disseminate biological data and information, such as DNA. The Veterinary Diagnostic Laboratory (VDL) is part of the National Animal Health Laboratory Network, which is involved in diagnostics and management of infectious disease outbreaks in the United States. The VDL provides a variety of testing for endemic diseases, and is also developing diagnostic methods to identify newly-emerging diseases. According to the VDL, the laboratory does not have the most up-to-date molecular sequencing diagnostics necessary for rapidly identifying emerging diseases. The requested funding would be utilized to bring on a trained bioinformatics professional to analyze the molecular sequencing data. This would allow the VDL to offer this diagnostic testing as a fee-for-service product for Wisconsin veterinarians to help detect new outbreaks and emerging pathogens.

24. TRANSFER WORKER'S COMPENSATION TO DEPARTMENT OF ADMINISTRATION

	Funding	Positions
GPR	- $799,300	- 4.00
PR	- 199,800	- 1.00
Total	- $999,100	- 5.00

Governor: Delete -$508,000 (-$406,400 GPR and -$101,600 PR) and 5.0 positions (4.00 GPR and 1.00 PR) in 2023-24 and -$491,100 ($392,900 GPR and -$98,200 PR) in 2024-25 to reflect the transfer of the UW System worker's compensation claims administration program to the Department of Administration (DOA). Specify that, on the effective date of the bill, 5.0 full-time equivalent positions and the incumbent UW System Office of Risk Management employees holding these positions, as determined by the Secretary of Administration, are transferred to DOA. Further specify that to the extent the personnel systems under UW System and State Employment Relations afford similar rights, all of the following apply: (a) the employees transferred have all the rights and the same status under State Employment Relations in DOA that they enjoyed in UW System immediately before the transfer; and (b) no employee transferred under this provision who has attained permanent status is required to serve a probationary period.

[Bill Section: 9147(1)]

25. REESTIMATE TUITION REVENUES

	Funding	Positions
PR	$142,228,400	32.27

Governor: Provide $71,114,200 annually and 32.27 positions beginning in 2023-24 to reflect increases in tuition revenues that have been incorporated into UW System's operating budget since 2020. These increases are attributable to the following: (a) changes in enrollment ($73,150,500); (b) self-supporting program changes (-$9,346,000); (c) differential tuition changes (-$3,902,300); and (d) increases in nonresident and graduate tuition ($11,212,000). Tuition revenues are deposited in the UW System's PR general program operations appropriation, which 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 PR positions without the approval of the Legislature or the Joint Finance Committee.

26. DEBT SERVICE REESTIMATE

GPR	- $647,400
PR	30,279,600
Total	$29,632,200

Governor: Modify funding by -$15,685,500 GPR and $20,447,800 PR in 2023-24 and $15,038,100 GPR and $9,831,800 PR in 2024-25 to reestimate debt service costs.

27. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is a citizen of a country other than the U.S., while they continue to be a resident of Wisconsin, would be entitled to an exemption from UW System nonresident tuition, but not from incidental or other fees, if that person meets all of the following requirements: (a) the person graduated from a high school in Wisconsin or received a declaration of equivalency of high school graduation from Wisconsin; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in Wisconsin or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in an institution and provides that institution with proof that the person has filed or will file an application for lawful permanent resident status with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Specify that this provision would first apply to persons who enroll for the semester or session following the effective date of the bill.

Current law allows the Board of Regents to charge different tuition rates to resident and nonresident students. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates. The bill would create an additional nonresident tuition exemption for a person who is not a legal permanent resident of the United States and who meets the criteria specified in the bill.

[Bill Sections: 651 and 9347(1)]

28. NONRESIDENT TUITION EXEMPTION FOR CERTAIN NATIVE AMERICANS

Governor: Specify that a person who meets all of the following requirements is entitled to an exemption from UW System nonresident tuition, but not from incidental or other fees: (a) the person, or the person's parent or grandparent, is a member of a federally recognized American Indian tribe or band in Wisconsin or is a member of a federally recognized tribe in Minnesota, Illinois, Iowa, or Michigan; and (b) the person has resided in Wisconsin, Minnesota, Illinois, Iowa, or Michigan, or in any combination of these states for at least 12 months immediately preceding the beginning of any semester or session in which the student enrolls in a UW System institution. Specify that this provision would first apply to persons who enroll for the semester or session following the effective date of the bill.

Current law allows the Board of Regents to charge different tuition rates to resident and nonresident students. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates. The bill would create an additional nonresident tuition exemption for certain Native American persons who meet the criteria specified in the bill.

[Bill Sections: 649 and 9347(2)]

29. ELIGIBILITY FOR FEE REMISSIONS FOR HMONG-LAO VETERANS

Governor: Expand the statutory definition of "veteran" for the purposes of qualifying for remission of UW System tuition and fees to include either of the following: (a) any state resident who was naturalized as a U.S. citizen pursuant to the federal Hmong Veterans' Naturalization Act of 2000; or (b) any state resident who is a U.S. citizen or an alien lawfully admitted for permanent residence and who the DVA Secretary determines served honorably with a special guerilla unit or irregular forces operation from a base in Laos in support of armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 7, 1975.

Under current law, the Board of Regents must remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, for up to 128 credits or eight semesters, whichever is longer, to eligible veterans who maintain a cumulative grade point average of at least 2.0.

[Bill Sections: 650 and 652]

30. VOTER IDENTIFICATION

Governor: Require each UW system institution to issue student identification cards that meet the requirements to qualify as voter identification under current law by August 1, 2023.

[Bill Section: 9147(2)]

VETERANS AFFAIRS

Budget Summary						FTE Position Summary				
				2023-25 Change Over Base Year Doubled					2024-25 Over 2022-23	
	2022-23	Governor					Governor			
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$1,749,900	$1,778,800	$2,042,700	$321,700	9.2%	0.00	0.00	0.00	0.00	0.0%
FED	3,014,100	3,063,400	3,063,400	98,600	1.6	16.50	16.50	16.50	0.00	0.0
PR	117,893,900	129,564,400	129,957,700	23,734,300	10.1	1,119.81	1,119.81	1,119.81	0.00	0.0
SEG	20,232,000	23,289,000	23,647,900	6,472,900	16.0	106.12	116.62	116.62	10.50	9.9
TOTAL	$142,889,900	$157,695,600	$158,711,700	$30,627,500	10.7%	1,242.43	1,252.93	1,252.93	10.50	0.8%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$1,400
FED	98,600
PR	14,343,000
SEG	- 448,600
Total	$13,994,400

Governor: Provide $6,982,800 ($700 GPR, $49,300 FED, $7,171,500 PR, and -$238,700 SEG) in 2023-24 and $7,011,600 ($700 GPR, $49,300 FED, $7,171,500 PR, and -$209,900 SEG) in 2024-25 to reflect the following standard budget adjustments: (a) -$1,503,200 PR and -$137,500 SEG annually for turnover reduction; (b) $48,100 FED, $5,584,400 PR, and -$62,200 SEG annually for full funding of continuing position salaries and fringe benefits; (c) $946,800 PR annually for overtime; (d) $2,108,100 PR annually for night and weekend differential pay; and (e) $700 GPR, $1,200 FED, $35,400 PR, and -$39,000 SEG in 2023-24 and $700 GPR, $1,200 FED, $35,400 PR, and -$10,200 SEG in 2024-25 for full funding of lease and directed moves costs.

2. VETERANS TRUST FUND -- GPR SUPPLEMENT

Governor: Estimate that $18,250,000 in 2023-24 and $18,000,000 in 2024-25 will be transferred from the general fund to the veterans trust fund (VTF) to support estimates of SEG-supported expenditures from the VTF in the 2023-25 biennium. These amounts would be increases of $2,973,800 in 2023-24 and $2,723,800 in 2024-25 over the appropriation base of $15,276,200. The fiscal effect of this item is summarized under "Miscellaneous Appropriations."

In recent biennia, over 95% of revenue to the veterans trust fund has been revenue transferred from the general fund from a sum sufficient GPR appropriation. In 2021-22, DOA transferred $15,100,000 to support VTF expenditures. The following table summarizes the Administration's estimates of balances, revenues, and expenditures from the VTF in the 2023-25 biennium.

Veterans Trust Fund
Governor's Recommendations

	2023-24	2024-25
Opening Balance	$1,744,300	$1,211,700
Revenue		
Veterans Programs	$350,000	$350,000
GPR Transfer	18,250,000	18,000,000
Total Available	$20,344,300	$19,561,700
Expenditures		
DVA Appropriations	$24,632,600	$24,991,500
Lapses from DVA Appropriations	-5,500,000	-5,500,000
Net Expenditures	$19,132,600	$19,491,500
Year End Balance	$1,211,700	$70,200

3. GENERAL FUND TRANSFER TO THE STATE VETERANS HOME

GPR-Transfer	$10,000,000

Governor: Transfer $10,000,000 in 2023-24 from the general fund to the PR appropriation account for the state veterans homes. Modify the statutory authorization for the PR appropriation to reflect the receipt of this transfer. The Administration indicates that the state veterans homes program revenue account requires this general fund supplement to avoid revenue shortfalls caused by declining census at the homes.

[Bill Sections: 480 and 9248(1)]

4. SALARY ADD-ON FOR NURSING CARE STAFF

PR	$6,724,900

Governor: Provide $3,425,900 in 2023-24 and $3,299,000 in 2024-25 for a $5 per hour permanent wage add-on for nurse clinicians, licensed practical nurses, and nursing assistant positions at the King and Union Grove state veterans homes. The permanent hourly wage increase would replace a temporary pilot add-on implemented for these positions, which the Department of Administration's Division of Personnel Management implemented under terms of the 2021-23 compensation plan. The pilot increase is scheduled to expire at the end of the 2021-23 biennium.

While the pilot increase applied only to worked hours, the permanent increase would apply to all hours, including paid time off. The funding is calculated based on the number of currently filled positions at the two homes (217 positions at the King home and 58 positions at the Union Grove home). Funding is slightly higher in 2023-24 than in 2024-25 to account for one additional biweekly pay period in that year.

5. CHIPPEWA FALLS OPERATIONS CONTRACT

PR	$2,600,000

Governor: Provide $1,300,000 annually to fund increases in the cost of the Department's contract with Health Dimensions Group to operate the Wisconsin Veterans Home at Chippewa Falls. Unlike the other two state veterans homes that are staffed by state employees, DVA contracts for the staffing and other functions to operate the state veterans home at Chippewa Falls. In 2021-22, the Department paid Health Dimensions Group $8.6 million under the contract. The funding increase under this item is for anticipated increases in the cost of operating the Chippewa Falls home once the contract is renewed in the 2023-25 biennium.

6. UNION GROVE STATE VETERANS HOME SUPPLIES AND SERVICES

PR	$420,000

Governor: Provide $210,000 annually to increase the supplies and services budget at the Union Grove State Veterans Home, for increasing costs for custodial supplies, lawn care, snow removal, and specialty tradesmen.

7. MASTER PLAN FOR KING STATE VETERANS HOME

SEG	$150,000

Governor: Provide $75,000 annually in the Department's appropriation for general administration for the cost of a study of the campus of the King state veterans home. Require DVA to contract with a vendor to study the King campus during the 2023-25 biennium. Specify that the study shall be completed by June 1, 2025, and shall provide a framework to guide decision making for future operations and development of the campus.

[Bill Section: 9148(1)]

8. DEBT SERVICE REESTIMATE

GPR	$320,100
PR	- 353,600
SEG	- 200
Total	- $33,700

Governor: Reduce funding by $408,900 ($28,100 GPR, -$436,900 PR, and -$100 SEG) in 2023-24 and increase funding by $375,200 ($292,000 GPR, $83,300 PR, and -$100 SEG) in 2024-25 to reflect reestimates of debt service costs on authorized bonds.

9. EVALUATION OF FUTURE LONG-TERM CARE NEEDS OF VETERANS

SEG	$500,000

Governor: Provide $250,000 annually to fund data collection and analysis related to the future long-term care needs of post-9/11 veterans. The Administration indicates that the funding would be used to evaluate the nature of injuries experienced by these veterans and advances in technology, with a focus on worker shortages in long-term care.

10. VETERANS OUTREACH AND RECOVERY PROGRAM

	Funding	Positions
SEG	$957,200	7.00

Governor: Provide $272,300 in 2023-24 and $684,900 in 2024-25 and 7.0 positions, beginning in 2023-24, to increase services under the veterans outreach and recovery program (VORP). VORP provides outreach, treatment and support to veterans who have a mental health condition or a substance use disorder. The program employs outreach specialists to contact veterans to provide direct assistance and referral to social service programs. Base funding for the program is $1,609,500, with 14.75 positions. With the proposed expansion (and with the effect of standard budget adjustments) total funding would be $1,853,200 in 2023-24 and $2,265,800 in 2024-25, with 21.75 positions.

11. VETERANS SERVICE OFFICE GRANTS

SEG	$2,193,200

Governor: Provide $1,096,600 annually to increase funding for grants to county and tribal veterans service offices. Of this annual increase, $843,600 would be budgeted for county veterans service office (CVSO) grants, increasing the total from $837,200 to $1,680,800, and $253,000 would be budgeted for tribal veterans service office (TVSO) grants, increasing the total from $110,000 to $363,000. Of the base funding total for TVSO grants, $61,200 is provided from a PR appropriation of tribal gaming revenues; the increase under the bill would be applied only to the SEG appropriation.

Increase the statutory annual grant amounts for CVSOs, to double the amount, as follows: (a) for counties with a population of less than 20,000, from $9,350 to $18,700; (b) for counties with a population of 20,000 to 45,499, from $11,000 to $22,000; (c) for a county with a population of 45,500 to 74,999, from $12,650 to $25,300; and (d) for a county with a population of 75,000 or more, from $14,300 to $28,600. Repeal a provision that specifies that the grant for a county with a part-time CVSO is $550, so that the grant for any such county would be determined in the same manner as counties with a full-time CVSO, based on population. In 2021-22, two counties, Florence and Pepin, received the $550 grant for a part-time CVSO.

Double the maximum annual grant made to TVSOs, from $16,500 to $33,000. In 2021-22, the amount of funding available for TVSO grants was not sufficient to provide the maximum to the 10 tribes that applied, so the Department provided $11,000 to each tribe. The funding in the bill would be sufficient to provide the maximum to all 11 federally-recognized tribes.

[Bill Sections: 788 thru 790]

12. VETERANS HOUSING AND RECOVERY PROGRAM

SEG	$500,000

Governor: Provide $250,000 annually for the veterans housing and recovery program (VHRP, formerly called the veterans assistance program), to increase total SEG funding for the program to $924,600 annually. The VHRP provides short-term housing and supportive services to veterans who are homeless or at risk of becoming homeless. The program provides services at three locations, in Chippewa Falls, Green Bay, and Union Grove. The Administration indicates that the additional funding would be used to meet increasing facility maintenance and rental costs, and for possible expansion of the program in other parts of the state.

13. ASSISTANCE TO NEEDY VETERANS PROGRAM

Governor: Rename the assistance to needy veterans program the veterans assistance grants program, and make the following changes to program benefits and parameters:

- Include, as an eligible expense for which eligible veterans may receive a health care grant, any medical device prescribed by a health care provider;

- Increase the grant limits under the program from $3,000 in a consecutive 12-month period and $7,500 as a cumulative total, to $5,000 in a consecutive 12-month period and $10,000 as a cumulative total;

- Modify a current law provision that provides eligibility for program grants to an unremarried spouse and dependent children of a veteran who died on active duty or in the line duty while in training, to eliminate the condition that the veteran must have died, which has the effect of making any unremarried spouse and dependent children of a living veteran eligible under the program;

- Modify a current law provision that specifies that a veteran is eligible for a subsistence grant in the event of a loss of income due to illness, injury, or natural disaster, to eliminate the specific reasons for the loss of income, so that a veteran would be eligible for a subsistence grant due to a loss of income for any reason; and

- Modify the definition of a health care provider, which under current law is limited to an advanced practice nurse prescriber, an audiologist, a dentist, an optometrist, a physician, or a podiatrist, to cross reference a definition of the term in a current law provision related to health care records that includes over 30 health and health-related professions, and specify, that the term also includes an ambulatory surgical center.

The program provides subsistence grants and health care grants to veterans and certain unremarried spouses and dependent children of deceased veterans, subject to certain income and asset eligibility rules. Subsistence grants provide emergency financial assistance to a veteran who experiences a loss of income due to illness, injury, or natural disaster, while the health care grants are for the cost of dental, vision, or hearing care, including dentures, glasses, or hearing aids. The base funding for the program is $820,000. The bill would not increase this funding level to account for the proposed program changes, although actual spending for grants has been significantly below the base funding level over the past decade. In 2021-22, DVA provided grants totaling $72,000, including $11,000 in subsistence grants and $56,000 in health care grants.

[Bill Sections: 481 and 762 thru 768]

14. ELIGIBILITY FOR CERTAIN VETERANS PROGRAMS FOR HMONG-LAO VETERANS

Governor: Expand the statutory definition of "veteran" for the purposes of qualifying for certain state programs, to include either of the following: (a) any state resident who was naturalized as a U.S. citizen pursuant to the federal Hmong Veterans' Naturalization Act of 2000; or (b) any state resident who is a U.S. citizen or an alien lawfully admitted for permanent residence and who the DVA Secretary determines served honorably with a special guerilla unit or irregular forces operation from a base in Laos in support of armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 7, 1975.

Specify that a person defined as a veteran under either of these conditions qualifies for tuition remission under the veterans tuition remission programs at UW System and Wisconsin Technical College System campuses. Specify, in addition, that any such person who is a resident of and living in Wisconsin at the time of registering as a student at a UW System campus qualifies for an exemption from nonresident tuition.

Specify that a person who meets the definition of veteran under this item is not considered a veteran for purposes of state veterans home membership.

This item would affect eligibility for some, but not all, state veterans benefit programs. Eligibility requirements for some programs are not based on the statutory definition of the term "veteran" and so would not be affected. This includes membership at the state veterans homes, burial in a state veterans cemetery, and assistance under the veterans housing and recovery program, all of which are subject to federal, rather than state, definitions. Other programs and benefits, such as the veterans property tax credit, are tied to having a U.S. Department of Veterans Affairs disability rating, and would not be affected. Programs for which the Hmong-Lao veterans would receive benefits include the assistance for needy veterans program (renamed the "veterans assistance grants" program under the bill), the tuition remission and tuition reimbursement programs, and the retraining assistance program.

[Bill Sections: 650, 652, 676, 760, 769, and 770]

15. STATE VETERANS CEMETERY OPERATIONS

	Funding	Positions
SEG	$1,066,900	3.00

Governor: Provide $550,200 in 2023-24 and $516,700 in 2024-25 and 3.0 positions, beginning in 2023-24, for state veterans cemetery operations. Of this funding, $425,000 in 2023-24 and $355,000 in 2024-25 would be for equipment replacement at the three state veterans cemeteries and for the purchase of new equipment for expanded operations at the Southern Wisconsin Veterans Cemetery in anticipation of an increase in internments in the next several years. The equipment to be replaced would include tractors, backhoes, trucks, mowers, and other machinery and tools. The following table shows the requested funding, by cemetery.

State Veterans Cemetery	2023-24	2024-25
Equipment Replacement		
Northern (Spooner)	$95,000	$95,000
Central (King)	45,000	22,000
Southern (Union Grove)	145,000	118,000
Southern Expansion	140,000	120,000
Total	$425,000	$355,000

The remaining funding in this item, $125,200 in 2023-24 and $161,700 in 2024-25, would support salary, fringe benefits, and supplies and services costs related to three new cemetery caretaker positions, one for each of the three cemeteries.

16. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

GPR	$200
SEG	6,200
Total	$6,400

Governor: Provide $100 GPR and $3,100 SEG annually to increase supplies and services funding for the state veterans cemeteries. 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 are 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.

17. WISCONSIN VETERANS CEMETERY ELIGIBILITY

Governor: Eliminate state residency requirements for eligibility for burial in a state veterans cemetery, applicable to veterans or spouses and dependent children of veterans.

Modify statutory provisions related to the payment of costs incident to burial, to clarify that these costs are to be paid from the Department's appropriations for cemetery operations, except in the case of the burial of members of veterans homes, in which case the source of payment is the program revenue appropriation for state veterans homes operations. Modify the appropriation authorization for the state veterans homes PR appropriation to clarify that the appropriation may be used for costs incidental to burial for a state veterans homes member in a state veterans cemetery. Under statutory provisions related to the state veterans cemeteries, DVA is directed to pay incidental costs from the state veterans homes PR appropriation, but the statutory authorization for the appropriation does not explicitly include the cost of such burials as an eligible expense.

[Bill Sections: 480 and 775 thru 787]

18. WISCONSIN VETERANS MUSEUM OPERATIONS

SEG	$1,400,000

Governor: Provide $700,000 annually in the Department's appropriation for general administration for operating expenses and ongoing maintenance costs related to the anticipated purchase of the building that houses the Wisconsin Veterans Museum. The Department included an item in its capital budget request for $9,000,000 in general fund-supported bonds for the purchase of the land on which the building housing the museum is situated, with the intention of constructing a new building for the museum at a future date. The Administration indicates that the funding provided under this item would support building operations and maintenance costs for the building following the purchase of the building.

19. HISTORICAL ARTIFACT INVENTORY

SEG	$60,000

Governor: Provide $60,000 in 2023-24 to fund a portion of the cost to complete a comprehensive inventory and evaluation of state-owned historical and fine arts collections. The Department of Administration would conduct this inventory, and assess DVA $60,000 and the Wisconsin Historical Society $240,000 to fund its costs of conducting the inventory and evaluation. [See "Administration -- Agency General Provisions" and "Historical Society."]

20. AGENCY EQUITY OFFICER

	Funding	Positions
SEG	$88,200	0.50

Governor: Provide $38,600 in 2023-24 and $49,600 in 2024-25 to fund 0.50 agency equity officer, beginning in 2023-24. The position would collaborate with the Chief Equity Officer in the Department of Administration and equity officers in other agencies to identify opportunities to advance equity in government operations, including determining how current government practices and policies affect communities of color and individuals with disabilities. [See "Administration -- General Agency Provisions."]

WISCONSIN ARTISTIC ENDOWMENT FOUNDATION

Budget Summary						FTE Position Summary
		Governor		2023-25 Change Over Base Year Doubled		
Fund	2022-23 Adjusted Base	2023-24	2024-25	Amount	%	There are no authorized positions for the Wisconsin Artistic Endowment Foundation.
SEG	$0	$1,500,000	$3,000,000	$4,500,000	N.A.	

Budget Change Item

1. ARTISTIC ENDOWMENT FOUNDATION REACTIVATION AND FUNDS TRANSFER

GPR-Transfer	$100,000,000
SEG	4,500,000

Governor: Reactivate the Wisconsin Artistic Endowment Foundation (WAEF) and transfer $100 million from the general fund to the segregated artistic endowment fund in the 2023-25 biennium. Additionally, estimate $1.5 million SEG in 2023-24 and $3 million SEG in 2024-25 in fund earnings and interest distributions to support Arts Board programs and other various arts programs across the state.

The Artistic Endowment Foundation is a public body corporate and politic created under Chapter 247 of the statutes as a nonprofit organization with the goal of establishing arts programs throughout the state and providing funding to various arts programs. WAEF is to be overseen by a board of directors, consisting of: (a) eight gubernatorial appointees, with the advice and consent of the Senate, representing various artistic interests and geographic regions of the state; (b) the Arts Board chairperson; (c) two members of each house of the Legislature, one nominated by each of the Assembly Speaker, Assembly Minority Leader, Senate Majority Leader and Senate Minority Leader; and (d) as a nonvoting member, the Arts Board Executive Secretary. The WAEF has been inactive for most years since its creation in 2001. If the provision were enacted, the Foundation would require director appointments to be made.

The segregated artistic endowment fund by statute may receive gifts, grants, bequests, and other proceeds. WAEF may distribute fund earnings and interest on unrestricted donations as follows from a SEG continuing appropriation: (a) at least 50% to the Arts Board for operating support to arts organizations, including through the Wisconsin Regranting Program; and (b) other amounts at its discretion to programs WAEF may establish with the advice of the Arts Board and other state arts organizations. A statutory maintenance of effort specifies that the Foundation may not distribute funds to the Arts Board in any fiscal year where total GPR appropriations to the Arts Board are lower than in the previous fiscal year. The Wisconsin Arts Board would provide administrative oversight to the Foundation, and the statutes require aids distributions to utilize Arts

Board mechanisms and staff to the extent possible.

The Administration indicates that it would intend to limit distributions to approximately $3 million each year, with additional earnings remaining in the corpus of the fund. The bill and current law do not include a specific limit on distributions.

[Bill Section: 9203(1)]

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary						FTE Position Summary
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	
GPR	$4,550,700	$157,050,700	$42,050,700	$190,000,000	2,087.6%	There are no authorized state positions for the Wisconsin Economic Development Corporation.
SEG	37,000,000	39,500,000	39,500,000	5,000,000	6.8	
TOTAL	$41,550,700	$196,550,700	$81,550,700	$195,000,000	234.7%	

Budget Change Items

1. VENTURE CAPITAL FUND OF FUNDS PROGRAM

GPR	$75,000,000

Governor: Create a continuing appropriation and provide $75,000,000 GPR in 2023-24 and require the Wisconsin Economic Development Corporation (WEDC) to establish and administer a venture capital fund of funds program to invest in venture capital funds that invest in businesses located in Wisconsin. Require WEDC to establish policies and procedures to administer the program, and specify that WEDC would have to create the fund of funds, provide that the fund would continuously reinvest its assets, and create an oversight board to conduct any activity required by law or as directed by WEDC.

Require the oversight board to establish investment policies for the fund of funds program, which would be subject to the following conditions: (a) all moneys paid to the investment manager to make investments would have to be committed for investment to venture capital funds, no later than 60 months after the creation of the fund of funds; (b) no more than $18,750,000 of the total moneys paid to the investment manager may be invested in any single venture capital fund; and (c) at least 20% of the investments made through the program shall be directed to businesses: (1) located in parts of this state that typically do not receive significant investment from venture capital funds; (2) that are at least 51% owned by one or more members of a racial minority group and whose management and daily business operations are controlled by one or more members of a racial minority group; and/or (3) that are at least 51% owned by one or more women and whose management and daily business operations are controlled by one or more women. Specify that no investment could be made through the program in a lobbying or law firm.

Further, require the oversight board to contract with an investment manager who meets the qualifications established by WEDC. Require that the contract establish the investment manager's compensation, including any management fee. A management fee could not annually exceed 1% of the total assets under management in the program. The investment manager would have to request funding from WEDC in order to make investments through the fund of funds and to pay the investment manager's management fee. WEDC would have to, subject to approval of the Secretary of the Department of Administration, pay monies to the investment manager from the continuing venture capital fund of funds program appropriation.

Require the investment manager to contract with each venture capital fund that would receive funding through the program. Specify that each contract would have to require the venture capital fund to: (a) make new investments in an amount equal to the amount of moneys it receives through the program in one or more businesses that are headquartered in Wisconsin and have operations that are primarily in this state; (b) match, at least, any funding it receives through the program and that it invests in a business described in "(a)" with funding the venture capital fund has raised from sources other than the program; and (c) provide the investment manager with the information necessary to complete the reports described below. Further, the bill would require the investment manager to ensure that, on average, for every $1 a venture capital fund that would be received through the program and invested in such businesses, the venture capital fund invests $2 in that business from sources other than the program.

Specify that the investment manager would have to annually submit to WEDC a report for the fiscal year, no later than 120 days after the end of the investment manager's fiscal year, including the following.

a. An audit of the investment manager's financial statements performed by an independent certified public accountant.

b. The investment manager's internal rate of return from investments made through the program.

c. For each venture capital fund that contracts with the investment manager, include: (1) the name and address of the venture capital fund; (2) the amount invested in the venture capital fund through the program; (3) an accounting of any fee the venture capital fund paid to itself or any principal or manager of the venture capital fund; and (4) the venture capital fund's average internal rate of return on its investments of the moneys it received through the program.

d. For each business in which a venture capital fund held an investment of moneys received through the program, include: (1) the name and address of the business; (2) a description of the nature of the business; (3) the identification of the venture capital fund; (4) the amount of the investment and the amount invested by the venture capital fund from funding sources other than the program; (5) the internal rate of return realized by the venture capital fund upon the venture capital fund's exit from the investment in the business; and (6) a statement of the number of employees the business employed when the venture capital fund first invested moneys received through the program and the number of employees the business employed on the first day and last day of the investment manager's fiscal year.

WEDC would have to submit the investment manager's report, no later than 10 days after receipt of it, to the Chief Clerk of each house of the Legislature, for distribution to the Legislature.

Require the investment manager to quarterly submit to the oversight board a report for the preceding quarter, including: (a) an identification of each venture capital fund under contract with the investment manager; (b) an identification of each business in which a venture capital fund held an investment of moneys received through the program and a statement of the amount of the investment in each business; and (c) a statement of the number of employees the business employed when the venture capital fund first invested moneys received through the program and the number of employees the business employed on the last day of the quarter. Specify that the oversight board would have to make the reports readily accessible to the public on WEDC's website.

[Bill Sections: 296 and 2566]

2. REESTIMATE WEDC GPR AND SEG APPROPRIATIONS

GPR	- $5,000,000
SEG	5,000,000
Total	$0

Governor: Reduce funding by $2,500,000 annually for WEDC's operations and programs sum sufficient GPR appropriation and increase estimated funding by $2,500,000 annually for WEDC's SEG appropriation from the economic development fund for operations and programs. Maintain base funding for WEDC's brownfield site assessment grants SEG appropriation from the environmental fund. As a result, the Administration estimates current law funding provided for WEDC's existing state appropriations at $41,550,700 all funds in 2023-24 and 2024-25, comprised of: (a) $38,500,000 SEG annually from its all monies received operations and programs SEG appropriation; (b) $2,050,700 GPR annually from its sum sufficient operations and programs GPR appropriation; and (c) $1,000,000 SEG annually for brownfield site assessment grants.

Under current law, the primary source of WEDC's funding is from the segregated economic development fund. The revenue source for the economic development fund is the economic development surcharge imposed upon C corporations and S corporations. In addition, WEDC receives a GPR appropriation that is capped at $16,512,500, annually. Funding is also provided from the environmental fund for brownfield site assessment grants.

3. INCREASE FUNDING FOR WEDC OPERATIONS AND PROGRAMS

GPR	$20,000,000

Governor: Increase expenditure authority under WEDC's GPR sum sufficient operations and programs appropriation by $10,000,000 annually. The GPR sum sufficient appropriation would continue to be limited to no more than $16,512,500 annually.

Under current law, WEDC's GPR appropriation is determined as $41,550,700 annually minus the amounts expended from the economic development fund and the environmental fund. The bill would increase the calculation to for WEDC's GPR operations and programs to $51,550,700 minus the segregated fund expenditures, thereby having the effect of increasing GPR expenditures by $10,000,000 annually. The Administration indicates that the funding would support WEDC's economic development programs.

[Bill Section: 294]

4. ONE-TIME FUNDING FOR ECONOMIC DEVELOPMENT

GPR	$40,000,000

Governor: Specify that, notwithstanding the $16,512,500 annual limit on WEDC's GPR sum sufficient operations and programs appropriation, WEDC may expend in 2023-24 the lesser of: (a) $66,512,500 GPR; and (b) $40,000,000 plus the amount appropriated under the GPR operations and programs sum sufficient. Accounting for the GPR appropriated under other items, the increase would be $40,000,000 GPR in 2023-24. The Administration indicates that the funding would support WEDC's economic development grant programs.

[Bill Section: 9249(1)]

5. TALENT ATTRACTION AND RETENTION INITIATIVES

GPR	$10,000,000

Governor: Provide $5,000,000 annually to WEDC's GPR continuing appropriation for talent attraction and retention initiatives. Under current law, WEDC must use monies deposited in this appropriation to collaborate with state agencies to develop and implement initiatives for the attraction of talent in this state, including by leveraging the existing programs of state agencies for the purposes within the scopes of those existing programs.

Provisions of 2017 Act 318 created this appropriation and provided $6.8 million GPR for WEDC to develop and implement initiatives for the attraction of talent to, and retention of talent in, Wisconsin. The funding in the continuing appropriation was completely expended as of December, 2019. The expenditures promoted and marketed Wisconsin through online advertisements, media placements, newsletters, social media, and organized events.

Provisions of 2021 Act 58 required WEDC to assign $3.0 million for talent attraction initiatives from its existing appropriations for operations and programs during the 2021-23 biennium. The funds supported various talent attraction and retention initiatives, such as: (a) matching funds to help businesses and economic development organizations increase their own workforce marketing investments; (b) creating a media campaign for national and Midwestern talent; and (c) entering into a partnership with the Department of Military Affairs to work with Wisconsin businesses in Army and National Guard personnel recruiting and retention efforts for post-military employment.

In addition to continuing the programs enacted during the 2021-23 biennium, WEDC indicates that the funding under the bill would support additional programs, as determined by the WEDC Board. According to the Administration, this would include items such as the following: (1) collaborating with the Department of Tourism to attract high-profile events to Wisconsin; (2) creating pilot initiatives with Wisconsin's colleges and universities aimed at retaining graduates; (3) marketing efforts; (4) creating concierge programs that help new hires who move to a community develop connections and ties to their area; and (5) providing incentives to businesses and communities to invest in housing, childcare, and other assets that help communities effectively attract and retain workers.

6. MAIN STREET BOUNCEBACK GRANT PROGRAM

GPR	$50,000,000

Governor: Create an annual appropriation and provide $25,000,000 GPR annually to award grants under the Main Street Bounceback program to provide assistance to businesses opening a new location or expanding operations in a vacant commercial space. Specify that WEDC may not award a grant to a nonprofit organization. Require WEDC to establish eligibility requirements and other policies and procedures to administer the program that are substantially similar to the eligibility requirements and policies and procedures in effect on June 30, 2023, for the Wisconsin Tomorrow Main Street Bounceback Grant program.

Currently under this program, WEDC contracts with approved entities to distribute and administer grants in their respective geographic areas of the state. Grants are supported for the 2021-23 biennium with $100 million of federal funding under the American Rescue Plan Act (ARPA). Grants made by entities to businesses assist with the costs associated with leases, mortgages, operational expenses, and other business costs related to the newly-opened location. Each approved entity receives $10,000 upon initial award and an additional 2.5% of the granted amount for program administration. Grant recipients are required to submit semi-annual performance reports documenting the businesses assisted, as well as any other contract deliverable.

Under the current program, funding is available to for-profit businesses (and nonprofit organizations) that: (a) are located in a region where approved entities have received an allocation; and (b) certify that a business has not or will not vacate a commercial space in Wisconsin. The following businesses are ineligible: (1) businesses that are part of a national or regional chain, unless the business is an independently owned and operated franchise; (2) dead storage (storage of seldom used items for indefinite periods of time); (3) governmental units (except for tribal enterprises/corporations); (4) home-based businesses, unless the business unit is moving into a vacant commercial space to support functions of the business; (5) landlords leasing space for residential use, unless the business unit of the landlord is moving into a vacant commercial space to support functions of the business; (6) real estate investment firms, when the real property will be held for investment purposes; (7) businesses engaged in any illegal activity under federal, state, or local law; and (8) businesses locating in a space of less than 400 square feet.

Note that the foregoing policies and procedures for the Wisconsin Tomorrow Main Street Bounceback grant program may differ to the policies and procedures that will be in effect on June 30, 2023.

[Bill Sections: 295 and 2565]

7. FUNDING FOR COOPERATIVE DEVELOPMENT

Governor: Require WEDC to allocate at least $500,000 in 2023-24 from its GPR and SEG operations and programs appropriations to assist cooperative development activities in this state, including the performance of feasibility studies and other technical assistance and implementation efforts.

[Bill Section: 9149(2)]

8. DATA SHARING WITH DEPARTMENT OF REVENUE

Governor: Permit the Chief Executive Officer and employees of WEDC to examine tax information, including returns, certain claims, schedules, exhibits, writings, and audit reports, pursuant to an agreement with DOR and to the extent necessary to administer economic development programs.

[Bill Sections: 1529 and 1531]

9. UNASSIGNED FUND BALANCE

Governor: Repeal the requirement for the WEDC Board of Directors to establish a target unassigned balance on June 30 of each fiscal year to an amount equal to or less than one-sixth WEDC's total administrative expenditures for that fiscal year.

Under current law, the Board must establish policies and procedures for maintaining and expending any unassigned balance: (a) consistent with best practices recommended by the Government Finance Officers Association (GFOA); and (b) which set the described target balance of unassigned funds that would be repealed under the bill. The Administration indicates that the target balance requirement is unnecessary because the GFOA currently recommends the practice of keeping a two-month balance as the minimum amount, rather than a target maximum amount.

[Bill Sections: 2562 thru 2564]

10. TAX CREDIT MODIFICATIONS

Governor: Make a number of modifications to tax credit programs that are administered, in part, by WEDC, which are described in "General Fund Taxes -- Refundable Tax Credits and Other Payments.

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Budget Change Items

1. STAFF SALARY DETERMINATION

Governor: Eliminate current salary caps for Wisconsin Health and Educational Facilities Authority (WHEFA) staff.

Current law requires the Authority to appoint an executive director and associate executive director who are not members of the Authority and who serve at the pleasure of the Authority and specifies that these directors receive compensation set by the Authority, except that the compensation of the executive director is capped at the maximum of the salary range established under s. 20.923 (1) for positions assigned to executive salary group 6 (currently $165,100 annually) and the compensation of each other employee of the authority is capped at the maximum of the salary range established under s. 20.923 (1) for positions assigned to executive salary group 3 (currently $131,000 annually). The Executive Budget Book indicates that this provision is intended to improve recruitment and retention.

[Bill Section: 2542]

2. FINANCING WORKING CAPITAL EXPENDITURES

Governor: Authorize WHEFA to finance working capital needs of any participating health institution, educational institution, and nonprofit or research institution in an amount not to exceed that approved by the Authority. Specify that bonds issued for this purpose would not be exempt from taxation under current law exemptions for Authority bond issues of under $35 million under the state's individual income, corporate, and insurance company taxes.

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, the Authority may issue bonds or make loans to participating health institutions, educational institutions, and nonprofit or research institutions, primarily for capital projects such as the acquisition or expansion of a hospital or to refinance outstanding debt.

[Bill Sections: 2543 and 2544]

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Summary						FTE Position Summary
Fund	2022-23 Adjusted Base	Governor 2023-24	Governor 2024-25	2023-25 Change Over Base Year Doubled Amount	%	There are no state authorized positions for the Wisconsin Housing and Economic Development Authority.
GPR	$0	$100,000,000	$0	$100,000,000	N.A.	

Budget Change Items

1. WORKFORCE HOUSING REHABILITATION LOAN PROGRAM

GPR	$100,000,000

Governor: Provide $100,000,000 in 2023-24 in a new, continuing appropriation for the workforce housing rehabilitation loan program. Create a workforce housing rehabilitation fund and modify current statutory provisions for workforce housing loans, as described in the following paragraphs.

Fund Creation. Establish a workforce housing rehabilitation fund, under the jurisdiction and control of WHEDA, for the purpose of providing workforce housing rehabilitation loans. Specify that workforce housing rehabilitation loans be made from this fund rather than the housing rehabilitation fund. Specify that the workforce housing rehabilitation fund consist of all of the following: (a) all moneys appropriated under the new workforce housing rehabilitation loan program appropriation; (b) all moneys received from repayment of workforce housing rehabilitation loans; (c) all income from the investment of moneys in the fund; and (d) all moneys received by WHEDA for the fund from any other source.

Fund Uses. Specify that WHEDA may use moneys in the fund to cover actual and necessary expenses of the fund and the loan program. In addition, specify that, at its discretion, the Authority may also use the fund to pay costs associated with marketing its programs and services to the public, including by use of housing navigators.

Loan Issuance and Conditions. Require that, to be eligible for a workforce housing rehabilitation loan, the applicant's home must be the primary residence of the applicant, and remove the requirement that it was constructed before 1980. In addition, clarify that workforce housing rehabilitation loans may be made for structural or safety improvements, as determined by the Authority. Further, specify that the applicant must agree to the terms of the loan, as determined by the Authority, and that such loan terms may include a requirement to repay the loan by making monthly principal and interest payments so that the loan is fully repaid within a given term. In addition, specify that the Authority may defer the repayment or forgive the outstanding balance of any workforce housing rehabilitation loans according to criteria established by the Authority.

Current Law. WHEDA offers the Home Improvement Advantage program (housing rehabilitation loan program) to support financing for improvements to existing homes. Eligible improvements include: remodeling, home repair, making a home accessible to persons with disabilities, energy-efficient appliances, and energy efficiency improvements. Beginning in January, 2023, loans may be for up to $50,000 and have a maximum term of 15 years.

In addition, 2021 Act 221 created workforce housing rehabilitation loans. Eligible rehabilitation activities include removal of lead paint or the following types of structural improvements: (a) repairing or replacing a heating system, electrical system, plumbing system, roof, window, or exterior door; (b) repairing the foundation; and (c) repairing or replacing insulation or siding. Under the workforce housing rehabilitation loan program, the applicant's home must be a single-family residence occupied by the owner and constructed before 1980. The applicant must also meet certain income requirements and agree to pay the loan upon selling or otherwise transferring title to the residence to another person or upon the applicant and their family vacating the residence. WHEDA is authorized to establish an interest rate below market levels or may charge no interest for these loans.

The bill would specify that workforce housing rehabilitation loan terms may include a requirement to repay the loan by making monthly principal and interest payments over a given term, and any other terms determined by the Authority. It would also allow the Authority to defer the repayment or forgive the outstanding balance of any workforce housing rehabilitation loans according to criteria established by the Authority.

Under current law, Home Improvement Advantage and workforce housing rehabilitation loans are funded by the home improvement loan fund. As of June 30, 2022, the fund had a balance of $10.7 million, with assets of $11.5 million, liabilities of $0.8 million, and program encumbrances of $10.7 million. The bill would provide one-time funding of $100 million for the workforce housing rehabilitation loan program to provide separate funding sources for the programs.

[Bill Sections: 482, 2547 thru 2552, 2560, and 2561]

2. INCREASE CAPITAL RESERVE FUND BONDING AUTHORIZATION

Governor: Increase the limit of outstanding bonds backed by WHEDA's capital reserve fund from $800 million to $1.2 billion. Under current law, WHEDA manages a capital reserve fund, which must maintain a balance sufficient to cover the maximum amount of debt service expected in one year for all bond issues backed by the fund. As of June 30, 2022, $727 million in outstanding bonds for multifamily housing developments were backed by the capital reserve fund. As WHEDA operates as an independent authority, bonds issued under its authority do not carry the general obligation of the state. However, the state has pledged its moral obligation to the capital reserve should it become deficient. No such deficiency has ever occurred, and this provision would not have a direct state fiscal effect.

WHEDA anticipates reaching the maximum amount of outstanding bonds backed by the capital reserve fund in 2023. This is largely due to demand for the state low-income housing tax credit under 2017 Wisconsin Act 176, as developments awarded state and certain federal housing tax credits also utilize financing from bonding supported by the capital reserve. Bonds with the backing of the capital reserve fund generally receive more favorable credit ratings and result in a lower cost of financing for housing developments.

[Bill Sections: 2553 and 2554]

3. STATE LOW-INCOME HOUSING TAX CREDIT INCREASE

Governor: Increase the limit on the total amount of state low-income housing credits that may be certified by WHEDA from $42 million to $100 million. In addition, increase the maximum number of years the tax may be claimed from six years to 10 years. Further, require that to be eligible for a state housing credit, qualified low-income housing developments must be allocated the federal low-income housing tax credit and financed with tax-exempt bonds that are subject to the federal volume cap. However, authorize WHEDA to waive, in the Authority's federally-required Qualified Action Plan (QAP), the requirements of tax-exempt bond financing and federal credit allocation, to the extent that WHEDA anticipates that sufficient tax-exempt private activity bond volume cap under federal law will not be available to finance low-income housing projects in any year. [See "General Fund Taxes -- Income and Franchise Taxes."]

2017 Wisconsin Act 176 created a state nonrefundable low-income housing tax credit (LIHTC). The credit is claimable against the state individual income tax, the corporate income/franchise tax, and the insurance premiums tax. WHEDA awards the credit as a match to the federal 4% low-income housing tax credit, which provides a credit equal to 4% of the cost of a project each year for 10 years, generally equal to at least 30% of the present value of construction costs associated with a project. Properties receiving state and federal housing tax credits must reserve at least 20% of units for households with incomes below 50% of county median income, or 40% of units for households with average incomes below 60% of county median income, for at least 30 years. Credits are awarded through a competitive application process, whereby WHEDA assigns scores to the applications based on criteria laid out in the Authority's QAP. Awards are limited to $1.4 million per project. WHEDA is also required by law to give preference to developments located in municipalities with populations fewer than 150,000.

Under the current program, WHEDA may award up to $7 million in state tax credits annually, claimable for six years, for a maximum program total of $42 million annually once the program is fully implemented. The bill would increase the program total to $100 million, claimable over 10 years. The Administration estimates the provision would decrease state income and franchise tax revenues by $1,450,000 in 2023-24 and $7,250,000 in 2024-25, fully phasing in to a decrease of $58 million in 2033-34. Combined with the $42 million limit under current law, the credit is estimated to decrease state tax revenues by $100 million annually beginning in 2033-34. The bill as introduced does not specify the initial applicability of changes to the credit.

Under current law, eligible projects are required to be financed with tax-exempt bonds. The bill would require eligible projects to be awarded federal low-income housing credits and be financed with certain tax-exempt bonds that are issued under the state's share of federal volume cap for private economic development or housing purposes. WHEDA could waive these requirements due to having insufficient tax-exempt private activity bonding available under the federal volume cap in a given year.

[Bill Sections: 1426, 1427, 1484, 1485, 1514, 1515, 1564, 1565, and 2557 thru 2559]

4. WHEDA HEADQUARTERS PROPERTY TAX EXEMPTION

Governor: Create a property tax exemption for the land and the buildings located on land owned by WHEDA and used exclusively as the corporate headquarters of WHEDA, including the parking facilities associated with those headquarters. Specify that the provision would first apply to property tax assessments as of January 1, 2023, for the 2023(24) property tax year. [See "Shared Revenue and Tax Relief -- Property Taxation."]

The WHEDA corporate headquarters are located at 908 East Main Street in Madison. In 2022(23), the property was assessed at a value of $18.8 million and had a net tax bill of $372,600. The Administration and WHEDA report the Authority's previous headquarters at the Tommy G. Thompson Center was considered state-owned property and therefore tax-exempt, but no such determination has been made by the City of Madison on the current building.

[Bill Sections: 1283 and 9337(1)]

5. STAFF SALARY DETERMINATION

Governor: Eliminate current salary caps for WHEDA staff. Current law authorizes WHEDA to employ legal and technical experts and such other officers, agents, and employees, as it may require, and to determine their qualifications, duties, and compensation. Compensation of any employee of the Authority is capped at the maximum of the executive salary group range under s. 20.923 (1) for positions assigned to executive salary group 6 (currently $165,100 annually). According to the Administration, the provision is intended to allow WHEDA to recruit or retain staff in certain positions and remain competitive on the job market.

[Bill Section: 2546]

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$579,933,100	$623,024,900	$618,024,900	$81,183,600	7.0%	23.25	26.25	26.25	3.00	12.9%
FED	33,364,600	32,921,300	32,921,300	- 886,600	- 1.3	26.75	23.75	23.75	- 3.00	- 11.2
PR	4,724,400	4,714,000	4,714,000	- 20,800	- 0.2	5.00	5.00	5.00	0.00	0.0
TOTAL	$618,022,100	$660,660,200	$655,660,200	$80,276,200	6.5%	55.00	55.00	55.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$133,600
FED	- 136,600
PR	- 20,800
Total	- $23,800

Governor: Provide adjustments to the base budget totaling $133,600 GPR, -$136,600 FED, and -$20,800 PR for: (a) full funding of continuing position salaries and fringe benefits ($73,900 GPR, -$3,200 FED, and $1,200 PR annually); and (b) lease and directed moves costs (-$7,100 GPR, -$65,100 FED, and -$11,600 PR annually).

2. GENERAL AID

GPR	$65,800,000

Governor: Provide an increase of $32,900,000 annually in the appropriation for state general aid for technical colleges. This additional funding would be allocated under the current law that specifies that 70% of the funding in the appropriation is distributed under the partially equalizing general aid formula and 30% is distributed under the formula established for outcomes-based funding. Base level funding is $103,284,900 annually.

3. GRANTS FOR HEALTH-CARE RELATED CREDITS TAKEN IN DUAL ENROLLMENT PROGRAMS

GPR	$4,000,000

Governor: Provide $2,000,000 annually for grants to technical colleges to reimburse the colleges for costs related to providing high school students dual enrollment courses related to health care, as determined by the System Board.

[Bill Sections: 348 and 672]

4. WORKFORCE ADVANCEMENT TRAINING GRANTS

GPR	$3,500,000

Governor: Provide $1,500,000 GPR in 2023-24 and $2,000,000 GPR in 2024-25 in the appropriation for grants to district boards. Require the System Board to award workforce advancement training grants to district boards to provide customized instruction and training opportunities for businesses to meet current workforce demands in various industries.

[Bill Sections: 349 and 677]

5. OPEN EDUCATIONAL RESOURCES

GPR	$3,000,000

Governor: Provide $3,000,000 in 2023-24 in the appropriation for grants to district boards to provide grants to technical colleges to create open educational resource textbooks and other materials that will allow the public and technical colleges across the Wisconsin Technical College System to access technical college course materials. Open educational resources include teaching, learning, and research resources that reside in public domain or have been released under an intellectual property license that permits free use and repurposing by others.

[Bill Sections: 349 and 678]

6. REGIONAL EMERGENCY MEDICAL SERVICES TRAINING FACILITY

GPR	$2,500,000

Governor: Provide $2,500,000 in 2023-24 in the appropriation for grants to district boards. Require the System Board to award a grant of $2,500,000 to Madison Area Technical College to support the creation of a regional emergency medical services training facility in partnership with the city of Baraboo. Funding would be used for equipment, supplies, and training for emergency medical technicians, advanced emergency medical technicians, and paramedic personnel.

[Bill Sections: 349 and 9142(2)]

7. ADVANCED MANUFACTURING, ENGINEERING TECHNOLOGY AND APPRENTICESHIP

GPR	$500,000

Governor: Provide $250,000 annually in the appropriation for grants to district boards. Require the System Board to award a grant of $250,000 in each fiscal year to Mid-State Technical College (Wisconsin Rapids) for an advanced manufacturing, engineering technology and apprenticeship center to train and maintain a workforce to meet workforce needs for the state's paper, pulp, and converting mills. Specify that funds could be used for maintenance of capital equipment and supplies, equipment for student learning infrastructure and student learning support, information technology equipment, and ongoing operations.

[Bill Section: 679]

8. SYSTEM OFFICE GENERAL OPERATIONS

	Funding	Positions
GPR	$1,750,000	3.00
FED	- 750,000	- 3.00
Total	$1,000,000	0.00

Governor: Provide $875,000 GPR annually to address information technology infrastructure and security needs for the Wisconsin Technical College System, and reduce federal funding by $375,000 annually. Convert 3.0 FTE positions from FED to GPR and provide additional funding to allow the system to hire staff in the areas of curriculum development and grant management.

9. REVENUE LIMIT -- 2% MINIMUM INCREASE

Governor: Modify the revenue limit restriction for technical college districts to prohibit each district board from increasing its revenue by a percentage that exceeds 2% or the district's valuation factor, whichever is greater. Specify that this provision would first apply to revenue increases in the 2023-24 school year.

Under current law, each technical college district is prohibited from increasing its revenue in any year by a percentage greater than the district's valuation factor. The valuation factor is defined as the greater of either zero percent of the percentage change in the district's January 1 equalization value due to aggregate new construction, less improvements removed, in municipalities located in the district between the previous year and the current year, as determined by the Department of Revenue. For purposes of this revenue limit, revenue is defined as the sum of the tax levy and state property tax relief aid. State general and categorical aids are not counted towards the revenue limit.

In 2022-23, valuation factors ranged from 1.1% for Nicolet to 2.2% for Gateway. The statewide average was equal to 1.6%.

[Bill Sections: 673 and 9342(2)]

10. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is not a citizen of the United States would be considered a resident of Wisconsin for the purposes of technical college admission and tuition if he or she meets all of the following requirements: (a) the person graduated from a high school in this state or received a declaration of equivalency of high school graduation from this state; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in this state or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in a technical college district school and provides the district board with proof that the person has filed or will file an application for lawful permanent resident visa with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

[Bill Sections: 674 and 9342(1)]

11. NONRESIDENT TUITION EXEMPTION FOR CERTAIN TRIBAL MEMBERS

Governor: Specify that a person would be considered a resident of Wisconsin for the purposes of technical college admission and tuition if he or she meets all of the following requirements: (a) the person, or the person's parent or grandparent, is a member of a federally-recognized American Indian tribe or band in this state or is a member of a federally-recognized tribe in a state contiguous with Wisconsin; and (b) the person has resided in Wisconsin, Minnesota, Illinois, Iowa, or Michigan, or in any combination of these states, for at least 12 months immediately preceding the beginning of any semester or session in which the person enrolls in a district school. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

[Bill Sections: 675 and 9342(3)]

12. VOTER IDENTIFICATION

Governor: Require each technical college to issue student identification cards that meet the requirements to qualify as voter identification under current law no later than August 1, 2023.

[Bill Section: 9142(1)]

13. ELIGIBILITY FOR FEE REMISSIONS FOR HMONG-LAO VETERANS

Governor: Expand the statutory definition of "veteran" for the purposes of qualifying for remission of technical college fees to include either of the following: (a) any state resident who was naturalized as a U.S. citizen pursuant to the federal Hmong Veterans' Naturalization Act of 2000; or (b) any state resident who is a U.S. citizen or an alien lawfully admitted for permanent residence and who the DVA Secretary determines served honorably with a special guerilla unit or irregular forces operation from a base in Laos in support of armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 7, 1975.

Under current law, technical college district boards must remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, for up to 128 credits or eight semesters, whichever is longer, to eligible veterans who maintain a cumulative grade point average of at least 2.0.

[Bill Section: 676]

WORKFORCE DEVELOPMENT

Budget Summary						FTE Position Summary				
	2022-23	Governor		2023-25 Change Over Base Year Doubled			Governor		2024-25 Over 2022-23	
Fund	Adjusted Base	2023-24	2024-25	Amount	%	2022-23	2023-24	2024-25	Number	%
GPR	$55,107,500	$295,483,800	$79,469,100	$264,737,900	240.2%	151.03	168.45	168.45	17.42	11.5%
FED	209,806,100	239,281,400	226,586,300	46,255,500	11.0	1,237.97	1,177.55	1,168.55	- 69.42	- 5.6
PR	79,048,400	78,413,300	78,435,000	- 1,248,500	- 0.8	212.65	213.65	213.65	1.00	0.5
SEG	26,451,200	97,259,600	209,137,400	253,494,600	479.2	72.80	117.80	270.80	198.00	272.0
TOTAL	$370,413,200	$710,438,100	$593,627,800	$563,239,500	76.0%	1,674.45	1,677.45	1,821.45	147.00	8.8%

Budget Change Items

Departmentwide and Vocational Rehabilitation

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$983,800	0.00
FED	5,445,600	- 71.00
PR	- 1,466,800	0.00
SEG	81,200	0.00
Total	$5,043,800	- 71.00

Governor: Adjust the base budget by $3,207,600 and -62.0 positions in 2023-24, and $1,836,200 and -71.0 positions in 2024-25. The adjustments are for: (a) turnover reduction (-$263,800 GPR, -$1,919,600 FED, -$486,300 PR, and -$103,700 SEG annually); (b) removal of noncontinuing elements from the base (-$2,661,400 FED and -62.0 FED positions in 2023-24 and -$4,032,800 FED and -71.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits ($685,400 GPR, $8,674,100 FED, $93,700 PR, and $208,300 SEG annually); (d) overtime ($153,600 PR annually); and (e) full funding of lease and directed move costs ($70,300 GPR, -$684,600 FED, -$494,400 PR, and -$64,000 SEG annually).

2. SUPPLIES AND SERVICES FUNDING

GPR	$234,800

Governor: Provide $117,400 of annual funding for the Department's general program operations appropriation for workforce development to reflect increased supplies and services costs for current activities.

3. TRIBAL LIAISON POSITION

	Funding	Positions
GPR	$151,000	1.00

Governor: Provide $64,700 in 2023-24 and $86,300 in 2024-25 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."]

4. EQUITY OFFICER POSITION

	Funding	Positions
PR	$173,900	1.00

Governor: Provide $76,100 in 2023-24 and $97,800 in 2024-25 and 1.0 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."]

5. FEDERAL REESTIMATES

FED	$40,809,900

Governor: Increase estimated federal funding by $26,066,800 in 2023-24 and $14,743,100 in 2024-25. The adjustments are to align expenditure authority with the amount of revenue that DWD estimates will be deposited into those appropriations. The adjustments would affect the following federal appropriations:

Appropriation	2023-24	2024-25
Workforce investment and assistance	$1,823,000	$2,047,000
Unemployment administration	20,092,500	8,544,800
Vocational rehabilitation program aids	1,081,300	1,081,300
Vocational rehabilitation project aids	3,070,000	3,070,000
Total	$26,066,800	$14,743,100

6. VOCATIONAL REHABILITATION SELF-EMPLOYMENT CLIENTS

	Positions
GPR	0.42
FED	1.58
Total	2.00

Governor: Provide 0.42 GPR positions and 1.58 FED positions beginning in 2023-24. The Executive Budget Book indicates that these positions would provide dedicated staff for vocational rehabilitation self-employment clients.

Employment and Training

1. WORKFORCE INNOVATION GRANTS

GPR	$200,000,000

Governor: Provide $200,000,000 in 2023-24 in a new, continuing appropriation for workforce innovation grants, which would remain in the appropriation until exhausted or redirected by law.

Require DWD to establish and operate a program to provide grants to regional organizations to design and implement plans to address their region's workforce challenges that arose during or were exacerbated by the COVID-19 pandemic.

Require DWD to receive and review applications for these grants and prescribe the form, nature, and extent of the information that must be contained in a grant application. Specify that in addition to duties relating to grant applications, DWD would have all other powers necessary and convenient to implement these provisions, including the power to audit and inspect the records of grant recipients.

Require DWD to allocate $100,000,000 of this funding in 2023-24 for grants to health care-related regional organizations to address their region's workforce challenges that arose during or were exacerbated by the COVID-19 pandemic.

[Bill Sections: 450, 1883 and 9150(1)]

2. WORKER ADVANCEMENT INITIATIVE

GPR	$26,500,000

Governor: Provide $15,500,000 in 2023-24 and $11,000,000 in 2024-25 in a new, continuing appropriation for a worker advancement initiative, which would remain in the appropriation until exhausted or redirected by law.

Subsidized Employment and Skills Training. Require DWD to establish and administer a worker advancement initiative to offer participants subsidized employment and skills training opportunities with local employers. Require DWD to target these opportunities to individuals in sectors of the workforce that have not recovered from the loss of employees due to the COVID-19 pandemic.

Health-Care Workforce Opportunity. Require DWD to establish and administer a program to do all of the following: (a) make grants to local workforce development boards to assist individuals whose employment status was negatively affected by the COVID-19 pandemic and whose employment status has not improved, where DWD would be required to prioritize connecting individuals to health-care-related employment opportunities; (b) make grants to technical colleges and nursing schools to implement strategies to increase the number of graduates who go on to work in health-care-related fields; (c) provide solutions to reduce barriers to employment in health-care-related fields and create ways to attract individuals to employment in those fields, where solutions to barriers could include services to fulfill clinical requirements, career navigation services, and the provision of supplies. Require DWD during the 2023-25 biennium to allocate $2,500,000 annually for establishing and administering this program.

CDL Training. Require DWD to make grants to local workforce development boards to provide sector-based training programs related to increasing the number of individuals obtaining commercial driver licenses (CDL).

ROBUST Program. Require DWD to establish and administer a program for reengaging out-of-work, barriered, and underserved individuals through system transformation (ROBUST). Provide that DWD would, through the program, find methods to more effectively reach and serve population groups that are underserved and disconnected from the labor force. Require DWD to allocate $4,500,000 in 2023-24 for establishing and administering this program.

Require DWD to receive and review applications for health-care-related and CDL grants and prescribe the form, nature, and extent of the information that must be contained in a grant application. Specify that in addition to duties relating to grant applications, DWD would have all other powers necessary and convenient to implement these provisions, including the power to audit and inspect the records of grant recipients.

[Bill Sections: 451 and 1877]

3. CLEAN ENERGY TRAINING AND REEMPLOYMENT

GPR	$10,000,000

Governor: Provide $5,000,000 annually in a new, continuing appropriation for a clean energy training and reemployment program, which would remain in the appropriation until exhausted or redirected by law. Require DWD to use this funding to establish and administer a clean energy training and reemployment program to connect workers with employers and use other apprenticeship and technical college programs to deliver training for clean energy jobs.

[Bill Sections: 449 and 1882]

4. REGISTERED APPRENTICESHIPS FOR INFORMATION TECHNOLOGY CAREERS

GPR	$9,000,000

Governor: Provide $9,000,000 in 2023-24 in the general program operations appropriation for workforce development for supplies and services. The Executive Budget Book indicates that this funding would be used to expand registered apprenticeship within the information technology sector in southeast Wisconsin.

5. YOUTH SERVICES GRANTS

GPR	$8,800,000

Governor: Provide $4,400,000 annually in a new, continuing appropriation for grants to local workforce development boards, which would remain in the appropriation until exhausted or redirected by law. Require DWD to award grants to these boards for youth services and training in school and outside school settings. Specify that grants under this program could be used for any of the following purposes: (a) tutoring, paid and unpaid work experiences, pre-apprenticeship programs and internships; (b) on-the-job training, occupational skills training, and education offered concurrently with workforce preparation and training; (c) leadership development opportunities, supportive series, mentoring, follow-up services, and counseling; (d) financial literacy education and entrepreneurial skills training; and (e) education related to labor market and employment information, and postsecondary education and training preparation.

Require DWD to do all of the following to implement this program: (a) promulgate rules prescribing procedures and criteria for awarding these grants and the information to be included in required annual reports; (b) receive and review grant applications and prescribe the information required in a grant application; and (c) require annual reports from boards that receive grants describing how the board expended the grant and the outcomes the board achieved, including the number of youth who participated in the programs and services funded in part or wholly by the grant.

Require DWD, annually, by December 31, to submit a report to the Governor and the Co-Chairpersons of the Joint Committee on Finance accounting for DWD's activities under this program in the preceding fiscal year and detailing the amounts expended for each of the grants in that fiscal year.

[Bill Sections: 446 and 1876]

6. WISCONSIN GREEN JOBS TRAINING PROGRAM

GPR	$2,000,000

Governor: Provide $2,000,000 in 2023-24 in a new, continuing appropriation for green jobs training program grants, which would remain in the appropriation until exhausted or redirected by law. Require DWD to award grants to public or private organizations for the development and implementation of green jobs training programs in Wisconsin. Define "green jobs" to mean jobs that produce goods or provide services that benefit the environment or conserve natural resources. Specify that as a condition of receiving a grant, DWD may require such an organization to provide matching funds at a percentage to be determined by DWD. Authorize DWD to prescribe procedures and criteria for awarding these grants, including the information that must be including in an application for a grant, as well as the information that must be reported describing how the grant moneys were expended and the outcomes achieved under the program. Specify that a current law administrative appropriation could be used to fund the administration of this program.

[Bill Sections: 447, 448, and 1878 thru 1881]

7. FAST FORWARD

GPR	$2,000,000

Governor: Provide $1,000,000 annually for the Department's workforce training grants appropriation ("Fast Forward"). Base level funding for the appropriation is $6,250,000. The Executive Budget Book indicates that this funding is intended for training grants for green jobs, such as environmental and conservation career paths.

8. REGISTERED APPRENTICESHIPS FOR HEALTH CARE CAREERS

	Funding	Positions
GPR	$936,600	1.00

Governor: Provide $801,400 in 2023-24 and $135,200 in 2024-25 and 1.0 position beginning in 2023-24 in the general program operations appropriation for workforce development. In 2023-24, $39,500 would be provided for salary, $17,600 for fringe benefits, and $744,300 for supplies and services; in 2024-25, $52,700 would be provided for salary, $23,500 for fringe benefits, and $59,000 for supplies and services. The Executive Budget Book indicates that this funding would be used for: (a) outreach to develop new apprenticeship pathways related to health care; (b) one-time funding to support curriculum development for such programs; and (c) one-time funding to evaluate and implement one-year apprenticeships for licensed practical nurses at state-operated facilities.

9. SERVICES FOR VETERANS

GPR	$900,000

Governor: Provide $450,000 annually for supplies and services in the general program operations appropriation for workforce development. The Executive Budget Book indicates that this funding is intended to expand training and technical assistance support for employers by promoting outreach services and on-the-job learning services for veterans.

10. CORRECTIONAL INSTITUTION JOB CENTERS

	Funding	Positions
GPR	$886,200	6.00

Governor: Provide $379,800 in 2023-24 and $506,400 in 2024-25 with 6.0 positions beginning in 2023-24 in the general program operations appropriation for workforce development. In 2023-24, $166,500 would be provided for salaries, $74,300 for fringe benefits, and $139,000 for supplies and services; in 2024-25, $222,000 would be provided for salaries, $99,000 for fringe benefits, and $185,400 for supplies and services The Executive Budget Book indicates that this funding is intended to increase correctional institution job center staffing to assist incarcerated individuals in finding and maintaining employment once released.

11. JOB CENTER STAFFING

	Funding	Positions
GPR	$709,800	3.00

Governor: Provide $304,200 in 2023-24 and $405,600 in 2024-25 with 3.0 positions beginning in 2023-24 in the general program operations appropriation for workforce development. In 2023-24, $118,600 would be provided for salaries, $53,000 for fringe benefits, and $132,600 for supplies and services; in 2024-25, $158,100 would be provided for salaries, $70,500 for fringe benefits, and $177,000 for supplies and services. The Executive Budget Book indicates that this funding is intended to provide additional job center staffing to assist more individuals in obtaining meaningful employment.

12. EMPLOYMENT OPPORTUNITY DEMONSTRATION PROJECTS

GPR	$401,200

Governor: Provide $200,600 annually in a current appropriation for this purpose for the state to supplement, on a one-to-one matching basis, federal employment opportunity demonstration project funds or from other federal or private sources, to be distributed to community action agencies and organizations. Base level funding for this appropriation is $200,600.

Equal Rights and Employment Regulation

1. TRANSFER TO FAMILY AND MEDICAL LEAVE BENEFITS INSURANCE TRUST FUND

GPR-Transfer	$243,413,400

Governor: Transfer $243,413,400 in the 2023-25 fiscal biennium from the general fund to the family and medical leave benefits insurance trust fund as created under the bill.

[Bill Section: 9250(2)]

2. FAMILY AND MEDICAL LEAVE BENEFITS INSURANCE PROGRAM

	Funding	Positions
SEG	$243,413,400	198.00

Governor: Provide $65,767,800 and 45.0 positions in 2023-24 and $177,645,600 and 198.0 positions in 2024-25 for the administration, enforcement, and initial benefit payments for a family and medical leave benefits insurance program.

In 2023-24, $1,569,500 would be provided for salaries, $700,000 for fringe benefits, and $63,498,300 for supplies and services; in 2024-25, $8,686,800 would be provided for salaries, $3,873,700 for fringe benefits, and $6,218,500 for supplies and services. These monies would be provided from the family and medical leave benefits insurance trust fund, to a newly created biennial appropriation for administrative expenses of the family and medical leave benefits insurance program.

In 2024-25, $158,866,600 would be provided from the family and medical leave benefits insurance trust fund, to a newly created sum sufficient appropriation to pay for the payment of benefits to covered individuals in the family and medical leave benefits insurance program.

Create a separate nonlapsible trust fund designated as the family and medical leave benefits insurance trust fund, to consist of all moneys deposited in that fund as provided under the bill.

Eligibility for Benefits. Provide that a covered individual who is on family leave or medical leave is eligible to receive family or medical leave insurance benefits in the amount and duration specified under the bill. Require that, to receive family or medical leave insurance benefits, a covered individual must file a claim for those benefits within the time and in the manner that DWD prescribes by rule. Specify that, on receipt of a claim for benefits, DWD may request from the individual's employer or from the self-employed individual any information necessary for DWD to determine the individual's eligibility for those benefits and the amount and duration of those benefits. Require the employer or self-employed individual to provide such information to DWD within the time and in the manner prescribed by the Department by rule. Require DWD to provide benefits to all covered individuals determined to be eligible to receive family or medical leave insurance benefits.

Election by a Self-Employed Individual. Provide that a self-employed individual may elect to be a covered individual by filing a written notice of election with DWD in a form and manner prescribed by the Department by rule. Specify that an initial election by an individual becomes effective on the date on which the notice of election is filed, and must be for a period of not less than three years, and may be renewed for subsequent one-year periods by the filing of a written notice with DWD that the individual intends to continue his or her coverage. Provide that a self-employed individual who elects coverage may withdraw that election no earlier than three years after the date of the initial election, or at such other times as the Department may prescribe by rule, by providing notice of that withdrawal to DWD not less than 30 days before the expiration date of the election.

Amount of Benefits. Require that the amount of family or medical leave insurance benefits payable for a week be based upon the covered individual's average weekly earnings, as follows: (a) for the amount of the covered individual's average weekly earnings that are less than 50% of the state annual median wage in the calendar year before the covered individual's application year, 90% of the covered individual's average weekly earnings; (b) for the amount of the covered individual's average weekly earnings that are more than or equal to 50% of the state annual median wage in the calendar year before the covered individual's application year, 50% of the covered individual's average weekly earnings.

Duration of Benefits. Specify that the maximum number of weeks for which family or medical leave insurance benefits are payable in an application year is 12 weeks. Provide that a covered individual may be paid these benefits continuously, or at the option of the covered individual, intermittently.

Employer Exemption from Participation in Paid Family and Medical Leave Benefits Insurance Program. Provide that if an employer provides family and medical leave benefits that are identical to or more generous than benefits provided under the paid family and medical leave benefits insurance program, the employer may elect to not participate in the program. Specify that if DWD grants such an exemption, the employer is required to pay benefits that are at least identical to benefits under the program, and an employee is entitled to be paid those benefits. Require an employer that elects to not participate in the program to request an exemption from DWD in writing, in the manner prescribed by the Department. An exemption from participation would not effective until approved by the Department in writing. Allow DWD to grant a written exemption from participation to an employer who complies with statutes and rules governing the program. Provide that DWD may withdraw its written exemption order if DWD determines that an employer is not providing paid family and medical leave benefits to employees that are at least identical to those provided under the program.

Specify that if an employee believes that his or her employer, that has an exemption, has violated the employee's right to paid family and medical leave benefits identical to those provided under this program, the employee may file a complaint with DWD alleging the violation, and the Department must process the complaint through an administrative proceeding in the same manner as complaints filed under current family or medical leave law. If the Department finds the employer to be in violation, DWD may order the employer to take action to remedy the violation, including providing the paid family and medical leave benefits, and, paying reasonable actual attorney fees to the employee. After the completion of an administrative proceeding, including judicial review, an employee or the Department may bring a civil action in circuit court, as provided under current law, against an employer to recover damages caused by a violation of these prevision. Require DWD to promulgate rules to implement the employer exemption provisions.

Federal Tax Treatment of Benefits. With respect to the federal income taxation of family or medical leave insurance benefits, require DWD to do all of the following: (a) at the time an individual files a claim for those benefits, advise the individual that those benefits may be subject to federal income taxation, that requirements exist under federal law pertaining to estimated tax payments; (b) allow the individual to elect to have federal income tax deducted and withheld from the individual's benefit payments, allow the individual to change that election not more than one time in an application year, and deduct and withhold that tax in accordance with the individual's election as provided under federal law; (c) upon making a deduction, transfer the amount deducted from the family and medical leave insurance trust fund to the Internal Revenue Service; and (d) in deducting and withholding federal income taxes from an individual's benefit payments, follow all procedures specified by the IRS pertaining to the deducting and withholding of federal income tax.

Family and Medical Leave Insurance Trust Fund. Require DWD to determine the amount of the required contribution by each employee, self-employed individual who elects coverage, and each employer. Specify that the required contribution be based on the employee's wages or the self-employed individual's earnings, and be equally shared between each employee and the employee's employer.

Require each employer to withhold from the wages of its employees the amount determined by DWD. Require the Department to create rules to establish procedures for filing wage reports and collecting the contributions withheld by employers and employer-required contributions. Specify that DWD may utilize the unemployment insurance (UI) quarterly wage reports submitted by employers as required under current law, in lieu of separate contribution reports and may utilize the procedures for collecting contributions that apply to the collection of contributions to the UI trust fund. Require DWD to create rules to provide for a right to a hearing in cases involving the liability of employers for required contributions. Require that Department decisions be subject to the rights and procedures specified for contested cases under current law for administrative procedure and review.

Require DWD to collect contributions from self-employed individuals pursuant to procedures established by the Department, and deposit contributions received in the family and medical leave benefits insurance trust fund. Require DWD to use moneys deposited in the trust fund to pay benefits, to refund amounts erroneously paid by employers, and to pay for the administration of program, and for no other purpose.

Denial of Claims; Overpayments. Require DWD to create rules providing for a right to a hearing in cases of disputes involving an individual's eligibility for benefits or status as a covered individual. Require that Department decisions be subject to the rights and procedures specified for contested cases under current law for administrative procedures and review. Specify that DWD may prescribe procedures in conjunction with any rules promulgated for administrative proceedings under the existing family or medical leave law.

Specify that if DWD pays family or medical leave insurance benefits to an individual erroneously or as a result of willful misrepresentation, the individual's liability to reimburse the fund for the overpayment may be set forth in a determination that is subject to review. To recover an overpayment to a covered individual that is not otherwise repaid or the recovery of which has not been waived, provide that DWD may recoup the amount of the overpayment by, in addition to its other remedies, deducting the amount of the overpayment from benefits the individual would otherwise be eligible to receive. Provide that DWD may establish other procedures for recovering overpayments and may utilize procedures under current UI law, including DWD's remedies for collecting UI benefit overpayments under current law, subject to rules created by the Department. Specify that the Department may not collect any interest on any benefit overpayments, and that DWD may prescribe procedures for waiver of overpayments.

Prohibited Acts and Enforcement. Prohibit any person from interfering with, restraining, or denying the exercise of any right provided under the family or medical leave benefits insurance program. Specify that no person may discharge or otherwise discriminate against any person for exercising any right provided, opposing a practice prohibited, filing a complaint or attempting to enforce any right provided, or testifying or assisting in any action or proceeding to enforce any right provided under the family or medical leave benefits insurance program. Specify that no collective bargaining agreement or employer policy may diminish or abridge an employee's rights as provided under the program. Provide that any agreement purporting to waive or modify an employee's rights under this provision is void as against public policy and unenforceable.

Provide that any person who believes that his or her rights have been interfered with, restrained, or denied in violation of the above prohibited acts, or that he or she has been discharged or otherwise discriminated against in violation, within 30 days after the violation occurs or the person should reasonably have known that the violation occurred, whichever is later, file a complaint with DWD alleging the violation, and that the Department must process the complaint in the same manner as complaints filed under the family or medical leave law. Specify that if DWD finds that an employer has violated any of the prohibited acts, the Department may order the employer to take action to remedy the violation, including providing the requested family leave or medical leave, reinstating an employee, providing back pay accrued not more than two years before the complaint was filed, and paying reasonable actual attorney fees to the complainant. After the completion of this administrative enforcement proceeding, including judicial review, an employee or the Department may bring a civil action in circuit court against an employer to recover damages caused by a violation of a prohibited act.

Administration. Require DWD to administer the family and medical leave benefits insurance program, and to do all of the following: (a) establish procedures and forms for the filing of claims for benefits; (b) establish procedures and forms for collecting contributions from self-employed individuals; (c) promulgate rules to implement the program; (d) use information sharing and integration technology to facilitate the exchange of information as necessary for DWD to administer the program; (e) submit a report by September 1 of each year, to the Governor, the Joint Committee on Finance, and the appropriate standing committees of the Legislature on the program. Require the report to include the projected and actual rates of participation in the program, the premium rates for coverage under the program, and the balance in the family and medical leave benefits insurance trust fund.

Records. Specify that the records made or maintained by DWD in connection with the administration of program are confidential, and must be open to public inspection or disclosure only to the extent that the Department allows in the interest of the program. Specify that the Department may provide records made or maintained by DWD in connection with the administration of the program to any governmental unit, corresponding unit in the government of another state, or any unit of the federal government. Specify that no person or governmental unit may allow inspection or disclosure of any record provided by the Department unless DWD authorizes the inspection or disclosure.

Provide that, upon request of the Department of Revenue, DWD may provide information, including social security numbers, concerning covered individuals to DOR for the purpose of administering state taxes, identifying fraudulent tax returns, providing information for tax-related prosecutions, or locating persons or the assets of persons who have failed to file tax returns, who have underreported their taxable income, or who are delinquent debtors. Specify that DOR may not allow inspection or disclosure of any record provided by the DWD, unless DWD authorizes the inspection or disclosure.

Benefit Amount Adjustment. Provide that, on April 1 of each year, DWD may adjust the maximum weekly benefit payment to 90% of the state average weekly earnings, which becomes effective on October 1 of that year, and require the Department to annually publish the adjusted amount in the Wisconsin Administrative Register.

Proper Notice. Require each employer to post, on its website and in one or more conspicuous places where notices to employees are customarily posted, a notice in a form approved by DWD, setting forth employees' rights under the program and any annual adjustment to the weekly benefit amount. Specify that an employer in violation of the proper notice provision must forfeit not more than $100 for each violation.

Definitions. Define "application year" to mean the 12-month period beginning on the first day of the first calendar week for which family or medical leave insurance benefits are claimed by a covered individual. Define “average weekly earnings" to mean one-thirteenth of the wages paid to an employee during the last completed calendar quarter prior to the covered individual's date of eligibility for benefits under this section and includes all sick, holiday, vacation, and termination pay that is paid directly by an employer to an employee at the employee's usual rate of pay during his or her last completed calendar quarter as a result of employment for an employer and any total or partial disability payments under Wisconsin's worker's compensation law, or a federal law that provides for payments on account of a work-related injury or illness. For self-employed individuals, define “average weekly earnings" to mean one fifty-second of the gross income reported as income to the federal internal revenue service in the most recent tax year in which the individual filed taxes prior to the individual's date of eligibility for benefits under this provision.

Define “covered individual" to mean an employee who has been employed by the same employer for more than 52 consecutive weeks and who worked for the employer for at least 680 hours during the preceding 52-week period, or a self-employed individual who elects coverage under the self-employed individual provision of the bill, regardless of whether the individual is employed or unemployed at the time the individual files an application for benefits. Define “self-employed individual” to mean a sole proprietor, partner of a partnership, member of a limited liability company, or other individual engaged in a vocation, profession, or business for himself or herself and not for an employer.

Define “family leave" to mean an individual's leave from employment, self-employment, or availability for employment: (a) for the birth of the employee's natural child, if the leave begins within 16 weeks of the child's birth; (b) for the placement of a child with the employee for adoption or as a precondition to adoption under current law, if the leave begins within 16 weeks of the child's placement; (c) to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling, with a serious health condition; (d) for any qualifying exigency, as determined by DWD by rule, arising from the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee being on covered active duty or having been notified of an impending call or order to covered active duty; (e) to fill an unforeseen or unexpected short-term gap in childcare, as determined by DWD by rule, for the employee's child, grandchild, or sibling; (f) to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling, that is in medical isolation; (g) to address issues of the employee or the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling related to being the victim of domestic abuse, sexual abuse, or stalking; or (h) to serve as a bone marrow or organ donor.

Define “medical leave” to mean leave from employment, self-employment, or availability for employment for an employee who is in medical isolation or has a serious health condition which makes the employee unable to perform his or her employment duties may take medical leave for the period during which he or she is unable to perform those duties. Define “state annual median wage" to mean the median hourly wage for all occupations in this state in a calendar year, as determined by the Bureau of Labor Statistics of the U.S. department of Labor, multiplied by 2,080. Define “family or medical leave insurance benefits" to mean benefits payable under this program from the family and medical leave benefits insurance trust fund.

Under Wisconsin's Fair Employment law, specify that it would be employment discrimination to discharge or otherwise discriminate against any individual because the individual files a complaint or attempts to enforce any right under the family or medical leave benefits insurance program, or because the individual testifies or assists in any action or proceeding held under or to enforce any right under the family or medical leave benefits insurance program.

Authorize DWD to promulgate emergency rules for the period before the effective date of the permanent rules promulgated and exempt the Department from the requirements to make a finding of an emergency and to demonstrate the need for an emergency rule.

No later than the first day of the fourth month beginning after the effective date of the bill, require DWD to submit for consideration to the Legislative Council staff the proposed permanent rules required for the family or medical leave benefits insurance program. Exempt DWD from certain permanent rule-making requirements under current law.

Specify that the requirement that employers withhold contribution amounts from employee wages, would first apply to wages earned on January 1, 2025.

Provide that family and medical leave benefit eligibility would first apply to a period of family leave, or a period of medical leave, commencing on January 1, 2025.

Specify that the rights to family and medical leave insurance benefits first apply to an employee who is affected by a collective bargaining agreement that contains provisions inconsistent with rights, on the day on which the collective bargaining agreement expires or is extended, modified, or renewed.

[Bill Sections: 457, 458, 586, 605, 1826, 1929, 1931, 2336 9150(4) thru 9150(6), and 9350(8)]

3. FAMILY AND MEDICAL LEAVE EXPANSION

Governor: Under current family and medical leave law, an employer that employs at least 50 individuals on a permanent basis in this state is required to allow an employee who has been employed by the employer for more than 52 consecutive weeks and who has worked for the employer for at least 1,000 hours during the preceding 52 weeks to take the following: (a) six weeks of family leave in a 12-month period for the birth or adoptive placement of a child; (b) two weeks of family leave in a 12-month period to care for the employee's child, spouse, domestic partner, or parent with a serious health condition; and (c) two weeks of medical leave in a 12-month period when the employee has a serious health condition that makes the employee unable to perform the employee’s employment duties.

Specify the following changes to current family and medical leave law: (a) decrease the number of hours an employee is required to work before qualifying for family and medical leave to 680 hours during the preceding 52 weeks; (b) increase the number of weeks a covered employee may take family or medical leave to 12 weeks in a 12-month period; (c) allow a covered employee to take family leave for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling who is in medical isolation; (d) specify that an employee who is in medical isolation that makes the employee unable to perform his or her employment duties may take medical leave for the period during which he or she is unable to perform those duties; (e) amend the statute of limitations for filing a complaint from 30 days to 300 days for an employee who believes his or her employer has violated the family and medical leave law; (f) add coverage for any qualifying exigency, as determined by the Department by rule, arising out of the fact that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty; (g) add coverage if there is an unforeseen or unexpected short-term gap, as defined by the Department by rule, in childcare for the employee's child, grandchild, or sibling that the employee must fill; (h) add coverage to address issues related to the employee or the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling being the victim of domestic abuse, sexual abuse, or stalking; and (i) add grandparent, grandchild, and sibling for whom an employee may take family leave.

Definitions. Expand the current law definition of "serious health condition" to include medical isolation. Define "medical isolation" as any of the following: (a) when a health care professional, a local health officer, or the Department of Health Services advises that the individual seclude herself, himself, or themselves from others when the individual is awaiting the result of a diagnostic test for a communicable disease or when the individual is infected with a communicable disease; (b) when a local health officer or the department of health services advises that an individual isolate or quarantine; and (c) when an individual's employer advises that the individual not come to the workplace due to a concern that the individual may have been exposed to or infected with a communicable disease.

Define "covered active duty" to mean: (a) a member of a regular component of the U.S. armed forces, duty during the deployment of the member with the U.S. armed forces to a foreign country; or (b) a member of a reserve component of the U.S. armed forces, duty during the deployment of the member with the U.S. armed forces to a foreign country under a call or order to active duty as specified under current federal law.

Modify the definition of "child" under current law to eliminate the requirement that an individual, 18 years of age or older, can only be considered a child if they cannot take care for themselves because of a serious health condition. The term "child" would continue to be defined a natural, adopted, or foster child, a stepchild, or a legal ward. Define "sibling" to mean a brother, sister, half-brother, half-sister, stepbrother, or stepsister, whether by blood, marriage, or adoption.

Notice. Specify that if the employee intends to take family leave that is foreseeable because the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty, the employee must provide notice of that intention to the employer in a reasonable and practicable manner.

Certification. Specify that if an employee requests family leave for covered active duty, the employer may require the employee to provide certification that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty. Require the certification to be issued at such time and in such manner as DWD may prescribe by rule, and require the employee to provide a copy of that certification to the employer in a timely manner.

Provide that if an employee requests family leave due to a gap in childcare, the employer may require the employee to provide certification that there is an unforeseen or unexpected short-term gap in childcare, as defined in rule by DWD, for the employee's child, grandchild, or sibling, that the employee must fill. If an employee requests family leave due to being the victim of domestic abuse, sexual abuse, or stalking, the employer may require the employee to provide certification that the employee is addressing issues of the employee or the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling related to being the victim of domestic abuse, sexual abuse, or stalking. Specify that if an employee requests family or medical leave due to medical isolation, the employer may require the employee to provide certification issued by a local public health official, the Department of Health Services, a health care provider, or Christian Science practitioner of the child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee, except that no employer may require certification if the sole reason for the medical isolation is if the employer had advised that the individual not come to the workplace due to a concern that the individual may have been exposed to or infected with a communicable disease. Provide that no employer may require certification stating more than that the child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee is in medical isolation. Specify that if the employee requests family leave, the employer may require the employee to provide certification that the employee is responsible for the care of a child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee who is in medical isolation.

Provide $65,600 FED in 2023-24 and $87,500 FED in 2024-25 and 1.0 FED position in the Department's federal equal rights administration appropriation and specify corresponding FED decreases in the Department's federal unemployment insurance administration appropriation. According to the Department, the project position would perform outreach and technical assistance activities that support the expanded family and medical leave provisions.

Under current law, an individual that is the employer's parent, spouse, domestic partner, or child, cannot be considered an employee. Expanded the current law definition to also include an employer's grandparent, grandchild, or sibling to those that cannot be considered an employee.

Apply the expanded 300 day statute of limitations for certain violation to first apply to a violation that occurs, or that an employee should reasonably have known occurred, on the effective date of the bill.

[Bill Sections: 1787 thru 1795, 1797 thru 1825, and 9350(7)]

4. MIGRANT WORKERS

	Funding	Positions
GPR	$733,600	3.00

Governor: Provide $451,600 in 2023-24 and $282,000 in 2024-25 and 3.0 positions beginning in 2023-24 in a new appropriation. In 2023-24, $93,900 would be provided for salaries, $41,900 for fringe benefits, and $315,800 for supplies and services; in 2024-25, $125,200 would be provided for salaries, $55,800 for fringe benefits, and $101,000 for supplies and services. Specify that this funding and positions would be used for enforcement activities related to wages, hours, and working conditions of migrant workers, the certification, maintenance, and inspection of migrant labor camps, and the recruitment and hiring of migrant worker under employment regulations established under current law governing migrant labor.

[Bill Section: 452]

5. MIGRANT LABOR CONTRACTOR AND CAMP FEES

PR	$44,400

Governor: Provide $22,200 annually of supplies and services funding to the Department's auxiliary services appropriation. Specify that fees paid for certificates of registration by migrant labor contractors and persons who operate migrant labor camps would be deposited in this appropriation rather than to the general fund. Modify the appropriation so that funds could be expended on administrative services related to the migrant labor provisions of current law.

[Bill Section: 453]

6. SUBSTANCE ABUSE PREVENTION ON PUBLIC WORKS PROJECTS

	Funding	Positions
GPR	$500,900	3.0

Governor: Provide $214,700 in 2023-24 and $286,200 in 2024-25 and 3.0 positions beginning in 2023-24 to the Department's general program operations appropriation for the administration and enforcement of a substance abuse prevention program. In 2023-24, $99,300 would be provided for salaries, $44,100 for fringe benefits, and $71,300 for supplies and services; in 2024-25, $132,300 would be provided for salaries, $58,800 for fringe benefits, and $95,100 for supplies and services. The Executive Budget Book indicates that the additional position authority and funding would be for outreach and investigative activities related to state law prohibitions on workers possessing, distributing, delivering or being under the influence of alcohol and drugs on public works or utility projects.

Under current law, no employee may use, possess, attempt to possess, distribute, deliver, or be under the influence of a drug, or use or be under the influence of alcohol, while performing work on a public works project or public utility project. An employee is considered to be under the influence of alcohol if he or she has an alcohol concentration of .04 or more. Employers also must have in place a written program for the prevention of employee substance abuse.

7. MINIMUM WAGE

Governor: Specify annual increases to the minimum wage level for most employees, from the effective date of the bill to January 1, 2027. The following table shows the current minimum wages rates and those provided under the bill.

Minimum Wage Rates

	Current Law	Beginning on Effective Date of Bill Through 12/31/24	Beginning 1/1/25 Through 12/31/25	Beginning 1/1/26 through 12/31/26
Adult, Minor, Agricultural Employee	$7.25	$8.25	$9.25	$10.25
Opportunity Employee	5.90	6.71	7.52	8.33
Tipped Employee	2.33	2.65	2.97	3.29
Tipped Opportunity Employee	2.13	2.42	2.71	3.00
Caddies				
9 Holes	5.90	6.71	7.52	8.33
18 Holes	10.50	11.95	13.40	14.85
Camp Counselors (Adult and Minor), weekly rate				
No Board or Lodging	350.00	398.28	446.56	494.84
Board Only	265.00	301.55	338.50	375.09
With Board and Lodging	210.00	238.97	267.94	296.91

Require DWD to revise each minimum wage rate in effect on January 1, 2027 (last column in the table), and on each January 1 thereafter, by the percentage change in the Consumer Price Index (CPI) for the most recent 12-month period for which full-month information is available. The bill would require DWD to annually revise the amount published in the Wisconsin Administrative Register and on the DWD internet site, and would specify that these adjustments would not be considered rules for purposes of current law governing administrative rules.

Define "consumer price index" to mean the average of the CPI over each 12-month period for all urban consumers (CPI-U), U.S. city average, all items, not seasonally adjusted, as determined by the Bureau of Labor Statistics of the U.S. Department of Labor.

Minimum Wage Study Committee. Require the DWD Secretary to establish a minimum wage study committee to consist of the following members: (a) five members appointed by the Governor; (b) one member appointed by the Speaker of the Assembly; (c) one member appointed by the Minority Leader of the Assembly; (d) one member appointed by the Majority Leader of the Senate; and (e) one member appointed by the Minority Leader of the Senate. Require the committee to study options to achieve a $15 per hour minimum wage and other options to increase compensation for workers in this state. No later than October 1, 2024, require the committee to submit to the Governor and the appropriate standing committees of the Legislature a report that includes recommendations regarding the options for achieving a $15 per hour minimum wage and other means of increasing worker compensation in this state. Specify that the minimum wage study committee would terminate upon submission of the report.

[Bill Sections: 1840 thru 1874, 2450, and 9150(2)]

8. PREVAILING WAGE

Governor: Restore the state prevailing wage law as the law existed prior to 2015 Act 55 by repealing: (a) the provisions of 2015 Act 55 that eliminated the state prevailing wage law applying to local projects of public works (counties, villages, towns, cities, school districts, municipal utilities and technical colleges); and (b) the provisions of 2017 Act 59 that eliminated the state prevailing wage law that applied to state agency and state highway projects.

Under current law, there are no state prevailing wage standards for local projects of public works, state agency projects, or state highway projects. The state prevailing wage requirements for local projects were repealed effective January 1, 2017. The state prevailing wage requirements for state agency and state highway projects were repealed effective September 23, 2017. These changes did not affect federal Davis-Bacon Act requirements, which specify that building and highway projects that utilize at least $2,000 in federal funds are subject to the federal prevailing wage rates as determined by the U.S. Department of Labor.

Under the bill, the state prevailing wage law would be as it was immediately prior to the passage of 2015 Act 55. Generally, the prevailing wage law under the bill would consist of the following major elements:

Application of the Prevailing Wage Law. Specify that state prevailing wage requirements apply based on various project cost thresholds. For a single-trade project, the threshold is $48,000, whereas the threshold for a multiple-trade project is either $100,000 or $234,000; the latter applies to public works projects erected, constructed, repaired, remodeled, or demolished by a private contractor for a city or village with a population less than 2,500, or for a town. A "single-trade project" is defined as one in which a single trade (such as a carpenter, glazier, or electrician) accounts for 85% or more of the total labor cost of the project. A "multiple-trade project" is defined as one in which no single trade accounts for more than 85% of the total labor cost of the project.

Prevailing Hours of Labor. Specify that workers to whom state prevailing wage law applies may not be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, unless they are paid for all hours worked in excess of prevailing hours of labor at a rate of at least 1.5 times their hourly basic rate of pay. Define "prevailing hours of labor" to mean 10 hours per day and 40 hours per week, not including any hours worked on a Saturday or Sunday, or on certain holidays.

Prevailing Wage Rate. Define "prevailing wage rate" to mean the hourly basic rate of pay, plus the hourly contribution for health insurance, vacation, pension, and any other economic benefit, paid for a majority of the hours worked in a trade or occupation on projects in an area (generally the county). If there is no rate at which a majority of the hours worked in the occupation on projects in the area is paid, the prevailing wage rate would mean the average hourly basic rate of pay, weighted by the number of hours worked, plus the average hourly contribution, weighted by the number of hours worked, for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid for all hours worked at the hourly basic rate of pay of the highest-paid 51% of hours worked in that trade or occupation on projects in that area.

Survey Process. Require DWD to determine prevailing wage rates for each trade or occupation in each area of the state by January 1 of each year. The survey would be based on a statutorily prescribed annual survey process for all types of local public works projects, state agency public works projects excluding highways and bridges, and state-contracted highway construction projects. Provide that DWD may not collect survey data from projects that are subject to the state or federal prevailing wage requirements unless DWD determines that there is insufficient wage data in the area to determine a prevailing wage rate.

Administration and Enforcement. Require DWD to enforce all local and state prevailing wage laws, and require the Department of Transportation (DOT) to administer and enforce federal and state prevailing wage laws for highway and bridge construction projects. Require DWD, by May 1 of each year, to certify to DOT the prevailing wage rates in each area for all trades or occupations commonly employed in the highway construction industry.

Specify that all provisions regarding compliance, enforcement, inspection, notice, appeals, remedies, coverage, and penalties from the state prevailing wage law as it was prior to the enactment of 2015 Act 55 would be recreated and made effective on the date of the bill, and would first apply to bids, contracts, or actions that occur on or after that date.

Retain the current prohibition against local governments enacting or administering their own prevailing wage laws or similar ordinances. Currently, a local governmental unit may not enact and administer an ordinance or other enactment requiring laborers, workers, mechanics, and truck drivers employed on projects of public works, or on publicly funded private construction projects, to be paid the prevailing wage rate and to be paid at least 1.5 times their hourly basic rate of pay for hours worked in excess of the prevailing hours of labor.

[Bill Sections: 252, 1175, 1221 thru 1227, 1684, 1780, 1831 thru 1837, 1839, 1875, 1911, 1933, 2451, 2479, 2513, 3307, 3386, and 9350(3)&(9)]

9. REPEAL RIGHT TO WORK

Governor: Repeal the provisions of 2015 Wisconsin Act 1 that specify that no person may require, as a condition of obtaining or continuing employment, an individual to do any of the following: (a) refrain or resign from membership in, voluntary affiliation with, or voluntary financial support of a labor organization; (b) become or remain a member of a labor organization; (c) pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization; or (d) pay to any third party an amount that is in place of, equivalent to, or any portion of dues, fees, assessments, or other charges or expenses required of members of, or employees represented by, a labor organization. Delete current law specifying that these provisions apply to the extent permitted under federal law and that if a section of a contract violates this provision, that section of the contract is void.

Unfair Labor Practices. For the purposes of the following provisions, the definition of "employer" does not include the state or any political subdivision thereof.

Modify the current declaration of an unfair labor practice relating to an employer encouraging or discouraging membership in any labor organization, employee agency, committee, association, or representation plan by discrimination in regard to hiring, tenure, or other terms or conditions of employment. Create an exception for a collective bargaining unit where an all-union agreement is in effect. Under current law, an "all-union agreement" means an agreement between an employer and the representative of the employer's employees in a collective bargaining unit whereby all or any of the employees in such unit are required to be members of a single labor organization.

Modify the current declaration of unfair labor practice for an employer to bargain collectively with the representatives of less than a majority of the employer's employees in a collective bargaining unit, or to enter into an all-union agreement, by creating an exception for an employer who does so with the voluntarily recognized representative of the employees in a collective bargaining unit, where at least a majority of such employees voting have voted affirmatively, by secret ballot, in favor of the all-union agreement in a referendum conducted by the Wisconsin Employment Relations Commission (WERC). If the bargaining representative has been certified by either WERC or the National Labor Relations Board as the result of a representation election, no referendum is required to authorize the entry into an all-union agreement.

Specify that the authorization of an all-union agreement continues, subject to the right of either party to the agreement to petition WERC to conduct a new referendum on the subject. Upon receipt of the petition, if WERC determines there is reasonable ground to believe that the employees concerned have changed their attitude toward the all-union agreement, WERC shall conduct a referendum. If the continuance of the all-union agreement is supported on a referendum by a majority vote, it may continue, subject to the right to petition for a further vote by the same procedure. If the continuance of the all-union agreement is not supported on a referendum, it terminates at the expiration of the contract of which it is then a part or at the end of one year from the date of the announcement by WERC of the result of the referendum, whichever is earlier. Require WERC to declare any all-union agreement terminated whenever it finds that the labor organization involved has unreasonably refused to receive as a member any employee of such employer. An interested person may, as specified in current law, request WERC to perform this duty.

Modify the current declaration of an unfair labor practice that prohibits an employer from deducting labor organization dues or assessments from an employee's earnings, unless the employer has been presented with an individual order signed by the employee and terminable by the employee at the end of any year of its life. Create an exception for cases in which there is an all-union agreement in effect. Specify that the employer must give notice to the labor organization of receipt of a notice of termination.

Declaration of Policy. Recreate a state declaration of policy on employment relations repealed under Act 1. The declaration would state, in part:

(a) that the public policy of the state, as to employment relations and collective bargaining, recognizes that there are three major interests: the public, the employee, and the employer; and that these three interests are interrelated and that it is the policy of the state to protect and promote each of these interests with due regard to the situation and to the rights of the others; and

(b) that industrial peace, regular and adequate income for the employee, and uninterrupted production of goods and services are promotive of all of these interests and are largely dependent upon the maintenance of fair, friendly, and mutually satisfactory employment relations and the availability of suitable machinery for the peaceful adjustment of whatever controversies may arise;

that certain employers, including farmer, farmer cooperatives, and unincorporated farmer cooperative associations face special problems arising from perishable commodities and seasonal production that requires adequate consideration; that whatever may be the rights of disputants, they should not be permitted to intrude directly into the primary rights of third parties to earn a livelihood, transact business, and engage in the ordinary affairs of life; and

(c) that negotiations of terms and conditions of work should result from voluntary agreement between employer and employee; and that an employee has the right, if the employee desires, to associate with others in organizing and bargaining collectively through representatives of the employee's own choosing; and

(d) that it would be the policy of the state, in order to preserve and promote the interests of the public, the employee, and the employer, to establish standards of fair conduct in employment relations and to provide a convenient, expeditious, and impartial tribunal by which these interests may have their respective rights and obligations adjudicated; while limiting individual and group rights of aggression and defense, the state substitutes processes of justice for the more primitive methods of trial by combat.

Penalties. Repeal the provision that specifies that anyone who violates the right to work law is guilty of a Class A misdemeanor.

[Bill Sections: 1914 thru 1919 and 3309]

10. PROJECT LABOR AGREEMENTS

Governor: Repeal the provisions of 2017 Wisconsin Act 3, which prohibits state and local units of government from any of the following in letting bids for state procurement or public works contracts: (a) requiring that a bidder enter into or adhere to an agreement with a labor organization; (b) considering, as a factor in making an award, whether any bidder has or has not entered into an agreement with a labor organization; or (c) requiring that a bidder enter into, adhere to, or enforce any agreement that requires, as a condition of employment, that the bidder or bidder's employees become or remain members of, or be affiliated with, a labor organization or pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization or a labor organization's health, welfare, retirement, or other benefit plan or program.

[Bill Sections: 129, 156, and 1216 thru 1220]

11. LOCAL EMPLOYMENT REGULATIONS

Governor: Repeal the provisions of 2017 Wisconsin Act 327, which prohibits local units of government from enacting or enforcing ordinances related to any of the following: (a) regulations related to wage claims and collections; (b) requiring a person to accept provisions of a collective bargaining agreement or to waive rights under state or federal labor relations laws (defined as the National Labor Relations Act and the Labor Management Relations Act); (c) regulation of employee hours of labor or overtime, including scheduling of employee work hours or shifts; (d) requiring an employer to provide certain employment benefits, including retirement, pension, profit sharing, insurance, or leave benefits; (e) prohibiting an employer from requesting the salary history of a prospective employee; (f) prohibiting requiring any person to waive the person's rights under state or federal labor laws, or compel or attempt to compel a person to agree to waive the person's rights under state or federal labor laws, as a condition of any regulatory approval or other approval by the local governmental unit; or (g) imposing occupational licensing requirements on an individual that are more stringent than state-imposed licensing requirements for the profession.

Recreate provisions from the 2015 statutes specifying that the prohibition on a local government (county, city, village, or town) from enacting a minimum wage ordinance does not affect a local government ordinance that applies the state prevailing wage law requirements specified under the bill to an employee of a local government, a contractor for the local government, or a person performing work using financial assistance from the local government.

[Bill Sections: 1176, 1179, 1781, 1827, 1838, 1912, and 3310]

12. DISCRIMINATION ON THE BASIS OF GENDER EXPRESSION OR GENDER IDENTITY

Governor: Prohibit public and private employers, labor organizations, employment agencies, licensing agencies, or other persons from discriminating against employees, job applicants, or licensing applicants on the basis of an individual's gender identity or gender expression.

Define "gender expression" to mean an individual's actual or perceived gender-related appearance, behavior, or expression, regardless of whether these traits are stereotypically associated with the individual's assigned sex at birth.

Define "gender identity" to mean an individual's internal understanding of the individual's gender, or the individual's perceived gender identity.

Wisconsin Fair Employment Law. The Wisconsin Fair Employment Law (Chapter 111, Subchapter II) prohibits discrimination in recruitment and hiring, job assignments, pay, leave or benefits, promotion, licensing, union membership, training, layoff and firing, and other employment-related actions. Under the law, an otherwise properly qualified individual cannot be discriminated against in employment based on their age, race, creed, color, disability, marital status, sex, national origin, ancestry, sexual orientation, arrest record, conviction record, military service, use or nonuse of lawful products off the employer's premises during nonworking hours, or declining to attend a meeting or to participate in any communication about religious matters or political matters. The bill would add gender expression and gender identity as protected categories ("prohibited bases of discrimination") under the state's Fair Employment Law. The bill would amend the stated policy and findings of the Legislature to include discrimination based on gender identity or gender expression as substantially and adversely affecting the welfare of the state, and that the Legislature's intent is to protect by law the rights of all individuals to obtain gainful employment and enjoy privileges free from such discrimination.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes engaging in harassment that consists of unwelcome verbal or physical conduct directed at another individual because of that individual's gender, gender expression or gender identity, other than certain specified forms of sexual harassment, and that has the purpose or effect of creating an intimidating, hostile or offensive work environment, or has the purpose or effect of substantially interfering with that individual's work performance. Under current law, gender expression and gender identity are not specified.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes: (a) refusing to hire, employ, admit or license any individual; (b) barring or terminating from employment, membership, or licensure any individual; or (c) discriminating against any individual in promotion, in compensation, or in the terms, conditions, or privileges of employment because of the individual's sexual orientation, gender expression, or gender identity. Under current law, gender expression and gender identity are not specified.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes, but is not limited to, discriminating against any individual ("woman" under current law) on the basis of pregnancy, childbirth, parental ("maternity" under current law) leave or related medical conditions by engaging in certain prohibited actions including, but not limited to, actions concerning fringe benefit programs covering illnesses and disability.

Specify that it is not employment discrimination for an employer to require an employee to adhere to reasonable workplace appearance, grooming, and dress standards not precluded by other provisions of state or federal law, provided that an employer shall allow an employee to appear or dress consistently with the employee's gender identity or gender expression.

Revise certain current references of "he or she" to "the person" under the Wisconsin Fair Employment Law.

State Employee Labor Organizations. Specify that a labor organization representing state employees for the purpose of collective bargaining may not discriminate with regard to the terms or conditions of membership because of gender expression or gender identity. Under current law, a labor organization representing state employees for the purpose of collective bargaining may not discriminate with regard to the terms or conditions of membership because of race, color, creed, sex, age, sexual orientation, or national origin. The bill would amend this statute to add gender expression and gender identity to the list of individual characteristics upon which a state employee labor organization cannot discriminate.

State Contracts. Specify that contracting agencies in the executive branch, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, and the Bradley Center Sports and Entertainment Corporation must include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of gender expression or gender identity. Under current law, the contracting entities listed above must include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability, sexual orientation, or national origin. The bill would amend this statute to add gender expression and gender identity to the list of individual characteristics upon which a contractor cannot discriminate.

State Employment. Specify that it is the policy of the state to provide for equal opportunity by ensuring that all personnel actions by executive branch agencies including hire, tenure or term, and condition or privilege of employment be based on the ability to perform the duties and responsibilities assigned to the particular position without regard to gender expression or gender identity. Further, specify that no discrimination may be exercised in the recruitment, application, or hiring process against or in favor of any person because of the person's gender expression or gender identity except as otherwise provided.

Under current law, it is the policy of the state to provide for equal opportunity by ensuring that all personnel actions by executive branch agencies including hire, tenure or term, and condition or privilege of employment be based on the ability to perform the duties and responsibilities assigned to the particular position without regard to age, race, creed or religion, color, disability, sex, national origin, ancestry, sexual orientation, or political affiliation. Also under current law, no discrimination may be exercised in the recruitment, application, or hiring process against or in favor of any person because of the person's age, sex, disability, race, color, sexual orientation, national origin, or ancestry except as otherwise provided. The bill would amend these statutes to add gender expression and gender identity to the list of individual characteristics upon which state executive branch agency employment decisions cannot be based.

University of Wisconsin System Employment. Specify that the UW Board of Regents not consider sexual orientation, gender expression or gender identity in the appointment of employees of the UW System. Under current law, the Board of Regents must not consider or exercise sectarian or partisan tests or any tests based upon race, religion, national origin, or sex in the appointment of employees of the UW System.

Vocational Rehabilitation Services. Specify that eligibility for vocational rehabilitation services is determined without regard to sexual orientation, gender expression or gender identity. Under current law, eligibility for vocational rehabilitation services is determined without regard to the sex, race, age, creed, color, or national origin of the individual applying for services, that no class of individuals is found ineligible solely on the basis of type of disability and that no age limitations for eligibility exist.

Public School Employment. Specify that in the employment of teachers or administrative personnel in public schools, or in their assignment or reassignment, sexual orientation, gender expression or gender identity may not be considered. Under current law, there may be no discrimination in the employment of teachers or administrative personnel in public schools because of sex, except where sex is a bona fide occupational qualification, race, national origin, or political or religious affiliation.

Wisconsin Housing and Economic Development Authority (WHEDA). Specify that WHEDA require contractors and subcontractors engaged in the construction of economic development or housing projects to provide an equal opportunity for employment, without discrimination as to gender expression or gender identity. Under current law, WHEDA must require contractors and subcontractors engaged in the construction of economic development or housing projects to provide an equal opportunity for employment, without discrimination as to sex, race, religion, sexual orientation, or creed.

National Guard. Specify that no person, otherwise qualified, may be denied membership in the National Guard or state defense force because of gender expression or gender identity, and no member of the National Guard or state defense force may be segregated within the National Guard or state defense force on the basis of gender expression or gender identity. Under current law, no person, otherwise qualified, may be denied membership in the National Guard or state defense force because of sex, color, race, creed, or sexual orientation, and no member of the National Guard or state defense force may be segregated on the basis of sex, color, race, creed, or sexual orientation. The bill would also specify that no person may be denied equal access to facilities most consistent with the person's gender identity. Current law relating to no discrimination does not prohibit separate facilities for persons of different sexes with regard to dormitory accommodations, toilets, showers, saunas, and dressing rooms.

The bill would also prohibit discrimination on the basis of a person's status as a holder or a non-holder of a REAL ID non-compliant license and add this license status as a prohibited basis for discrimination in public or private employment, and occupancy of housing projects. [See "Transportation -- Motor Vehicles."]

[Bill Sections: 152, 153, 642, 817, 1920 thru 1924, 1928, 1943 thru 1948, 1990, 2139, 2519, 2529, 2555, and 2712]

13. CIVIL ACTIONS REGARDING EMPLOYMENT DISCRIMINATION, UNFAIR HONESTY TESTING, AND UNFAIR GENETIC TESTING

Governor: Specify that the Department or an individual alleged or found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing may bring an action in circuit court requesting relief against an employer, labor organization, or employment agency that is alleged or found to have engaged in the conduct. Under current law, DWD has statutory responsibilities to receive and investigate complaints alleging discrimination and discriminatory practices. This includes actions responding to alleged honesty testing, such as a polygraph test, or genetic testing by employers, both of which employers generally may not require of employees or coerce them into accepting. DWD's authorities include the ability to conduct hearings, make findings, and issue orders to eliminate unfair or unlawful action, including awarding compensation for violations. DWD findings are reviewable by the Labor and Industry Review Commission (LIRC), and decisions of LIRC can be reviewed further by a circuit court upon petition of a party.

The following paragraphs describe changes under the bill to these procedures, including the creation of civil actions for instances of discrimination or unfair honesty or genetic testing.

Notices. Require DWD to serve a certified copy of its findings and order on the complainant, together with a notice advising the complainant about: (a) the right to seek, and the time for seeking, review by LIRC; (b) the right to bring, and the time for bringing, an action for judicial review; and (c) the right to bring, and the time for bringing, a civil action as described separately. This notice would be in addition to current requirements of serving notice of findings to the respondent alleged to have committed a discriminatory or unfair practice, or to the complainant if DWD finds reason to dismiss the complaint.

Require LIRC to serve a certified copy of the Commission's decision on the respondent. Require LIRC to also serve a certified copy of the Commission's decision on the complainant, together with a notice advising the complainant about the right to bring, and the time for bringing, an action for judicial review under current law and about the right to bring, and the time for bringing, a civil action as specified under the provision.

Civil Action Procedures and Limitations. Specify that an action many not be brought against: (a) a local governmental unit, including a political subdivision, special purpose district, an instrumentality or corporation of either type of governmental unit, or any other combination of political subdivision or special entity created by a political subdivision; or (b) an employer, labor organization, or employment agency that employs fewer than 15 individuals for each working day in each of 20 or more calendar weeks in the current or preceding year. Require that the civil action commence within 300 days after the alleged discrimination, unfair honesty testing, or unfair genetic testing occurred.

Specify that if a petition for judicial review of a LIRC finding and order of concerning the same violation as the violation giving rise to the civil action is filed, the circuit court shall consolidate the proceeding for judicial review and the civil action.

Specify that an individual alleged or found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing is not required to file a complaint with the Department or seek judicial review in order for DWD or the individual to bring a civil action as provided.

Noneconomic Losses and Punitive Damages Cap and Cap Indexing. Specify that in a civil action permitted under this provision, if the circuit court finds that discrimination, unfair honesty testing, or unfair genetic testing has occurred, or if such a finding has been made by an examiner or LIRC and not been further appealed, the circuit court may order any relief that an examiner would be empowered to order under current law after a hearing on a discrimination complaint. In addition, require the circuit court to order the defendant to pay to the individual discriminated against or subjected to unfair honesty testing or unfair genetic testing any other compensatory damages, and punitive damages, as permitted under current law, that the circuit court or jury finds appropriate, plus reasonable costs and attorney fees incurred in the action. Require the circuit court to specify whether the relief ordered from the civil action, as provided under the bill, is in addition to or replaces any relief as ordered by DWD, LIRC or the circuit courts. Specify that civil action court costs would be exempted from certain thresholds under current law.

Provide that the sum of the amount of compensatory damages for future economic losses and for pain and suffering, emotional distress, mental anguish, loss of enjoyment of life, and other noneconomic losses and the amount of punitive damages that a circuit court may order may not exceed the following:

(a) For a defendant that employs 100 or fewer employees for each working day in each of 20 or more calendar weeks in the current or preceding year, $50,000.

(b) For a defendant that employs more than 100 but fewer than 201 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, $100,000.

(c) For a defendant that employs more than 200 but fewer than 501 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, $200,000.

(d) For a defendant that employs more than 500 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, $300,000.

Specify that if the circuit court orders a payment because an individual was found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing by an individual employed by an employer, the employer of that individual is liable for the payment.

Require DWD, beginning on July 1, 2024, and on each July 1 after that, to adjust the caps on gross damages, by the percentage change in the consumer price index for the 12-month period ending on December 31 of the preceding year. Require DWD to publish the adjusted amounts calculated under this provision in the Wisconsin Administrative Register, and the adjusted amounts would apply to civil actions commenced beginning on July 1 of the year of publication. Specify that this provision would not apply for years in which the CPI decreased over the preceding calendar year.

Initial Applicability. Specify that these provisions would first apply to acts of employment discrimination, unfair honesty testing, or unfair genetic testing committed on the effective date of the bill.

[Bill Sections: 1949 thru 1952, 3202, 3231, and 9350(4)]

14. JOB APPLICANT CONVICTION RECORD

Governor: Provide that employment discrimination because of conviction record would include a prospective employer requesting an applicant for employment, on an application form or otherwise, to supply information regarding the conviction record of the applicant, or otherwise inquiring into or considering the conviction record of an applicant for employment, before the applicant has been selected for an interview by the prospective employer. Specify that this provision would not prohibit an employer from notifying applicants for employment that an individual with a particular conviction record may be disqualified by law or under the employer's policies from employment in particular positions. Provide that these provisions would take effect and first apply to an application for employment submitted to an employer on the first day of the sixth month beginning after publication of the bill.

[Bill Sections: 1935, 9350(1), and 9450(1)]

15. EMPLOYEE COMPENSATION INFORMATION

Governor: Prohibit an employer from directly or indirectly doing any of the following: (a) rely on or solicit from a prospective employee or their current or former employer information about the employee's current or prior compensation; (b) require that a prospective employee's current or prior compensation meet certain criteria in order for the employee to be considered for employment; and (c) refuse to hire or employ or otherwise discriminate against a prospective employee in compensation or in the terms of employment for opposing a prohibited practice, filing or indicating an intent to file a complaint or otherwise exercising any right under this provision, or participating in any manner in any investigation, action or proceeding to enforce any right under this provision. Repeal a provision of current law that authorizes an employer to solicit salary history information and preempts any local ordinance restrictions on this.

Authorize an employee to disclose information about their compensation to anyone and discuss compensation of other employees of their employer and ask other employees of their employer for details regarding their compensation. Prohibit an employer from interfering with such activity, or from discharging or discriminating against an employee engaging in such activity or an employee taking actions to enforce their rights under this provision. Specify that an employer may prohibit a human resources or payroll employee or other employee with access to compensation information from disclosing information about any other employee's compensation without that employee's prior written consent.

Provide that any employee who is refused employment, terminated, or otherwise discriminated against under these provisions could file a complaint with DWD, which DWD would be required to process in the same manner as employment discrimination complaints are processed under current law. Specify that if DWD finds that a violation has occurred, DWD could order the employer to remedy the violation, including reinstating the employee, providing compensation in lieu of reinstatement, providing back pay accrued not more than two years before the complaint was filed, and paying reasonable actual costs and attorney fees.

Require each employer provide notice to employees and prospective employees of their rights under these provisions by doing all of the following: (a) posting in once or more conspicuous places where notices to employees are customarily posted, a notice in a form approved by DWD of employee and prospective employee rights under these provisions; (b) including on each listing for a job vacancy or other employment opportunity that is advertised by email, website, or other electronic means, all of the following: (1) a statement that the employer is prohibited from relying on a prospective employee's current or former compensation when making an offer of employment or setting compensation; (2) a statement that the employer is prohibited from asking about a prospective employee's compensation until after the employer has made an employment offer with agree upon details of compensation; (3) a statement that the employer is prohibited from requiring that a prospective employee's current or prior compensation meet certain criteria in order for the employee to be considered for employment; and (4) information or a hyperlink to information regarding prohibited bases of discrimination under current law governing fair employment. Specify that any employer who violates these notice requirements would forfeit not more than $100 for each offense.

Provide that these provisions would first apply to an employee who is affected by a collective bargaining agreement that has provisions inconsistent with these provisions on the day on which the agreement expires or is extended, modified or renewed, whichever occurs first. Provide that these provisions would take effect on the first day of the 6th month beginning after publication of the bill.

[Bill Sections: 1828, 1830, 1895, 1930, 1932, 3203, 9350(6), and 9450(3)]

Worker's Compensation and Unemployment Insurance

1. SUPPLEMENTAL BENEFITS APPROPRIATION

SEG	$10,000,000

Governor: Provide $5,000,000 annually in a new, annual appropriation from the Department's segregated worker's compensation operations fund (WCOF). Specify that on the bill's effective date, the unencumbered balance of moneys DWD collected from licensed worker's compensation carriers and deposited in an existing appropriation would be transferred to the new appropriation, and such future collections would be deposited to the new appropriation. 2015 Act 55 terminated reimbursements for certain supplemental benefits paid by insurers from the Department's segregated work injury supplemental benefits fund, and instead provided that an insurer paying supplemental benefits would be entitled to annual reimbursement from the WCOF. Under Act 55, annual reimbursements to insurers are supported by WCOF revenues from a special assessment on insurers. Assessments from insurers of up to $5,000,000 in each calendar year must be deposited in the WCOF and used to provide reimbursement to insurers paying supplemental benefits. Act 55 authorized DWD to collect and pay out a maximum of $5,000,000 per year from the WCOF for supplemental benefit payments, but did not provide the additional budget authority needed to make those additional payments.

[Bill Sections: 454, 455, 1772, and 9250(1)]

2. EMPLOYEE MISCLASSIFICATION

Governor: Under current law, employers are required to correctly classify each worker as either an "employee" or "independent contractor." Worker misclassification is the unlawful practice of labeling employees as independent contractors, thereby allowing employers to forego certain tax withholdings, as well as health, retirement, and unemployment insurance benefits. In addition, misclassified employees can be denied access to protections they are entitled to by law, including minimum wage, overtime compensation, worker's compensation coverage, and family and medical leave.

Modify current law as follows:

Worker's Compensation Fraud. Specify that it would be a violation to present an application for worker's compensation insurance coverage that falsely or fraudulently misclassifies employees to lower worker's compensation insurance premiums. Provide that if an insurer has evidence that an application for worker's compensation insurance coverage is false or fraudulent or that an employer has committed fraud by misclassifying employees, the insurer is required to report the claim to the Department.

Provide that DWD may require an insurer to investigate an allegedly fraudulent application or alleged fraud by misclassification of employees and may provide the insurer with any records of the Department relating to that alleged fraud. Require an insurer that investigates alleged fraud under this provision to report the results of that investigation to the Department. Increase penalties for employers with repeat violations of the worker's compensation law due to misclassification and failure to insure.

Specify that DWD may request the Department of Justice (DOJ) to assist in an investigation into alleged fraud as provided under this provision. Require the Department, if DWD has a reasonable basis to believe that fraud has occurred, to refer the results of the investigation to DOJ or to the district attorney of the county in which the alleged violation occurred for prosecution.

Worker's Compensation Misclassification and Providing Escalating Penalties for Repeat Violations. Under current law, all uninsured employers must pay to DWD the greater of either $750, or twice the amount determined by the Department to equal what the uninsured employer would have paid during periods of illegal nonpayment for worker's compensation insurance in the preceding three-year period based on the employer's payroll in the preceding three years. Provide that: (a) for a third determination of a violation, the employer be assessed a $3,000 penalty or three times the amount determined by DWD to equal what the uninsured employer would have paid during periods of illegal nonpayment for worker's compensation insurance in the preceding three-year period based on the employer's payroll in the preceding three years, whichever is greater; and (b) for a fourth determination of a violation, the employer be assessed a $4,000 penalty, or four times the amount determined by DWD to equal what the uninsured employer would have paid during periods of illegal nonpayment for worker's compensation insurance in the preceding three-year period based on the employer's payroll in the preceding three years, whichever is greater.

Under current law, an employer who fails to comply with certain worker's compensation insurance requirements (failure to insure, or soliciting money from an employee for the purpose of discharging a worker's compensation liability) for less than 11 days must forfeit not less than $100 nor more than $1,000. An employer who fails to comply with those same requirements for more than 10 days must forfeit not less than $10 nor more than $100 for each day on which the employer fails to comply. Replace these penalty provisions as follows: (a) for a first determination of a violation, forfeit the greater of $1,000 or the amount of the premium that would have been payable for each act; (b) for a second determination, forfeit the greater of $2,000 or two times the amount of the premium that would have been payable for each act; (c) for a third determination of a violation, the employer would be assessed a penalty in the amount of $3,000 or three times the amount of the premium that would have been payable for each act, whichever is greater; and (b) for a fourth determination of a violation, the employer would be assessed a penalty in the amount of $4,000 or four times the amount of the premium that would have been payable for each act, whichever is greater.

Under current law, an employer who is required to provide worker's compensation insurance coverage must forfeit not less than $100 nor more than $1,000 if the employer does any of the following: (a) gives false information about the coverage to his or her employees, the Department, or any other person who contracts with the employer and who requests evidence of worker's compensation coverage in relation to that contract; or (b) fails to notify a person who contracts with the employer that the coverage has been canceled in relation to that contract. Provide that for a third violation, an employer who is required to provide worker's compensation insurance coverage would forfeit $3,000 and for a fourth violation, $4,000.

Unemployment Insurance Misclassification and Providing a Penalty. Specify that any employer who knowingly and intentionally provides false information to DWD for the purpose of misclassifying or attempting to misclassify an individual who is an employee of the employer as a nonemployee shall, for each incident, be assessed an administrative penalty by the Department in the amount of $500 for each employee who is misclassified. For any repeat violation, the employer would be assessed an administrative penalty of $1,000 for each employee who is misclassified. Under current law, this provision only applies to certain construction industry employers and penalties are capped at $7,500 per incident. Provide that any employer who, through coercion, requires an individual to adopt the status of a nonemployee shall be assessed an administrative penalty by the Department in the amount of $1,000 for each individual coerced. For any repeat violation, the employer would be assessed an administrative penalty of $2,000 for each employee so coerced. Under current law, this provision only applies to certain construction industry employers and penalties may not exceed $10,000 per calendar year.

Specify that any employer who, after having previously been assessed an administrative penalty by DWD, knowingly and intentionally provides false information to the Department for the purpose of misclassifying or attempting to misclassify an individual who is an employee of the employer as a nonemployee shall be fined $1,000 for each employee who is misclassified, subject to a maximum fine of $25,000 for each violation. Under current law, this provision only applies to certain construction industry employers.

Clarify current law authorizing DWD to refer violations of these provisions for prosecution to specify that such referral may be made regardless of whether an employer has been subject to any administrative assessment.

Notice of Worker Classification Laws. Require DWD to design and make available to employers a notice regarding worker classification laws, requirements for employers and employees, and penalties for noncompliance, and to promulgate rules to implement this. Require employers to post the notice in one or more conspicuous places where notices are customarily placed, and specify that any employer who violates this posting requirement to forfeit not more than $100 for each offense. Require DWD to establish and maintain on its website information regarding worker classification laws, requirements for employers and employees, and penalties for noncompliance as well as contact information at each state agency that administers worker classification laws. Require the Department of Financial Institutions (DFI) to provide informational materials and resources on worker misclassification to each person who files with

DFI articles of incorporation, articles of organization, a limited liability partnership statement of qualification, or a certificate of limited partnership.

Criminal Penalty. Modify current law governing fraudulent insurance and employee benefit program claims so that it applies to someone who knowingly presents an application for worker's compensation insurance coverage that is false or fraudulent or that falsely or fraudulently misclassifies employees to lower worker's compensation insurance premiums. Under current law, violations of this provision are considered Class A misdemeanor if the value of the claim or benefit does not exceed $2,500, or a Class I felony if it exceeds $2,500.

[Bill Sections: 1752 thru 1754, 1760, 1773 thru 1779, 1782 thru 1786, 1905 thru 1909, 2401, and 3306]

3. PTSD COVERAGE FOR FIRST RESPONDERS

Governor: Expand current law that applies to a law enforcement officer or a full-time fire fighter relating to port-traumatic stress disorder (PTSD) to also apply to the following: (a) an emergency medical responder; (b) an emergency services practitioner; (c) a correctional officer; (d) a public safety answering point dispatcher; (e) a coroner; (f) a medical examiner; (g) a medicolegal investigation staff member; and (h) a volunteer fire fighter. Specify that a medicolegal investigation staff member includes a chief deputy coroner, a deputy coroner, a deputy medical examiner, and any person who assists the office of a coroner or medical examiner with an investigation of a death, excluding individuals performing solely administrative functions in such offices.

Under current law, as provided under 2021 Wisconsin Act 29, if a law enforcement officer or a full-time fire fighter is diagnosed with PTSD by a licensed psychiatrist or psychologist and the mental injury is not accompanied by a physical injury, that person can bring a claim for worker's compensation benefits if the conditions of liability are proven by the preponderance of evidence and the mental injury is not the result of a good faith employment action by the person's employer, such as a disciplinary action, work evaluation, transfer, layoff, demotion, or termination. The diagnosis does not need to be based on unusual stress of greater dimensions than the day-to-day emotional strain and tension experienced by similarly situated employees. No person can receive compensation for a claim under this provision more than three times in their lifetime. Under current law, the other workers under the proposal must demonstrate a diagnosis based on unusual stress of greater dimensions than the day-to-day emotional strain and tension experienced by all employees in order to bring a claim for worker's compensation benefits for PTSD.

Require the Commissioner of Insurance to submit to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register a notice of the effective date of new rates for worker's compensation insurance first approved by the Commissioner after the effective date of the bill. Specify that these provisions would first apply to injuries reported on the effective date of such new rates.

[Bill Sections: 1762 thru 1767, 9150(3), and 9350(5)]

4. WORKER'S COMPENSATION--UNINSURED EMPLOYERS FUND

Governor: Modify the sum-sufficient SEG appropriation for uninsured employers fund payments to a continuing appropriation for all monies received from sources identified under current law. The uninsured employers fund is funded through penalties assessed against employers for illegally operating a business without worker's compensation insurance as well as reimbursement payments from uninsured employers for benefit payments made by the fund. The Executive Budget Book indicates that modification to the uninsured employers fund appropriation is needed for DWD to properly account for continuing segregated revenue balances and expenditures.

[Bill Section: 456]

5. RECEIPT OF SOCIAL SECURITY DISABILITY INSURANCE PAYMENTS

Governor: Repeal the statutory provisions disallowing UI benefits to a claimant for each week in the entire month in which the person receives a Social Security Disability Insurance (SSDI) payment. Specify that if a monthly SSDI payment is issued to a claimant for UI benefits, the Department must apportion a claimant's monthly SSDI payment as the fraction of the payment attributable to that week and reduce UI benefits otherwise payable to the claimant for a given week on that basis. This provision would not apply to a lump sum SSDI payment, such as a retroactive payment or back pay.

Provide that, if the claimant is receiving SSDI payments, the claimant must, in the manner prescribed by DWD, report to the Department the amount of the SSDI payments. Certain existing provisions relating to the rounding of benefits and calculating benefit payment deductions to payments would continue to apply under this provision.

Specify that these provisions would take effect on the first Sunday of the 7th month beginning after the publication, and would first apply to determinations that occur on that effective date.

[Bill Sections: 1897, 1899 thru 1904, 9350(2), and 9450(2)]