



**LEGISLATIVE
FISCAL BUREAU**

STATE OF WISCONSIN

DECEMBER 2022

Overview of State Agency Major Request Items

2023-25 Wisconsin State Budget

Summary of 2023-25 Budget Requests

Overview of State Agency Major Request Items

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INTRODUCTION

This document, prepared by the Legislative Fiscal Bureau, provides an overview of the 2023-25 budget requests which state agencies have submitted for inclusion in the executive budget document. Its purpose is to highlight the major changes which have been requested and, thus, is not a comprehensive summary of each proposed modification. The document generally contains only those items with a fiscal effect in excess of \$250,000 or which represent a significant policy change. The document reflects budget requests that were submitted as of November 21, 2022.

Immediately following this introduction is a Table of Contents, Key to Abbreviations, and User's Guide. In addition, four summary tables are presented. The tables reflect comparative 2023-25 funding and position requests with current levels.

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

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

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

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KEY TO ABBREVIATIONS

Revenues

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

Appropriations

GPR	Appropriations financed from general purpose revenues available in the state's general fund.
FED	Appropriations financed from federal revenues.
PR	Appropriations financed from program revenues, such as user fees or product sales.
PR-S	Program Revenue-Service. Appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
SEG	Appropriations financed from segregated revenues.
SEG-Local	Appropriations financed from local revenues which are administered through a state segregated fund.
SEG-S	Segregated Revenue-Service. Segregated appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
Lapse	Budgeted amounts that are unspent at the end of a fiscal period which revert back to the fund from which they were appropriated.

Other

2021 Wisconsin Act 58	The 2021-23 biennial budget act.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to less than 1,040 hours per appointment in a 12-month period.
2022-23 Adjusted Base	The 2022-23 authorized funding level for an agency or program. The adjusted base equals 2022-23 appropriations and any supplements. This base 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 entry (page 3).

- ① Name of agency.
- ② Listed in this column are the funding sources for the amounts shown in Columns 3 through 5, both dollar amounts and positions. (Only the funding sources which are included in the agency's budget are shown.)
- ③ Figures in these columns represent the agency's adjusted budget base. The adjusted budget base equals appropriated levels for 2022-23 (the second year of the 2021-23 biennium) and any authorized supplements or position changes. The 2022-23 adjusted budget base represents the beginning level for all agency requests for calculating budget changes for 2023-25.
- ④ Figures in these columns represent, by fiscal year, the agency budget and FTE position requests, by fund source.
- ⑤ These columns indicate the increase or decrease, by amount and percentage, of 2023-25 requested amounts over the 2022-23 adjusted base year doubled (to provide a two-year to two-year comparison). For positions, the increase or decrease is based on the 2024-25 requested level compared to the 2022-23 authorized level.
- ⑥ Indicates the start of the summary of major fiscal or programmatic agency request items. In general, only items with a net fiscal effect in excess of \$250,000, or statutory language requests resulting in significant policy changes (with or without a fiscal effect) have been included. For some agencies only a table is included as there are no major request items.
- ⑦ Title of the request item.
- ⑧ The box, which follows the title, highlights the funding and position change to the agency's base as a result of the item. For every item which has a fiscal and/or position change, a box with that information will be presented.
- ⑨ Brief narrative explaining the request item.
- ⑩ 2015 Act 201 Plan. Under Act 201, executive branch agencies are required to submit plans to: (a) maintain state operations appropriations for 2023-25 at the base level; and (b) reduce base level state operations appropriations for 2023-25 by 5%. The plans, as submitted, are shown here.

WISCONSIN TECHNICAL COLLEGE SYSTEM 1

Budget Summary						FTE Position Summary				
2	3		4		5		3	4		5
	Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled			2022-23	Request	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$579,933,100	\$608,382,000	\$634,882,000	\$83,397,800	7.2%		23.25	26.25	3.00	12.9%
FED	33,364,600	32,986,400	32,986,400	- 756,400	- 1.1		26.75	23.75	- 3.00	- 11.2
PR	<u>4,724,400</u>	<u>4,725,600</u>	<u>4,725,600</u>	<u>2,400</u>	0.0		<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$618,022,100	\$646,094,000	\$672,594,000	\$82,643,800	6.7%		55.00	55.00	0.00	0.0%

Major Request Items 6

1. STANDARD BUDGET ADJUSTMENTS 7

8	
GPR	\$147,800
FED	- 6,400
PR	<u>2,400</u>
Total	\$143,800

9 Request adjustments to the base budget totaling \$147,800 GPR, -\$6,400 FED, and \$2,400 PR for full funding of continuing position salaries and fringe benefits (\$73,900 GPR, -\$3,200 FED, and \$1,200 PR annually).

2. STATE AID FOR TECHNICAL COLLEGES 7

8	
GPR	\$75,000,000

9 Request \$25,000,000 in 2023-24 and \$50,000,000 in 2024-25 above base level funding of \$103,284,900 for state aid for technical colleges. The agency indicates this funding will provide technical colleges with the flexibility to develop various student supports, including transportation, childcare, high-speed internet access, and access to mental health services, to align with specific institutional and student population needs.

2015 Act 201 Plan

10		<u>Amount</u>		
		<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan				
1.	Reduce funding for text materials	PR	-\$115,500	-\$115,500
2.	Reduce funding for auxiliary services	PR	-15,200	-15,200
3.	Reduce funding for inter-agency and intra-agency programs	PR	-57,900	-57,900
4.	Reduce funding for services for district boards	PR	<u>-32,700</u>	<u>-32,700</u>
Total			-\$221,300	-\$221,300

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

<u>Agency</u>	<u>2022-23 Adjusted Base</u>	<u>Request</u>		<u>2023-25 Change Over Base Year Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>Percent</u>
Administration	\$612,987,200	\$621,923,800	\$622,988,400	\$18,937,800	1.5%
Agriculture, Trade and Consumer Protection	110,422,800	118,446,900	118,192,500	15,793,800	7.2
Appropriation Obligation Bonds	311,179,800	309,478,800	323,093,600	10,212,800	1.6
Board for People with Developmental Disabilities	1,721,400	1,670,700	1,670,700	-101,400	-2.9
Board of Commissioners of Public Lands	1,699,800	1,860,800	1,878,100	339,300	10.0
Board on Aging and Long-Term Care	3,818,300	4,169,700	4,228,300	761,400	10.0
Building Commission	41,733,800	41,733,800	41,733,800	0	0.0
Child Abuse and Neglect Prevention Board	3,243,200	3,392,200	3,392,200	298,000	4.6
Children and Families	1,457,302,000	1,456,204,700	1,473,754,700	15,355,400	0.5
Circuit Courts	115,971,300	117,254,500	117,232,800	2,544,700	1.1
Corrections	1,472,134,400	1,576,987,900	1,595,810,600	228,529,700	7.8
Court of Appeals	12,384,500	12,105,500	12,123,300	-540,200	-2.2
District Attorneys	61,315,700	78,194,900	81,511,000	37,074,500	30.2
Educational Communications Board	20,905,400	21,410,400	21,415,300	1,014,900	2.4
Elections Commission	6,078,700	7,301,000	7,436,500	2,580,100	21.2
Employee Trust Funds	52,744,800	69,230,400	74,017,700	37,758,500	35.8
Employment Relations Commission	1,029,400	1,022,800	1,022,800	-13,200	-0.6
Environmental Improvement Fund	13,487,000	13,487,000	13,487,000	0	0.0
Ethics Commission	1,541,400	1,830,100	1,830,100	577,400	18.7
Financial Institutions	19,329,300	19,633,100	19,633,100	607,600	1.6
Fox River Navigational System Authority	125,400	125,400	125,400	0	0.0
Governor	4,358,200	4,530,400	4,530,400	344,400	4.0
Health Services	15,152,943,900	16,991,754,300	17,051,178,300	3,737,044,800	12.3
Higher Educational Aids Board	150,438,900	150,451,800	150,451,800	25,800	0.0
Historical Society	31,316,200	39,757,900	41,010,000	18,135,500	29.0
Insurance	283,511,300	313,618,400	313,623,500	60,219,300	10.6
Investment Board	102,731,100	102,731,100	102,731,100	0	0.0
Judicial Commission	352,800	351,000	351,000	-3,600	-0.5
Judicial Council	0	97,700	124,300	222,000	N.A.
Justice	158,719,500	244,535,300	245,789,000	172,885,300	54.5
Kickapoo Reserve Management Board	1,044,800	1,024,000	1,024,000	-41,600	-2.0
Labor and Industry Review Commission	2,875,600	3,057,600	3,057,600	364,000	6.3
Legislature	92,298,300	92,503,000	92,687,800	594,200	0.3
Lieutenant Governor	485,100	498,200	498,200	26,200	2.7
Lower Wisconsin State Riverway Board	263,000	266,000	266,000	6,000	1.1
Medical College of Wisconsin	11,115,900	11,115,900	11,115,900	0	0.0
Military Affairs	145,355,800	178,532,700	177,760,500	65,581,600	22.6
Miscellaneous Appropriations	195,234,200	218,730,300	219,542,300	47,804,200	12.2
Natural Resources	567,425,900	575,199,700	574,993,500	15,341,400	1.4
Program Supplements	332,100	332,100	332,100	0	0.0

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

<u>Agency</u>	2022-23 <u>Adjusted Base</u>	<u>Request</u>		2023-25 Change Over <u>Base Year Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>Percent</u>
Public Defender	\$114,656,100	\$134,746,500	\$136,436,800	\$41,871,100	18.3%
Public Instruction	8,234,211,500	9,050,078,800	9,970,704,500	2,552,360,300	15.5
Public Service Commission	33,130,800	33,963,200	33,963,200	1,664,800	2.5
Revenue	243,698,800	241,830,400	241,902,300	-3,664,900	-0.8
Safety and Professional Services	61,055,300	70,330,200	72,459,400	20,679,000	16.9
Secretary of State	288,100	492,300	507,100	423,200	73.4
Shared Revenue and Tax Relief	2,929,854,900	2,954,556,500	2,948,848,400	43,695,100	0.7
State Fair Park Board	22,756,300	22,955,900	22,955,900	399,200	0.9
State Treasurer	130,300	387,500	435,100	562,000	215.7
Supreme Court	34,617,000	39,031,500	39,315,500	9,113,000	13.2
Tourism	18,287,700	18,987,800	18,919,100	1,331,500	3.6
Transportation	3,303,151,300	3,516,740,800	3,524,557,200	434,995,400	6.6
University of Wisconsin System	6,774,407,300	6,929,485,500	7,054,965,700	435,636,600	3.2
Veterans Affairs	142,889,900	155,548,000	155,351,100	25,119,300	8.8
Wisconsin Economic Development Corporation	41,550,700	41,550,700	41,550,700	0	0.0
Wisconsin Technical College System	618,022,100	646,094,000	672,594,000	82,643,800	6.7
Workforce Development	<u>370,413,200</u>	<u>405,953,000</u>	<u>393,257,900</u>	<u>58,384,500</u>	7.9
TOTAL	\$44,165,079,500	\$47,669,284,400	\$48,856,369,100	\$8,195,494,500	9.3%

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

<u>Agency</u>	<u>2022-23</u>	<u>Request</u>		<u>2024-25 Over 2022-23</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Number</u>	<u>%</u>
Administration	1,459.78	1,459.78	1,450.78	-9.00	-0.6%
Agriculture, Trade and Consumer Protection	641.29	641.29	641.29	0.00	0.0
Board for People with Developmental Disabilities	7.00	7.00	7.00	0.00	0.0
Board of Commissioners of Public Lands	9.50	10.50	10.50	1.00	10.5
Board on Aging and Long-Term Care	44.50	47.50	47.50	3.00	6.7
Child Abuse and Neglect Prevention Board	7.00	7.00	7.00	0.00	0.0
Children and Families	821.67	797.67	794.67	-27.00	-3.3
Circuit Courts	543.00	551.00	551.00	8.00	1.5
Corrections	10,261.52	10,261.52	10,261.52	0.00	0.0
Court of Appeals	75.50	75.50	75.50	0.00	0.0
District Attorneys	544.90	600.20	554.20	9.30	1.7
Educational Communications Board	54.18	54.18	54.18	0.00	0.0
Elections Commission	32.00	42.00	42.00	10.00	31.3
Employee Trust Funds	275.20	291.20	291.20	16.00	5.8
Employment Relations Commission	6.00	6.00	6.00	0.00	0.0
Ethics Commission	8.00	8.00	8.00	0.00	0.0
Financial Institutions	141.54	141.54	141.54	0.00	0.0
Governor	37.25	37.25	37.25	0.00	0.0
Health Services	6,589.92	6,589.92	6,450.92	-139.00	-2.1
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.0
Historical Society	177.70	182.70	182.70	5.00	2.8
Insurance	134.83	134.83	134.83	0.00	0.0
Investment Board	290.00	290.00	290.00	0.00	0.0
Judicial Commission	2.00	2.00	2.00	0.00	0.0
Judicial Council	0.00	1.00	1.00	1.00	N.A.
Justice	747.84	814.84	818.84	71.00	9.5
Kickapoo Reserve Management Board	4.00	4.00	4.00	0.00	0.0
Labor and Industry Review Commission	18.70	18.70	18.70	0.00	0.0
Legislature	777.97	787.97	787.97	10.00	1.3
Lieutenant Governor	5.00	5.00	5.00	0.00	0.0
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	0.00	0.0
Military Affairs	604.00	602.00	587.00	-17.00	-2.8
Natural Resources	2,553.43	2,545.43	2,544.43	-9.00	-0.4
Public Defender	682.85	749.85	686.85	4.00	0.6
Public Instruction	654.00	657.00	657.00	3.00	0.5

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

<u>Agency</u>	<u>2022-23</u>	<u>Request</u>		<u>2024-25 Over 2022-23</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Number</u>	<u>%</u>
Public Service Commission	161.75	161.75	161.75	0.00	0.0%
Revenue	1,178.00	1,178.00	1,178.00	0.00	0.0
Safety and Professional Services	242.14	312.14	312.14	70.00	28.9
Secretary of State	2.00	4.00	4.00	2.00	100.0
State Fair Park Board	47.00	47.00	47.00	0.00	0.0
State Treasurer	1.00	4.00	4.00	3.00	300.0
Supreme Court	232.85	234.10	234.10	1.25	0.5
Tourism	34.00	34.00	34.00	0.00	0.0
Transportation	3,287.41	3,287.41	3,287.41	0.00	0.0
University of Wisconsin System	36,534.36	36,455.13	36,455.13	-79.23	-0.2
Veterans Affairs	1,242.43	1,242.43	1,242.43	0.00	0.0
Wisconsin Technical College System	55.00	55.00	55.00	0.00	0.0
Workforce Development	<u>1,674.45</u>	<u>1,612.45</u>	<u>1,603.45</u>	<u>-71.00</u>	-4.2
TOTAL	72,916.46	73,063.78	72,782.78	-133.68	-0.2%

Full-Time Equivalent Positions by Funding Source

<u>Fund</u>	<u>2022-23</u>	<u>Request</u>		<u>2024-25 Over 2022-23</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Number</u>	<u>%</u>
GPR	35,613.81	35,735.54	35,740.41	126.60	0.4%
FED	10,978.93	10,866.68	10,578.48	-400.45	-3.6
PR	21,477.32	21,601.16	21,603.49	126.17	0.6
SEG	<u>4,846.40</u>	<u>4,860.40</u>	<u>4,860.40</u>	<u>14.00</u>	0.3
TOTAL	72,916.46	73,063.78	72,782.78	-133.68	-0.2%

TABLE 3

Summary of General Fund Appropriations Requests by Agency

Agency	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled	
		2023-24	2024-25	Amount	Percent
Administration	\$17,450,400	\$17,424,800	\$17,424,800	-\$51,200	-0.1%
Agriculture, Trade and Consumer Protection	30,837,100	33,107,800	33,107,800	4,541,400	7.4
Appropriation Obligation Bonds	311,179,800	309,478,800	323,093,600	10,212,800	1.6
Board for People with Developmental Disabilities	129,000	129,000	129,000	0	0.0
Board of Commissioners of Public Lands	1,647,100	1,808,100	1,825,400	339,300	10.3
Board on Aging and Long-Term Care	1,710,500	1,917,000	1,945,300	441,300	12.9
Building Commission	40,148,200	40,148,200	40,148,200	0	0.0
Child Abuse and Neglect Prevention Board	995,000	995,000	995,000	0	0.0
Children and Families	504,827,800	500,159,500	501,301,000	-8,195,100	-0.8
Circuit Courts	115,738,600	117,021,800	117,000,100	2,544,700	1.1
Corrections	1,345,065,800	1,436,312,400	1,454,660,800	200,841,600	7.5
Court of Appeals	12,384,500	12,105,500	12,123,300	-540,200	-2.2
District Attorneys	56,624,900	71,833,100	77,817,200	36,400,500	32.1
Educational Communications Board	5,834,200	6,093,800	6,096,800	522,200	4.5
Elections Commission	4,869,500	5,985,700	6,119,700	2,366,400	24.3
Employee Trust Funds	32,500	27,900	21,400	-15,700	-24.2
Employment Relations Commission	883,800	877,200	877,200	-13,200	-0.7
Environmental Improvement Fund	6,487,000	6,487,000	6,487,000	0	0.0
Ethics Commission	1,013,700	1,195,100	1,195,100	362,800	17.9
Governor	4,358,200	4,530,400	4,530,400	344,400	4.0
Health Services	4,450,053,700	4,493,703,500	4,689,002,500	282,598,600	3.2
Higher Educational Aids Board	148,621,500	148,634,400	148,634,400	25,800	0.0
Historical Society	22,077,000	24,287,900	24,412,900	4,546,800	10.3
Insurance	34,233,200	21,733,500	58,200,000	11,467,100	16.7
Judicial Commission	352,800	351,000	351,000	-3,600	-0.5
Judicial Council	0	97,700	124,300	222,000	N.A.
Justice	79,016,100	128,917,500	130,791,800	101,677,100	64.3
Labor and Industry Review Commission	152,600	158,600	158,600	12,000	3.9
Legislature	89,851,800	89,966,800	89,960,800	224,000	0.1
Lieutenant Governor	485,100	498,200	498,200	26,200	2.7
Medical College of Wisconsin	10,868,400	10,868,400	10,868,400	0	0.0
Military Affairs	33,901,500	34,057,200	34,057,200	311,400	0.5
Miscellaneous Appropriations	162,941,200	186,437,300	187,249,300	47,804,200	14.7
Natural Resources	94,500,100	94,918,500	94,918,500	836,800	0.4
Program Supplements	332,100	332,100	332,100	0	0.0
Public Defender	113,150,900	133,273,100	134,963,400	41,934,700	18.5
Public Instruction	7,225,881,800	8,034,850,800	8,955,252,200	2,538,339,400	17.6
Revenue	192,630,300	190,495,200	190,495,200	-4,270,200	-1.1
Shared Revenue and Tax Relief	2,551,048,500	2,535,735,000	2,526,749,900	-39,612,100	-0.8
State Fair Park Board	1,660,300	1,660,300	1,660,300	0	0.0
State Treasurer	0	129,900	153,700	283,600	N.A.
Supreme Court	18,231,100	20,045,000	20,305,000	3,887,800	10.7
Tourism	6,487,000	7,382,400	7,313,700	1,722,100	13.3
Transportation	87,559,900	89,737,900	89,908,600	4,526,700	2.6
University of Wisconsin System	1,238,072,200	1,322,036,200	1,447,516,400	293,408,200	11.8
Veterans Affairs	1,749,900	1,824,900	1,824,900	150,000	4.3
Wisconsin Economic Development Corporation	4,550,700	4,550,700	4,550,700	0	0.0
Wisconsin Technical College System	579,933,100	608,382,000	634,882,000	83,397,800	7.2
Workforce Development	55,107,500	55,529,100	55,529,100	843,200	0.8
TOTAL	\$19,665,667,900	\$20,808,233,200	\$22,147,564,200	\$3,624,461,600	9.2%

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

<u>Agency</u>	<u>2022-23</u>	<u>Request</u>		<u>2024-25 Over 2022-23</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Number</u>	<u>%</u>
Administration	59.87	59.87	59.87	0.00	0.0%
Agriculture, Trade and Consumer Protection	201.40	201.40	201.40	0.00	0.0
Board of Commissioners of Public Lands	9.50	10.50	10.50	1.00	10.5
Board on Aging and Long-Term Care	20.48	21.98	21.98	1.50	7.3
Children and Families	232.92	232.92	232.92	0.00	0.0
Circuit Courts	543.00	551.00	551.00	8.00	1.5
Corrections	9,716.22	9,723.92	9,723.92	7.70	0.1
Court of Appeals	75.50	75.50	75.50	0.00	0.0
District Attorneys	456.40	518.70	518.70	62.30	13.7
Educational Communications Board	25.94	25.94	25.94	0.00	0.0
Elections Commission	25.75	35.75	35.75	10.00	38.8
Employment Relations Commission	6.00	6.00	6.00	0.00	0.0
Ethics Commission	4.70	4.70	4.70	0.00	0.0
Governor	37.25	37.25	37.25	0.00	0.0
Health Services	2,642.84	2,586.07	2,583.74	-59.10	-2.2
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.0
Historical Society	112.65	116.65	116.65	4.00	3.6
Judicial Commission	2.00	2.00	2.00	0.00	0.0
Judicial Council	0.00	1.00	1.00	1.00	N.A.
Justice	405.58	514.58	521.78	116.20	28.7
Labor and Industry Review Commission	0.80	0.80	0.80	0.00	0.0
Legislature	758.17	768.17	768.17	10.00	1.3
Lieutenant Governor	5.00	5.00	5.00	0.00	0.0
Military Affairs	82.08	82.08	82.08	0.00	0.0
Natural Resources	222.52	222.52	222.52	0.00	0.0
Public Defender	614.85	681.85	681.85	67.00	10.9
Public Instruction	252.47	256.47	256.47	4.00	1.6
Revenue	950.15	950.15	950.15	0.00	0.0
State Treasurer	0.00	1.50	1.50	1.50	N.A.
Supreme Court	115.50	115.50	115.50	0.00	0.0
Tourism	32.00	32.00	32.00	0.00	0.0
University of Wisconsin System	17,817.99	17,706.49	17,706.49	-111.50	-0.6
Wisconsin Technical College System	23.25	26.25	26.25	3.00	12.9
Workforce Development	<u>151.03</u>	<u>151.03</u>	<u>151.03</u>	<u>0.00</u>	0.0
TOTAL	35,613.81	35,735.54	35,740.41	126.60	0.4%

State Agency 2023-25 Budget Request Summaries

ADMINISTRATION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$17,450,400	\$17,424,800	\$17,424,800	-\$51,200	-0.1%	59.87	59.87	59.87	0.00	0.0%
FED	140,806,400	143,715,300	143,338,300	5,440,800	1.9	89.80	87.80	78.80	-11.00	-12.2
PR	399,323,200	405,322,500	406,764,100	13,440,200	1.7	1,297.56	1,299.56	1,299.56	2.00	0.2
SEG	<u>55,407,200</u>	<u>55,461,200</u>	<u>55,461,200</u>	<u>108,000</u>	0.1	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>0.00</u>	0.0
TOTAL	\$612,987,200	\$621,923,800	\$622,988,400	\$18,937,800	1.5%	1,459.78	1,459.78	1,450.78	-9.00	-0.6%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling -\$25,600 GPR, \$3,145,400 FED, \$1,629,100 PR, and \$54,000 SEG in 2023-24 and -\$25,600 GPR, \$2,768,400 FED, \$1,632,900 PR, and \$54,000 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); and (g) minor transfers within the same alpha appropriation (\$0 PR annually).

	Funding	Positions
GPR	-\$51,200	0.00
FED	5,913,800	-9.00
PR	3,262,000	0.00
SEG	<u>108,000</u>	<u>0.00</u>
Total	\$9,232,600	-9.00

2. POSITION REALLOCATIONS

Request -\$236,500 FED, \$236,500 PR, -2.0 FED positions, and 2.0 PR positions annually.

	Funding	Positions
FED	-\$473,000	-2.00
PR	<u>473,000</u>	<u>2.00</u>
Total	\$0	0.00

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).

3. RISK MANAGEMENT INSURANCE PREMIUM COSTS

PR	\$6,102,400
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Request \$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 request 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.

4. SAFETY AND PROFESSIONAL SERVICES IT SUPPORT

PR	\$2,479,800
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Request \$1,208,200 in 2023-24 and \$1,271,600 in 2024-25 to provide contractual IT services for the Department of Safety and Professional Services (DSPS). Under 2013 Act 20, IT functions for DSPS were transferred to DOA, which recovers costs by assessing DSPS for services provided. According to the request, in the 2023-25 biennium, additional contractors will be needed to upgrade, improve, and maintain DSPS IT systems.

5. CAPITOL POLICE PILOT ADD-ON

PR	\$723,000
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Request \$368,300 in 2023-24 and \$354,700 in 2024-25 for a pilot add-on of \$5.00 per hour for Capitol Police positions classified as Police Officer or Police Detective. The Capitol Police currently have 25 Police Officer and three Police Detective positions. Capitol Police operations are funded from the facility operations and maintenance, police and protection functions appropriation. Program revenue is provided from rent charged to state agencies occupying space in state-owned facilities.

6. NATOW CONTRACT TRANSFER

PR	\$400,000
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Request an inter-agency transfer of \$200,000 annually from the Department of Tourism's tourism marketing; gaming revenue appropriation to DOA's American Indian economic development; technical assistance appropriation. This allocation supports operations of Native American Tourism of Wisconsin (NATOW) and is supported by tribal gaming revenues. Further, request to transfer management of NATOW's marketing contract to 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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
Base Level Plan			
1. Reduce expenditure authority for services to nonstate governmental units.	PR	-\$87,800	-\$87,800
2. Reduce expenditure authority for supplies and services by not utilizing the information technology and communications services, nonstate entities appropriation to process expenses for the: (a) telecommunications access for educational agencies, infrastructure grants appropriation; and (b) federal e-rate aid appropriation.	PR	-3,162,000	-4,536,400
3. Increase expenditure authority for materials and services to state agencies and certain districts.	PR	286,500	286,500
4. Reduce expenditure authority for transportation and records.	PR	-114,400	-114,400
5. Reduce expenditure authority for the enterprise resource planning system.	PR	-148,700	-148,700
6. Increase expenditure authority for technical assistance for American Indian economic development.	PR	200,000	200,000
7. Increase expenditure authority for printing, mail, communication, document sales, and information technology services for state agencies and veterans services.	PR	1,272,600	1,336,000
8. Increase expenditure authority for risk management administration.	PR	2,357,200	3,745,200
9. Reduce the utility public benefits unallotted reserve created for contractual services.	SEG	-1,208,200	-1,271,600
10. Increase expenditure authority for police and protection functions.	PR	736,700	723,100
11. Reduce expenditure authority for Indian gaming general program operations.	PR	<u>-131,900</u>	<u>-131,900</u>
Total		\$0	\$0
	PR	(\$1,208,200)	(\$1,271,600)
	SEG	(-\$1,208,200)	(-\$1,271,600)
5% Budget Reduction Plan			
1. Reduce expenditure authority for the federal resource acquisition program's supplies and services.	PR	-\$180,000	-\$180,000
2. Reduce expenditure authority for services to nonstate governmental units.	PR	-87,800	-87,800

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
3. Reduce expenditure authority for supplies and services by not utilizing the information technology and communications services, nonstate entities appropriation to process expenses for the: (a) telecommunications access for educational agencies, infrastructure grants appropriation; and (b) federal e-rate aid appropriation.	PR	-\$11,971,100	-\$11,971,100
4. Reduce enterprise training appropriation expenditure authority.	PR	-148,800	-135,000
5. Increase expenditure authority for materials and services to state agencies and certain districts.	PR	286,500	286,500
6. Reduce expenditure authority for transportation and records.	PR	-114,400	-114,400
7. Reduce expenditure authority for statewide enterprise resource planning system appropriation supplies and services.	PR	-2,598,700	-2,448,700
8. Reduce postage supplies and services expenditure authority.	PR	-2,021,100	-3,400,000
9. Reduce supplies and services expenditure authority for the financial services operations appropriation.	PR	-1,500,000	-1,662,700
10. Increase expenditure authority for technical assistance for American Indian economic development.	PR	200,000	200,000
11. Increase expenditure authority for printing, mail, communication, document sales, and information technology services for state agencies and veterans services.	PR	1,272,600	1,336,000
12. Reduce publications appropriation expenditure authority.	PR	-40,000	-80,000
13. Reduce collective bargaining grievance appropriation expenditure authority.	PR	-30,000	-30,000
14. Reduce the land information program state operations supplies and services expenditure authority.	SEG	-120,000	-130,000
15. Reduce the environmental improvement programs supplies and services expenditure authority.	SEG	-150,000	-160,000
16. Increase expenditure authority for risk management administration.	PR	2,357,200	3,745,200
17. Delete the utility public benefits unallotted reserve created for contractual services.	SEG	-5,478,200	-5,478,200
18. Increase expenditure authority for police and protection functions.	PR	736,700	723,100
19. Reduce expenditure authority for Indian gaming general program operations.	PR	<u>-131,900</u>	<u>-131,900</u>
Total		-\$19,719,000	-\$19,719,000
	PR	(-\$13,970,800)	(-\$13,950,800)
	SEG	(-\$5,748,200)	(-\$5,768,200)

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$30,837,100	\$33,107,800	\$33,107,800	\$4,541,400	7.4%	201.40	201.40	201.40	0.00	0.0%
FED	11,699,400	11,995,200	11,729,400	325,800	1.4	91.52	90.77	90.77	- 0.75	- 0.8
PR	31,062,400	32,000,900	32,006,700	1,882,800	3.0	217.87	218.62	218.62	0.75	0.3
SEG	<u>36,823,900</u>	<u>41,343,000</u>	<u>41,348,600</u>	<u>9,043,800</u>	12.3	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.00</u>	0.0
TOTAL	\$110,422,800	\$118,446,900	\$118,192,500	\$15,793,800	7.2%	641.29	641.29	641.29	0.00	0.0%
BR		\$7,000,000								

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$202,600 GPR, -\$184,700 PR and -\$94,400 FED 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, \$723,000 PR, \$793,100 FED, and \$196,000 SEG annually); and (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).

GPR	\$402,400
FED	1,131,600
PR	1,184,600
SEG	<u>549,800</u>
Total	\$3,268,400

2. AGRICULTURAL EXPORT PROMOTION

GPR	\$2,000,000
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Request \$1,000,000 GPR each year to fully fund the Wisconsin Initiative for Agricultural Exports (WIAE). The agency request of \$1,000,000 includes: (a) continuation of \$558,400 GPR each year provided as supplemental funding under 2021 Act 58 and released by the Joint Committee on Finance under s. 13.10 of the statutes for each year of the 2021-23 biennium following the publication of the WIAE five-year plan in December, 2021; and (b) an additional \$441,600 GPR, which had been provided using existing DATCP PR balances under 2021 Wisconsin Act 207 for dairy exports promotion during the first and second years of the WIAE.

DATCP is required by 2021 Wisconsin Act 92 to request funding to implement years three and four of the WIAE five-year plan. Under the WIAE, DATCP and the Wisconsin Economic Development Corporation are to pursue 25% increases in the value of the state's dairy, meat, and crop product exports through June, 2026. Funding in the 2021-23 biennium supports trade shows, international trade missions, social media campaigns, grants, and scholarships. Act 92 intends for

funding of \$1,000,000 per year over the five-year initiative, including \$2.5 million for dairy exports, \$1.25 million for meat product exports, and \$1.25 million for crop exports.

3. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY

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

4. DAIRY PROCESSOR GRANTS

GPR	\$400,000
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Request an increase of \$200,000 annually for the dairy processing plant grant program. The program has base funding of \$200,000 GPR annually, and 2021 Act 58 provided an increase of \$200,000 per year on a one-time basis, for funding of \$400,000 annually during the 2021-23 biennium. The grant program funds projects intended to improve capacity, production, and profitability of dairy processors in Wisconsin.

5. COUNTY CONSERVATION STAFF AND SUPPORT

GPR	\$1,544,000
SEG	<u>3,087,800</u>
Total	\$4,631,800

Request additional ongoing funding of \$1,543,900 nonpoint SEG and \$772,000 GPR for county conservation staff and support grants in both 2023-24 and 2024-25. 2021 Act 58 provided increases of \$1,543,900 SEG and \$772,000 GPR in 2022-23 on a one-time basis for total funding of \$11.3 million, including \$3.8 million GPR and \$7.5 million nonpoint SEG.

County conservation staff are responsible for implementing state nonpoint source standards and other programs at the local level. By statute, it is the state's goal to provide annual funding for an average of three staff members per county, including 100% funding for the first position, 70% funding for the second position, and 50% funding for a third or subsequent position. DATCP reports that in 2023, funding is expected to support the full cost of counties' second positions and an average of 5% of funding for third positions.

6. PRODUCER-LED WATERSHED PROTECTION GRANTS

SEG	\$500,000
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Request an increase of \$250,000 SEG in ongoing funding each year of the biennium for the producer-led watershed protection grant program (PLWPG). 2021 Act 58 provided an increase of \$250,000 per year on a one-time basis, bringing total PLWPG program funding to \$1,000,000 annually in the 2021-23 biennium. DATCP reports that since 2019, grant requests have exceeded

the amount of grants awarded, and the additional funds would meet anticipated demand for the program.

7. NITROGEN OPTIMIZATION PROGRAMS

SEG	\$4,800,000
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Request \$2,400,000 nonpoint SEG in ongoing funding in each year of the biennium for nitrogen optimization and cover crop insurance rebate programs funded initially in 2022-23. 2021 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 that 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. However, funding was approved in August, 2022, after the agency adjusted base budget had been established. The request would provide ongoing funding for the programs beginning in 2023-24, including \$1,600,000 for the commercial nitrogen optimization pilot and \$800,000 for the cover crop insurance premium rebate.

8. FARMER MENTAL HEALTH ASSISTANCE

GPR	\$200,000
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Request \$100,000 annually to maintain funding for farmer mental health assistance programming. DATCP was authorized \$100,000 each year of the 2019-21 and 2021-23 biennia on a one-time basis to provide mental health assistance to farmers and their families. DATCP reports funding has supported in-person and virtual counseling sessions with mental healthcare professionals, development of a podcast addressing challenges facing Wisconsin farmers, and workshops and trainings related to recognizing and addressing farmer stress and suicidal ideation.

9. FEDERAL REVENUE REESTIMATES

FED	-\$643,000
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Request reductions to reflect estimated federal funding to be received by the Department in the 2023-25 biennium for United States Department of Agriculture marketing aids.

2015 Act 201 Plan

		<u>Amount</u>		
		<u>2023-24</u>	<u>2024-25</u>	
Base Level Plan		<u>Fund</u>		
1.	Reestimate expenditures in various appropriations.	PR	-\$428,200	-\$428,200
2.	Provide for minor position transfers and expenditure authority changes, as included in the agency request.	GPR	-2,500	-2,500
		PR	79,600	79,600
		SEG	1,100	1,100
3.	Increase laboratory equipment and service charges expenditure authority.	PR	100,000	100,000
4.	Increase computer system equipment, staff and services expenditure authority.	PR	150,000	150,000
5.	Increase food, lodging, and recreation expenditure authority.	PR	48,000	48,000
6.	Increase agrichemical management expenditure authority.	SEG	<u>52,000</u>	<u>52,000</u>
Total			\$0	\$0
		GPR	(-\$2,500)	(-\$2,500)
		PR	(-\$50,600)	(-\$50,600)
		SEG	(\$53,100)	(\$53,100)

		<u>Amount</u>		
		<u>2023-24</u>	<u>2024-25</u>	
5% Budget Reduction Plan		<u>Fund</u>		
1.	Reestimate expenditures in various appropriations.	PR	-\$4,238,600	-\$4,238,600
2.	Provide for minor positions transfers and expenditure authority changes as included in the agency request.	GPR	-2,500	-2,500
		PR	79,600	79,600
		SEG	1,100	1,100
3.	Increase laboratory equipment and service charges expenditure authority.	PR	100,000	100,000
4.	Increase computer system equipment, staff and services expenditure authority.	PR	150,000	150,000
5.	Increase food, lodging, and recreation expenditure authority.	PR	48,000	48,000
6.	Increase agrichemical management expenditure authority.	SEG	<u>52,000</u>	<u>52,000</u>
Total			-\$3,810,400	-\$3,810,400
		GPR	(-\$2,500)	(-\$2,500)
		PR	(-\$3,861,000)	(-\$3,861,000)
		SEG	(\$53,100)	(\$53,100)

APPROPRIATION OBLIGATION BONDS

Budget Summary					FTE Position Summary	
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		There are no positions associated with these debt service appropriations.
		2023-24	2024-25	Amount	%	
GPR	\$311,179,800	\$309,478,800	\$323,093,600	\$10,212,800	1.6%	

Major Request Items

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

GPR	\$15,272,300
GPR-Lapse	<u>13,963,000</u>
Net GPR	\$29,235,300

Request a reduction of -\$1,701,000 in 2023-24 and an increase of \$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 a larger payment is 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. 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 Table 1 below.

TABLE 1

Pension Bonds

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

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

GPR	- \$5,059,500
GPR-Lapse	<u>17,665,200</u>
Net GPR	\$12,605,700

Request no change in 2023-24 and a decrease of \$5,059,500 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 in 2024-25 and 2025-26. Therefore, the GPR appropriation in 2024-25 is decreased 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 \$1,944,000 in 2024-25. The net effect of these adjustments would be an increase in net expenditures of \$12,605,700, as shown in Table 2 below.

TABLE 2

Tobacco Bonds

	Base Year <u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	Change to Base Year Doubled
GPR	\$111,418,900	\$111,418,900	\$106,359,400	-\$5,059,500
GPR-Lapse	<u>-9,807,100</u>	<u>-5,000</u>	<u>-1,944,000</u>	<u>17,665,200</u>
Net GPR	\$101,611,800	\$111,413,900	\$104,415,400	\$12,605,700

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$129,000	\$129,000	\$129,000	\$0	0.0%	0.00	0.00	0.00	0.00	N.A.
FED	<u>1,592,400</u>	<u>1,541,700</u>	<u>1,541,700</u>	<u>- 101,400</u>	<u>- 3.2</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>	0.0%
TOTAL	\$1,721,400	\$1,670,700	\$1,670,700	- \$101,400	- 2.9%	7.00	7.00	7.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

FED	- \$101,400
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Request a reduction of \$50,700 annually to reflect the full funding of continuing position salaries and fringe benefits in the 2023-25 biennium.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u> 2023-24	<u>2024-25</u>
5% Budget Reduction Plan			
Shift rent and overhead supplies and services to the Board's federal core grant. Reduce scope of programs and information available to people with developmental disabilities and their families funded by the federal core grant.	GPR	-\$6,500	-\$6,500

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary						FTE Position Summary				
Fund	2022-23	Request		2023-25 Change Over		2022-23	Request		2024-25	
	Adjusted Base	2023-24	2024-25	Base Year Doubled	%		2023-24	2024-25	Over 2022-23	Number
GPR	\$1,647,100	\$1,808,100	\$1,825,400	\$339,300	10.3%	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	\$1,860,800	\$1,878,100	\$339,300	10.0%	9.50	10.50	10.50	1.00	10.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$51,200
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Request a decrease of \$25,600 annually in the 2023-25 biennium for adjustments to the base budget for full funding of salaries and fringe benefits of continuing positions.

2. VACANT POSITIONS ADJUSTMENT

GPR	\$138,800
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Request \$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. INVESTMENT AND LAND MANAGEMENT EXPENSES

GPR	\$130,000
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Request \$65,000 annually in the 2023-25 biennium for supplies and services. To accommodate additional funding for BCPL to fill vacant positions, 2021 Act 58 reallocated \$76,500 from the Board's supplies and services allotment to allotments for salaries and fringe benefits in each year. The request would increase the Board's supplies and services allotment to partially restore the 2021-23 reallocation. BCPL requests additional supplies and services funding to manage trust fund lands and investments.

4. FORESTER POSITION

	Funding	Positions
GPR	\$121,700	1.00

Request \$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.

2015 Act 201 Plan

	<u>Fund</u>	<u>2023-24</u>	<u>Amount</u> <u>2024-25</u>
5% Budget Reduction Plan			
Reduce agency operations, including: (a) expending less on due-diligence reports on trust fund investments; (b) limiting software updates; (c) closing fewer land sales, to reduce costs for appraisals, surveys, and closing; and (d) restricting timber stand improvement work.	GPR	-\$81,100	-\$81,100

BOARD ON AGING AND LONG-TERM CARE

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$1,710,500	\$1,917,000	\$1,945,300	\$441,300	12.9%	20.48	21.98	21.98	1.50	7.3%
PR	<u>2,107,800</u>	<u>2,252,700</u>	<u>2,283,000</u>	<u>320,100</u>	7.6	<u>24.02</u>	<u>25.52</u>	<u>25.52</u>	<u>1.50</u>	6.2
TOTAL	\$3,818,300	\$4,169,700	\$4,228,300	\$761,400	10.0%	44.50	47.50	47.50	3.00	6.7%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$238,700
PR	<u>124,100</u>
Total	\$362,800

Request \$176,200 in 2023-24 and \$186,400 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); and (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).

2. ADMINISTRATIVE STAFF

	Funding	Positions
GPR	\$202,600	1.50
PR	<u>196,000</u>	<u>1.50</u>
Total	\$398,600	3.00

Request \$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.

Request a statutory change to 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.

In its request, BOALTC 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 need to be separated, requiring the creation of 1.0 state long-term care ombudsman position.

Further, BOALTC requests 1.0 communications specialist position to enable BOALTC to reach a wider audience through updated websites, listservs, and social media. Finally, BOALTC requests 1.0 executive assistant, as BOALTC currently has 3.0 administrative support positions.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce state operations funding which would increase waiting times for services and decrease the number of persons who can be directly served by the advocacy and information programs of the Board.	PR	-\$190,900	-\$190,900

BUILDING COMMISSION

Budget Summary						FTE Position Summary
Fund	2022-23	Request		2023-25 Change Over		
	Adjusted Base	2023-24	2024-25	Base Year Doubled Amount	%	
GPR	\$40,148,200	\$40,148,200	\$40,148,200	\$0	0.0%	There are no positions for the Building Commission.
PR	561,400	561,400	561,400	0	0.0	
SEG	<u>1,024,200</u>	<u>1,024,200</u>	<u>1,024,200</u>	<u>0</u>	0.0	
TOTAL	\$41,733,800	\$41,733,800	\$41,733,800	\$0	0.0%	

Debt service (principal and interest payments) modifications for the 2023-25 biennium are generally not included in individual state agency budget requests. Any modifications will be included in the Governor's 2023-25 budget recommendations.

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$995,000	\$995,000	\$995,000	\$0	0.0%	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	1,725,500	1,725,500	314,400	10.0	6.00	6.00	6.00	0.00	0.0
SEG	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$3,243,200	\$3,392,200	\$3,392,200	\$298,000	4.6%	7.00	7.00	7.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENT

Request \$149,000 (-\$8,200 FED and \$157,200 PR) annually to reflect the full funding of continuing position salaries and fringe benefits in the 2023-25 biennium.

FED	-\$16,400
PR	<u>314,400</u>
Total	\$298,000

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Reduce technical support and training provided by CANPB to grantees, allowing the Board to eliminate funding for space rental (\$17,300 annually) and reduce funding for supplies and services by \$13,400 annually.	PR	-\$30,700	-\$30,700
2. Reduce the provision of administrative services such as state mailings, training programs, and publications funded by fees collected for those services.	PR	-8,000	-8,000
3. Eliminate the use of limited-term employees for general program operations.	PR	<u>-2,200</u>	<u>-2,200</u>
Total		-\$40,900	-\$40,900

CHILDREN AND FAMILIES

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$504,827,800	\$500,159,500	\$501,301,000	-\$8,195,100	-0.8%	232.92	232.92	232.92	0.00	0.0%
FED	822,280,400	821,999,900	838,408,400	15,847,500	1.0	409.24	384.24	381.24	-28.00	-6.8
PR	120,919,100	124,770,600	124,770,600	7,703,000	3.2	179.51	180.51	180.51	1.00	0.6
SEG	<u>9,274,700</u>	<u>9,274,700</u>	<u>9,274,700</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$1,457,302,000	\$1,456,204,700	\$1,473,754,700	\$15,355,400	0.5%	821.67	797.67	794.67	-27.00	-3.3%

Major Request Items

Departmentwide and Child Welfare Programs

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$11,800
FED	572,900
PR	<u>692,600</u>
Total	\$1,277,300

Request \$1,403,100 (\$5,900 GPR, \$1,050,900 FED, and \$346,300 PR) in 2023-24 and a decrease of \$125,800 (\$5,900 GPR, -\$478,000 FED, and \$346,300 PR) in 2024-25 to reflect the following standard budget adjustments: (a) turnover (-\$339,100 GPR, -\$607,000 FED, and -\$339,800 PR annually); (b) removal of noncontinuing elements (-\$508,000 FED in 2023-24 and -\$2,036,900 FED in 2024-25); (c) full funding of continuing salaries and fringe benefits (-\$521,600 GPR, \$2,134,000 FED, and \$680,600 PR in 2023-24 annually); (d) overtime (\$736,900 GPR, \$20,600 FED, and \$4,200 PR annually); (e) night and weekend salary differentials (\$129,700 GPR, \$11,300 FED, and \$1,300 PR annually); and (f) minor transfers between appropriations of the same fund source (\$0).

2. PROGRAM REVENUE AND FEDERAL APPROPRIATION ADJUSTMENTS

FED	\$242,200
PR	<u>7,000,000</u>
Total	\$7,242,200

Request \$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

	Source	Base	2023-24			2024-25		
			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	5,600	9,049,600	327,000	6,800	9,050,800
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	46,200	4,130,000	-500,000	55,200	4,139,000
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			<u>3,500,000</u>			<u>3,500,000</u>		
Total			\$3,621,100			\$3,621,100		

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

GPR	-\$3,903,500
FED	<u>2,002,800</u>
Total	-\$1,900,700

Request a decrease of \$948,600 (-\$1,950,400 GPR and \$1,001,800 FED) in 2023-24 and a decrease of \$952,100 (-\$1,953,100 GPR and \$1,001,000 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 \$4,070,100 (-\$3,600,700 GPR and -\$469,400 FED) in 2023-24 and a decrease of \$4,073,600 (-\$3,603,400 GPR and -\$470,200 FED) in 2024-25; and (c) an increase in funding for aids contracts costs, such as funding for court services, placement services, and foster parent training, of \$3,121,500 (\$2,345,000 GPR and \$776,500 FED) annually.

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

Request statutory and funding changes to 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.

Additionally, request statutory changes to consolidate two allocations of federal TANF funding by repealing the allocation for substance abuse prevention grants for youth and their families and transferring base funding for this purpose (\$500,000 TANF annually) to the allocation for child abuse and neglect prevention services.

5. STATE OUT-OF-HOME CARE AND ADOPTIONS REESTIMATE

GPR	- \$5,801,400
FED	<u>4,806,000</u>
Total	- \$995,400

Request a decrease of \$1,400,800 (-\$3,472,800 GPR and \$2,072,000 FED) in 2023-24 and an increase of \$405,400 (-\$2,328,600 GPR and \$2,734,000 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 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, base funding for these payments and services, funding increases requested by DCF, and total funding that would be budgeted for these programs under the DCF request.

State Out-of-Home Care Cost Reestimates

	<u>2023-24</u>			<u>2024-25</u>		
	<u>GPR</u>	<u>FED IV-E</u>	<u>All Funds</u>	<u>GPR</u>	<u>FED IV-E</u>	<u>All Funds</u>
Adoption Assistance						
Base Funding	\$44,783,900	\$46,811,900	\$91,595,800	\$44,783,900	\$46,811,900	\$91,595,800
Reestimate	<u>-2,124,100</u>	<u>9,300</u>	<u>-2,114,800</u>	<u>-1,837,200</u>	<u>324,100</u>	<u>-1,513,100</u>
Subtotal	\$42,659,800	\$46,821,200	\$89,481,000	\$42,946,700	\$47,136,000	\$90,082,700
Subsidized Guardianship						
Base Funding	\$5,200,000	\$0	\$5,200,000	\$5,200,000	\$0	\$5,200,000
Reestimate	<u>197,600</u>	<u>2,927,600</u>	<u>3,125,200</u>	<u>745,600</u>	<u>3,224,700</u>	<u>3,970,300</u>
Subtotal	\$5,397,600	\$2,927,600	\$8,325,200	\$5,945,600	\$3,224,700	\$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	<u>-2,617,600</u>	<u>-1,290,000</u>	<u>-3,907,600</u>	<u>-2,522,300</u>	<u>-1,239,900</u>	<u>-3,762,200</u>
Subtotal	\$3,886,100	\$2,043,800	\$5,929,900	\$3,981,400	\$2,093,900	\$6,075,300
State Adoption Services						
Base Funding	\$2,615,300	\$1,633,700	\$4,249,000	\$2,615,300	\$1,633,700	\$4,249,000
Reestimate	<u>1,071,300</u>	<u>425,100</u>	<u>1,496,400</u>	<u>1,285,300</u>	<u>425,100</u>	<u>1,710,400</u>
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	<u>-3,472,800</u>	<u>2,072,000</u>	<u>-1,400,800</u>	<u>-2,328,600</u>	<u>2,734,000</u>	<u>405,400</u>
Total	\$55,630,100	\$53,851,400	\$109,481,500	\$56,774,300	\$54,513,400	\$111,287,700

TANF and Economic Support Programs

1. OVERVIEW OF TANF-RELATED REVENUES AND EXPENDITURES

This item presents a summary of the DCF estimates of revenue available to fund economic support and TANF-funded programs in the 2021-23 biennium, and how funding for these programs would be budgeted in the 2023-25 biennium under the Department's budget request. "TANF" refers to the federal temporary assistance for needy families program.

The table on the following page shows revenues and expenditures for TANF-related programs. The first column shows actual expenditures and revenues for 2021-22. The next column shows the estimated revenues and expenditures for 2022-23. The third column shows the adjusted base, based on current law appropriations and TANF allocations. The fourth and fifth columns show the amounts requested by the Department for 2023-24 and 2024-25. The final columns show the change in revenue and expenditures under the Department's request compared to the adjusted base.

Revenues. DCF estimates total revenues for TANF-related programs at \$633.0 million in 2023-24 and \$636.7 million in 2024-25. State funding includes \$174.3 million (\$160.6 million GPR (the state's TANF maintenance of effort amount, \$4.5 million PR, and \$9.2 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 \$458.7 million in 2023-24 and \$462.4 million in 2024-25. Federal funds include monies from the TANF block grant, the child care and 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 \$442.9 million. The ending balance is expected to be unusually large primarily due to projected underspending in direct child care services. In 2021-22 spending for direct child care services was \$94.8 million less than budgeted under 2021 Act 58 (the 2021-23 budget act). Further, it is estimated that in 2022-23, direct child care services will be \$81.2 million less than budgeted in Act 58. Notwithstanding a large increase in subsidies beginning in January, 2022, Wisconsin Shares caseloads have not yet recovered to pre-pandemic levels.

Expenditures. Under the DCF request, the total amount that would be budgeted for TANF-related programs would be \$723.9 million in 2023-24 and \$741.2 million in 2024-25. These amounts include all funds, and represent a decrease from the base budget of \$3.7 million in 2023-24 and an increase of \$13.5 million in 2022-23. The changes in funding represent reestimates, and changes in the amounts that would be budgeted for some current programs, and decreased funding for other programs. Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2023-25 biennium would be \$247.5 million, which could be carried over into the 2025-27 biennium.

Summary of TANF Budget

	2021-22	2022-23	Adjusted Base/Est.	DCF Request		Change to Base/Est.	
	<u>Actual</u>	<u>Estimate</u>		2023-24	2024-25	2023-24	2024-25
Carryover from Previous Year	\$360,174,400	\$442,906,400	\$0	\$442,947,100	\$352,049,400		
Revenue							
GPR Appropriations -- Base Funding	\$160,848,400	\$160,381,400	\$160,381,400	\$160,631,400	\$160,631,400	\$250,000	\$250,000
FED -- TANF Block Grant	312,846,000	312,846,000	311,009,600	307,336,800	311,009,600	-3,672,800	0
FED -- CCDF	158,281,000	153,636,700	163,919,100	147,075,700	147,075,700	-16,843,400	-16,843,400
FED -- CCDF & TANF Recoveries	2,240,500	4,287,600	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	2,749,000	0	0
PR -- Child Care Fees	1,661,300	1,500,000	1,530,800	1,500,000	1,500,000	-30,800	-30,800
PR -- Social Services Block Grant -- DHS	100,000	100,000	100,000	100,000	100,000	0	0
PR -- Public Assistance Recoveries	38,800	160,600	160,600	160,600	160,600	0	0
SEG --Public Benefits Fund	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>0</u>	<u>0</u>
Total Revenues	\$647,225,800	\$644,801,000	\$653,277,800	\$632,980,800	\$636,653,600	-\$20,297,000	-\$16,624,200
Expenditures							
Child Care							
Direct Child Care Services	\$281,913,200	\$302,703,700	\$383,900,400	\$373,782,600	\$392,523,900	-\$10,117,800	\$8,623,500
Quality Care for Quality Kids	16,032,600	16,683,700	16,683,700	16,683,700	16,683,700	0	0
State Administration and Licensing	36,802,200	41,803,100	42,877,700	44,933,300	44,659,100	2,055,600	1,781,400
Employment Programs							
W-2 Benefits	\$27,034,100	\$34,000,000	\$34,000,000	\$39,299,700	\$45,195,100	\$5,299,700	\$11,195,100
W-2 Worker Supplement	437,500	2,700,000	2,700,000	2,700,000	2,700,000	0	0
W-2 Service Contracts	44,983,800	57,071,200	57,071,200	63,693,200	57,323,200	6,622,000	252,000
Transitional/Transform Milwaukee Jobs	5,987,200	9,500,000	9,500,000	11,200,000	11,200,000	1,700,000	1,700,000
Children First	425,300	882,200	1,140,000	1,140,000	1,140,000	0	0
Child Welfare Programs							
Kinship Care Benefits & Assessments	\$24,656,900	\$31,441,800	\$31,441,800	\$26,051,600	\$25,485,700	-\$5,390,200	-\$5,956,100
Child Welfare Safety Services	8,819,200	10,314,300	10,314,300	10,314,300	10,314,300	0	0
Child Welfare Prevention Services	6,789,600	6,789,600	6,789,600	7,289,600	7,289,600	500,000	500,000
Child Abuse Prevention Grant	469,500	500,000	500,000	500,000	500,000	0	0
Substance Abuse Prevention Grant	0	500,000	500,000	0	0	-500,000	-500,000
Housing Programs							
Emergency Assistance	\$1,694,100	\$6,000,000	\$6,000,000	\$6,137,400	\$6,279,900	\$137,400	\$279,900
Homeless Grants	500,000	757,800	500,000	500,000	500,000	0	0
Case Mgt. Services for Homeless -- JFC	0	0	500,000	500,000	500,000	0	0
Grant Programs							
GED Test Assistance	\$229,300	\$241,300	\$241,300	\$241,300	\$241,300	\$0	\$0
Legal Services	500,000	500,000	500,000	500,000	500,000	0	0
Adult Literacy	118,100	118,100	118,100	118,100	118,100	0	0
Boys & Girls Clubs of America	2,713,800	2,807,000	2,807,000	2,807,000	2,807,000	0	0
Wisconsin Community Services	371,200	400,000	400,000	400,000	400,000	0	0
Fostering Futures	437,500	560,300	560,300	560,300	560,300	0	0
Families and Schools Together	199,500	250,000	250,000	250,000	250,000	0	0
Offender Reentry	229,200	250,000	0	0	0	0	0
Jobs for America's Graduates	378,300	500,000	500,000	1,000,000	1,000,000	500,000	500,000
Administrative Support							
Public Assistance and TANF Admin.	\$15,272,900	\$17,482,300	\$17,820,700	\$18,654,900	\$18,935,500	\$834,200	\$1,114,800
Local Fraud Prevention	430,600	605,500	605,500	605,500	605,500	0	0
Funding Transfers to Other Agencies							
DHS -- SSI Caretaker Supplement	\$18,564,700	\$18,145,000	\$18,145,000	\$12,762,400	\$12,188,900	-\$5,382,600	-\$5,956,100
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	14,653,500	0	0
DOR -- Earned Income Tax Credit	<u>53,850,000</u>	<u>66,600,000</u>	<u>66,600,000</u>	<u>66,600,000</u>	<u>66,600,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$564,493,800	\$644,760,400	\$727,620,100	\$723,878,400	\$741,154,600	-\$3,741,700	\$13,534,500
Year-End Closing Balance	\$442,906,400	\$442,947,000		\$352,049,500	\$247,548,400		

2. DIRECT CHILD CARE SUBSIDIES

FED	- \$132,683,600
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Request a decrease of \$66,341,800 annually to reflect the Department's estimates of funding needed to fully support direct child care subsidies under the Wisconsin Shares program in the 2023-25 biennium. Federal funding to support Wisconsin Shares is available under the federal TANF block grant and the Child Care Development Fund (CCDF), which is comprised of funding the state receives under the federal Social Security Act and the Child Care and Development Block Grant (CCDBG).

DCF's estimate is based on two factors that suggest that subsidy costs in the 2023-25 biennium will be less than the 2022-23 base allocation. First, Wisconsin Shares caseloads remain 17% below pre-pandemic levels. Second, current law restricts subsidies from exceeding a provider's market price, and thus Wisconsin Shares issuance has not fully reflected the subsidy increase provided under Act 58. 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.

The following table summarizes the funding that would be allocated, by statute, for direct child care services under the Department's request. The table includes two programs summarized under the next two items: (a) changing authorizations based on full and part-time authorizations, rather than on an hourly basis; and (b) increased funding for tribal contracts.

Summary of Total Direct Child Care Services -- TANF Statutory Allocations

	<u>2023-24</u>	<u>2024-25</u>
Base Allocation	\$383,900,400	\$383,900,400
This Item -- Reestimate Funding Needed for Subsidies Based on Current Law and Policies	<u>-66,341,800</u>	<u>-66,341,800</u>
Total Needed, with Base Reestimate	\$317,558,600	\$317,558,600
Other Policy Changes in DCF Request		
Part-time/Full Time Authorizations	\$55,849,000	\$74,465,300
Tribal Contracts	<u>375,000</u>	<u>500,000</u>
Total Funding Requested for Direct Child Care Subsidies	\$373,782,600	\$392,523,900
Net Change for Statutory Allocation	-\$10,117,800	\$8,623,500

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

FED	\$130,314,300
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Request \$55,849,000 in 2023-24 and \$74,465,300 in 2024-25 to fund the full cost of implementing authorizations under Wisconsin Shares that are 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.

DCF indicates that federal law requires that subsidy payments must reflect generally accepted payment practices of child care providers who serve children who do not receive CCDF subsidies, including payments made on the basis of 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 \$74.5 million on an annualized basis, with the new authorizations beginning October, 2023.

4. DIRECT CHILD CARE SUBSIDIES -- TRIBAL CONTRACTS

FED	\$875,000
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Request \$375,000 in 2023-24 and \$500,000 2024-25 for tribal child care contracts. Nine of the state's 11 tribes currently have child care contracts with DCF to carry out the state child care certification activities, Wisconsin Shares authorizations and administration, and fraud prevention and investigation. DCF indicates that the funding would increase each of the existing tribal child care contracts by \$55,555, and provide for at least one additional FTE per tribe (assuming a \$17.89/hour wage along with fringe benefits).

5. WISCONSIN WORKS BENEFITS

FED	\$16,494,800
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Request \$5,299,700 in 2023-24 and \$11,195,100 in 2024-25 to reflect estimates of base-year caseloads and benefit payments under Wisconsin Works. The estimate is based on a projected 18.5% increase in caseloads, assuming a return to pre-pandemic caseload trends with slowing (or negative) economic growth and continued financial stress resulting from inflation in housing and other household costs. Total TANF funding for these benefits would be \$39,299,700 in 2023-24 and \$45,195,100 in 2024-25.

6. WISCONSIN WORKS AGENCY CONTRACTS

FED	\$6,874,000
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Request \$6,622,000 in 2023-24 and \$252,000 in 2024-25 to fund W-2 administrative contracts, including the costs of case management, work support services, education and training, and agency administration. DCF contracts on a calendar year basis with eight service providers to provide Wisconsin Works (W-2) benefits and services to participants in eight geographic regions, four of which are in the City of Milwaukee. The increase in funding reflects expected increases in caseloads and costs per case, compared to previous years. Under the DCF request, \$63,693,200 in 2023-24 and \$57,323,200 in 2024-25 would be budgeted to support these contracts.

7. TRANSFORM MILWAUKEE AND TRANSITIONAL JOBS

FED	\$3,400,000
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Request \$1,700,000 annually to fund projected costs of expanding eligibility for the Transform Milwaukee (TMJ) and Transitional Jobs (TJ) subsidized jobs programs. DCF requests statutory changes to remove the following two eligibility restrictions for these 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. 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.

8. CARETAKER SUPPLEMENT

FED	-\$11,338,700
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Request a funding decrease of \$5,382,600 in 2024-25 and a decrease of \$5,956,100 in 2024-25 to reflect an estimate of program costs for the caretaker supplement program, a program administered by the Department of Health Services (DHS) that provides monthly cash payments to individuals who receive supplemental security income (SSI) payments with dependent children. Under the program, in addition to state and federal SSI benefits, SSI recipients with dependent children receive a caretaker supplement of \$250 per month for the first child and \$150 per month for each additional child. The decrease in TANF funding (matched with a request for GPR funding by DHS) is requested to enable the state to continue to meet federal SSI maintenance of effort requirements.

9. KINSHIP CARE

FED	-\$11,346,300
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Request a funding decrease of \$5,390,200 in 2023-24 and \$5,956,100 in 2024-25 to reflect projected costs of kinship care payments and assessments in the 2023-25, based on 2022-23 projected kinship care caseloads and benefit payments. The monthly payment would remain unchanged at \$300. The 2022-23 base allocation for these costs, established in 2021 Act 58, is \$31,441,800. However, 2021-22 actual costs totaled \$24,656,900.

10. EMERGENCY ASSISTANCE

FED	\$417,300
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Request \$137,400 in 2023-24 and \$279,900 in 2024-25 to reflect projected increases in average costs and caseloads under the emergency assistance program. The average cost projections reflect anticipated increases in housing, food, and energy costs. Total funding allocated for emergency assistance would be \$6,137,400 in 2023-24 and \$6,279,900 in 2024-25. The emergency assistance program provides assistance to needy families with children in cases of fire, flood, natural

disaster, energy crisis, homelessness, or impending homelessness.

11. JOBS FOR AMERICA'S GRADUATES PROGRAM

FED	\$1,000,000
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Request \$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 a total of 290 students (116 of whom were funded via DCF) in Chippewa, Clark, Dane, Jackson, Marathon, Milwaukee, Monroe, and Rock Counties.

12. CHILD CARE -- STATE ADMINISTRATION

FED	\$2,947,600
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Request \$1,610,900 in 2023-24 and \$1,336,700 in 2024-25 for state administration of child care programs to fund the following: (a) the costs of transitioning childcare provider licensing from a paper-based system to an online format (\$994,400 in 2023-24 and \$426,900 in 2024-25); and (b) staff compensation reserves to fund anticipated increases in staff fringe benefit costs (\$616,500 in 2023-24 and \$909,800 in 2024-25).

The total statutory funding allocation for the state administration of child care is also affected by two other items in the Department's budget request: (a) turnover reduction (-\$376,700 annually); (b) full funding of continuing position salaries and fringe benefits (\$968,100 annually); and (c) a realignment of funding and positions within the Department (-\$146,700 annually).

The following table summarizes the funding changes made under this item and other items affecting the statutory allocation of funds for administration of the state's childcare programs.

**Summary of Total Funding for Administration of Child Care Services
TANF Statutory Allocations**

	<u>2023-24</u>	<u>2024-25</u>
Base Allocation	\$42,877,700	\$42,877,700
Online Licensing Project	\$994,400	\$426,900
Compensation Reserve Adjustment	<u>616,500</u>	<u>909,800</u>
Subtotal	\$1,610,900	\$1,336,700
Standard Budget Adjustments	\$591,400	\$591,400
Realignment of Positions and Funding	<u>-146,700</u>	<u>-146,700</u>
Subtotal	\$444,700	\$444,700
Total Statutory Allocation	\$44,933,300	\$44,659,100

13. PUBLIC ASSISTANCE PROGRAMS AND OVERPAYMENT COLLECTIONS -- STATE ADMINISTRATION

FED	\$1,347,800
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Request \$533,600 in 2023-24 and \$814,200 in 2024-25 for the state administration of public assistance programs and overpayment collections, to fund the following: (a) enhancements and system upgrades for the Benefit Recovery Investigation Tracking System (\$118,300 in 2023-24 and \$322,900 in 2024-25); and (b) a contracted position to manage implementation of a new housing, opportunity, planning, and empowerment (HOPE) program, which would provide financial literacy and empowerment services to families receiving Wisconsin Works benefits (\$187,200 annually); and (c) staff compensation reserves to fund anticipated increases in fringe benefit costs (\$228,100 in 2023-24 and \$304,100 in 2024-25).

In addition, the following two standard budget adjustments, not summarized under this item, affect the total statutory allocations of TANF funds for the state administration of public assistance programs and overpayment collections: (a) turnover (-\$127,500 annually); and (b) full funding of continuing salaries and fringe benefits (\$428,100 annually).

The following table summarizes the funding changes made under this item and other items affecting the statutory allocation of funds for administration of public assistance programs and overpayment collections.

**Public Assistance and Overpayment Collections Administration
TANF Statutory Allocations**

	<u>2023-24</u>	<u>2024-25</u>
Base Allocation	\$17,820,700	\$17,820,700
Changes to Base -- This Item		
BRITS Enhancements	\$118,300	\$322,900
HOPE Contractor	187,200	187,200
Compensation Reserve Adjustment	<u>228,100</u>	<u>304,100</u>
Subtotal	\$533,600	\$814,200
Standard Budget Adjustments	\$300,600	\$300,600
Total Statutory Allocation	\$18,654,900	\$18,935,500

14. TANF REVENUE ADJUSTMENT

FED	\$213,400
PR	<u>-213,400</u>
Total	\$0

Request \$106,700 FED (TANF) annually to replace a decrease of \$106,700 PR annually in child care licensing fees budgeted for TANF-related programs to reflect: (a) an estimated reduction in revenue of \$30,800 PR annually; and (b) a related reduction in PR expenditures for administrative standard budget adjustments, which are shown in the child care administration item (\$75,900 FED and -\$75,900 PR annually).

Youth Aids

1. SRCC BONUS FUNDING FOR QUALIFYING COUNTIES

GPR	\$1,500,000
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Request \$750,000 annually 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.

2. YOUTH AIDS FUNDING MODIFICATIONS

Request modifications to youth aids statutory provisions and transfer \$697,200 GPR annually to the Youth Aids appropriation [s. 20.437(1)(cj)] from the Community Intervention Program (CIP) appropriation [s. 20.437(1)(cm)]. 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 (\$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. According to DCF, the requested modifications 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 Improvements Program (YJSIP) appropriation. The CIP is defined under s. 48.528 of the statutes and utilizes appropriation s. 20.437(1)(cm). 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 (the renamed CIP).

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
Base Level Plan			
This plan would reduce funding available to replace the statewide child support data system.			
Increase the following appropriations:			
General Administration -- Interagency and Intra-Agency Programs	PR	\$2,000,000	\$2,000,000
General Administration -- Administrative and Support Services	PR	111,900	111,900
Decrease the following appropriations:			
Child Support Operations	PR	-2,004,200	-2,004,200
Child Care Licensing and Certification	PR	-106,700	-106,700
Economic Support General Program Operations	GPR	<u>-1,000</u>	<u>-1,000</u>
Total		\$0	\$0
	GPR	(-\$1,000)	(-\$1,000)
	PR	(\$1,000)	(\$1,000)

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
This plan would: (a) reduce funding for investigating child abuse and neglect in Milwaukee County; (b) reduce funding available to replace the statewide child support data system; and (c) reduce spending from appropriations that support various information technology projects, including those that support the W-2 and child care programs.			
Increase the following appropriation:			
General Administration -- Interagency and Intra-Agency Programs	PR	\$2,000,000	\$2,000,000
Reduce the following appropriations:			
Milwaukee Child Welfare Operations	GPR	-1,500,000	-1,500,000
Economic Support -- General Program Operations	GPR	-1,000	-1,000
Child Support Operations	PR	-3,587,000	-3,587,000
Child Care Licensing and Certification	PR	-106,700	-106,700
General Administration -- Administrative and Support Services	PR	<u>-2,388,100</u>	<u>-2,388,100</u>
Total		-\$5,582,800	-\$5,582,800
	GPR	(-\$1,501,000)	(-\$1,501,000)
	PR	(-\$6,081,800)	(-\$6,081,800)

CIRCUIT COURTS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%			2023-24	2024-25	Number
GPR	\$115,738,600	\$117,021,800	\$117,000,100	\$2,544,700	1.1%	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	\$117,254,500	\$117,232,800	\$2,544,700	1.1%	543.00	551.00	551.00	8.00	1.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$2,382,100
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Request adjustments to the base totaling -\$1,191,600 in 2023-24 and -\$1,190,500 in 2024-25 associated with: (a) full funding of continuing position salaries and fringe benefits (-\$1,193,600 annually); and (b) full funding of lease and directed moves costs (\$2,000 in 2023-24 and \$3,100 in 2024-25).

2. CIRCUIT COURT BRANCHES FUNDING AND POSITIONS

	Funding	Positions
GPR	\$2,469,400	8.00

Request \$1,246,100 in 2023-24, \$1,223,300 in 2024-25 and 8.0 positions annually for additional circuit court branches and to comply with the requirements of 2019 Act 184. Under 2019 Act 184, 12 circuit court branches will be added over a three-year period (four judges each in 2021, 2022, and 2023). The Director of State Courts indicates that the final four branches, to begin operation on August 1, 2023, will be located in Clark, Manitowoc, Sawyer, and Wood counties and will require statutory language changes to identify the correct number of circuit court branches in these four counties.

Requested position authority includes 4.0 judges and 4.0 circuit court reporters annually. Requested funding includes: (a) \$1,087,800 in 2023-24 and \$1,186,800 in 2024-25 for salaries and fringe benefits; (b) \$33,500 in 2023-24 and \$36,500 in 2024-25 for supplies and services; and (c) \$124,800 in 2023-24 for one-time costs for computer equipment, books, and other initial supplies.

3. CIRCUIT COURT COST PAYMENTS

GPR	\$877,400
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Request \$438,700 annually in the circuit court cost appropriation (s. 20.625(1)(cg)) 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 in the 2023-25 biennium.

4. DIGITAL AUDIO RECORDING DEVICES

GPR	\$1,580,000
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Request an increase of \$790,000 annually in sum sufficient expenditure authority in the circuit courts appropriation (s. 20.625(1)(a)) 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. ADMINISTRATION OF CERTIFICATIONS OF QUALIFICATIONS FOR EMPLOYMENT TRANSFER

Request statutory language changes to transfer the administration of certificates of qualification for employment (CQE) from the courts system to the Council on Offender Employment, and to eliminate the associated circuit courts CQE appropriation (20.625(1)(h)) and application fee.

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.

The requested statutory language changes would: (a) eliminate the circuit courts' certificates of qualification for employment appropriation and transfer any balances to the circuit courts' sale of materials and services appropriation; (b) require the Council, rather than the Courts, to make CQE revocation decisions; and (c) eliminate the \$20 application fee and waiver of fee statutory language.

CORRECTIONS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$1,345,065,800	\$1,436,312,400	\$1,454,660,800	\$200,841,600	7.5%	9,716.22	9,723.92	9,723.92	7.70	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	<u>124,401,400</u>	<u>138,008,800</u>	<u>138,483,100</u>	<u>27,689,100</u>	11.1	<u>544.30</u>	<u>536.60</u>	<u>536.60</u>	<u>- 7.70</u>	<u>- 1.4</u>
TOTAL	\$1,472,134,400	\$1,576,987,900	\$1,595,810,600	\$228,529,700	7.8%	10,261.52	10,261.52	10,261.52	0.00	0.0%

Major Request Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling -\$71,106,500 GPR, -\$500 FED, and -\$1,538,500 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); and (c) night and weekend differential (\$10,360,400 GPR and \$325,200 PR annually). It should be noted that 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."]

GPR	-\$142,213,000
FED	- 1,000
PR	<u>- 3,077,000</u>
Total	-\$145,291,000

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

Request \$103,387,200 GPR and \$2,450,400 PR annually for overtime funding. As noted above, in the calculation of full funding of salaries and fringe benefits, costs associated with overtime are removed. In 2022-23, the Department's total overtime was budgeted at \$77,336,600 GPR and \$2,106,100 PR.

GPR	\$206,774,400
PR	<u>4,900,800</u>
Total	\$211,675,200

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

GPR	\$119,621,800
PR	<u>6,046,000</u>
Total	\$125,667,800

Request \$60,939,600 GPR and \$3,080,000 PR in 2023-24 and \$58,682,200 GPR and \$2,966,000 PR in 2024-25 to provide on-going funding for add-ons implemented in the 2021-23 biennium. The requested funding is intended to allow the Department to extend: (a) a \$4 per hour add-on for security positions (including correctional officers, correctional sergeants, youth counselors, and youth counselors - advanced); (b) a \$5 add-on for security positions at institutions with a vacancy rate of 40% or higher; (c) a \$4 add-on for security supervisors (including supervising officers, supervising youth counselors, and corrections program supervisors); (d) a \$5 add-on for nurse clinicians, licensed practical nurses, and nursing assistants at certain institutions; (e) a \$3 add-on for nurse clinicians working weekend shifts at certain institutions; (f) a \$3 add-on for teachers at Lincoln Hills School and Copper Lake School; (g) add-ons for probation and parole agents working in security positions within adult correctional institutions; and (h) add-ons for security employees working security shifts in other departmental divisions.

4. REALIGNMENT OF FUNDING AND POSITIONS

	Funding	Positions
GPR	\$1,107,400	7.70
PR	<u>-1,107,400</u>	<u>-7.70</u>
Total	\$0	0.00

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.

Division	Appropriation	Annual Funding		Positions	
		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	<u>-383,600</u>		<u>-3.00</u>	
	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.

5. PROGRAM REVENUE REESTIMATES

PR	\$19,479,300
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Request \$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 in the Department of Corrections' request, and the total funding that would be budgeted for these purposes under the Department's request.

Purpose	2022-23 Base	2023-24			2024-25		
		Funding Adjustment	Other Agency Budget Requests	Total	Funding Adjustment	Other Agency Budget Requests	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	462,800	9,942,500	1,600,000	455,400	9,935,100
Prison Industries	21,422,700	1,400,000	68,200	22,890,900	1,400,000	72,000	22,894,700
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	<u>234,800</u>	0	606,600	<u>389,900</u>	0	761,700
Total PR Reestimates		\$9,575,800			\$9,903,500		

6. LAW ENFORCEMENT INVESTIGATIVE SERVICES

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.

Under current law, reimbursement claims of counties containing state prisons or juvenile correctional facilities may only be made by the county clerk 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 statutes to allow any jurisdiction (including cities, villages, or towns) to submit claims for reimbursement for certain expenses incurred or paid by it in reference to matters involving a prisoner in a state prison or a juvenile in a juvenile correctional facility within its jurisdiction. The proposed changes would allow the Department to reimburse all local law enforcement agencies for investigative services rendered to state correctional facilities, and would allow Corrections to do so from a dedicated appropriation, rather than from the general program operations appropriation.

Adult Institutions

1. ADULT CORRECTIONAL FACILITY POPULATIONS

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.

	November 11, 2022 <u>Actual Population</u>	<u>Average Daily Population</u>	
		<u>2023-24</u>	<u>2024-25</u>
Institutions*	18,135	18,206	18,859
Centers	2,237	2,859	2,859
Contract Beds**	<u>40</u>	<u>118</u>	<u>118</u>
 Total	 20,412	 21,183	 21,836

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (371 on November 11, 2022, 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
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Request 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 request 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
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Request an adjustment of -\$3,068,600 in 2023-24 and -\$3,032,000 in 2024-25 related to prison contract beds. The Department projects a total need of 100 contract prison beds annually. In addition, the Department 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 GPR.

4. INSTITUTIONAL REPAIR AND MAINTENANCE

GPR	\$1,805,200
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Request \$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.

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES

Under the Department’s request, 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.

<u>Facilities</u>	Nov. 11, 2022	<u>Average Daily Population</u>	
	<u>Actual Population</u>	<u>2023-24</u>	<u>2024-25</u>
Lincoln Hills School	66	50	50
Copper Lake School	11	12	12
Mendota Juvenile Treatment Center	29	26	26
Grow Academy	<u>6</u>	<u>5</u>	<u>5</u>
Total Juvenile Correctional Facility	112	93	93

2. STATUTORY DAILY RATES

Request the statutory daily rate to be \$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.

3. SERIOUS JUVENILE OFFENDER FUNDING

GPR	\$7,567,100
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Request \$1,567,700 in 2023-24 and \$5,999,400 in 2024-25 related to provide 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

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>		
	<u>September, 2022</u>	<u>2023-24</u>	<u>2024-25</u>
Juvenile Corrections Facilities	25	42	51
Community Supervision Program	58	33	31
Total ADP	83	75	82
Alternate Care*	18	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. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE

PR	\$1,084,400
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Request \$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 for 29 beds.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan Reduce state funding and 862.60 positions for services for the Division of Community Corrections and require counties to support utilized services.	GPR	-\$69,337,600	-\$69,337,600

COURT OF APPEALS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$12,384,500	\$12,105,500	\$12,123,300	-\$540,200	- 2.2%	75.50	75.50	75.50	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$594,200
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Request adjustments to the base totaling -\$306,000 in 2023-24 and -\$288,200 in 2024-25 associated with: (a) full funding of continuing position salaries and fringe benefits (-\$323,500 annually); and (b) full funding of lease and directed moves costs (\$17,500 in 2023-24 and \$35,300 in 2024-25).

2. LIMITED-TERM-EMPLOYEE STAFF ATTORNEY

GPR	\$54,000
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Request \$27,000 annually for a limited-term-employee (LTE) staff attorney. According to the Director of State Courts, the requested funding would cover an additional 500 to 600 hours of LTE work and would allow the court to address its current backlog of cases.

DISTRICT ATTORNEYS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$56,624,900	\$71,833,100	\$77,817,200	\$36,400,500	32.1%	456.40	518.70	518.70	62.30	13.7%
FED	0	2,668,000	0	2,668,000	N.A.	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	\$78,194,900	\$81,511,000	\$37,074,500	30.2%	544.90	600.20	554.20	9.30	1.7%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request 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).

	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

2. SALARY ADJUSTMENTS

GPR	\$14,388,600
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Request \$7,194,300 annually to increase the starting salary of all Assistant District Attorneys (ADAs) to \$35 an hour (currently \$26.70) and provide a similar increase of \$7.76 an hour to all ADAs and Deputy District Attorneys. Further, include non-statutory language which would specify 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.

3. PAY PROGRESSION

GPR	\$11,594,300
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Request \$3,740,100 in 2023-24 and \$7,854,200 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 approximately equal to 10%.

4. ADDITIONAL GPR PROSECUTOR POSITIONS

	Funding	Positions
GPR	\$8,581,300	62.30
PR	<u>- 474,200</u>	<u>- 3.00</u>
Total	\$8,107,100	59.30

Request \$3,648,800 GPR in 2023-24, \$4,932,500 GPR in 2024-25, and 62.3 GPR positions, 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.* Request \$2,873,800 GPR in 2023-24, \$3,831,800 GPR in 2024-25, and 48.4 GPR-funded positions annually, to provide additional ADAs requested by the following 17 offices:

<u>County</u>	<u>Requested GPR ADA Positions</u>	<u>Current Prosecutor Position Authority*</u>	<u>Current FED ADA Positions</u>	<u>Resulting Prosecutor Position Authority</u>
Brown	6.0	17.0	2.5	19.5
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	2.0	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	18.0
Monroe	2.0	5.0	0.5	7.5
Outagamie	2.0	12.0	2.0	16.0
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	<u>1.0</u>	4.0	0.0	5.0
Total	48.4			

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

b. *Convert PR-Funded ADA Position Authority.* Request \$664,000 GPR and -\$237,100

PR in 2023-24 and \$989,700 GPR and -\$237,100 PR in 2024-25 and 12.5 GPR and -3.0 PR positions, to convert funding for certain prosecutor positions from program revenue to general purpose revenue. The 12.5 requested GPR positions would include 2.5 ADA positions in Fond du Lac County, 2.0 ADA positions in Kenosha County, 2.0 ADA positions in Outagamie County, and 6.0 ADA positions in Milwaukee County. The request indicates that federal and county grant funding currently supporting the positions may not be available during the 2023-25 biennium. Of the requested positions, 1.5 of the 2.5 positions in Fond du Lac County, and the 2.0 positions each in Kenosha and Outagamie Counties are associated with converting positions from federal American Rescue Plan Act funding to GPR.

c. *Increase Existing Part-Time ADA Position Authority*: Request \$111,000 GPR and 1.4 GPR positions annually, to increase part-time prosecutor positions in the following two counties: (a) Langlade 0.5 GPR position (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).

5. IT SOFTWARE, IT HARDWARE AND LEGAL RESEARCH

GPR	\$2,800,000
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Request \$1,400,000 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 and to provide TIME Access, Westlaw subscription, and State Bar legal research tools for eligible DA office employees.

6. RESTORE TURNOVER

GPR	\$2,439,400
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Request \$1,219,700 GPR annually to restore the turnover reduction applied in standard budget adjustments. The District Attorneys indicate that historically, the District Attorneys have been able to meet the budgeted turnover reduction due to retirement of experienced workers. However, in recent biennia those cost savings have not materialized.

7. SUPPLIES AND SERVICES

GPR	\$1,600,000
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Request \$800,000 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 made from the appropriation's supplies and services allocation.

8. PROFESSIONAL LIABILITY INSURANCE

GPR	\$350,000
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Request \$175,000 annually for professional liability insurance to provide protection when a

grievance is filed with the Office of Lawyer Regulation and no representation or indemnification is provided by the state to the prosecutor.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce prosecutors statewide by 38.62 positions.	GPR	-\$3,050,500	-\$3,050,500

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$5,834,200	\$6,093,800	\$6,096,800	\$522,200	4.5%	25.94	25.94	25.94	0.00	0.0%
PR	15,071,200	15,316,600	15,318,500	492,700	1.6	28.24	28.24	28.24	0.00	0.0
TOTAL	\$20,905,400	\$21,410,400	\$21,415,300	\$1,014,900	2.4%	54.18	54.18	54.18	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$522,200
PR	492,700
Total	\$1,014,900

Request increases of \$259,600 GPR and \$245,400 PR and \$262,600 GPR and \$247,300 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; and (d) \$8,700 GPR and \$3,400 PR annually for night and weekend differential pay.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Eliminate staff which ECB indicates would adversely affect its ability to maintain transmitter sites and manage finances.	GPR	-\$259,600	-\$262,600
2. Reduce air conditioning at transmitter sites. ECB indicates that this could lead to increases in repair costs and network failure.	GPR	-30,000	-30,000
3. Eliminate 4.00 outreach positions and related expenditures that help generate program revenue, as well as delete spending for professional development and reduce expenditures on equipment maintenance and replacement.	PR	-658,200	-655,200
Total		-\$947,800	-\$947,800
	GPR	(-\$289,600)	(-\$292,600)
	PR	(-\$658,200)	(-\$655,200)

ELECTIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$4,869,500	\$5,985,700	\$6,119,700	\$2,366,400	24.3%	25.75	35.75	35.75	10.00	38.8%
FED	851,200	871,600	873,100	42,300	2.5	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	N.A.
TOTAL	\$6,078,700	\$7,301,000	\$7,436,500	\$2,580,100	21.2%	32.00	42.00	42.00	10.00	31.3%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$428,400
FED	42,300
PR	<u>171,400</u>
Total	\$642,100

Request adjustments to the base totaling \$214,200 GPR, \$20,400 FED, and \$85,700 PR in 2023-24 and \$214,200 GPR, \$21,900 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); and (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).

2. ELECTIONS INSPECTOR GENERAL

	Funding	Positions
GPR	\$1,938,000	10.00

Request \$902,000 in 2023-24, \$1,036,000 in 2024-25, and 10.0 positions annually to create and operate an Office of the Elections Inspector General. Requested funding includes: (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 audits of voter registration system security and maintenance, post-election audits of voting equipment, and polling place accessibility audits; and (c) \$50,000 in 2023-24 for one-time purchase of computers and office supplies.

Requested position authority includes: (a) 1.0 unclassified policy initiatives advisor (the Inspector General); (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 Elections Commission, the Office of the Elections Inspector General would increase the Commission's ability to respond to public and legislative inquiries (including open records requests) in a timely and effective manner, assist with research regarding formal complaints of election law violations, and provide research support regarding polling place procedures, elections processes, and elections systems, among other duties.

3. VOTER IDENTIFICATION TRAINING APPROPRIATION MODIFICATION

Modify the voter identification training appropriation [s. 20.510(1)(c)] 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. In 2022-23, the annual voter identification training appropriation is budgeted \$82,600 GPR.

2015 Act 201 Plan

		<u>Amount</u>		
		<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan				
1.	Reduce spending authority for general program operations.	GPR	-\$68,100	-\$68,100
2.	Reduce spending authority for investigations.	GPR	-25,000	-25,000
3.	Reduce spending authority for voter identification training.	GPR	-82,600	-82,600
4.	Reduce spending authority for materials and services.	PR	-1,000	-1,000
5.	Reduce spending authority for elections security and maintenance.	PR	<u>-84,700</u>	<u>-84,700</u>
Total			-\$261,400	-\$261,400
		GPR	(-\$175,700)	(-\$175,700)
		PR	(-\$85,700)	(-\$85,700)

EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		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	<u>52,712,300</u>	<u>69,202,500</u>	<u>73,996,300</u>	<u>37,774,200</u>	35.8	<u>275.20</u>	<u>291.20</u>	<u>291.20</u>	<u>16.00</u>	5.8
TOTAL	\$52,744,800	\$69,230,400	\$74,017,700	\$37,758,500	35.8%	275.20	291.20	291.20	16.00	5.8%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	\$1,580,000
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Request adjustments to the base totaling \$790,000 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; and (d) night and weekend differential pay, \$72,300 annually.

2. PENSION AND INSURANCE ADMINISTRATION SYSTEMS AND DATA MANAGEMENT

	Funding	Positions
SEG	\$34,687,800	7.00

Request \$15,101,800 in 2023-24, \$19,586,000 in 2024-25, and 7.0 positions annually (4.0 permanent and 3.0 project) for the following: (a) pension administration system implementation (\$11,475,500 annually); (b) insurance administration system ongoing costs (\$4,344,100 in 2024-25); (c) consulting services to assist with implementation of pension and insurance administration systems (\$2,160,000 annually); (d) data management expenses (\$950,400 annually); and (e) \$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 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. The Department indicates that the Employee Trust Funds Board must ensure sufficient expenditure authority is available for the project before proceeding to issue a request for proposal.

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.

3. SERVICE LEVELS TO MEET EMPLOYER AND MEMBER GROWTH

	Funding	Positions
SEG	\$989,600	7.00

Request \$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.

4. SUPPORT FOR FINANCIAL AND ACTUARIAL FUNCTIONS

	Funding	Positions
SEG	\$325,800	2.00

Request \$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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce funding for information technology resources and delay modernization efforts.	SEG	-\$2,635,600	-\$2,635,600

EMPLOYMENT RELATIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23	Request		2023-25 Change Over		2022-23	Request		2024-25	
	Adjusted Base	2023-24	2024-25	Base Year Doubled	Amount		%	2023-24	2024-25	Number
GPR	\$883,800	\$877,200	\$877,200	-\$13,200	-0.7%	6.00	6.00	6.00	0.00	0.0%
PR	145,600	145,600	145,600	0	0.0	0.00	0.00	0.00	0.00	N.A.
TOTAL	\$1,029,400	\$1,022,800	\$1,022,800	-\$13,200	-0.6%	6.00	6.00	6.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$13,200
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Request standard budget adjustments to the base totaling -\$6,600 annually. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$6,600 annually); and (b) minor transfers within the same alpha appropriation (\$2,500 annually from permanent property to supplies and services).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Remove funding associated with 1.0 FTE staff attorney position.	GPR	-\$51,500	-\$51,500

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary					FTE Position Summary	
	2022-23	<u>Request</u>		2023-25 Change Over		Positions for the Environmental Improvement Fund program are provided under the Department of Administration and Natural Resources.
Fund	Adjusted Base	2023-24	2024-25	Base Year	Doubled	
				Amount	%	
GPR	\$6,487,000	\$6,487,000	\$6,487,000	\$0	0.0%	
SEG	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>0</u>	0.0	
TOTAL	\$13,487,000	\$13,487,000	\$13,487,000	\$0	0.0%	
BR		\$372,013,000				

Major Request Item

1. BONDING AND DEBT SERVICE COSTS

BR	\$372,013,000
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Request \$372,013,000 in revenue obligation bonding for the environmental improvement fund (EIF). The EIF includes the clean water fund and the safe drinking water loan program. The EIF uses federal capitalization grants, state general obligation and revenue obligation bonding, and loan repayments to finance improvements to municipal wastewater treatment systems and public drinking water systems. State bonding authorized to date includes: (a) \$659.8 million in general obligation bonding for the clean water fund; (b) \$75.0 million in general obligation bonding for the safe drinking water loan program; and (c) \$2.6 billion in total revenue obligation bonding for both programs.

While no change is included for GPR sum sufficient debt service on EIF general obligation bonds, a reestimate will be included in the Governor's budget. Debt service payments from 2020-21 through the 2022-23 budgeted amounts are shown in the table. Clean water fund program debt service is also paid from a sum-certain SEG appropriation supported by a portion of repayments from municipalities or loans funded from general obligation bonds.

Environmental Improvement Fund Debt Service Expenditures

	GPR Clean Water Fund <u>Program</u>	SEG Clean Water Fund <u>Program</u>	Safe Drinking Water Loan GPR	<u>Total</u>
2020-21 Actual	\$4,326,200	\$8,000,000	\$4,111,300	\$16,437,500
2021-22 Actual	3,939,300	8,000,000	4,321,700	16,261,000
2022-23 Budgeted	2,756,600	7,000,000	3,730,400	13,487,000

The programs have transitioned to using primarily state revenue obligation bonding and loan repayments as the source of sufficient state matches to federal funding. The Departments of Administration and Natural Resources, which administer the program, indicate the additional bonding authority would be sufficient to finance the programs through June 30, 2027.

ETHICS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23	Request		2023-25 Change Over		2022-23	Request		2024-25	
	Adjusted Base	2023-24	2024-25	Base Year Doubled	%		2023-24	2024-25	Number	%
GPR	\$1,013,700	\$1,195,100	\$1,195,100	\$362,800	17.9%	4.70	4.70	4.70	0.00	0.0%
PR	<u>527,700</u>	<u>635,000</u>	<u>635,000</u>	<u>214,600</u>	20.3	<u>3.30</u>	<u>3.30</u>	<u>3.30</u>	<u>0.00</u>	0.0
TOTAL	\$1,541,400	\$1,830,100	\$1,830,100	\$577,400	18.7%	8.00	8.00	8.00	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request an adjustment to the base of -\$4,600 annually (-\$1,900 GPR and -\$2,700 PR) associated with full funding of continuing position salaries and fringe benefits.

GPR	- \$3,800
PR	<u>- 5,400</u>
Total	- \$9,200

2. CAMPAIGN FINANCE INFORMATION SYSTEM WEBSITE REPLACEMENT

Request \$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. Requested one-time funding would be used to hire two information technology contractors for the 2023-25 biennium. Requested 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.

GPR	\$366,600
PR	<u>220,000</u>
Total	\$586,600

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
		<u>Fund</u>	
5% Budget Reduction Plan			
1.	Increase spending authority for general program operations.	GPR	\$1,900
2.	Reduce spending authority for investigations.	GPR	-30,000
3.	Reduce spending authority for materials and services.	PR	-2,500
4.	Reduce spending authority for lobbying administration.	PR	<u>-46,500</u>
Total			-\$77,100
		GPR	(-\$28,100)
		PR	(-\$49,000)

FINANCIAL INSTITUTIONS

Budget Summary						FTE Position Summary				
Fund	2022-23	Request		2023-25 Change Over		2022-23	Request		2024-25	
	Adjusted Base	2023-24	2024-25	Base Year Doubled	%		2023-24	2024-25	Over 2022-23	%
				Amount					Number	
PR	\$18,329,700	\$18,694,500	\$18,694,500	\$729,600	2.0%	138.54	138.54	138.54	0.00	0.0%
SEG	<u>999,600</u>	<u>938,600</u>	<u>938,600</u>	<u>- 122,000</u>	- 6.1	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>	0.0
TOTAL	\$19,329,300	\$19,633,100	\$19,633,100	\$607,600	1.6%	141.54	141.54	141.54	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

PR	\$729,600
SEG	<u>- 122,000</u>
Total	\$607,600

Request 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).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Reduce spending authority for the Payday Lending appropriations.	PR	-\$700,000	-\$700,000
2. Reduce spending authority for Tuition Trust Fund, and College Savings Program appropriations.	SEG	<u>-266,400</u>	<u>-266,400</u>
Total		-\$966,400	-\$966,400

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary					FTE Position Summary	
Fund	2022-23 Adjusted Base	<u>Request</u>		<u>2023-25 Change Over</u> <u>Base Year Doubled</u>		There are no state authorized positions for the Fox River Navigational System.
		2023-24	2024-25	Amount	%	
SEG	\$125,400	\$125,400	\$125,400	\$0	0.0%	

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce the state transfer for FRNSA operations, which are funded in part from the water resources account of the conservation fund.	SEG	-\$6,300	-\$6,300

GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	<u>Request</u>		2023-25 Change Over Base Year Doubled		2022-23	<u>Request</u>		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		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%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$344,400
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Request 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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce supplies and services.	GPR	-\$217,800	-\$217,800

HEALTH SERVICES

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$4,450,053,700	\$4,493,703,500	\$4,689,002,500	\$282,598,600	3.2%	2,642.84	2,586.07	2,583.74	- 59.10	- 2.2%
FED	7,721,514,300	9,606,129,300	9,795,292,900	3,958,393,600	25.6	1,522.77	1,524.27	1,385.27	- 137.50	- 9.0
PR	1,828,706,200	2,032,616,000	1,955,643,100	330,846,700	9.0	2,422.31	2,477.58	2,479.91	57.60	2.4
SEG	<u>1,152,669,700</u>	<u>859,305,500</u>	<u>611,239,800</u>	<u>- 834,794,100</u>	- 36.2	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	0.0
TOTAL	\$15,152,943,900	\$16,991,754,300	\$17,051,178,300	\$3,737,044,800	12.3%	6,589.92	6,589.92	6,450.92	- 139.00	- 2.1%

Major Request Items

Medicaid Services

1. OVERVIEW OF MEDICAL ASSISTANCE FUNDING AND ENROLLMENT

This item presents several summary tables relating to the funding that would be provided for medical assistance (MA) benefits under the Department's request.

The MA program is supported by general purpose revenue (GPR), federal Medicaid matching funds (FED), three segregated funds (the MA trust fund, the hospital assessment trust fund, 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 Department's request, compared to the base level funding for the program. The first adjustment shown in the table (second row for each year) is a reallocation between GPR and SEG funding of \$527,783,700, to reflect a fund source reallocation that reverses the impact on the appropriation base of a non-recurring funding transfer and funding switch that was included the 2021-23 budget act. The table shows the appropriation base, as adjusted by this fund source reallocation decision item.

The cost-to-continue item reflects the Department's estimates of MA costs in the 2023-25 biennium, without eligibility or other program changes. In addition, the Department is requesting statutory and funding changes to implement a full Medicaid expansion, as described under Item #5. The table shows separately the two types of funding changes associated with this initiative-- ongoing changes associated with enhanced federal matching funds for the expansion population, and the non-recurring funding shift between GPR and FED appropriations associated with a two-

year federal incentive for states that adopt full expansion.

The Department's request includes funding for provider reimbursement rate increases for home and community based services (HCBS). The Department implemented HCBS rate increases in 2021-22 under a federal incentive program, but additional funding would be needed in the 2023-25 biennium to maintain those higher rates after the incentive funding for the rate increases is expected to be fully expended. Finally, MA benefits appropriations would be adjusted to reflect program revenue reestimates and a transfer of funding that currently supports contractor costs for the childhood lead poisoning prevention initiative to a DHS appropriation that funds administrative contracts.

TABLE 1

Summary of MA Benefits Funding

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2023-24					
Base Funding	\$3,458,839,100	\$6,891,808,500	\$1,336,421,400	\$1,152,315,400	\$12,839,384,400
Fund Source Reallocation	<u>527,783,700</u>	<u>0</u>	<u>0</u>	<u>-527,783,700</u>	<u>0</u>
Base with Reallocation	\$3,986,622,800	\$6,891,808,500	\$1,336,421,400	\$624,531,700	\$12,839,384,400
Cost-to-Continue Request	\$217,377,300	\$526,362,300	\$106,756,800	\$234,417,700	\$1,084,914,100
Full Medicaid Expansion	-211,722,900	630,382,700	0	0	418,659,800
Expansion Fed. Incentive	-575,715,800	575,715,800	0	0	0
HCBS Rate Increases	18,029,400	28,200,600	0	0	46,230,000
Other Adjustments	<u>-423,600</u>	<u>0</u>	<u>4,808,000</u>	<u>0</u>	<u>4,384,400</u>
Change to Adjusted Base	-\$552,455,600	\$1,760,661,400	\$111,564,800	\$234,417,700	\$1,554,188,300
2023-24 Total Funding	\$3,434,167,200	\$8,652,469,900	\$1,447,986,200	\$858,949,400	\$14,393,572,700
2024-25					
Base Funding	\$3,458,839,100	\$6,891,808,500	\$1,336,421,400	\$1,152,315,400	\$12,839,384,400
Fund Source Reallocation	<u>527,783,700</u>	<u>0</u>	<u>0</u>	<u>-527,783,700</u>	<u>0</u>
Base with Reallocation	\$3,986,622,800	\$6,891,808,500	\$1,336,421,400	\$624,531,700	\$12,839,384,400
Cost-to-Continue Request	\$316,588,900	\$659,009,300	\$15,335,500	-\$13,648,000	\$977,285,700
Full Medicaid Expansion	-180,356,100	595,066,900	0	0	414,710,800
Expansion Fed. Incentive	-581,232,800	581,232,800	0	0	0
HCBS Rate Increases	74,757,500	118,646,500	0	0	193,404,000
Other Adjustments	<u>-427,400</u>	<u>0</u>	<u>4,808,000</u>	<u>0</u>	<u>4,380,600</u>
Change to Adjusted Base	-\$370,669,900	\$1,953,955,500	\$20,143,500	-\$13,648,000	\$1,589,781,100
2024-25 Total Funding	\$3,615,952,900	\$8,845,764,000	\$1,356,564,900	\$610,883,700	\$14,429,165,500
2023-25 Biennium					
Adjusted Base Doubled	\$7,973,245,600	\$13,783,617,000	\$2,672,842,800	\$1,249,063,400	\$25,678,768,800
Cost-to-Continue Request	\$533,966,200	\$1,185,371,600	\$122,092,300	\$220,769,700	\$2,062,199,800
Medicaid Expansion	-1,549,027,600	2,382,398,200	0	0	833,370,600
Other Changes	<u>91,935,900</u>	<u>146,847,100</u>	<u>9,616,000</u>	<u>0</u>	<u>248,399,000</u>
Total Change to Adj. Base	-\$923,125,500	\$3,714,616,900	\$131,708,300	\$220,769,700	\$3,143,969,400
Total 2023-25 Funding	\$7,050,120,100	\$17,498,233,900	\$2,804,551,100	\$1,469,833,100	\$28,822,738,200

Table 2 shows actual and projected average monthly enrollment by major eligibility group under the Department's request. For parents and childless adults, the Department's baseline projection, used for the MA cost-to-continue reestimate, is shown separately from the impact of the proposal to implement the full Medicaid expansion.

The federal Families First Coronavirus Response Act of 2020 provided an enhanced Medicaid matching rate (an increase of 6.2 percentage points) for the duration of the federal public health emergency for 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, until the federal public health emergency expires. This "continuous eligibility" policy has resulted in steady enrollment increases over the past three years. The Department's cost-to-continue estimate assumes that the public health emergency, and, thus, the continuous eligibility policy, will expire in January of 2023, leading to decreasing enrollment over the following 12 months. As a result, 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 2

Actual and Projected Monthly Average Enrollment by Group

	Actual <u>2021-22</u>	Projected <u>2022-23</u>	<u>Estimates</u>	
			<u>2023-24</u>	<u>2024-25</u>
Elderly, Blind, Disabled MA				
Elderly	84,305	87,834	86,158	87,290
Disabled, Non-Elderly Adults	151,173	154,121	152,780	153,410
Disabled Children	<u>33,529</u>	<u>34,312</u>	<u>35,204</u>	<u>35,729</u>
EBD Total	269,006	276,267	274,142	276,429
BadgerCare Plus				
Children	554,168	569,722	477,491	453,413
Parents				
<i>Baseline</i>	224,634	235,511	176,142	161,282
<i>Medicaid Expansion</i>	<u>0</u>	<u>0</u>	<u>61,103</u>	<u>61,103</u>
Total Parents	224,634	235,511	237,244	222,385
Childless Adults				
<i>Baseline</i>	258,821	274,899	185,854	163,806
<i>Medicaid Expansion</i>	<u>0</u>	<u>0</u>	<u>28,634</u>	<u>28,634</u>
Total Childless Adults	258,821	274,899	214,489	192,441
Pregnant Women	<u>32,440</u>	<u>35,066</u>	<u>22,428</u>	<u>19,078</u>
BadgerCare Plus Total	1,070,063	1,115,198	951,652	887,317
Other Full Benefit MA				
Foster Care/Subsidized Adoption	25,716	27,224	22,788	21,765
Well Woman	<u>520</u>	<u>528</u>	<u>489</u>	<u>479</u>
Total Full Benefit Enrollment	1,365,305	1,419,217	1,249,072	1,185,991
Limited Benefit Groups				
Family Planning Only	45,443	47,756	38,789	36,407
Medicare Cost Sharing Assistance	<u>16,259</u>	<u>16,014</u>	<u>16,635</u>	<u>16,783</u>
Total Enrollment	1,427,008	1,482,987	1,304,496	1,239,181

Table 3 shows actual and projected SEG revenues to the MA trust fund (MATF) under the Department's request assumptions, 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 \$361.0 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 \$121.1 million will be spent in the 2021-23 biennium, leaving approximately \$239.9 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 adjusted SEG expenditures in 2021-22 by spending more GPR, rather than SEG, than otherwise would have been the case, so as to leave \$239.6 million in the unexpended balance of the MATF at the end of the 2021-23 biennium. As shown in the table, this surplus will then be available in the fund for MA HCBS expenditures in the 2023-25 biennium.

Two other changes in MATF revenues are notable. First, 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 Department's request includes an item that would reallocate \$527,783,700 between SEG and GPR sources to account for this change in revenues.

Second, the transfer from the hospital assessment fund to the MATF is expected to be lower in the 2023-25 biennium than in the 2021-23 biennium. This is because the hospital assessment transfer temporarily increased due to the enhanced federal matching rate (an increase of 6.2 percentage points) that state Medicaid programs have received during the COVID-19 public health emergency. With a higher matching rate, less assessment revenue was needed to make hospital access payments during both years of the 2021-23 biennium, which, in turn, has left more revenue available for transfer to the MATF. With the anticipated end of the public health emergency, and a resumption of the standard matching rates, the amount of hospital assessment revenue deposited to the MATF will return a level that had been more typical for this transfer.

TABLE 3**Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2021-22 through 2024-25**

	Actual 2021-22	Projection 2022-23	Estimates	
			2023-24	2024-25
Beginning Balance	\$62,338,300	\$239,593,500	\$239,593,500	\$0
Provider Assessments				
Hospital Assessment*	\$196,125,000	\$190,236,500	\$150,923,300	\$154,730,700
Nursing Home/ICF-IID Bed Assessment	57,225,900	55,509,200	53,613,600	51,949,900
Critical Access Hospital Assessment*	1,795,700	1,741,800	1,920,700	1,871,000
Federal Funds Deposited to MA Trust Fund				
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	\$527,789,700	\$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	\$658,258,500	\$1,170,361,200	\$591,991,000	\$347,970,000
Expenditures				
County Nursing Home Supplement***	\$11,530,000	\$0	\$0	\$0
MA Benefits	407,135,000	930,767,700	591,991,000	347,970,000
Year-End Balance	\$239,593,500	\$239,593,500	\$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 4 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 provided during the COVID-19 public health emergency applies to the first three quarters of state fiscal year 2022-23, increasing the average matching rate in that year. The reversion to the standard FMAP formula in April of 2023 results in a return to matching rates closer to typical levels in the 2023-25 biennium. 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 4

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

<u>State Fiscal Year</u>	<u>Title 19 (Most MA Services)</u>	<u>Title 21 (Children's Health Insurance Plan)</u>
2022-23		
State	35.31%	24.71%
Federal	64.70	75.29
2023-24		
State	39.23%	27.46%
Federal	60.78	72.54
2024-25		
State	38.66%	27.06%
Federal	61.35	72.94

Table 5 shows the annual income levels, by household size, at various percentages of the 2022 federal poverty level (FPL). The current income eligibility threshold for BadgerCare Plus adults is 100%, whereas the standard for full Medicaid expansion (in the Department's request) is 138%. The other percentages shown, 160%, 200%, and 240%, are used for the different eligibility tiers in the SeniorCare program.

TABLE 5

**Annual Household Income at Various Percentages of the 2022 Federal Poverty Level,
By Household Size**

<u>Household Size</u>	<u>Percentage of FPL</u>				
	<u>100%</u>	<u>138%</u>	<u>160%</u>	<u>200%</u>	<u>240%</u>
One	\$13,590	\$18,754	\$21,744	\$27,180	\$32,616
Two	18,310	25,268	29,296	36,620	43,944
Three	23,030	31,781	36,848	46,060	55,272
Four	27,750	38,295	44,400	55,500	66,600
Five	32,470	44,809	51,952	64,940	77,928

2. MA FUND SOURCE REALLOCATION

GPR	\$1,055,567,400
SEG	<u>-1,055,567,400</u>
Total	\$0

Request \$527,783,700 GPR annually and corresponding SEG decreases in the MA benefit appropriations to reflect a fund source reallocation that reverses the impact of a non-recurring fund transfer and fund source switch in the program that was enacted as part of the 2021-23 budget. 2021 Act 58 transferred \$174,665,900 in 2021-22 and \$527,783,700 in 2022-23 from the general fund to the MA trust fund, increased the

SEG appropriation from that fund for MA benefits by those amounts, and decreased GPR appropriations for MA benefits by corresponding amounts. These changes had no net impact on total funding for MA benefits and no impact on the use of general fund funding, but had the effect of partially funding the program through a revenue transfer from the general fund rather than through a direct GPR appropriation. Since this transfer does not recur in the 2023-25 biennium, this item reverses the base year appropriation changes. Like the Act 58 provision, reversing the transactions has no net effect on total funding or the use of general fund resources.

3. MEDICAL ASSISTANCE COST-TO-CONTINUE ESTIMATE

Request \$1,084,914,100 (\$217,377,300 GPR, \$526,362,300 FED, \$106,756,800 PR, and \$234,417,700 SEG) in 2023-24 and \$977,285,700 (\$316,588,900 GPR, \$659,009,300 FED, \$15,335,500 PR, and -\$13,648,000 SEG) in 2024-25 to fund projected MA benefits under a cost-to-continue scenario (no program changes to benefits or eligibility). The requested funding increases are based on the Department'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 Department's estimate for the 2023-25 biennium builds on program projections for the remainder of 2022-23.

GPR	\$533,966,200
FED	1,185,371,600
PR	122,092,300
SEG	<u>220,769,700</u>
Total	\$2,062,199,800

The major assumptions underlying the Department's request 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%. Under the federal Families First Coronavirus Response Act of 2020, each state's FMAP was increased by 6.2 percentage points for every quarter that the public health emergency related to the COVID-19 pandemic was in effect. Thus, Wisconsin has had an FMAP of approximately 66% since January of 2020. With the anticipated expiration of the public health emergency in January of 2023, the FMAP will return to the standard formula for the 2023-25 biennium. The FMAP assumptions for each fiscal year are shown in Table 4 of the previous item.

Although the FMAP will be lower in the 2023-25 biennium without the enhanced formula, 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 FMAP projections for the two years of the 2023-25 biennium (60.78% and 61.35%) are higher. Consequently, the effect on state funding requirements, relative to the base, are expected to be negative.

Caseload. As a condition of receiving the enhanced FMAP, states were required to follow a continuous enrollment policy for the duration of the federal public health emergency, 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 until the expiration of the public health emergency. 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 Department's cost-to-continue estimate assumes that enrollment in all categories will decline throughout 2023 and for the first few months of 2024, before resuming more typical patterns. By the end of the biennium, the Department 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 12% higher than in March of 2020.

Cost and Utilization of Services and Provider Reimbursement. The Department bases the estimate of the per-beneficiary cost and utilization of services on trends in actual paid claims. However, for the purpose of developing these projections, the Department excluded services provided from March of 2020 to February of 2021, to avoid anomalies associated with the COVID-19 pandemic. For the most part, average costs assume no changes in provider reimbursement rates. However, the estimates for some services, such as inpatient and outpatient hospital services, reflect some inflationary factors in the reimbursement rates. Similarly, payments for prescription drugs reflect assumptions on increasing drug costs.

Managed Care Capitation Rates. The Department assumes that monthly managed care capitation rates will increase by 3% in 2023 and by 2% annually in 2024 and 2025 for payments to health maintenance organizations for acute care services under BadgerCare Plus and SSI Medicaid, and by 3% annually in 2023, 2024, and 2025 for the capitation rates for long-term care services provided under Family Care.

IRIS Caseload and Costs. The Department 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 3.0% in both 2024 and 2025, with total costs, on an all funds basis, estimated at \$1,107.21 million in 2023-24 and \$1,218.2 million in 2024-25, up from \$987.2 million in 2022-23.

Nursing Home Reimbursement. The Department 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 3.1% 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 \$347.6 million in 2023-24 and \$368.6 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 Department relied on clawback projections developed by the Federal Funds Information for States for 2023 and the Medicare Trustee's projections; the Department projects that the number of dual eligible beneficiaries will grow by 5.4% in 2023-24 and by 5.9% in 2024-25. Total clawback payments are estimated at \$391.8 million GPR in 2023-24 and \$434.3 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 17,700 by the end of 2022-23, increasing to a monthly average of 18,000 in 2023-24 and 18,500 in 2024-25. Annual per beneficiary costs are anticipated to be \$12,763 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 \$209.2 million in 2023-24 and \$218.4 million in 2024-25, up from \$193.7 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 \$361.0 million.

Under Wisconsin's expenditure plan, which was approved by CMS, the Department anticipates spending \$121.1 million of this savings for HCBS initiatives in the 2021-23 biennium, leaving \$239.9 million for expenditure in 2023-24. The Department intends to leave an unexpended surplus in the MA trust fund of \$239.6 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. [There is a slight discrepancy between the anticipated plan expenditures and the amount that will be carried over.] 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 \$145.2 million in 2023-24, to reflect the matching funds for the portion of HCBS plan expenditures that are eligible for federal financial participation.

4. HOME AND COMMUNITY-BASED SERVICES RATE INCREASE COST-TO-CONTINUE

GPR	\$92,787,200
FED	<u>146,847,100</u>
Total	\$239,634,300

Request \$46,230,400 (\$18,029,800 GPR and \$28,200,600 FED) in 2023-24 and \$193,403,900 (\$74,757,400 GPR and \$118,646,500 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.

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 specified that the additional funds must be spent 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, and that subsequently "the Committee will consider whether these rate increases will be maintained after March 31, 2024, as part of its 2023-25 budget deliberations."

5. FULL MEDICAID EXPANSION

GPR	- \$1,548,344,300
FED	<u>2,384,448,000</u>
Total	\$836,103,700

Request funding changes for medical assistance benefits and program enrollment services to reflect the effect of adopting full Medicaid expansion, effective on July 1, 2023, as follows: (a) for MA benefits, increases of \$418,659,800 in 2023-24 and \$414,710,800, which is the net effect of GPR funding decreases of \$787,438,700 in 2023-24 and \$761,588,900 in 2024-25, and FED funding increases of \$1,206,098,500 in 2023-24 and \$1,176,299,700 in 2024-25; and (b) for MA enrollment services conducted by county income maintenance consortia, increases of \$1,363,100 (\$340,800 GPR and \$1,022,300 FED) in 2023-24 and \$1,370,000 (\$342,500 GPR and \$1,027,500 FED) in 2024-25.

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 ages 19 through 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 Department requests statutory changes 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 funding adjustments for MA benefits under the Department's request reflect both the ongoing changes associated with the state qualifying for the 90% FMAP for childless adults, and the two-year ARPA incentive provision. The following table shows the fiscal changes for each of these components, as well as the requested funding for enrollment services.

	<u>2023-24</u>	<u>2024-25</u>	<u>Biennium</u>
MA Benefits Funding			
Full Expansion, 90% FMAP Effect			
GPR	-\$211,722,900	-\$180,356,100	-\$392,079,000
FED	630,382,700	595,066,900	1,225,449,600
Two-Year ARPA Incentive			
GPR	-\$575,715,800	-\$581,232,800	-\$1,156,948,600
FED	575,715,800	581,232,800	1,156,948,600
Total MA Benefits Change			
GPR	-\$787,438,700	-\$761,588,900	-\$1,549,027,600
FED	<u>1,206,098,500</u>	<u>1,176,299,700</u>	<u>2,382,398,200</u>
All Funds	\$418,659,800	\$414,710,800	\$833,370,600
Enrollment Services Funding			
GPR	\$340,800	\$342,500	\$683,300
FED	1,022,300	1,027,500	2,049,800
All Requested Funding Changes			
GPR	-\$787,097,900	-\$761,246,400	-\$1,548,344,300
FED	<u>1,207,120,800</u>	<u>1,177,327,200</u>	<u>2,384,448,000</u>
All Funds	\$420,022,900	\$416,080,800	\$836,103,700

The Department projects that by adopting the full expansion eligibility limits, the number of parents enrolled would increase by 61,100 and the number of childless adults enrolled would increase by 28,600, for a total increase of 89,700. These increases are relative to the Department's baseline enrollment estimates, rather than relative to current enrollment (the 2022-23 average). With the expiration of the COVID-19 public health emergency and the resumption of regular eligibility processes, the baseline enrollments for all BadgerCare Plus groups will decrease during the biennium. Consequently, although adopting full Medicaid expansion would result in enrollment increases relative to the baseline estimates, the totals would still be below current

enrollment levels. [Baseline and full expansion enrollment estimates are shown in Table 2 of the MA overview item.]

6. SUPPLEMENTAL AMBULANCE REIMBURSEMENT

GPR	\$179,600
FED	<u>179,600</u>
Total	\$359,200

Request \$179,600 (\$89,800 GPR and \$89,800 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 use that revenue to supplement reimbursement paid to them.

Additionally, the Department requests 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. As directed by the act, the Department requests the creation of a new appropriation to expend the assessment revenue on supplemental payments to ambulance service providers. The Department also requests statutory changes to permit the transfer of an amount equal to the cost of administering the assessment and the supplemental payments from the new segregated ambulance trust fund to an existing PR appropriation for MA administration.

7. SENIORCARE REESTIMATE

GPR	\$6,851,500
FED	4,343,600
PR	<u>16,006,800</u>
Total	\$27,201,900

Request \$7,703,200 (\$3,226,300 GPR, \$828,000 FED, and \$3,648,900 PR) in 2023-24 and \$19,498,700 (\$3,625,200 GPR, \$3,515,600 FED, and \$12,357,900 PR) 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 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 FPL. Based on recent trends, manufacturer rebates are expected to cover 73% of costs for this group, while federal funds will cover approximately 15% and the GPR portion will 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, 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 FPL; for this group, rebates (PR) cover about 83% of benefit costs, while the remainder is GPR.

Although the Department estimates 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 Department 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 Department 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 Department's forecast, GPR and 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 GPR and FED change to base relative to the forecasted growth described above, and partially offsetting the PR change to base. 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

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2022-23 Appropriation Base	\$17,971,900	\$17,738,300	\$97,633,200	\$133,343,400
2023-24 Change to Base	<u>3,226,300</u>	<u>828,000</u>	<u>3,648,900</u>	<u>7,703,200</u>
2023-24 Total Funding	\$21,198,200	\$18,566,300	\$101,282,100	\$141,046,600
2024-25 Change to Base	<u>3,625,200</u>	<u>3,515,600</u>	<u>12,357,900</u>	<u>19,498,700</u>
2024-25 Total Funding	\$21,597,100	\$21,253,900	\$109,991,100	\$152,842,100

SeniorCare Enrollment Estimates

<u>Income Category</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Less than 160% of FPL	27,300	27,600	28,000
160% of FPL to 200% of FPL	17,000	17,400	17,800
200% of FPL to 240% of FPL	12,100	12,800	13,500
Greater than 240% of FPL	<u>58,800</u>	<u>64,800</u>	<u>71,400</u>
Total Enrollment	115,200	122,600	130,700

8. SSI SUPPLEMENTS REESTIMATE

Request a decrease of \$1,925,400 (\$3,457,200 GPR and -\$5,382,600 PR) in 2023-24 and a decrease of \$567,500 (\$3,457,200 GPR and

GPR	\$6,914,400
PR	<u>- 9,407,300</u>
Total	- \$2,492,900

-\$4,024,700 PR) in 2024-25 to reflect the Department's estimates of the cost of funding supplemental security income (SSI) state supplements payments in the 2023-25 biennium.

The state 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 November, 2022, the state made basic supplemental payments (set at \$83.78 per month for single individuals and \$132.05 for couples) to 113,900 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 in 2021. 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 under the DHS request.

**SSI Supplemental Payments
DHS Request**

	Base	Agency Request		Change to 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	<u>17,452,900</u>	<u>12,070,300</u>	<u>13,428,200</u>	<u>-5,382,600</u>	<u>-4,024,700</u>	<u>-9,407,300</u>
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	<u>17,452,900</u>	<u>12,070,300</u>	<u>13,428,200</u>	<u>-5,382,600</u>	<u>-4,024,700</u>	<u>-9,407,300</u>
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

9. WISCONSIN CHRONIC DISEASE PROGRAM

GPR	- \$1,331,700
PR	- 793,600
Total	- \$2,125,300

Request a decrease of \$1,035,800 (-\$643,600 GPR and -\$392,200 PR) in 2023-24 and a decrease of \$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.

Public Benefit Administration

1. MA AND FOODSHARE ADMINISTRATION -- CONTRACTS

GPR	\$50,616,500
FED	93,728,000
Total	\$144,344,500

Request \$68,450,500 (\$23,758,200 GPR and \$44,692,300 FED) in 2023-24 and \$75,894,000 (\$26,858,300 GPR and \$49,035,700 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 Department's request, 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.

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 DHS request.

Summary of MA and FoodShare Administrative Contracts Funding -- GPR and FED

	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	76,192,900	116,154,900	41,646,400	79,770,700	121,417,100
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	<u>2,106,100</u>	<u>2,087,100</u>	<u>4,193,200</u>	<u>2,106,100</u>	<u>2,087,100</u>	<u>4,193,200</u>
Subtotal	\$108,101,200	\$217,458,100	\$325,559,400	\$111,201,300	\$221,801,500	\$333,002,900
Adjustments						
Costs Funded from Other Appropriations	-\$3,500,000	\$0	-\$3,500,000	-\$3,500,000	\$0	-\$3,500,000
Net Expenditures	\$104,601,200	\$217,458,100	\$322,059,300	\$107,701,300	\$221,801,500	\$329,502,800
2022-23 Base Funding	\$80,843,000	\$172,765,800	\$253,608,800	\$80,843,000	\$172,765,800	\$253,608,800
Difference (DHS Request)	\$23,758,200	\$44,692,300	\$68,450,500	\$26,858,300	\$49,035,700	\$75,894,000

2. FOODSHARE EMPLOYMENT AND TRAINING PROGRAM

GPR	\$7,279,300
FED	<u>2,426,900</u>
Total	\$9,706,200

Request \$5,613,200 (\$2,919,300 GPR and \$2,693,900 FED) in 2023-24 and \$4,093,000 (\$4,360,000 GPR and -\$267,000 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 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 aged 16 and older.

Temporary Suspension of the ABAWD Work Requirement. Under the 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. According to DHS, 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. In its request, the Department assumes that the ABAWD policy will be reinstated effective December, 2022.

Enrollment. With the resetting of the 36-month clock for all ABAWDs, DHS 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, DHS estimates that average monthly FSET enrollment will be 6,863 in 2022-23, 9,976 in 2023-24, and 8,489 in 2024-25.

Enrollee Expenditures. The Department estimates that total per enrollee per month expenses will be \$412.34 in 2022-23 and decrease to \$395.98 in 2023-24 and subsequently increase to \$402.30 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, DHS estimates average per enrollee per month payments to the FSET vendors of \$384.52 in 2023-24 and \$388.84 in 2024-25.

Carry Over Funding. DHS 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 Department's caseload, cost, and funding estimates for the FSET program in for the 2023-25 biennium.

2022-25 FSET Expenses and Funding

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Total Annual Administrative Expenses	\$1,371,800	\$1,371,800	\$1,371,800
Total Annual Vendor Expenses	\$32,587,000	\$46,031,900	\$39,610,200
Average Monthly Enrollment	6,863	9,976	8,489
Per Enrollee Per Month Expenses	\$412.34	\$395.98	\$402.30
Total Program Expenses (Total Annual Vendor + Administrative Expenses)	\$33,958,800	\$47,403,700	\$40,982,000
100% Federal Funding Offset	\$1,814,400	\$3,014,400	\$3,014,400
Total Program Expenses After FED Offset	\$32,144,400	\$44,389,300	\$37,967,600
50% GPR Expenses	16,072,200	22,194,650	18,983,650
50% FED Expenses	16,072,200	22,194,650	18,983,950
Existing GPR Funding			
GPR Base Funding	\$14,623,800	\$14,623,800	\$14,623,800
Projected GPR Carry Over	\$6,100,000	\$4,651,600	-\$2,919,200
GPR Surplus/Deficit (Existing GPR - 50% GPR Expenses)	\$4,651,600	-\$2,919,200	-\$7,279,000

3. INCOME MAINTENANCE -- LOCAL ASSISTANCE

GPR	\$1,664,100
FED	<u>2,121,200</u>
Total	\$3,785,300

Request \$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 ten regional, multi-county IM consortia. In Milwaukee County these functions are performed by state employees. 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.

4. FUNERAL AND CEMETERY AIDS

GPR	- \$549,600
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Request a reduction of \$396,800 in 2023-24 and a reduction of \$152,800 in 2024-25 to reflect reestimates of the cost of payments under the Wisconsin funeral and cemetery aids program. 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. DHS 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.

Care and Treatment Facilities

1. NONFOOD SUPPLIES AND SERVICES

GPR	\$40,025,600
PR	<u>93,294,200</u>
Total	<u>\$133,319,800</u>

Request \$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 include medical services, medical supplies, prescription drugs, clothing, laundry and cleaning supplies. For medical services and prescription drugs, the Department calculates the average per person cost 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 Department uses a 5.9% annual inflationary growth rate, which was the 12-month change in the consumer price index (excluding food and energy) at the time the estimate was prepared. For the 2023-25 biennium, the Department also developed separate estimates for contract staffing, electronic health records, and COVID-19 testing, based on recent monthly average expenditures for these items. Collectively these three expenditure categories account for about 90% of the requested biennial increase. The following table shows the funding associated with each of these three categories, along with the funding requested for all other nonfood supplies and services.

<u>Item</u>	<u>2023-24</u>	<u>2024-25</u>
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	<u>3,025,600</u>	<u>11,610,400</u>
Total Request	\$62,089,200	\$71,230,600

For all nonfood supplies and services, the requested 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. FOOD AT DHS FACILITIES

GPR	\$2,852,200
PR	<u>1,630,100</u>
Total	\$4,482,300

Request \$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 for projected increases in food costs at the Department's seven care and treatment facilities. The Department projects facility food costs 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 SECURITY AND NURSING STAFF AT DHS FACILITIES

GPR	\$21,529,500
PR	<u>18,163,900</u>
Total	\$39,693,400

Request \$20,215,000 (\$10,965,800 GPR and \$9,249,200 PR) in 2023-24 and \$19,478,400 (\$10,563,700 GPR and \$8,914,700 PR) in 2024-25 to provide hourly wage increases for various security and nursing staff positions at the Department's mental health institutes, centers for individuals with intellectual disabilities, and secure treatment centers. The permanent hourly wage increases would replace temporary pilot add-ons 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 wage adjustment, which is scheduled to expire at the end of the 2021-23 biennium, provides \$5 hourly increases for nurse clinicians, licensed practical nurses, nursing assistants, and residential care technicians; \$4 hourly increases for psychiatric care technicians, correctional officers, and youth counselors, and a \$10 hourly increase for nurse clinician weekend hours.

4. OVERTIME SUPPLEMENT

GPR	\$10,679,800
PR	<u>4,338,000</u>
Total	\$15,017,800

Request \$5,339,900 GPR and \$2,169,000 PR annually to fully 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 would be provided under the overtime standard budget adjustment.

The following table shows, by facility and fund source, the annual overtime increase that would be provided under the standard budget adjustment request, the funding increase requested

under this item, and the total funding that would be available annually to support overtime costs under the Department's request.

Facility	Standard Budget Adjustments			Overtime Supplement Request			Total Annual Overtime Budget		
	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. MENTAL HEALTH INSTITUTES FUND SOURCE REALLOCATION

	Funding	Positions
GPR	-\$12,482,000	- 59.10
PR	<u>12,482,000</u>	<u>59.10</u>
Total	\$0	0.00

Request funding reductions of \$6,116,600 GPR in 2023-24 and \$6,365,400 GPR in 2024-25, reductions of 56.77 GPR positions in 2023-24 and 59.10 GPR positions in 2024-25, and 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 Department's estimates of the percentage of patients whose care will be funded with GPR and PR 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 care of civil patients, including emergency detention. For the 2023-25 biennium, the Department anticipates that a higher share of the total patient population will be civil patients, resulting in a funding reallocation from GPR to PR sources.

6. CONTRACTED COMMUNITY SERVICES

GPR	\$10,999,800
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Request \$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 Department's request pertains to six contracted programs: (a) supervised release services; (b) conditional release services; (c) competency restoration services; (d) outpatient competency examinations; (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 Department'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 Department uses a 5.9% annual rate, which was the 12-month change in the consumer price index (excluding food and energy) at the time the

estimate was prepared. For the sixth contract, for court liaison services, the Department 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 requested funding increases. In addition to the estimated contract costs, the Department's request includes limited-term employee (LTE) salary funding to provide supportive living needs for individuals on supervised release. Unlike the other funding requested 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 request is shown in a separate row above to the request total.

	<u>2023-24</u>	<u>2024-25</u>
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	<u>270,100</u>	<u>286,000</u>
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 Request	\$3,910,700	\$7,089,100

* This is the base used for the request 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 Department 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 Department's contract estimates by \$171,300 in each year. The table above shows the appropriation base that was the basis of the Department's request, in order to match the amount of funding actually requested.

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 Department's caseload and annualized, per person costs projections for the contracted services for which budget estimates are done on a per person basis. Estimates are shown for 2022-23, in addition to the two years of the 2023-25 biennium.

<u>Contracted Service</u>	<u>Caseload Estimates</u>			<u>Annualized Per Person Cost</u>		
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
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

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request \$20,543,900 (\$1,696,700 GPR, \$13,289,700 FED, \$5,555,700 PR, and \$1,800 SEG) in 2023-24 and \$11,875,100 (\$1,696,700 GPR, \$4,620,900 FED, \$5,555,700 PR and \$1,800 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, \$25,986,900 FED, -\$4,069,800 PR, and \$1,800 SEG annually); (d) overtime (\$9,396,800 GPR and \$10,434,700 PR annually); and (e) night and weekend differential pay (\$2,072,900 GPR, \$101,100 FED, and \$2,256,100 PR annually).

	Funding	Positions
GPR	\$3,393,400	0.00
FED	17,910,600	- 139.00
PR	11,111,400	0.00
SEG	<u>3,600</u>	<u>0.00</u>
Total	\$32,419,000	- 139.00

2. FEDERAL REVENUE REESTIMATES

FED	\$120,631,000
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Request \$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 DHS request, and the total amount that would be budgeted for these appropriations under the Department's 2023-25 budget request.

Federal Revenue Reestimates

	Base	2023-24			2024-25		
		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	
						0	
Care and Treatment Services							
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	<u>150,000</u>	375,000	1,875,000	<u>150,000</u>	375,000	1,875,000
		\$60,315,500			\$60,315,500		

3. PROGRAM REVENUE REESTIMATES

PR	\$62,314,900
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Request \$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 DHS request, and the total amount that would be budgeted for these appropriations under the Department's 2023-25 budget request.

Program Revenue Funding Reestimates

	Base	2023-24			2024-25		
		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	28,397,800	169,117,500	4,949,100	30,811,500	171,531,200
Medicaid Services							
Interagency and Intra-Agency Aids	23,192,000	4,808,000	3,758,700	31,758,700	4,808,000	2,815,400	30,815,400
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	<u>17,283,900</u>	-367,200	36,868,400	<u>17,283,900</u>	-367,200	36,868,400
		\$31,115,500			\$31,199,400		

2015 Act 201 Plan

	Fund	Amount	
		2023-24	2024-25
Base Level Plan			
1. Increase the following PR state operations appropriations: Institutional operations and charges.	PR	\$44,172,500	\$44,172,500
Gifts and grants for the division of care and treatment Services.	PR	4,000	4,000
2. Reduce the following PR state operations appropriations: Licensing, review and certifying activities for the division of public health.	PR	-13,756,900	-13,756,900
Cancer registry information.	PR	-18,000	-18,000
Supplemental food program for women, infants, and children administration.	PR	-48,200	-48,200
General program operations; health care information in the division of public health.	PR	-1,334,000	-1,334,000
Interpreter services for hearing impaired.	PR	-39,900	-39,900
Gifts and grants for the division of public health.	PR	-18,169,300	-18,169,300
Congenital disorders; operations.	PR	-616,600	-616,600
Fees for administrative services for the division of public health.	PR	-106,500	-106,500
Interagency and intra-agency programs for the division of public health.	PR	-2,513,400	-2,513,400
Alternative services of institutes and centers.	PR	-9,742,700	-9,742,700

	<u>Fund</u>	<u>2023-24</u>	<u>Amount</u> <u>2024-25</u>
Gifts and grants for the DHS facilities.	PR	-\$93,800	-\$93,800
Interagency and intra-agency programs for the DHS facilities.	PR	-12,019,600	-12,019,600
Gifts and grants for the Division of Medicaid Services.	PR	-3,385,900	-3,385,900
Medicaid provider assessment and audits.	PR	-184,800	-184,800
Medicaid cost of care recovery.	PR	-278,000	-278,000
Prescription drug assistance for elderly; enrollment fees.	PR	-3,165,300	-3,165,300
Fees for administrative services for the Division of Medicaid Services.	PR	-30,000	-30,000
Electronic benefit transfer card replacement costs.	PR	-455,000	-455,000
BadgerCare Plus and hospital assessment.	PR	-2,030,200	-2,030,200
Interagency and intra-agency programs for the Division of Medicaid Services.	PR	-8,318,100	-8,318,100
Fraud and error reduction.	PR	-806,000	-806,000
Alcohol and drug abuse initiatives.	PR	-495,400	-495,400
Fees for administrative services for the Division of Care and Treatment Services.	PR	-23,900	-23,900
Interagency and intra-agency programs for the Division of Care and Treatment Services.	PR	-4,476,500	-4,476,500
Nursing facility resident protection.	PR	-2,000,000	-2,000,000
Fees for administrative services for the Division of Quality Assurance.	PR	-227,900	-227,900
Licensing and support services for the Division of Quality Assurance.	PR	-5,925,800	-5,925,800
Gifts and grants for DHS general administration.	PR	-10,000	-10,000
Administrative and support services for DHS general administration.	PR	-14,010,600	-14,010,600
Inspector general; interagency and intra-agency programs.	PR	-1,081,800	-1,081,800
Interagency and intra-agency programs for DHS general administration.	PR	-41,800	-41,800
3. Increase the following GPR state operations appropriations:			
General program operations for the DHS facilities.	GPR	20,618,600	20,618,600
Secure mental health units or facilities.	GPR	13,124,700	13,124,700
Medicaid and FoodShare administration.	GPR	27,287,000	27,287,000
General program operations for the Division of Care and Treatment Services.	GPR	110,600	110,600
General program operations for DHS.	GPR	971,100	971,100
4. Reduce the following GPR state operations appropriations:			
General program operations for the Division of Public Health.	GPR	-30,300	-30,300
General program operations for the Division of Medicaid Services.	GPR	<u>-852,300</u>	<u>-852,300</u>
Total		\$0	\$0
	GPR	(\$61,229,400)	(\$61,229,400)
	PR	(-\$61,229,400)	(-\$61,229,400)

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Increase the following PR state operations appropriations:			
Institutional operations and charges.	PR	\$12,838,700	\$4,851,500
Gifts and grants for the division of care and treatment Services.	PR	4,000	4,000
2. Reduce the following PR state operations appropriations:			
Licensing, review and certifying activities for the division of public health.	PR	-13,756,900	-13,756,900
Cancer registry information.	PR	-18,000	-18,000
Supplemental food program for women, infants, and children administration.	PR	-48,200	-48,200
General program operations; health care information in the division of public health.	PR	-1,334,000	-1,334,000
Interpreter services for hearing impaired.	PR	-39,900	-39,900
Gifts and grants for the division of public health.	PR	-18,169,300	-18,169,300
Congenital disorders; operations.	PR	-616,600	-616,600
Fees for administrative services for the division of public health.	PR	-106,500	-106,500
Interagency and intra-agency programs for the division of public health.	PR	-2,513,400	-2,513,400
Alternative services of institutes and centers.	PR	-9,742,700	-9,742,700
Gifts and grants for the DHS facilities.	PR	-93,800	-93,800
Interagency and intra-agency programs for the DHS Facilities.	PR	-12,019,600	-12,019,600
Gifts and grants for the division of Medicaid services.	PR	-3,385,900	-3,385,900
Medicaid provider assessment and audits.	PR	-184,800	-184,800
Medicaid cost of care recovery.	PR	-278,000	-278,000
Prescription drug assistance for elderly; enrollment fees.	PR	-3,165,300	-3,165,300
Fees for administrative services for the division of Medicaid services.	PR	-30,000	-30,000
Electronic benefit transfer card replacement costs.	PR	-455,000	-455,000
BadgerCare Plus and hospital assessment.	PR	-2,030,200	-2,030,200
Interagency and intra-agency programs for the division of Medicaid services.	PR	-8,318,100	-8,318,100
Fraud and error reduction.	PR	-806,000	-806,000
Alcohol and drug abuse initiatives.	PR	-495,400	-495,400
Fees for administrative services for the division of care and treatment services.	PR	-23,900	-23,900
Interagency and intra-agency programs for the division of care and treatment services.	PR	-4,476,500	-4,476,500
Nursing facility resident protection.	PR	-2,000,000	-2,000,000
Fees for administrative services for the division of quality assurance.	PR	-227,900	-227,900
Licensing and support services for the division of quality assurance.	PR	-5,925,800	-5,925,800
Gifts and grants for DHS general administration	PR	-10,000	-10,000
Administrative and support services for DHS general administration.	PR	-14,010,600	-14,010,600
Inspector general; interagency and intra-agency programs.	PR	-1,081,800	-1,081,800

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
Interagency and intra-agency programs for DHS general administration.	PR	-\$41,800	-\$41,800
3. Increase the following GPR state operations appropriations:			
General program operations for the DHS facilities.	GPR	17,301,000	20,618,600
Secure mental health units or facilities.	GPR	11,560,800	13,124,700
Medicaid and FoodShare administration.	GPR	24,183,100	27,287,000
General program operations for the division of care and treatment services.	GPR	108,800	110,600
General program operations for DHS.	GPR	971,100	971,100
4. Reduce the following GPR state operations appropriations:			
General program operations for the division of public health.	GPR	-30,300	-30,300
General program operations for the division of Medicaid services.	GPR	<u>-852,300</u>	<u>-852,300</u>
Total		-\$39,321,000	-\$39,321,000
	GPR	(\$53,242,200)	(\$61,229,400)
	PR	(-\$92,563,200)	(-\$100,550,400)

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$148,621,500	\$148,634,400	\$148,634,400	\$25,800	<0.1%	10.00	10.00	10.00	0.00	0.0%
FED	150,000	150,000	150,000	0	0.0	0.00	0.00	0.00	0.00	0.0
PR	<u>1,667,400</u>	<u>1,667,400</u>	<u>1,667,400</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
TOTAL	\$150,438,900	\$150,451,800	\$150,451,800	\$25,800	<0.1%	10.00	10.00	10.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$25,800
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Request an adjustment to the base budget of \$12,900 annually for full funding of continuing position salaries and fringe benefits.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce supplies and services funding to meet the 5% plan, which the agency indicates would result in some programming not being completed and could delay the transfer of funds to students and institutions.	GPR	-\$56,100	-\$56,100

HISTORICAL SOCIETY

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$22,077,000	\$24,287,900	\$24,412,900	\$4,546,800	10.3%	112.65	116.65	116.65	4.00	3.6%
FED	1,483,900	2,603,900	2,717,500	2,353,600	79.3	8.86	8.86	8.86	0.00	0.0
PR	3,551,800	7,138,100	7,158,100	7,192,600	101.3	23.35	24.35	24.35	1.00	4.3
SEG	<u>4,203,500</u>	<u>5,728,000</u>	<u>6,721,500</u>	<u>4,042,500</u>	48.1	<u>32.84</u>	<u>32.84</u>	<u>32.84</u>	<u>0.00</u>	0.0
TOTAL	\$31,316,200	\$39,757,900	\$41,010,000	\$18,135,500	29.0%	177.70	182.70	182.70	5.00	2.8%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling -\$87,800 GPR, -\$29,700 FED, -\$259,200 PR, and \$595,500 SEG annually 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); and (d) night and weekend differential pay (\$12,400 GPR annually).

GPR	-\$175,600
FED	- 59,400
PR	- 518,400
SEG	<u>1,191,000</u>
Total	<u>\$437,600</u>

2. INFORMATION TECHNOLOGY SERVICES

Request \$2,048,700 in 2023-24 and \$2,223,700 in 2024-25 and 4.0 positions beginning in 2023-24 for information technology support services. The Historical Society indicates that the University of Wisconsin-Madison Division of Information Technology is no longer able to continue IT support after December 31, 2022. 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.

	Funding	Positions
GPR	\$4,272,400	4.00

3. ENTERPRISE RISK MANAGEMENT PROGRAM

Request \$250,000 in 2023-24 and \$200,000 in 2024-25 to establish an enterprise risk management program, which would allow the Historical Society to better plan for, mitigate, and react to risks and situations consistently and effectively. The funding would be used to support one-time and ongoing costs, including development and annual monitoring of an animal care program, annual employee safety and security training, security equipment for historic sites and

GPR	\$450,000
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retail areas, and contracted services for security at Circus World Museum and the Historical Society headquarters.

4. REVENUE REESTIMATES FOR CONTINUING APPROPRIATIONS

FED	\$2,413,000
PR	4,811,000
SEG	<u>2,851,500</u>
TOTAL	\$10,075,500

Request \$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. \$30,000 PR in 2023-24 and \$50,000 PR in 2024-25 for general donations for the gifts, grants, and membership sales appropriation;
- d. \$2,000,000 PR annually for foundation contributed income for the gifts, grants, and membership sales appropriation;
- e. \$365,500 PR annually for the general program operations -- service funds appropriation;
- f. \$104,000 SEG in 2023-24 and \$147,500 SEG in 2024-25 for general program operations for the endowment appropriation; and
- g. \$825,000 SEG in 2023-24 and \$1,775,000 SEG in 2024-25 for the history preservation partnership trust fund appropriation.

The reestimates reflect the resumption of full operations after the COVID-19 pandemic, progress on the Wisconsin History Center project, growth in revenue generating functions, performance of the endowment, and anticipated federal grant funding.

5. WISCONSIN HISTORY CENTER

PR	\$2,900,000
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Request \$1,450,000 annually in a newly-created biennial appropriation to support collections preservation, conservation, transportation, and preparation as well as digital infrastructure for the planning and operation of the Wisconsin History Center, which is an enumerated state building program project scheduled to open in fiscal year 2026-27 and expected to serve 250,000 visitors annually. The program revenue would be from tribal gaming revenue transferred from the Department of Administration.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
Base Level Plan			
1. Increase funding for general program operations.	GPR	\$1,298,700	\$1,223,700
2. Decrease funding in the appropriation for the history preservation partnership trust fund.	SEG	<u>-1,298,700</u>	<u>-1,223,700</u>
Total		\$0	\$0
5% Budget Reduction Plan			
Decrease funding in the appropriation for the history preservation partnership trust fund.	SEG	-\$1,256,200	-\$1,256,200

INSURANCE

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$34,233,200	\$21,733,500	\$58,200,000	\$11,467,100	16.7%	0.00	0.00	0.00	0.00	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	20,567,500	20,572,600	112,300	0.3	124.15	124.15	124.15	0.00	0.0
SEG	<u>62,997,400</u>	<u>63,050,900</u>	<u>63,050,900</u>	<u>107,000</u>	0.1	<u>10.68</u>	<u>10.68</u>	<u>10.68</u>	<u>0.00</u>	0.0
TOTAL	\$283,511,300	\$313,618,400	\$313,623,500	\$60,219,300	10.6%	134.83	134.83	134.83	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$35,300 (-\$18,200 PR and \$53,500 SEG) annually to reflect the following standard budget adjustments: (a) -\$277,500 PR annually for turnover reduction; and (b) \$259,300 PR and \$53,500 SEG annually for full funding of continuing position salaries and fringe benefits.

PR	-\$36,400
SEG	<u>107,000</u>
Total	\$70,600

2. WISCONSIN HEALTHCARE STABILITY PLAN

Request \$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.

GPR	\$11,467,100
FED	<u>48,532,900</u>
Total	\$60,000,000

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, the Office of the Commissioner of Insurance (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 request item adjusts the GPR and FED appropriations to equal anticipated expenditures.

The reinsurance payments for the 2022 plan year will be made 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. OCI estimates that federal funds for the 2023 plan year will total \$171,800,000, so has requested an increase in GPR funding in 2024-25 to equal the difference between the available federal funding and the anticipated reinsurance payment total.

The following table summarizes OCI's estimates of the GPR and FED funding that will be required to make payments under the program in 2022-23, 2023-24, and 2024-25.

**OCI Reestimate of Healthcare Stability Plan Payments
State Fiscal Year Payments**

	2022-23 <u>(2021 Plan Costs)</u>	2023-24 <u>(2022 Plan Costs)</u>	2024-25 <u>(2023 Plan Costs)</u>
Costs that will be Paid in Fiscal Year	\$202,811,300	\$230,000,000	\$230,000,000
Estimate of Available Federal Funds			
Carryover from Previous Year	\$0	\$26,364,100	\$0
New Allocation	<u>229,175,400</u>	<u>181,902,400</u>	<u>171,800,000</u>
Total FED Available	\$229,175,400	\$208,266,500	\$171,800,000
GPR Needed for Payments	\$0	\$21,733,500	\$58,200,000
Base Funding			
GPR	\$34,233,200	\$34,233,200	\$34,233,200
FED	165,766,800	165,766,800	165,766,800
Change to Base			
GPR		-\$12,499,700	\$23,966,800
FED		<u>42,499,700</u>	<u>6,033,200</u>
All Funds		\$36,000,000	\$30,000,000

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
	<u>Fund</u>		
Base Level Plan			
Reduce travel, training, supplies, and services.	PR	-\$71,800	-\$76,900
5% Budget Reduction Plan			
1. Delay hiring; reduce travel, training, supplies and services.	PR	-\$1,025,700	-\$1,025,700
2. Delay hiring; reduce travel, training, supplies and services.	SEG	<u>-192,700</u>	<u>-192,700</u>
Total		-\$1,218,400	-\$1,218,400
	PR	(-\$1,025,700)	(-\$1,025,700)
	SEG	(-\$192,700)	(-\$192,700)

INVESTMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2022-23	<u>Request</u>		2023-25 Change Over		2022-23	<u>Request</u>		2024-25	
	Adjusted Base	2023-24	2024-25	Base Year Doubled	Amount		%	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 (an increase of 29.0 positions over 2021-22). In the table above, the amount is indicated for the adjusted base in 2022-23. The SWIB budget request 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.

2015 Act 201 Plan

	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce expenditures by \$5.1 million by removing 14.5 FTEs.	PR	-\$5,136,600	-\$5,136,600

JUDICIAL COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$352,800	\$351,000	\$351,000	-\$3,600	- 0.5%	2.00	2.00	2.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$3,600
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Request an adjustment to the base of -\$1,800 annually associated with full funding of continuing position salaries and fringe benefits.

JUDICIAL COUNCIL

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$0	\$97,700	\$124,300	\$222,000	N.A.	0.00	1.00	1.00	1.00	N.A.

Major Request Item

1. JUDICIAL COUNCIL ATTORNEY AND FUNDING

	Funding	Position
GPR	\$222,000	1.00

Request \$97,700 in 2023-24, \$124,300 in 2024-25 and 1.0 position annually for the following: (a) \$2,000 in 2023-24 for one-time financing for costs associated with the recruitment of an attorney and the establishment of an office for the attorney; and (b) \$95,700 in 2023-24 and \$124,300 in 2024-25 for 1.0 unclassified attorney position and supplies and services. While a veto in 2017 Act 59 eliminated annual funding of \$111,400 PR and the 1.0 PR staff position for the Judicial Council beginning in 2017-18, appropriations for the Council remained in statute.

JUSTICE

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$79,016,100	\$128,917,500	\$130,791,800	\$101,677,100	64.3%	405.58	514.58	521.78	116.20	28.7%
FED	23,629,800	63,036,100	62,416,900	78,193,400	165.5	81.43	66.43	63.23	- 18.20	- 22.4
PR	55,603,500	52,168,100	52,166,700	- 6,872,200	- 6.2	258.08	231.08	231.08	- 27.00	- 10.5
SEG	<u>470,100</u>	<u>413,600</u>	<u>413,600</u>	<u>- 113,000</u>	- 12.0	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	0.0
TOTAL	\$158,719,500	\$244,535,300	\$245,789,000	\$172,885,300	54.5%	747.84	814.84	818.84	71.00	9.5%

Major Request Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling -\$379,200 GPR, \$2,442,300 FED, -\$19,600 PR, -\$56,500 SEG, -1.0 GPR and -10.0 FED positions in 2023-24; and -\$449,000 GPR, -\$1,830,400 FED, -\$19,600 PR, -\$56,500 SEG, -1.0 GPR positions, and -13.0 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 (-\$70,200 GPR, -\$357,200 FED, and -1.0 GPR, and -10.0 FED positions in 2023-24; and -\$140,000 GPR, -\$969,100 FED, and -1.0 GPR and -13.0 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); and (e) night and weekend differential pay (\$9,600 GPR and \$2,100 PR annually).

	Funding	Positions
GPR	- \$828,200	- 1.00
FED	4,272,700	0.00
PR	- 39,200	- 13.00
SEG	<u>- 113,000</u>	<u>0.00</u>
Total	\$3,292,300	- 14.00

2. STANDARD BUDGET ADJUSTMENTS -- TECHNICAL TRANSFERS WITHIN THE SAME APPROPRIATION

Request to 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.

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram Title</u>	<u>Positions</u>	<u>Funding</u>
GPR			
<i>Legal services</i>			
General program operations	Legal services	0.00	\$16,100
	Administrative services	0.00	-16,100
<i>Law enforcement services</i>			
General program operations	Criminal investigation	4.35	603,100
	Administrative services	-1.00	-135,800
	Narcotics Enforcement	-4.35	-522,900
	Internet Crimes Against Children Task Force	-0.30	-36,600
	Office of Victim Services	1.00	55,700
	Criminal Justice Programs	0.30	36,500
<i>Administrative services</i>			
General program operations	Legal services	-3.60	-451,700
	Administrative services	3.60	523,200
	Narcotics Enforcement	0.00	-49,400
	Internet Crimes Against Children Task Force	0.00	-22,100
<i>Victims and witnesses</i>			
General program operations	Administrative services	0.20	22,600
	Office of Victim Services	-0.20	-22,600
PR			
<i>Law enforcement services</i>			
Gaming law enforcement; Indian gaming	Criminal investigation	0.40	63,700
	Narcotics Enforcement	-0.40	-63,700
Law enforcement training fund, state	Training and standards bureau	1.50	187,300
	Administrative services	-1.50	-187,300
Interagency and intra- agency assistance	Administrative services	0.00	-24,800
	Criminal Justice Programs	0.00	24,800
Drug law enforcement, crime laboratories, and genetic evidence activities	Crime laboratories	0.00	-500,000
	Narcotics Enforcement	0.00	500,000
WI justice info sharing program	Internet Crimes Against Children Task Force	0.00	-79,100
	Criminal Justice Programs	0.00	79,100
FED			
<i>Law enforcement services</i>			
Federal aid, state operations	Administrative services	0.00	-73,000
	Criminal Justice Programs	0.00	73,000
<i>Administrative services</i>			
Indirect cost reimbursements	Criminal investigation	0.00	-68,300
	Administrative services	0.00	68,300

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram Title</u>	<u>Positions</u>	<u>Funding</u>
<i>Victims and witnesses</i>			
Federal aid, state operations relating to crime victim services	Internet Crimes Against Children Task Force	0.00	-\$12,200
	Criminal Justice Programs	0.00	12,200

3. FEDERAL PROGRAM REVENUE REESTIMATE

FED	\$74,838,400
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Request \$37,419,200 annually to reestimate expenditure authority for federal funds provided for local law enforcement and victim assistance. Specifically, reestimate funding as follows: (a) federal aid for local law enforcement, \$4,245,000 annually (\$3,245,000 for local assistance and \$1,000,000 for aids to individuals and organizations); and (b) federal aid for victim assistance, \$33,174,200 annually (-\$7,721,800 for local assistance and \$40,896,000 for aids to individuals and organizations).

4. PROGRAM REVENUE REESTIMATES

PR	\$5,627,400
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Request \$2,814,400 in 2023-24 and \$2,813,000 in 2024-25 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. \$11,000 in 2023-24 and \$9,600 in 2024-25 for the Wisconsin justice information sharing program annual appropriation. Expenditures are estimated for general administration and the uniform crime report (UCR) and use of force data collection activities. Revenue to support the appropriation are from the justice information fee appropriation. Base funding for the appropriation is \$904,600.

d. \$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.

e. \$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.

f. \$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.

g. \$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.

h. \$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.

i. \$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.

j. \$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.

k. \$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.

l. \$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.

m. \$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.

5. POSITION REALIGNMENT

Request -\$362,600 PR and \$362,600 FED annually to reflect the duties and funding sources of existing positions as identified below.

	Funding	Positions
FED	\$725,200	0.00
PR	<u>- 725,200</u>	<u>0.00</u>
Total	\$0	0.00

<u>Appropriation Title</u>	<u>Fund</u>	<u>Positions</u>	<u>Funding</u>
Law enforcement services			
<i>Crime information bureau</i>			
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
<i>Training and standards bureau</i>			
Transaction information management of enforcement system	PR	4.00	363,600
Law enforcement training fund, state	PR	-4.00	-363,600
<i>Narcotics Enforcement</i>			
Drug law enforcement, crime laboratories, and genetic evidence activities	PR	0.50	72,700
Federal aid, state operations	FED	-0.50	-72,700
<i>Criminal Justice Programs</i>			
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			
<i>Office of Victim Services</i>			
Interagency and intra-agency assistance; reimbursement to counties	PR	-3.00	-642,800
Federal aid; victim assistance	FED	3.00	642,800

6. PENALTY SURCHARGE DEFICIT REDUCTION

Request \$6,117,600 GPR and -\$6,117,600 PR and 27.0 GPR and -27.0 PR positions annually to partially address a deficit associated with authorized expenditures exceeding revenues from the penalty surcharge. The request would transfer appropriations supporting drug crimes enforcement local grants, drug enforcement intelligence operations, youth diversion programs and administration, county victim and witness programs, and law enforcement communication systems from the penalty surcharge revenues to GPR. [Note that some of the appropriations affected by the transfer are also impacted by other departmental requests.] In recent years the penalty surcharge fund has operated in deficit. In 2021-22, the penalty surcharge fund concluded the fiscal year with a cumulative deficit of \$27,867,400. The Department of Justice estimates that the penalty surcharge fund will close the 2022-23 state fiscal year with a cumulative deficit of \$32,043,500.

	Funding	Positions
GPR	\$12,235,200	27.00
PR	<u>- 12,235,200</u>	<u>- 27.00</u>
Total	\$0	0.00

Law Enforcement and Legal Services

1. COMMUNITY POLICING AND PROSECUTORS GRANT PROGRAM

	Funding	Positions
GPR	\$20,000,000	2.00

Request \$10,000,000 and 2.0 positions annually to provide grants supporting community policing and prosecutor programs. Create a continuing appropriation funded at \$9,881,000 in 2023-24 and \$9,844,700 in 2024-25 for the grant program. Provide \$119,000 in 2023-24 and \$155,300 in 2024-25 and 2.0 positions annually to administer the grant program.

2. LAW ENFORCEMENT RECRUITMENT, RETENTION AND WELLNESS GRANT PROGRAM

	Funding	Positions
GPR	\$10,000,000	1.00

Request \$5,000,000 and 1.0 position annually to provide grants to law enforcement agencies to hire, retain and provide for the training, support and wellness of law enforcement officers. Create a continuing appropriation funded at \$4,940,500 in 2023-24 and \$4,922,300 in 2024-25 for the grant program. Provide \$59,500 in 2023-24 and \$77,700 in 2024-25 with 1.0 position annually to administer the grant program.

3. VIOLENCE PREVENTION GRANT PROGRAM

	Funding	Positions
GPR	\$10,000,000	2.00

Request \$5,000,000 and 2.0 positions annually to provide grants supporting violence prevention and crime reduction programs. Create a continuing appropriation funded at \$4,881,000 in 2023-24 and \$4,844,700 in 2024-24 for the grant program. Provide \$119,000 in 2023-24 and \$155,300 in 2024-25 and 2.0 positions annually to administer the grant program.

4. LAW ENFORCEMENT AND CRIMINAL INVESTIGATION SUPPORT

	Funding	Positions
GPR	\$4,339,400	19.00
PR	<u>500,000</u>	<u>0.00</u>
Total	\$4,839,400	19.00

Request \$1,990,500 GPR and \$250,000 PR in 2023-24 and \$2,348,900 GPR and \$250,000 PR in 2024-25 and 19.0 GPR positions annually to provide criminal investigative support and technical assistance from 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 requested for additional supplies and services for Internet crimes against children task forces.

5. SCHOOL SAFETY OPERATIONS

Request \$922,800 GPR and 15.0 GPR positions in 2023-24 and \$1,298,700 GPR, -\$7,300 FED and 16.2 GPR, and -0.2 FED positions in 2024-25 related to the Office of School Safety (OSS). According to DOJ, \$816,200 GPR and 13.0 GPR positions in 2023-24 and \$1,159,900 GPR and -\$7,300 FED and 14.2 GPR and -0.2 FED positions in 2024-25 would be utilized to continue the operations of the Office of School Safety including a statewide threat reporting tipline, Speak Up Speak Out Wisconsin resource center, threat assessment consultation services, the Critical Incident Response program, and the administration of grant programs for schools. In addition, DOJ requests \$106,600 GPR in 2023-24 and \$138,800 GPR in 2024-25 and 2.0 GPR positions annually for administrative support, compliance and training provided to schools by OSS. Base funding for the OSS is \$600,800 (\$257,900 GPR, \$13,900 FED and \$329,000 PR) with 11.0 positions (1.0 GPR, 7.2 FED and 2.8 PR).

	Funding	Positions
GPR	\$2,221,500	16.20
FED	- 7,300	- 0.20
Total	\$2,214,200	16.00

6. TREATMENT AND DIVERSION PROGRAMS

Request \$397,300 in 2023-24 and \$488,100 in 2024-25 and 5.0 positions to provide program development and technical assistance services and administer grants issued to local agencies operating cost effective criminal justice diversion and treatment programs, including the provision of additional online resources and data

	Funding	Positions
GPR	\$885,400	5.00

In addition, request statutory language changes related to state treatment and diversion programs to clarify various requirements, including adopting current drug testing standards, simplifying reporting requirements, reducing local matching funds, defining evidence-based practices, clarifying the funding cycle and carryover provisions, and eliminating certain participation requirements.

7. HATE CRIME HOTLINE

Request \$386,800 in 2023-24 and \$495,700 in 2024-25 and 6.0 positions to establish a Hate Crime Hotline for the reporting, review, and referral of incidents of hate crimes.

	Funding	Positions
GPR	\$882,500	6.00

8. VIOLENT CRIME PROSECUTORS

Request \$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.

	Funding	Positions
GPR	\$428,600	3.00

9. CONTINUATION OF ELDER ABUSE HOTLINE AND ELDER JUSTICE PROGRAM

Request \$59,500 in 2023-24 and \$212,700 in 2024-25 and 1.0 position to support the

	Funding	Positions
GPR	\$272,200	1.00

operation of the Elder Abuse Reporting Hotline. The Department indicates that it has used three federal implementation grants 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. According to DOJ federal grants end September 30, 2023.

10. STATE CRIMINAL JUSTICE GRANT PROGRAMS

	Funding	Positions
GPR	\$216,500	2.00

Request \$94,200 in 2023-24 and \$122,300 in 2024-25 and 2.0 positions to administer grants to local law enforcement agencies for body-worn cameras, drug trafficking investigations, and Community Oriented Policing house programs.

Forensic Science

1. CRIME LABORATORY DNA TESTING

	Funding	Positions
GPR	\$1,370,800	10.00

Request \$594,600 in 2023-24 and \$776,200 in 2024-25 and 10.0 positions to meet the demand for forensic DNA testing performed by the State Crime Laboratories resulting from new technologies, including probabilistic genotyping and forensic investigative genetic genealogy.

2. CRIME LABORATORY TOXICOLOGY TESTING

	Funding	Positions
GPR	\$548,400	4.00

Request \$237,900 in 2023-24 and \$310,500 in 2024-25 and 4.0 positions for forensic toxicology testing performed by the State Crime Laboratories.

3. FORENSIC SCIENCE CRIME SCENE RESPONSE

	Funding	Positions
GPR	\$354,300	2.00

Request \$159,000 in 2023-24 and \$195,300 in 2024-25 and 2.0 positions related to crime scene response services requested by local law enforcement agencies.

Victim and Witness Services

1. SEXUAL ASSAULT VICTIM SERVICES GRANTS

	Funding	Positions
GPR	\$14,900,000	2.00

Request \$7,450,000 and 2.0 positions annually to: (a) increase grants to providers of services to victims of sexual assault by \$6,800,000 annually from \$2,200,000 to \$9,000,000; (b) provide \$450,000 annually technical assistance grant to the Wisconsin Coalition Against Sexual Assault for program support to providers; and (c) provide an additional \$200,000 and 2.0 positions annually to administer the grants. Base funding for the

appropriation is \$2,236,600 with 0.4 position.

2. COUNTY VICTIM WITNESS PROGRAM FUNDING

GPR	\$11,728,900
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Request \$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 2020-21 was 45% of costs. Base funding for the program is \$839,000 GPR and \$748,900 PR (program revenue funding is provided from the penalty surcharge).

3. CRIME VICTIM SERVICES GRANTS

	Funding	Positions
GPR	\$10,000,000	2.00

Request \$5,000,000 and 2.0 positions annually to provide: (a) grants to organizations that support victims of crime (\$4,915,800 in 2023-24 and \$4,877,700 in 2024-25) in a newly-created continuing appropriation; and (b) grant administration staff support (\$94,200 in 2023-24 and \$122,300 in 2024-25 with 2.0 positions annually).

4. VICTIMS OF CRIME ACT FUNDING MODIFICATIONS

	Funding	Positions
GPR	\$1,819,200	11.00
FED	<u>-1,635,600</u>	<u>-5.00</u>
Total	\$183,600	6.00

Request \$817,800 GPR, -\$817,800 FED and 5.0 GPR, and -5.0 FED positions in 2023-24 and \$1,001,400 GPR, -\$817,800 FED and 11.0 GPR, and -5.0 FED positions in 2024-25 to provide state funding and positions for crime victim services. Specifically, the request would shift \$817,800 and 5.0 positions annually from FED to GPR funding so that the cost of state services to victims of crime currently funded from the federal Victims of Crime Act (VOCA) grant would 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. In addition, the request would provide \$183,600 GPR and 6.0 GPR positions to the Office of Crime Victim Services in 2024-25 (2.0 GPR positions for the Office, 2.0 GPR positions associated with internet crimes against children and 2.0 GPR positions associated with criminal investigations).

2015 Act 201 Plan

	<u>Amount</u>	
	<u>2023-24</u>	<u>2024-25</u>
Base Level Plan		
Across-the-board reduction including elimination of 63.4 positions and management of departmental workload.	-\$7,543,600	-\$9,190,700
5% Budget Reduction Plan		
Across-the-board reduction including elimination of 98 positions and management of departmental workload.	-\$12,570,400	-\$14,217,500

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		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	769,100	769,100	- 47,000	- 3.0	2.75	2.75	2.75	0.00	0.0
TOTAL	\$1,044,800	\$1,024,000	\$1,024,000	- \$41,600	- 2.0%	4.00	4.00	4.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

PR	\$5,400
SEG	- 47,000
Total	- \$41,600

Request a decrease of \$20,800 in each year of the 2023-25 biennium as follows: (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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Reduce property management LTE staffing and maintenance of recreational facilities.	SEG	-\$23,000	-\$23,000
	PR	-11,700	-11,700
2. Reduce law enforcement LTE staffing.	PR	<u>-3,500</u>	<u>-3,500</u>
 Total		 -\$38,200	 -\$38,200
	PR	(-\$15,200)	(-\$15,200)
	SEG	(-\$23,000)	(-\$23,000)

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23	Request		2023-25 Change Over		2022-23	Request		2024-25	
	Adjusted Base	2023-24	2024-25	Base Year Doubled	%		2023-24	2024-25	Number	%
GPR	\$152,600	\$158,600	\$158,600	\$12,000	3.9%	0.80	0.80	0.80	0.00	0.0%
PR	2,037,700	2,183,000	2,183,000	290,600	7.1	13.70	13.70	13.70	0.00	0.0
SEG	<u>685,300</u>	<u>716,000</u>	<u>716,000</u>	<u>61,400</u>	4.5	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$2,875,600	\$3,057,600	\$3,057,600	\$364,000	6.3%	18.70	18.70	18.70	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments of \$182,000 annually. The adjustments are for full funding of continuing position salaries and fringe benefits (\$6,000 GPR, \$145,300 PR, and \$30,700 SEG).

GPR	\$12,000
PR	290,600
SEG	<u>61,400</u>
Total	<u>\$364,000</u>

2015 Act 201 Plan

		Fund	<u>Amount</u>	
			<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan				
Reduce travel, training, and office supplies associated with settling unemployment insurance disputes (PR) and worker's compensation claims (SEG).				
		PR	-\$86,300	-\$86,300
		SEG	<u>-57,500</u>	<u>-57,500</u>
Total			-\$143,800	-\$143,800
		PR	(-\$86,300)	(-\$86,300)
		SEG	(-\$57,500)	(-\$57,500)

LEGISLATURE

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$89,851,800	\$89,966,800	\$89,960,800	\$224,000	0.1%	758.17	768.17	768.17	10.00	1.3%
PR	<u>2,446,500</u>	<u>2,536,200</u>	<u>2,727,000</u>	<u>370,200</u>	7.6	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>0.00</u>	0.0
TOTAL	\$92,298,300	\$92,503,000	\$92,687,800	\$594,200	0.3%	777.97	787.97	787.97	10.00	1.3%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$182,600
PR	<u>132,200</u>
Total	\$314,800

Request adjustments to the base totaling \$91,300 GPR and \$64,700 PR in 2023-24 and \$91,300 GPR and \$67,500 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); and (c) reclassification and semiautomatic pay progression (\$6,900 PR in 2023-24 and \$9,700 PR in 2024-25).

2. MEMBERSHIP DUES IN NATIONAL ASSOCIATIONS

GPR	\$26,400
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Request \$8,700 in 2023-24 and \$17,700 in 2024-25 for dues to the National Conference of State Legislatures (NCSL). Funding for membership dues is supported by a sum sufficient appropriation with base funding totaling \$294,500 annually.

3. ACTUARIAL STUDIES

GPR	\$15,000
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Request \$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 appropriation has no base funding in 2022-23.

4. LEGISLATIVE HUMAN RESOURCES OFFICE POSITIONS

	Positions
GPR	10.00

Request 10.0 positions for the Legislative Human Resources Office to be funded by the Office's existing appropriation. Further, include statutory language assigning the Director of the Office executive salary group six, which effective January 1, 2023, has an annual pay range of \$100,069 to \$165,131.

5. ACTUARIAL AUDIT SERVICES

PR	\$223,000
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Request \$25,000 in 2023-24 and \$198,000 in 2024-25 of one-time funding for the Legislative Audit Bureau 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. Program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services.

6. PEER REVIEW OF FINANCIAL AUDITS

PR	\$15,000
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Request \$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.

LIEUTENANT GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	<u>Request</u>		2023-25 Change Over Base Year Doubled		2022-23	<u>Request</u>		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		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%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$26,200
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Request 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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce supplies and services.	GPR	-\$24,300	-\$24,300

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	<u>Request</u>		2023-25 Change Over Base Year Doubled		2022-23	<u>Request</u>		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		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%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

SEG	\$6,000
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Request 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%).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce expenses for travel, board meetings, and office supplies.	SEG	-\$13,200	-\$13,200

MEDICAL COLLEGE OF WISCONSIN

Budget Summary					FTE Position Summary	
	2022-23	<u>Request</u>		2023-25 Change Over		The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, state-aided institution governed by a Board of Trustees.
Fund	Adjusted Base	2023-24	2024-25	Base Year Doubled	Amount	
				Amount	%	
GPR	\$10,868,400	\$10,868,400	\$10,868,400	\$0	0.0%	
PR	<u>247,500</u>	<u>247,500</u>	<u>247,500</u>	<u>0</u>	0.0	
TOTAL	\$11,115,900	\$11,115,900	\$11,115,900	\$0	0.0%	

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce grants awarded for cancer research. These grants are funded with revenues generated by a checkoff on the state income tax form.	PR	-\$12,400	-\$12,400

MILITARY AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$33,901,500	\$34,057,200	\$34,057,200	\$311,400	0.5%	82.08	82.08	82.08	0.00	0.0%
FED	81,686,400	114,427,800	113,655,600	64,710,600	39.6	462.80	460.80	445.80	- 17.00	- 3.7
PR	9,354,300	9,485,500	9,485,500	262,400	1.4	54.12	54.12	54.12	0.00	0.0
SEG	<u>20,413,600</u>	<u>20,562,200</u>	<u>20,562,200</u>	<u>297,200</u>	0.7	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$145,355,800	\$178,532,700	\$177,760,500	\$65,581,600	22.6%	604.00	602.00	587.00	- 17.00	- 2.8%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$155,700 GPR, \$4,255,400 FED, \$129,500 PR, \$148,600 SEG, and -2.0 FED positions in 2023-24, and \$155,700 GPR, \$3,483,200 FED, \$129,500 PR, \$148,600 SEG, and -17.0 FED positions in 2024-25.

	Funding	Positions
GPR	\$311,400	0.00
FED	7,738,600	- 19.00
PR	259,000	0.00
SEG	<u>297,200</u>	<u>0.00</u>
Total	\$8,606,200	- 19.00

Adjustments are for: (a) turnover reduction (-\$151,000 GPR and -\$492,600 FED annually); (b) removal of non-continuing elements from the base (-\$14,600 FED and -2.0 FED positions in 2023-24 and -\$786,800 FED and -17.0 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); and (f) 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 REVENUE REESTIMATES

FED	\$56,972,000
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Request \$28,486,000 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. \$9,516,900 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. \$2,981,900 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. \$495,500 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. \$15,491,700 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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Delay the implementation of the Next Generation 911 ESInet.	SEG	-\$2,148,900	-\$2,148,900

MISCELLANEOUS APPROPRIATIONS

Budget Summary					FTE Position Summary	
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		
		2023-24	2024-25	Amount	%	
GPR	\$162,941,200	\$186,437,300	\$187,249,300	\$47,804,200	14.7%	There are no authorized positions for Miscellaneous Appropriations.
SEG	<u>32,293,000</u>	<u>32,293,000</u>	<u>32,293,000</u>	<u>0</u>	0.0	
TOTAL	\$195,234,200	\$218,730,300	\$219,542,300	\$47,804,200	12.2%	

Major Request Items

1. ILLINOIS-WISCONSIN RECIPROcity REESTIMATE

GPR	\$42,884,000
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Request increases of \$21,442,000 in 2023-24 and 2024-25 to reflect anticipated payments to Illinois in the 2023-25 biennium under the Illinois-Wisconsin individual income tax reciprocity agreement. Compared to base funding of \$118,000,000, total funding would be \$139,442,000 in 2023-24 and 2024-25.

2. OIL PIPELINE TERMINAL TAX

GPR	\$5,920,200
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Request increases of \$3,054,100 in 2023-24 and \$2,866,100 in 2024-25 to the sum sufficient appropriation for the oil pipeline terminal tax distribution. With these adjustments, base level funding of \$6,000,000 would increase to an estimated \$9,054,100 in 2023-24 and \$8,866,100 in 2024-25.

3. TRANSFERS TO THE CONSERVATION FUND

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

NATURAL RESOURCES

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$94,500,100	\$94,918,500	\$94,918,500	\$836,800	0.4%	222.52	222.52	222.52	0.00	0.0%
FED	90,230,800	94,589,500	94,407,600	8,535,500	4.7	531.34	527.34	526.34	- 5.00	- 0.9
PR	35,129,100	34,629,800	34,605,500	- 1,022,900	- 1.5	241.89	239.89	239.89	- 2.00	- 0.8
SEG	<u>347,565,900</u>	<u>351,061,900</u>	<u>351,061,900</u>	<u>6,992,000</u>	1.0	<u>1,557.68</u>	<u>1,555.68</u>	<u>1,555.68</u>	<u>- 2.00</u>	<u>- 0.1</u>
TOTAL	\$567,425,900	\$575,199,700	\$574,993,500	\$15,341,400	1.4%	2,553.43	2,545.43	2,544.43	- 9.00	- 0.4%
BR		\$24,500,000								

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling \$7,773,800 in 2023-24 and \$7,567,600 in 2024-25. Adjustments are: (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); and (f) \$224,000 SEG annually for night and weekend differential pay.

	Funding	Positions
GPR	\$836,800	0.00
FED	8,535,500	- 5.00
PR	- 1,022,900	- 2.00
SEG	<u>6,992,000</u>	<u>- 2.00</u>
Total	\$15,341,400	- 9.00

2. MUNICIPAL DAM REPAIR BONDING

BR	\$10,000,000
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Request \$10,000,000 in GPR-supported general obligation bonding authority for dam repair, reconstruction, and removal projects. The dam safety grant 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. DNR received an additional \$10 million in bonding for this purpose under 2021 Act 58.

3. TARGETED RUNOFF MANAGEMENT BONDING

BR	\$6,500,000
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Request \$6,500,000 in additional SEG-supported bonding authority for small-scale and large-scale targeted runoff management (TRM) projects and for notice of discharge (NOD) cost-sharing grants. The TRM program provides grants to local governments and landowners for controlling nonpoint source pollution in areas with surface water or groundwater quality concerns. Funding is also provided to certain animal feeding operations that have been issued an NOD or a notice of intent to issue an NOD for impermissible runoff of animal waste to state waters. DNR was provided \$6.5 million in additional bonding authority for the program under 2021 Act 58. Principal and interest payments on bonds are supported by the nonpoint account of the segregated environmental fund.

4. URBAN NONPOINT AND MUNICIPAL FLOOD CONTROL BONDING

BR	\$4,000,000
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Request an additional \$4,000,000 of nonpoint SEG-supported bonding authority for the urban nonpoint source and storm water management (UNPS) program and the municipal flood control and riparian restoration (MFC) program. The UNPS program supports structural projects to improve state surface water quality by managing 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. The Department determines the allocation of bonding authority between the two programs. DNR has customarily been authorized new bonding authority for these purposes each biennium, and the Department received \$4 million under 2021 Act 58.

5. CONTAMINATED SEDIMENT BONDING

BR	\$4,000,000
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Request \$4,000,000 of additional bonding authority for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries. Since 2007, DNR has been authorized \$40 million of contaminated sediment bonding authority, including \$4 million provided in 2021 Act 58. Debt service for contaminated sediment bonding is supported by the environmental management account of the segregated environmental fund. As of October, 2022, DNR has expended or encumbered \$30.4 million of the available \$40 million, and has committed the remaining \$9.6 million toward a share of more than \$130 million in potential project costs in Superior and Milwaukee. In 2021-22, \$1.7 million SEG was expended on debt service costs for this purpose. The requested bonding authority, along with other non-federal sponsor contributions, would likely match federal funding under such programs as the Great Lakes Restoration Initiative and Great Lakes Legacy Act.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Reduce Division of Fish, Wildlife and Parks general operations by \$3.6 million conservation SEG and eliminate 3.0 SEG fisheries management positions. Delete \$500,000 GPR for walleye production contracts and \$57,000 GPR for fisheries management general operations. Delete \$120,000 conservation SEG for aquatic and terrestrial resources inventories. Reduce maintenance funding for recreational vehicle trails by \$236,800 SEG. Reestimate fish and wildlife account SEG expenditures by -\$150,000 each year in the dedicated stamp-funded account for inland trout surveys and habitat management.	GPR	-\$557,000	-\$557,000
	PR	-41,500	-41,500
	SEG	-4,096,400	-4,096,400
2. Reduce Division of Forestry operations and eliminate 27.0 positions, including 24.5 for forestry general operations and 2.5 for prescribed burn activities.	SEG	-3,649,500	-3,649,500
3. Reduce various Division of Environmental Management operations, and eliminate 15.10 positions as follows: (a) 7.50 PR from air management; (b) 1.75 PR and 0.25 environmental SEG from recycling and solid waste management administration; (c) 1.6 environmental SEG positions from remediation and redevelopment; (d) 1.5 PR from ballast water discharge regulation; (e) 1.5 environmental SEG from nonpoint water pollution operations; and (f) 1.0 GPR from division administration. Reestimate PR operations appropriations for solid and hazardous waste disposal (-\$359,300), ballast water permitting (-\$225,000) and asbestos management (-\$105,100).	GPR	-136,800	-136,800
	PR	-1,365,900	-1,365,900
	SEG	-1,281,200	-1,281,200
4. Reduce Division of External Services general operations conservation SEG. Eliminate 10.5 SEG positions from the environmental improvement fund. Eliminate 2.5 PR positions for general operations and reestimate expenditures by -\$651,000. Eliminate funding for nonpoint source pollution-related research and other contracts (-\$267,600 SEG each year). Delete PR funding for nonferrous metallic mining regulation (-\$76,300).	PR	-727,300	-727,300
	SEG	-1,730,400	-1,730,400
5. Reduce Internal Services Division general operations conservation SEG.	SEG	<u>-1,695,200</u>	<u>-1,695,200</u>
Total		-\$15,281,200	-\$15,281,200
	GPR	(-\$693,800)	(-\$693,800)
	PR	(-\$2,134,700)	(-\$2,134,700)
	SEG	(-\$12,452,700)	(-\$12,452,700)

PROGRAM SUPPLEMENTS

Budget Summary					FTE Position Summary	
	2022-23	<u>Request</u>		<u>2023-25 Change Over</u>		There are no authorized positions for program supplements.
Fund	Adjusted Base	2023-24	2024-25	Base Year Doubled	Amount	
				%		
GPR	\$332,100	\$332,100	\$332,100	\$0	0.0%	

PUBLIC DEFENDER

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$113,150,900	\$133,273,100	\$134,963,400	\$41,934,700	18.5%	614.85	681.85	681.85	67.00	10.9%
FED	0	0	0	0	N.A.	63.00	63.00	0.00	- 63.00	- 100.0
PR	1,505,200	1,473,400	1,473,400	- 63,600	- 2.1	5.00	5.00	5.00	0.00	0.0
TOTAL	\$114,656,100	\$134,746,500	\$136,436,800	\$41,871,100	18.3%	682.85	749.85	686.85	4.00	0.6%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling -\$1,759,900 GPR and -\$31,800 PR annually 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) turnover reduction (-\$1,354,900 GPR annually); (c) overtime (\$219,300 GPR and \$2,900 PR annually); (d) removal of non-continuing elements from the base (-63.0 FED positions in 2024-25); and (e) 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).

	Funding	Positions
GPR	-\$3,519,800	0.00
FED	0	- 63.00
PR	- 63,600	0.00
Total	-\$3,583,400	- 63.00

2. RESTORE TURNOVER

GPR	\$2,709,800
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Request \$1,354,900 annually to restore turnover reduction. In prior agency budget requests, State Public Defender (SPD) has been exempted from taking the turnover 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 attorneys by private bar attorneys. Restoration of the turnover reduction is requested 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 will result in higher costs to provide representation.

3. PRIVATE BAR ATTORNEY COMPENSATION

GPR	\$24,470,200
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Request \$12,235,100 annually and modify current law to increase the rate at which private

bar attorneys are compensated from \$70 to \$125 per hour for in-court work, \$70 to \$100 per hour for out-of-court work, and \$25 to \$50 per hour for travel. In addition, grant the SPD authority to modify rules to reflect changes in the rates. 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.

4. STAFF COMPENSATION AND WORKLOAD

	Funding	Positions
GPR	\$22,189,100	67.00

Request \$9,067,500 GPR in 2023-24 and \$13,121,600 GPR in 2024-25 and 67.0 positions to increase staff compensation and address retention, recruitment, and workload issues that contribute to delays in the provision of constitutionally required representation.

a. *Support Staff.* Request an additional 62.0 support staff positions (25.0 paralegals, 13.0 investigators, 9.0 client services specialists, and 15.0 legal secretaries) in the trial division and 2.0 paralegal support staff positions in the appellate division. The total cost for these 64.0 positions in 2023-24 is \$3,556,900 and \$4,571,800 in 2024-25.

b. *Administrative Staff.* Request an additional 3.0 administrative office positions to recruit, onboard, and train staff. The SPD indicates that the positions are requested as a result of increase in staff turnover rates and the additional staff being requested. The total cost for these 3.0 positions in 2023-24 is \$198,800 and \$257,000 in 2024-25.

c. *Pay Progression.* Request \$2,902,900 in 2023-24 and \$5,883,900 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 requested is approximately equal to a 10% annual increase.

d. *Minimum Salary.* Request \$2,408,900 annually to increase the starting salary of assistant state public defenders from \$27.24 to \$35 an hour.

e. *Statutory Modifications.* Request that the current statutory exemption of 10.0 full-time assistant state public defenders from the statutory caseload standard for management activities be increased to 25.0 to account for initial appearance, treatment court, and other time spent in relation to representation that is not accounted for in caseload requirements.

f. *Non-Statutory Provision.* Request non-statutory language specifying that, notwithstanding statutory provisions establishing maximum annual salary increases in connection with pay progression at no more than 10%, salary increases in 2023-24 and 2024-25 may be more than 10% annually.

5. CHARGING AND SENTENCING ALTERNATIVES

GPR	- \$7,091,600
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Request a reduction to funding for private bar appointments of \$2,363,900 in 2023-24 and \$4,727,700 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 all requested 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 provide that possession of marijuana be reclassified as an ordinance violation for first- and second-time offenders and a misdemeanor for third-time offenders, provided that there are no allegations that the individual is manufacturing, distributing, or delivering a controlled substance. The SPD estimates that this law change would affect 1,982 cases and reduce SPD costs by \$869,000.

c. Modify current law to provide that bail jumping be reclassified as a misdemeanor no matter the initial charge. In 2021-22, SPD provided representation in 2,376 felony bail jumping cases. If these felonies had been misdemeanors, the SPD estimates annual savings of \$106,300.

d. Provide that for the first offense violation of the statutes listed below, 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 these modifications would reduce SPD costs by \$1,720,800.

<u>Statute Description</u>	<u>Statute</u>
Extended jurisdictional order-revision, discharge	48.366
Operating after suspension or revocation	343.44
Operating under the influence	346.63
Contempt-non-payment of support	767.78
Contempt of court	Chp. 785
Strangulation and Suffocation	940.235
Criminal damage to property	943.01
Arson to building, damage by explosives	943.02
Entry into locked vehicle	943.11
Possession of burglarious tools	943.12
Criminal trespass to land	943.13
Criminal trespass to dwelling	943.14
Entry into construction or locked entity	943.15
Entry into/onto Building/Construction Site/Room	943.15
Theft	943.20

<u>Statute Description</u>	<u>Statute</u>
Hotel fraud	943.21
Operating motor vehicle without consent	943.23
Operating motor vehicle without owner's consent	943.23
Issue of worthless checks	943.24
Receiving stolen property	943.34
Solicitation of Prostitutes	944.32
Retail theft	943.50
Child abuse	948.03
Child enticement	948.07
Possess drug paraphernalia	961.573
Operating a vehicle with prohibited alcohol concentration	346.63

e. Modify current law to provide that violation of the statutes listed below be reclassified as an ordinance violation for first- and second-time offenders and a misdemeanor for third-time offenders, provided that there are no allegations that the individual is manufacturing, distributing, or delivering a controlled substance. The SPD estimates that this law change would reduce SPD costs by \$720,700.

<u>Statute Description</u>	<u>Statute</u>
Carrying a concealed weapon	941.23
Carry or display a facsimile firearm	941.2965
Obstructing officer	946.41

f. Modify current law to provide that forgery and credit card crimes specified below be reclassified as a misdemeanor. If these felonies had been misdemeanors, the SPD estimates annual savings of \$39,600.

<u>Statute Description</u>	<u>Statute</u>
Misappropriation of personal ID document	943.201
Unauthorized use identifying information	943.203
Forgery	943.38
Credit card crimes	943.41

6. EXPERT WITNESS SERVICES COST TO CONTINUE

GPR	\$1,373,800
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Request \$686,900 annually to support payments for expert witnesses. The base allocation for expert witnesses within funding budgeted for trial representation is \$337,600. In recent years, the SPD has reallocated funding from trial representation and appellate representation to support the costs of expert witnesses. In 2021-22, the SPD incurred \$1,024,500 in expert witness costs.

7. TUITION REIMBURSEMENT ASSISTANCE

GPR	\$1,000,000
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Request \$500,000 annually to conduct a pilot tuition reimbursement program for staff and private bar attorneys who accept public defender appointments and who meet certain additional criteria. Under the SPD's request, some suggested criteria for private bar attorneys to qualify and meet terms for tuition reimbursement would be: (a) licensed to practice in Wisconsin; (b) maintain a law practice with headquarters or majority of legal work performed in a county that is located in certain economic development regions; and (c) an annual caseload threshold of 50 SPD assigned cases. The request would provide tuition reimbursement of up to \$10,000 per year.

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

GPR	\$803,200
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Request \$401,600 annually to support payments for: (a) transcripts of court proceedings; (b) discovery materials; and (c) interpreters. Base funding for transcripts, discovery, and interpreters is \$1,506,900. In recent years, the SPD has reallocated funding from trial representation and appellate representation to support the costs of transcripts, discovery, and interpreters. In 2021-22, the SPD incurred \$1,908,500 in transcript, discovery, and interpreter costs.

9. PILOT CHIPS EXTENSION

Request 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. The SPD requests the modification "Given that the impact of the pandemic in the criminal legal and family court systems continues to be significant, SPD requests another extension of the pilot program until June 30, 2025." In addition, request that statutes be amended to specify that representation can be provided at the temporary physical custody hearing or removal hearing even if a petition has not yet been filed.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
Base Level Plan			
1. Combination of the following: (a) statutory changes to the penalty surcharge and/or charging process for certain offenses to reduce the number of cases in which the SPD must appoint an attorney in both years; (b) remove tuition reimbursement/loan assistance; (c) remove the expert cost to continue; (d) remove private bar rate increase; and (e) partially remove the private bar cost to continue.	GPR	-\$2,600,900	-\$5,214,700
2. Increase to the transcripts, discovery, and interpreter allocation.	GPR	833,000	833,000
3. Increase to the salary adjustments allocation.	GPR	1,767,900	3,535,800
4. Increase to the trial representation allocation.	GPR	0	727,900
5. Increase to the program operation allocation.	GPR	<u>0</u>	<u>118,000</u>
Total		\$0	\$0
5% Budget Reduction Plan			
1. Combination of the following: (a) statutory changes to the penalty surcharge and/or charging process for certain offenses to reduce the number of cases in which the SPD must appoint an attorney in both years; (b) remove tuition reimbursement/loan assistance; (c) remove the expert cost to continue; (d) remove private bar rate increase; (e) remove private bar cost to continue; (f) remove pay progression for ASPDs; (g) remove increase to transcripts, discovery and interpreters; and (f) remove base funding for ASPDs.	GPR	-\$4,431,600	-\$8,250,900
2. Increase to the transcripts, discovery, and interpreter allocation.	GPR	0	388,600
3. Increase to the salary adjustments allocation.	GPR	0	3,535,800
4. Decrease to the trial representation allocation.	GPR	<u>0</u>	<u>-105,100</u>
Total		-\$4,431,600	-\$4,431,600

PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$7,225,881,800	\$8,034,850,800	\$8,955,252,200	\$2,538,339,400	17.6%	252.47	256.47	256.47	4.00	1.6%
FED	884,034,600	884,050,900	884,050,900	32,600	0.0	323.84	323.84	323.84	0.00	0.0
PR	53,631,000	55,259,000	55,204,500	3,201,500	3.0	77.69	76.69	76.69	- 1.00	- 1.3
SEG	<u>70,664,100</u>	<u>75,918,100</u>	<u>76,196,900</u>	<u>10,786,800</u>	7.6	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$8,234,211,500	\$9,050,078,800	\$9,970,704,500	\$2,552,360,300	15.5%	654.00	657.00	657.00	3.00	0.5%

Major Request Items

General School Aids and Revenue Limits

1. GENERAL SCHOOL AIDS

GPR	\$929,482,400
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Request \$301,205,000 in 2023-24 and \$628,277,400 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 requested funding would represent an increase of 5.8% in 2023-24 and 5.9% in 2024-25 compared to the prior year.

2. HIGH POVERTY AID

GPR	- \$33,660,000
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Request -\$16,830,000 annually and eliminate funding in the high poverty aid appropriation.

High poverty aid is distributed to districts with at least 50% of their enrollment eligible for free or reduced-price lunch. Aid per pupil is calculated by dividing the amount of funding appropriated by the total membership in all eligible districts, with a district's total payment determined by multiplying that amount by each district's membership.

3. REVENUE LIMIT PROVISIONS

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

- a. Set the per pupil adjustment at \$350 in 2023-24 and \$650 in 2024-25 and create an inflationary adjustment beginning in 2025-26.

Under revenue limits, the amount of revenue a school district can raise from general school aids, property taxes, and exempt property aids is restricted. A district's base revenue in a given year is equal to the restricted revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine its base revenue per pupil. Under current law, in 2022-23 and each year thereafter, no per pupil adjustment is made to base revenue per pupil to determine a district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's enrollments in the current and prior two years to determine the district's initial revenue limit.

Prior to 2009-10, the per pupil adjustment was adjusted for inflation, using the percentage change, if positive, in the consumer price index for all urban consumers between the preceding March and second-preceding March. The following table shows the per pupil adjustment under the request compared to current law. Based on current enrollment figures, it is estimated that the proposed per pupil adjustments would provide approximately \$285 million in 2023-24 and \$530 million in 2024-25 in additional revenue limit authority statewide in each year of the biennium, before consideration of any offsetting changes in other revenue limit adjustments.

Per Pupil Adjustment

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Current Law	\$0	\$0	\$0
Request	0	350	650

b. Set the low revenue adjustment under revenue limits at \$10,350 per pupil in 2023-24 and \$11,000 per pupil in 2024-25, and specify that, beginning in 2025-26, the low revenue adjustment amount would increase by the same numerical amount as the revenue limit per pupil adjustment. Also, delete the statutory provisions generally restricting otherwise-eligible districts from any low revenue adjustment increases for three years after a failed operating referendum.

Under the low revenue adjustment, if the sum of the base revenue per pupil and the per pupil adjustment described above for a district is below the statutorily-specified amount, a district may increase its revenue to that amount. The low revenue adjustment amount in 2022-23 and each year thereafter is \$10,000 per pupil, with the three-year exception for districts with failed referenda. The following table shows the low revenue adjustment amount under the request compared to current law.

Low Revenue Adjustment -- Per Pupil Amount

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Current Law	\$10,000	\$10,000	\$10,000
Request	10,000	10,350	11,000

4. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP

Request statutory language to specify that four-year-old kindergarten pupils in full-day programs would be counted as 1.0 pupil for membership purposes, beginning in 2024-25. This membership change would apply to school district revenue limits and general aid and payments to schools in private school choice programs and the independent charter school program.

Under current law, a four-year-old kindergarten pupil is counted as 0.5 member if the pupil attends for at least 437 hours, unless the program provides at least 87.5 additional hours of outreach activities, in which case the pupil is counted as 0.6 member.

Categorical Aids

1. SPECIAL EDUCATION

GPR	\$753,959,200
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Request \$236,213,600 in 2023-24 and \$517,745,600 in 2024-25 for special education categorical aid. Base level funding is \$517,890,000, which DPI estimates will reimburse approximately 31.7% of eligible costs in 2022-23. DPI estimates the additional aid would allow for reimbursement of 45% of special education costs in 2023-24 and 60% of costs in 2024-25.

Additionally, request statutory language modifying the appropriation to be sum sufficient, and establishing the following reimbursement rates in statute: 45% in 2023-24, 60% in 2024-25, 75% in 2025-26, and 90% in 2026-27 and thereafter.

2. HIGH COST SPECIAL EDUCATION AID

GPR	\$10,908,300
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Request \$3,040,800 in 2023-24 and \$7,867,500 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. 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.

3. AID FOR COMPREHENSIVE SCHOOL MENTAL HEALTH SYSTEMS

GPR	\$235,828,600
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Request \$127,914,300 annually in a new appropriation for aid to school districts and independent charter schools to support comprehensive mental health systems and programs in schools.

Under this new aid program, school districts and independent charter schools would each receive \$100,000 plus \$100 per pupil. The award amount would be made available up front, but funds would be distributed under a claims reimbursement model that requires supporting documentation of expenditures for allowable activities. Funds could be used on a variety of activities, including offsetting the costs to employ school-based mental health professionals, and collaborating or contracting with community mental health providers and other organizations to provide training, mentoring, and consultation. School districts and independent charter schools could use funds to provide allowable services during the school day and during after-school or other out-of-school time programs.

Delete \$10,000,000 annually and eliminate the existing school-based mental health services grants program that awards competitive grants to school districts and independent charter schools for collaborating with community mental health agencies to provide services to pupils.

4. AID FOR SCHOOL MENTAL HEALTH PROGRAMS

GPR	\$36,000,000
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Request \$18,000,000 annually above base level funding of \$12,000,000 to expand aid for school mental health programs and rename the appropriation to "aid for school-based mental health professionals."

Additionally, request an expansion of the program to include expenditures for all pupil services staff, which would include school counselors, psychologists, and nurses, in addition to social workers as under current law, and to eliminate the tiered structure of the program under current law. Under this modification, eligible districts and schools would receive reimbursement for a portion of their total expenditures on pupil services staff in the prior year.

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.

5. PEER TO PEER SUICIDE PREVENTION GRANTS

Request statutory language increasing the maximum grant award for the peer-to-peer suicide prevention grants from \$1,000 to \$6,000 to reflect the costs to a school to implement such a program. It is estimated that the current funding level of \$250,000 GPR annually would fully fund

grants at the increased rate.

6. SUPPLEMENTAL REIMBURSEMENT FOR NUTRITION PROGRAMS

GPR	\$120,168,500
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Request \$120,168,500 beginning in 2024-25 and create a new sum sufficient appropriation to eliminate fees charged to pupils for meals served in schools. School districts, independent charter schools, private schools, and other educational entities that participate in the National School Lunch Program would be eligible for aid payments equal to the difference in the federal reimbursement amount between a free meal, a reduced-price meal and full-price meal, multiplied by the number of reduced-price and full-price meals served in the prior year.

7. SCHOOL BREAKFAST PROGRAM

GPR	\$8,989,800
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Request \$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 to increase the state reimbursement rate to 15.0 cents per meal served. Under the program, participating agencies are eligible for reimbursements of 15.0 cents per meal served if funding is available. DPI estimates that payments will be prorated at approximately 5.9 cents per meal served in 2022-23.

Additionally, request statutory language to allow independent charter schools, the state's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired, and residential care centers to be eligible for reimbursement, and to specify that schools that cease operations are not eligible for reimbursement for breakfasts served in the previous school year.

8. LOCALLY-SOURCED FOODS INCENTIVE

GPR	\$2,750,000
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Request \$2,750,000 beginning in 2024-25 for a new categorical aid program to reimburse school districts, independent charter schools, private schools, and other educational entities that participate in the National School Lunch Program an additional 10 cents for each meal served that includes a locally-sourced food item.

9. PER PUPIL AID

GPR	\$78,512,500
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Request \$20,975,000 in 2023-24 and \$57,537,500 in 2024-25 to increase the per pupil aid payment 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 current three-year rolling average pupil count under revenue limits is used to calculate the aid payment. The DPI request is based on a revenue limit

enrollment of 812,500 in each year of the biennium.

10. AID FOR ENGLISH LANGUAGE ACQUISITION

GPR	\$51,984,000
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Request \$25,992,000 annually for a new categorical aid program to support English learner (EL) pupils in school districts and independent charter schools. 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 ELs, and an additional \$500 would be provided for each EL above 20.

11. BILINGUAL-BICULTURAL CATEGORICAL AID

GPR	\$22,352,300
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Request an increase of \$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. DPI estimates the additional aid would allow for reimbursement of approximately 15% of program costs in 2023-24 and 20% in 2024-25. The Department requests statutory language to specify that the reimbursement rate would be increased by 5% annually after 2024-25 until it reaches 50% of allowable expenses.

Under current law, school districts are required to establish a bilingual program if, within a language group at a given school, there are 10 or more English learner (EL) pupils in kindergarten to grade three, or 20 or more ELs in grades four to eight or grades nine to 12. Aid is provided to districts to reimburse eligible costs related to providing services for English learners. Districts in which English learners 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 7.9%.

12. HIGH COST TRANSPORTATION AID

GPR	\$21,087,600
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Request an additional \$10,543,800 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, request statutory language eliminating the \$200,000 cap for payments for districts that qualified for aid in the previous year, but did not qualify in the current year. As a result, payments to all school districts receiving aid under the program would be prorated at the same rate, if necessary.

Under current law, districts qualify for 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).

13. PUPIL TRANSPORTATION AID

Request statutory language increasing the reimbursement rate for pupils transported 12 or more miles to and from school in the regular school year from \$375 to \$400. It is estimated that the current funding level would fully fund payments at the increased rate.

14. GRANTS FOR OUT-OF-SCHOOL TIME PROGRAMS

GPR	\$20,000,000
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Request \$20,000,000 in 2024-25 in a continuing appropriation to create a new grant program to support the implementation and expansion of after-school and other out-of-school time programs for school age children and youth. DPI indicates that five-year grants would be awarded to school districts, independent charter schools, and community-based organizations that provide such programming for elementary, middle, and high school pupils. Annual grant amounts would be based on the number of students served.

15. GROW YOUR OWN EDUCATOR PROGRAMS

GPR	\$10,000,000
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Request \$10,000,000 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. Funds would be awarded based on factors such as school enrollment, existing resources, and specific teacher recruitment challenges. Funds could be used on activities such as paying the costs associated with completing education necessary to obtain licensure, partnering with community organizations to attract and develop new teachers, and supporting student organizations that encourage high school students to pursue careers in education.

16. DRIVER EDUCATION AID

GPR	\$6,500,000
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Request \$6,500,000 beginning in 2024-25 in a new sum sufficient appropriation for driver education for economically disadvantaged pupils. Under the program, school districts, independent charter schools, and cooperative educational service agencies (CESAs) would be eligible to receive funding to offset the cost of providing driver education to low-income pupils. To qualify for aid, the pupil would be required to be eligible for a free or reduced-price lunch, and the provider would be required to demonstrate that the fee normally charged for the course was waived. Pupils attending a school participating in the state's private school choice programs and home-schooled pupils who receive driver education instruction provided by a public school or a CESA would be covered under the program. The requested amount is based on an estimate of the cost of providing driver education to approximately 15,000 low-income pupils in grades 10, 11, and 12, at an average cost of \$440 per pupil.

17. PERSONAL FINANCIAL LITERACY GRANTS

GPR	\$5,000,000
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Request \$2,500,000 annually in a biennial appropriation for a new personal financial literacy grant program for school districts and independent charter schools to create new or improve existing financial literacy curriculum and programming.

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.

18. ALCOHOL AND OTHER DRUG ABUSE PROGRAM

GPR	\$4,520,000
PR	467,800
Total	\$4,987,800

Request \$4,520,000 GPR beginning in 2024-25 in a new appropriation to provide funding for grants for alcohol and other drug abuse (AODA) programs. In addition, request \$233,900 PR annually above base level funding of \$1,284,700 PR to expand support for grants for AODA programs provided under current law.

Under current law, DPI awards two-year competitive grants to school districts or consortia of school districts for projects designed to assist minors experiencing problems resulting from the use of alcohol or other drugs or to prevent alcohol or other drug abuse by minors. Maximum grant amounts range from \$15,000 to \$45,000 annually, based on the size of the school district or consortium. For the 2021-23 period, DPI awarded 48 grants representing 61 school districts. Program revenue from the penalty assessment surcharge on court fines and forfeitures collected by the Department of Justice funds these grants.

Under the new program, school districts could use the additional financial support to implement or expand AODA prevention and intervention programs by funding the salary of positions to coordinate AODA programming. DPI would award grants based on school district size and the quality of applications.

19. SPARSITY AID

GPR	\$1,260,400
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Request \$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 year, they had an enrollment of between 745 and 1,000 pupils and had a population density of fewer than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. In 2021-22, 150 districts qualified for \$400 per pupil aid and 33 districts qualified for \$100 per pupil aid. Payments were prorated at 98%.

Additionally, request a modification to the stop-gap measure that exists under current law. Currently, any district that qualified for sparsity aid in one year but did not qualify the following year due to an increase in its enrollment receives 50% of its prior year award. Request statutory language allowing a district that loses its eligibility as a result of an increase in its pupil population

density to also receive the stop-gap funds.

20. GRANTS FOR MILK COOLERS AND DISPENSERS

GPR	\$50,000
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Request \$50,000 beginning in 2024-25 to create a new categorical aid program to reimburse school districts, independent charter schools, private schools, and other educational entities that participate in the National School Lunch Program the cost of purchasing milk coolers and milk dispensers that do not qualify for reimbursement under a federally funded program.

Choice and Charter

1. MILWAUKEE CHOICE PROGRAM REESTIMATE

GPR	\$44,504,000
Aid	
Reduction	<u>23,117,700</u>
Net GPR	\$67,621,700

Request \$10,823,200 in 2023-24 and \$33,680,800 in 2024-25 for payments under the Milwaukee private school choice program. Total funding would change from \$244,416,600 in 2022-23 to \$255,239,800 in 2023-24 and \$278,097,400 in 2024-25. DPI estimates that 28,400 pupils in 2023-24 and 28,700 pupils in 2024-25 will participate in the program, and that, based on the relevant provisions requested by DPI, the per pupil payment under the program would increase from \$8,399 in 2022-23 to \$8,773 in 2023-24 and \$9,468 in 2024-25 for pupils in grades K-8, and from \$9,045 in 2022-23 to \$9,419 in 2023-24 and \$10,114 in 2024-25 for pupils in grades 9-12.

The cost of the program is partially offset by a reduction in the state general aid that would otherwise be paid to the Milwaukee Public Schools (MPS) by an amount equal to 6.4% in 2022-23 (or \$15,642,700) and decreasing by 3.2 percentage points each year until no aid reduction is made beginning in 2024-25. The aid reduction will equal 3.2% in 2023-24, or an estimated \$8,167,700.

The following table shows the funding under the program as a change to the 2022-23 base year.

<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Change to Base Year Doubled</u>	
\$244,416,600	\$255,239,800	\$278,097,400	\$44,504,000	GPR
<u>-15,642,700</u>	<u>-8,167,700</u>	<u>0</u>	<u>23,117,700</u>	Aid Reduction
\$228,773,900	\$247,072,100	\$278,097,400	\$67,621,700	Net GPR

2. RACINE AND STATEWIDE CHOICE PROGRAM REESTIMATE

GPR	\$104,931,600
Aid	
Reduction	<u>-108,780,200</u>
Net GPR	-\$3,848,600

Request \$32,007,000 in 2023-24 and \$72,924,600 in 2024-25 for payments under the Racine and statewide private school choice programs. Total funding would

change from \$172,417,000 in 2022-23 to \$204,424,000 in 2023-24 and \$245,341,600 in 2024-25. DPI estimates that 22,900 pupils in 2023-24 and 25,500 pupils in 2024-25 will participate in the program, and that, based on the relevant provisions requested by DPI, the per pupil payment under the program would increase from \$8,399 in 2022-23 to \$8,773 in 2023-24 and \$9,468 in 2024-25 for pupils in grades K-8, and from \$9,045 in 2022-23 to \$9,419 in 2023-24 and \$10,114 in 2024-25 for pupils in grades 9-12.

Under current law, payments for incoming pupils in the Racine and statewide choice program (incoming pupils are pupils who first participated in the 2015-16 school year or later) are fully offset by a reduction in the state aid that would otherwise be paid to those pupils' school districts of residence. Therefore, the increase in funding requested for these pupils will be offset by an aid reduction. However, the number of legacy pupils who are fully funded by GPR is declining. The following table shows the funding under the program as a change to the 2022-23 base year.

<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Change to Base Year Doubled</u>	
\$172,417,000	\$204,424,000	\$245,341,600	\$104,931,600	GPR
<u>-164,437,100</u>	<u>-197,976,600</u>	<u>-239,677,800</u>	<u>-108,780,200</u>	Aid Reduction
\$7,979,900	\$6,447,400	\$5,663,800	-\$3,848,600	Net GPR

3. SPECIAL NEEDS SCHOLARSHIP PROGRAM REESTIMATE

GPR	-\$5,785,700
Aid Reduction	<u>5,785,700</u>
Net GPR	\$0

Request -\$6,653,500 in 2023-24 and \$867,800 in 2024-25 for payments under the special needs scholarship program, over base level funding of \$40,626,800 in 2022-23. DPI estimates that participation in the program will total 2,300 pupils in 2023-24 and 2,700 pupils in 2024-25. Based on the relevant provisions requested by DPI, 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. It is estimated that payments would total \$33,973,300 in 2023-24 and \$41,494,600 in 2024-25.

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

4. INDEPENDENT CHARTER SCHOOL PROGRAM

GPR	\$75,273,500
Aid Reduction	<u>-51,860,300</u>
Net GPR	\$23,413,200

Request \$29,094,700 in 2023-24 and \$46,178,800 in 2024-25 as a reestimate of sum sufficient funding in the two appropriations for the independent charter school program. The associated statutory aid reductions for the program would increase by \$21,899,300 in 2023-24 and \$29,961,000 in 2024-25, resulting in a net increase of \$7,195,400 in 2023-24 and \$16,217,800 in 2024-25.

The main appropriation for the program funds payments to schools authorized by the City

of Milwaukee, UW-Milwaukee, UW-Parkside, and the Lac Courte Oreilles Ojibwe College. The Department estimates that 9,795 pupils in 2023-24 and 10,055 pupils in 2024-25 will attend schools funded from this appropriation, including 530 pupils in 2023-24 and 540 pupils in 2024-25 attending schools authorized by the Lac Courte Oreilles Ojibwe College.

A second appropriation funds payments to schools authorized by the Office of Educational Opportunity (OEO) in the UW System. The Department estimates that 3,160 pupils in 2023-24 and 3,682 pupils in 2024-25 will attend schools funded from this appropriation.

Based on the relevant provisions requested by the Department, the per pupil payment for independent charter schools would increase from \$9,264 in 2022-23 to \$9,638 in 2023-24 and \$10,333 in 2024-25.

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.

The following table shows the funding under the program as a change to the 2022-23 base year.

<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Change to Base Year Doubled</u>	
Main appropriation				
\$86,584,100	\$95,027,700	\$104,521,800	\$26,381,300	GPR
<u>-3,859,900</u>	<u>-5,108,100</u>	<u>-5,579,800</u>	<u>-2,968,100</u>	Aid Reduction
\$82,724,200	\$89,919,600	\$98,942,000	\$23,413,200	Net GPR
OEO appropriation				
\$9,805,000	\$30,456,100	\$38,046,100	\$48,892,200	GPR
<u>-9,805,000</u>	<u>-30,456,100</u>	<u>-38,046,100</u>	<u>-48,892,200</u>	Aid Reduction
\$0	\$0	\$0	\$0	Net GPR
Total				
\$96,389,100	\$125,483,800	\$142,567,900	\$75,273,500	GPR
<u>-13,664,900</u>	<u>-35,564,200</u>	<u>-43,625,900</u>	<u>-51,860,300</u>	Aid Reduction
\$82,724,200	\$89,919,600	\$98,942,000	\$23,413,200	Net GPR

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

Request statutory language to modify the indexing mechanism for the private school choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program to specify that these payments would increase by an amount equal to the per pupil revenue limit adjustment for the current year, if positive, plus the change in the categorical per pupil aid payment between the previous year and the current year, if positive.

Including the per pupil revenue limit adjustment and change to per pupil aid in the Department's agency budget request, the per pupil adjustment for these programs is shown in the following table.

<u>Request</u>	<u>2023-24</u>	<u>2024-25</u>
Per Pupil Revenue Limit Adjustments	\$350	\$650
Change to Per Pupil Aid	<u>24</u>	<u>45</u>
Total Per Pupil Increase	\$374	\$695

Under current law, the various per pupil payment amounts under the private school choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program equal the sum of the payment amount for the program in the previous year plus the per pupil revenue limit adjustment for the current year, if positive, plus the statewide change in funding per pupil for statutorily-specified categorical aid appropriations between the previous year and the current year, if positive.

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling -\$338,800 GPR, \$16,300 FED, -\$58,100 PR, and -1.0 PR position in 2023-24 and -\$338,600 GPR, \$16,300 FED, -\$112,600 PR, and -1.0 PR position 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 (\$273,600 GPR, \$41,800 FED, and \$13,900 PR in 2023-24, and \$273,800 GPR, \$41,800 FED, and \$13,900 PR in 2024-25); (d) night and weekend differential pay (\$55,400 GPR, \$400 FED, and \$200 PR annually); and (e) removal of non-continuing elements from the base (-\$54,500 PR and -1.0 PR position in 2023-24 and -\$109,000 PR and -1.0 PR position in 2024-25).

	Funding	Positions
GPR	- \$677,400	0.00
FED	32,600	0.00
PR	<u>- 170,700</u>	<u>- 1.00</u>
Total	- \$815,500	- 1.00

2. EARLY LITERACY AND READING IMPROVEMENT

GPR	\$20,000,000
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Request \$10,000,000 annually in two new appropriations, including \$9,195,000 annually to implement a comprehensive program of trainings for educators to improve early literacy and reading outcomes for Wisconsin pupils, and \$805,000 annually to provide stipends to participating school districts and independent charter schools.

Regional Coaches. Request \$7,000,000 annually to contract for 28 regional coaches to provide training to school district and independent charter school staff on evidence-based literacy

instructional practices for pupils in kindergarten through grade 12, and 28 regional coaches to provide training to school district and independent charter school staff on early reading instructional transitions for pupils in four-year-old kindergarten through grade one.

Coach Training. Request \$672,000 annually to provide training sessions to each of the regional coaches.

Other Training. Request \$1,380,000 annually to provide regional, in-person training sessions for four-year-old kindergarten, kindergarten, and first grade teachers at school districts and independent charter schools to identify early reading curriculum overlaps and gaps in between grade levels, and create standards and goals to ensure coherence in early reading instruction.

Agency Operations. Request \$143,000 annually to support agency operations, including coordination and oversight of contracts and training sessions.

Stipends. Request \$805,000 annually for stipends for school districts and independent charter schools that work with a coach. School districts and independent charter schools that opt in to the program would receive a stipend of \$7,000 that could be used for instructional resources, stipends for teachers, or substitutes needed for teachers to receive training.

3. SUPPORTING FUTURE EDUCATORS

GPR	\$10,833,000
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Request \$10,833,000 beginning in 2024-25 to create four new sum-sufficient appropriations to provide stipends to support future educators, including: (a) \$1,750,000 for individuals participating in the Wisconsin Improvement Program (WIP) or completing an internship as part of a DPI-approved educator preparation program; (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 licensed teachers working with interns or student teachers; and (d) \$50,000 for individuals pursuing a career as a public library professional and completing an internship in a public library setting. Semester-long stipends would be provided that equal \$7,000 for WIP interns, \$2,500 for student teachers, and \$1,000 for cooperating teachers. DPI is proposing a smaller amount of funding for library intern stipends to establish an initial program and to assess the need for additional funding in future biennial budget requests.

4. MENTAL HEALTH TRAINING PROGRAMS

GPR	\$1,160,000
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Request an additional \$580,000 annually above base level funding of \$420,000 for mental health training programs. The additional funding would expand the types of trainings offered to include programs such as bullying prevention and support to out-of-school time programs, and provide necessary training, technical assistance, and coaching to school staff to implement a continuum of mental health programs and practices.

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.

5. STAFF SUPPORT FOR STATE PROGRAMS

	Funding	Positions
GPR	\$758,700	4.00

Request \$330,000 in 2023-24 and \$428,700 in 2024-25 and 4.0 positions beginning in 2023-24 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 included in DPI's 2023-25 biennial budget proposal. The fourth position would be an information technology management consultant 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.

6. ACADEMIC AND CAREER PLANNING

GPR	\$704,000
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Request \$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. The Department indicates that carryover funding used in previous years will be exhausted in 2022-23, and annual costs associated with program software and contracts with CESA's and the Wisconsin Center for Education Research will exceed annual base level funding.

7. GENERAL EQUIVALENCY DIPLOMA TEST FEE SUBSIDY

GPR	\$500,000
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Request \$500,000 beginning in 2024-25 for a new sum-sufficient appropriation to subsidize test fees for Wisconsin residents taking the general equivalency diploma (GED) tests beginning on July 1, 2024. In order to qualify for the subsidy, individuals would be required to complete an initial counseling session at an assessment center and achieve a "Likely to Pass" status on the GED preparation exam.

The GED consists of tests to measure competency in math, science, social studies, and language arts. A Wisconsin-specific version of the test called the High School Equivalency Diploma (HSED) includes the four GED subject areas plus health, civic literacy, employability skills, and career awareness. Each of the four sections of the test costs \$30.00, with an additional \$3.75 credentialing fee. In 2021, Wisconsin residents took 14,489 GED tests.

8. WISCONSIN SEAL OF BILITERACY

GPR	\$310,500
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Request \$26,500 in 2023-24 and \$284,000 in 2024-25 in a new appropriation to formalize the process and expand access for pupils to earn the Wisconsin Seal of Biliteracy (WSB), which

is awarded to graduating high school pupils in school districts with an approved WSB program who have demonstrated advanced achievement in bilingualism, biliteracy, and sociocultural competence in two or more languages.

In the 2021-22 school year, 14 school districts were authorized to issue the WSB (Abbotsford, Arcadia, Beloit, De Forest, Green Bay, La Crosse, Madison, Menasha, Middleton-Cross Plains, Milwaukee, Nicolet, Sheboygan Falls, Verona, and Waukesha) and 292 graduating pupils in the class of 2022 were awarded the WSB.

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. Funds could be used to provide greater access to assessments and proficiency testing in languages other than English through which pupils could demonstrate they meet WSB criteria, and to train educators to assess language proficiency and administer required assessments.

9. ADULT LITERACY GRANTS

GPR	\$133,600
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Request \$66,800 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 increased funding would provide additional services to more individuals throughout the state.

10. LICENSING APPLICATION FEE REVENUE

GPR-REV	- \$700,000
PR-REV	<u>700,000</u>
Total	\$0

Request 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 \$350,000 annually.

Additionally, request that the appropriation be modified to be continuing, rather than sum certain as under current law.

11. PUBLIC LIBRARY SYSTEM AID

SEG	\$10,000,000
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Request \$5,000,000 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.

12. RECOLLECTION WISCONSIN

SEG	\$450,000
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Request \$150,000 in 2023-24 and \$300,000 in 2024-25 for Recollection Wisconsin, which

collects digital historical resources from Wisconsin libraries, archives, museums, and historical societies, and makes them publicly available. Funds would be used for project management, content hosting and management, staff training, and technology related costs. The segregated revenue would be provided from the state universal service fund.

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.

13. BADGERLINK AND NEWSLINE FOR THE BLIND

SEG	\$307,000
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Request \$104,000 in 2023-24 and \$203,000 in 2024-25 above base level funding of \$3,283,300 to increase funding for the contracts with current BadgerLink vendors and to maintain the current level of services through Newsline for the Blind. BadgerLink is an online library that contracts with vendors to provide access to licensed content such as magazines, newspapers, scholarly articles, videos, images, and music. Newsline for the Blind provides access to 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.

14. LIBRARY SERVICES CONTRACTS

SEG	\$29,800
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Request \$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 indicates that projected costs for each of the contracts will increase over the biennium due to general operating cost increases, and insufficient funding would result in a cap on the amount of material that can be requested from the Milwaukee Public Library and the UW-Madison library. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

15. PROGRAM REVENUE REESTIMATES

PR	\$2,904,400
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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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. General program operations.	GPR	-\$684,800	-\$684,800
2. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- General program operations.	GPR	-662,600	-662,600
3. Energy costs for Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired.	GPR	-21,400	-21,400
4. Electric energy derived from renewable resources.	GPR	-100	-100
5. Pupil assessment.	GPR	-827,900	-827,900
6. Student information system.	GPR	-170,000	-170,000
7. Education effectiveness evaluation system.	GPR	-48,700	-48,700
8. Longitudinal data system.	GPR	-151,900	-151,900
9. WISElearn.	GPR	-58,000	-58,000
10. Academic and career planning.	GPR	-55,000	-55,000
11. Mental health and school climate training program and grants.	GPR	-21,000	-21,000
12. Grant for information technology education.	GPR	-43,800	-43,800
13. Educator effectiveness evaluation system; fees.	PR	-215,500	-215,500
14. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired; Leasing of space.	PR	-100	-100
15. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired; Services.	PR	-400	-400
16. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired; Pupil Transportation.	PR	-60,500	-60,500
17. Personnel licensure, teacher supply, information and analysis, and teacher improvement.	PR	-243,600	-243,600
18. General educational development and high school graduation equivalency.	PR	-6,100	-6,100
19. Services for drivers.	PR	-8,100	-8,100
20. Publications.	PR	-7,300	-7,300
21. Library products and services.	PR	-7,100	-7,100
22. Milwaukee parental choice program and the parental choice program for eligible school districts and other districts -- financial audits.	PR	-7,300	-7,300
23. School lunch handling charges.	PR	-505,700	-505,700
24. Professional services center charges.	PR	-5,300	-5,300
25. Gifts, grants and trust funds.	PR	-75,000	-75,000
26. School district boundary appeal proceedings.	PR	-500	-500
27. Alcohol and other drug abuse program.	PR	-32,000	-32,000
28. Funds transferred from other state agencies -- program operations.	PR	-154,100	-154,100
29. State agency library processing center.	PR	-400	-400

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
30. Data processing.	PR	-\$477,200	-\$477,200
31. Digital learning collaborative.	SEG	-50,000	-50,000
32. Library services contracts.	SEG	<u>-68,400</u>	<u>-68,400</u>
Total		-\$4,669,800	-\$4,669,800
	GPR	(-\$2,745,200)	(-\$2,745,200)
	PR	(-\$1,806,200)	(-\$1,806,200)
	SEG	(-\$118,400)	(-\$118,400)

PUBLIC SERVICE COMMISSION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
FED	\$3,021,800	\$3,540,800	\$3,540,800	\$1,038,000	17.2%	18.75	18.75	18.75	0.00	0.0%
PR	21,575,400	21,840,500	21,840,500	530,200	1.2	139.00	139.00	139.00	0.00	0.0
SEG	<u>8,533,600</u>	<u>8,581,900</u>	<u>8,581,900</u>	<u>96,600</u>	0.6	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>	0.0
TOTAL	\$33,130,800	\$33,963,200	\$33,963,200	\$1,664,800	2.5%	161.75	161.75	161.75	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request 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); and (c) reclassifications and semi-automatic pay progression (\$26,800 PR annually).

FED	\$1,038,000
PR	190,200
SEG	<u>96,600</u>
Total	\$1,324,800

2. ENGINEERING MODELING SOFTWARE

Request \$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.

PR	\$340,000
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2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Reduce PSC supplies and services expenditure authority for telecommunication relay services (\$793,300 PR), stray voltage investigation (\$113,700 PR), and police and fire protection fee administration (\$141,600 SEG).	PR	-\$907,000	-\$907,000
	SEG	-141,600	-141,600
2. Eliminate a 0.6 rail safety analyst position and associated costs within the Office of the Commissioner of Railroads.	PR	<u>-32,800</u>	<u>-32,800</u>
 Total		-\$1,081,400	-\$1,081,400
	PR	(-\$939,800)	(-\$939,800)
	SEG	(-\$141,600)	(-\$141,600)

REVENUE

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$192,630,300	\$190,495,200	\$190,495,200	-\$4,270,200	- 1.1%	950.15	950.15	950.15	0.00	0.0%
PR	21,313,300	21,502,600	21,565,300	441,300	1.0	135.40	135.40	135.40	0.00	0.0
SEG	<u>29,755,200</u>	<u>29,832,600</u>	<u>29,841,800</u>	<u>164,000</u>	0.3	<u>92.45</u>	<u>92.45</u>	<u>92.45</u>	<u>0.00</u>	0.0
TOTAL	\$243,698,800	\$241,830,400	\$241,902,300	-\$3,664,900	- 0.8%	1,178.00	1,178.00	1,178.00	0.00	0.0%
GPR-Tax		-\$380,000,000	\$165,800,000							

Major Request Items

General Fund Taxes

1. TAX EXEMPTION FOR STUDENT LOAN FORGIVENESS

GPR-Tax - \$380,000,000

Request state adoption of the provision of the federal American Rescue Plan Act of 2021 allowing that any forgiven student loan that was expressly provided for postsecondary educational expenses and meets certain other requirements is excluded from taxable income for tax years 2021 through 2025. Under current law with certain exceptions, forgiven student loans are generally considered taxable income. If adopted retroactively to tax year 2022, estimate reduced individual income tax revenues of \$380 million on a one-time basis in 2023-24.

In general, the estimated individual income tax revenue reduction depends on whether the student loan forgiveness included in the President's Executive Order of August 24, 2022, is found to be legal and constitutional. Among several lawsuits challenging the Order, a U.S. District Court in Texas declared the plan unlawful on November 10, 2022, due to a failure to provide a public comment period prior to its implementation. Following this ruling, the Department of Education (DOE) closed the online student loan forgiveness application portal. In addition, six state Attorneys General filed suit to block the Order from proceeding on the grounds that it is illegal and unconstitutional. On November 14, 2022, the U.S. Court of Appeals for the 8th Circuit issued an injunction that prohibits the forgiveness of loans under the Presidential Order while that lawsuit is further considered. This fiscal estimate assumes that the Executive Order is legal and incorporates the Biden Administration's announcement on September 29, 2022, that otherwise eligible federal loans which are held by private entities (rather than held directly by DOE) will no longer be eligible for loan forgiveness. The estimate incorporates: (a) DOE data on the total number of eligible borrowers in Wisconsin; and (b) Department of Revenue (DOR) data regarding the estimated average effective tax rate paid by student loan borrowers.

2. LEGALIZATION AND TAXATION OF MARIJUANA

GPR-Tax	\$165,800,000
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Request that the sale of recreational marijuana be legalized for sales made by retailers holding a permit issued by DOR. The Department also requests that the state impose a 15% wholesale excise tax and a 10% retail excise tax on sales of 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. If marijuana were legalized in Wisconsin, sales tax would also be collected by retailers on legal marijuana sales. The Department estimates that the excise and sales taxes that would be collected on sales of recreational marijuana would generate \$165.8 million annually, beginning in 2024-25.

In addition, DOR requests to create and maintain a medical marijuana registry program that would allow qualifying patients to obtain a registry identification card and purchase marijuana from a licensed retail establishment without having to pay the sales or excise taxes imposed on that sale. DOR indicates that a qualifying patient would be an individual who has been diagnosed by a physician as having or undergoing a debilitating medical condition or treatment and who is at least 18 years old.

The Department did not request any funding or positions to administer and enforce the medical marijuana registry program and the taxation of recreational marijuana. DOR indicates that it would like to collaborate with the Governor and other state agencies about the resources needed to manage the program.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	- \$4,270,200
PR	441,300
SEG	<u>164,000</u>
Total	- \$3,664,900

Request 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 (-\$235,800 GPR, \$41,100 PR, and \$191,700 SEG annually); (c) reclassification 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); and (d) minor transfers within the same alpha appropriation.

2. MINOR TRANSFERS BETWEEN APPROPRIATIONS

Request a transfer of \$276,900 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 Office of Communications in the Secretary's Office. According to DOR, the purpose of the Office of Communications is 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 positions are communications positions and the third position is a vacant Revenue Tax Representative - Objective position.

Request a transfer of \$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 requested transfer because the positions are currently vacant.

Finally, DOR requests a transfer of \$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.

Lottery

1. LOTTERY SALES PROJECTIONS

Projected lottery sales provide the basis for estimating the lottery and gaming property tax credit in the next biennium. In addition, the projected sales directly affect appropriations for retailer compensation and lottery vendor fees after accounting for GPR funding provided for these purposes. DOR's request projects sales of \$912.1 million annually in the 2023-25 biennium. The following table shows these projections by game type, as well as 2021-22 actual lottery sales and the 2022-23 sales estimates used to determine base levels for retailer compensation and vendor fees under 2021 Act 58, after accounting for GPR funding. [No reestimates of the amount of lottery fund revenues needed to fund retailer compensation and vendor fees were included in the agency request.]

Lottery Sales Projections (\$ in Millions)

Game Type	Actual <u>2021-22</u>	Act 58 <u>2022-23</u>	DOR <u>2023-24</u>	% Change <u>from 2022-23</u>	DOR <u>2024-25</u>	% Change <u>from 2023-24</u>
Scratch	\$637.8	\$562.9	\$643.6	14.3%	\$643.6	0.0%
Pull-tab	1.1	0.4	1.3	221.2	1.3	0.0
Lotto	<u>248.9</u>	<u>252.3</u>	<u>267.3</u>	<u>5.9</u>	<u>267.3</u>	<u>0.0</u>
Total	\$887.8	\$815.6	\$912.1	11.8%	\$912.1	0.0%

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Delete 38.00 tax enforcement positions. DOR estimates that deleting 38.00 tax enforcement positions would reduce state revenues by at least \$35 million annually.	GPR	-\$3,130,700	-\$3,130,700
2. Delete 4.40 special district tax administration positions and all related funding.	PR	-425,300	-425,300
3. Delete all funding for football stadium tax administration.	PR	-126,600	-126,600
4. Delete 4.50 state and local finance positions. DOR indicates that eliminating such positions would put its Division of State & Local Finance at risk of failing to meet statutory deadlines.	GPR	-319,400	-319,400
5. Delete 5.00 technology services positions. DOR indicates that eliminating these positions would affect technology service's ability to timely complete projects necessary for processing of tax and government returns and refunds.	GPR	-471,700	-471,700
6. Eliminate 1.00 paralegal position in an attorney office with a large caseload.	GPR	-65,400	-65,400
	SEG	-11,500	-11,500
7. Reduce salaries and fringe within DOR's administrative services and space rental - general program operations appropriation to reclassify an FTE position from a manager to an administrative policy advisor.	GPR	-55,600	-55,600
8. Reduce LTE salaries and fringe funding within DOR's administrative services and space rental - general program operations appropriation.	GPR	-82,500	-82,500
9. Reduce rent costs by closing a private lease space.	GPR	-66,800	-66,800
	SEG	-4,000	-4,000
10. Reduce supplies and services.	PR	-1,934,500	-1,934,500
	SEG	-31,400	-31,400
11. Reduce funding for DOR's reciprocity agreement and publications appropriation to \$0.	PR	-36,000	-36,000
12. Reduce supplies and services for WINPAS and IPAS. DOR indicates that these reductions would affect licensing, time, and maintenance for these major tax processing systems.	GPR	-278,300	-278,300
	PR	-112,300	-112,300
	SEG	-25,000	-25,000
13. Eliminate 1.00 integrated property assessment system technology position and associated funding for supplies and services.	GPR	-76,900	-76,900
14. Reduce SEG sum sufficient funding in the statutes for the Lottery Retailers Compensation.	SEG	<u>-4,931,700</u>	<u>-4,931,700</u>
Total		-\$12,185,600	-\$12,185,600
	GPR	(-\$4,547,300)	(-\$4,547,300)
	PR	(-\$2,634,700)	(-\$2,634,700)
	SEG	(-\$5,003,600)	(-\$5,003,600)

SAFETY AND PROFESSIONAL SERVICES

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
FED	\$537,500	\$520,700	\$520,700	-\$33,600	- 3.1%	1.70	1.70	1.70	0.00	0.0%
PR	<u>60,517,800</u>	<u>69,809,500</u>	<u>71,938,700</u>	<u>20,712,600</u>	17.1	<u>240.44</u>	<u>310.44</u>	<u>310.44</u>	<u>70.00</u>	29.1
TOTAL	\$61,055,300	\$70,330,200	\$72,459,400	\$20,679,000	16.9%	242.14	312.14	312.14	70.00	28.9%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$383,500 (-\$16,800 FED and \$400,300 PR) and -2.0 PR positions in 2023-24 and \$352,600 (-\$16,800 FED and \$369,400 PR) and -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); and (c) full funding of continuing position salaries and fringe benefits (-\$16,800 FED and \$897,500 PR annually).

	Funding	Positions
FED	-\$33,600	0.00
PR	<u>769,700</u>	<u>- 2.00</u>
Total	\$736,100	- 2.00

2. BUILDING PLAN REVIEW PROPOSALS

Request 25.0 positions to increase commercial building plan review staff in the Division of Industry Services. The Department indicates that any of the three proposals described in the following paragraphs would increase plan review staff to facilitate reviews in ways suggested by construction industry participants, and would not necessarily need to be implemented in their entirety.

	Funding	Positions
PR	\$3,936,200	25.00

Schedule-in-Advance Plan Review

Request 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 wherein the final plan is not complete until shortly before construction. This request is intended to ensure that these plans are reviewed in a timely manner commensurate with actual building timelines. All 7.0 positions would be allocated to the DSPS appropriation for safety and buildings general operations.

Schedule-in-Advance Plan Review

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
Senior Commercial Building Plan Reviewer	2.00	\$110,400	\$147,200
Plumbing Plan Reviewer	2.00	94,300	125,700
Fire Systems Plan Reviewer	2.00	110,400	147,200
Senior Elevator Plan Reviewer	<u>1.00</u>	<u>55,200</u>	<u>73,600</u>
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

Request 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. DSPP reports that discussions with industry stakeholders suggested that plan reviews should occur in 20 business days or less to align with construction industry practices. DSPP reports that such plans are, in most cases, currently reviewed in 30 business days or less and that the request would allow the Department to meet the suggested time frame. All 14.0 positions would be allocated to the DSPP appropriation for safety and buildings general operations.

Four-Week Plan Review

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
Senior Commercial Building Plan Reviewer	6.00	\$331,000	\$441,400
Plumbing Plan Reviewer	3.00	141,400	188,600
Fire Systems Plan Reviewer	4.00	220,700	294,300
Senior Elevator Plan Reviewer	1.00	55,200	73,600
Miscellaneous Salary and Fringe Benefits		<u>24,200</u>	<u>32,100</u>
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

Request 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.

3. LICENSE PROCESSING STAFF

	Funding	Positions
PR	\$2,215,600	16.00

Request 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

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
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	<u>1.00</u>	<u>43,300</u>	<u>57,700</u>
Subtotal	16.00	\$735,600	\$980,600
Supplies and Services		\$233,100	\$266,300
Total	16.00	\$968,700	\$1,246,900

4. CALL CENTER STAFF

	Funding	Positions
PR	\$1,811,300	14.00

Request 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). Currently, CSC is authorized 6.0 office operations associates, 1.0 office program associate, and 1.0 supervisor. DSPS has also contracted 20 additional employees through a third-party company using funds from the federal American Rescue Plan Act (ARPA). The Department requests state-funded staff to handle ongoing call volumes once federal ARPA funds have been exhausted.

5. BOARD SUPPORT STAFF

	Funding	Positions
PR	\$1,730,600	10.00

Request 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

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
Division of Legal Services and Compliance			
Real Estate Specialist	1.00	\$55,200	\$73,600
Program and Policy Analyst*	1.00	55,200	73,600
Attorney	3.00	178,400	237,600
Consumer Protection Investigator	1.00	51,000	68,100
Senior Consumer Protection Investigator	1.00	55,200	73,600
Pharmacy Practices Consultant	<u>1.00</u>	<u>102,500</u>	<u>136,700</u>
Subtotal	8.00	\$497,500	\$663,200
Division of Policy Development			
Administrative Policy Advisor	1.00	\$55,200	\$73,600
Administrative Rules Coordinator	<u>1.00</u>	<u>55,200</u>	<u>73,600</u>
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

6. FIELD INSPECTION STAFF

	Funding	Positions
PR	\$723,600	5.00

Request 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.

7. SYSTEM PLATFORMS SUBSCRIPTIONS AND MAINTENANCE

PR	\$4,352,400
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Request \$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 LicenseE 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.

8. DIVISION OF ENTERPRISE TECHNOLOGY CONSULTING SERVICES

PR	\$2,480,200
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Request \$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 DSPTS. The request includes 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.

9. EQUIPMENT AND SOFTWARE UPGRADES

PR	\$445,800
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Request \$219,700 in 2023-24 and \$226,100 in 2024-25 as one-time funding for equipment updates. DSPTS reports that funding would support replacement of agency equipment that has become obsolete or otherwise reached the end of its functionality.

10. PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM GRANT PROGRAM CONTINUATION

PR	\$1,680,000
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Request \$840,000 each year and eliminate the June 30, 2023, expiration of the private onsite wastewater treatment system (POWTS) rehabilitation and replacement grant program. Additionally, request changes to statutory grant eligibility provisions such that: (a) systems installed prior to July 1, 1988, would become eligible for assistance (rather than systems installed prior to July 1, 1978, as under current law); and (b) household incomes at or below 250% of the federal poverty level (FPL) would become eligible for assistance. Currently, the statutes limit family income to \$45,000; the request would increase program income limits to an estimated \$69,400 for a four-person household based on 2022 FPL.

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 request would extend the program indefinitely. The program is funded from a transfer from the DSPTS 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.

11. PRIVATE SEPTIC SYSTEM PLAN REVIEWERS

	Funding	Positions
PR	\$282,000	2.00

Request \$123,000 in 2023-24 and \$159,000 in 2024-25 with 2.0 permanent positions for private septic system plan review. DSPTS 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. The request would make the Act 67 positions permanent.

12. PRESCRIPTION DRUG MONITORING PROGRAM

PR	\$1,115,200
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Request \$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.

13. SUM SUFFICIENT APPROPRIATION FOR INSPECTION CONTRACT ACCOUNTING

PR	-\$1,130,000
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Request 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 request 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. DSPS indicates that contracted activities can vary greatly in cost depending on multiple factors, and the request does not budget any estimated costs.

14. YOUTH VOLUNTEER FIREFIGHTER TRAINING PROGRAM

PR	\$200,000
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Request \$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. DSPS reports that in 2021-22, the grant program received 15 applications for requests totaling \$185,000.

15. MILITARY PATHWAYS GRANT PROGRAM

PR	\$100,000
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Request one-time funding of \$50,000 in each year for the continuation of 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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce supplies and services intended for IT system hardware, software, and maintenance, including \$1,072,900 from safety and buildings regulatory activities and \$713,700 from health and business occupation regulation.	PR	-\$1,786,600	-\$1,786,600

SECRETARY OF STATE

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
PR	\$288,100	\$492,300	\$507,100	\$423,200	73.4%	2.00	4.00	4.00	2.00	100.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

PR	-\$13,000
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Request adjustments to the base budget for full funding of continuing position salaries and fringe benefits (-\$6,500 annually).

2. ADDITIONAL POSITIONS

	Funding	Positions
PR	\$286,800	2.00

Request \$124,100 in 2023-24 and \$162,700 in 2024-25 and 2.0 FTE positions annually for the Secretary of State (SOS). The requested funds reflect increased salary and fringe costs for an unclassified Deputy Secretary of State position and a classified Office Operations Associate position, which would restore SOS staffing levels to those experienced prior to 2015 Act 55. According to the SOS, these positions are necessary for the office to fulfill its constitutional duties.

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

3. INCREASE FUNDING FOR SUPPLIES AND SERVICES

PR	\$149,400
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Request \$62,900 in 2023-24 and \$62,800 in 2024-25 for ongoing supplies and services to reflect cost increases associated with: (a) additional space rental for the SOS; (b) equipment and other expenses related to the additional requested staff and two unpaid interns; (c) Spanish translation and interpreter services; (d) technology consulting services; and (e) membership dues for the National Association of State Secretaries. Additionally, request \$23,700 in 2023-24 for

one-time financing for relocation costs necessary to accommodate the additional requested staff and interns.

4. INCREASE ANNUAL TRANSFER OF REVENUES FROM THE DEPARTMENT OF FINANCIAL INSTITUTIONS PR-REV \$220,000

Request an increase in the amount of funds transferred from the Department of Financial Institutions' (DFI) general program operations appropriation to the SOS's program fees appropriation by \$110,000, annually. Increase program revenues deposited into the SOS's program fees appropriation by \$110,000, annually. The SOS states that the increased revenue transfer would support the additional requested positions.

Under current law, an annual transfer of \$150,000 is made from DFI's general program operations appropriation to the SOS's program fees appropriation. Under the request, this amount would be increased to a transfer of \$260,000, annually.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce supplies and services from program fee operations and program fee administration.	PR	-\$14,400	-\$14,400

SHARED REVENUE AND TAX RELIEF

Budget Summary						FTE Position Summary
Fund	2022-23	Request		2023-25 Change Over		
	Adjusted Base	2023-24	2024-25	Base Year Doubled	Amount	
GPR	\$2,551,048,500	\$2,535,735,000	\$2,526,749,900	-\$39,612,100	-	0.8%
PR	66,600,000	61,725,000	65,002,000	-6,473,000	-	4.9
SEG	312,206,400	357,096,500	357,096,500	89,780,200		14.4
TOTAL	\$2,929,854,900	\$2,954,556,500	\$2,948,848,400	\$43,695,100		0.7%

There are no positions authorized for Shared Revenue and Tax Relief.

Major Request Items

Refundable Income and Franchise Tax Credits

1. ENTERPRISE ZONE TAX CREDIT

GPR	- \$65,360,000
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Request decreases of \$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 estimate anticipated claims during the 2023-25 biennium. The estimate reflects projections of credit claims for major economic development projects for which the Wisconsin Economic Development Corporation (WEDC) has, to date, contracted or amended tax credit awards. With the adjustments, base funding would decrease from \$77,500,000 to an estimated \$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.

2. REFUNDABLE RESEARCH TAX CREDIT

GPR	- \$15,000,000
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Request decreases of funding for refundable research tax credit claims by \$7,500,000 annually. The estimate reflects actual refundable credit usage over the previous two fiscal years, including lower usage by C corporations in 2021-22 compared to 2020-21. With the adjustments, estimated total funding would decrease from \$21,000,000 to \$13,500,000 annually.

The state provides research credits to businesses equal to a percentage of the increase in a business's qualified research expenses, as defined under the Internal Revenue Code, for research conducted in Wisconsin. For tax years beginning on or after January 1, 2020, 85% of the amount of new credits computed may be claimed as a nonrefundable credit and up to 15% of the amount

computed may be claimed as a refundable credit. The amounts shown above reflect only the estimated cost of the refundable portion of research credit claims.

3. HOMESTEAD TAX CREDIT

GPR	- \$7,900,000
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Request decreases in funding of \$2,300,000 in 2023-24 and \$5,600,000 in 2024-25 for the homestead tax credit program to reflect estimates of the sum sufficient appropriation. Compared to base funding of \$47,300,000, estimated expenditures would decrease to \$45,000,000 in 2023-24 and \$41,700,000 in 2024-25.

4. BUSINESS DEVELOPMENT CREDIT

GPR	- \$6,464,000
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Request decreases of \$4,796,000 in 2023-24 and \$1,668,000 in 2024-25 for the sum sufficient appropriation for refundable business development tax credits to estimate anticipated claims during the 2023-25 biennium. The estimate reflects projections of credit claims for economic development projects for which WEDC has entered into contracts, and is expected to enter into future contracts, to award tax credits. With the adjustments, base funding would decrease from \$11,700,000 to \$6,904,000 in 2023-24 and \$10,032,000 in 2024-25. 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.

5. EARNED INCOME TAX CREDIT

GPR	\$3,312,000
PR	- 6,473,000
Total	- \$3,161,000

Request increases in GPR funding of \$954,000 in 2023-24 and \$2,358,000 in 2024-25 for the earned income tax credit (EITC). Request decreases in PR funding of \$4,875,000 in 2023-24 and \$1,598,000 in 2024-25. As a result, base level GPR funding of \$25,500,000 would increase to \$26,454,000 in 2023-24 and \$27,858,000 in 2024-25, and base level PR funding of \$66,600,000 would decrease to \$61,725,000 in 2023-24 and \$65,002,000 in 2024-25.

The EITC is funded through a combination of GPR and PR funding. The PR component is provided by a transfer of temporary assistance for needy families (TANF) funding from the Department of Children and Families, and the GPR component is provided through a sum sufficient appropriation, which covers the balance of the cost of the credit. TANF rules mandate that only the refundable portion of the EITC may be funded with TANF monies. Reduced PR funding reflects the administration's estimate that the refundable portion of EITC claims will be 70% of total claims in the 2023-25 biennium. Total funding for the EITC would decrease from base funding of \$92,100,000 to \$88,179,000 in 2023-24, and would increase to \$92,860,000 in 2024-25.

6. ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE TAX CREDITS GPR - \$2,484,400

Request decreases of \$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. 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 Wisconsin corporations that are affiliated with Hon Hai Precision Industry Co., Ltd (Foxconn).

7. JOBS TAX CREDIT GPR - \$1,290,000

Request decreases of \$582,000 in 2023-24 and \$708,000 in 2024-25 for the sum sufficient appropriation for refundable jobs tax credits to estimate anticipated claims during the 2023-25 biennium. The estimate reflects projections of credit claims for economic development projects for which WEDC has previously contracted tax credit awards. With the adjustments, base funding would decrease from \$1,000,000 to \$418,000 in 2023-24 and \$292,000 in 2024-25. The credit equals 10% of the wages paid to an eligible employee and/or the amount of costs incurred to undertake training activities in the year.

Pursuant to 2015 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.

8. VETERANS PROPERTY TAX CREDIT GPR - \$500,000

Request a decrease of \$1,000,000 in 2023-24 and an increase of \$500,000 in 2024-25 to the sum sufficient appropriation for the veterans and surviving spouses property tax credit to reflect estimated payment amounts. With these adjustments, base level funding of \$50,000,000 would decrease to \$49,000,000 in 2023-24 and increase to \$50,500,000 in 2024-25. The credit is equal to 100% of the real and personal property taxes paid on a principal dwelling by certain veterans and surviving spouses.

Excise Tax Refunds

1. CIGARETTE AND TOBACCO PRODUCT TAX REFUNDS

GPR	- \$2,826,000
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Request decreases in funding for cigarette and tobacco products tax refunds of \$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. Under current law, for sales that occur on reservations or trust lands, the tribes receive a refund of 100% of the excise tax on cigarettes sold to eligible tribal members and 70% of the tax on sales to non-Native Americans. For tobacco products sold on reservations or trust lands, the tribes receive a refund of 100% of the tax on products sold to eligible tribal members and 50% of the tax on products sold to non-Native Americans. Eligible tribal members must reside on the reservation or trust land of the tribe where the sale took place and be an enrolled member of that tribe. The requested decrease reflects the Department of Revenue's lower estimate for refunds to Native American tribes in the 2023-25 biennium. Total funding for cigarette and tobacco product tax refunds would be \$28,540,000 in 2023-24 and \$28,034,000 in 2024-25.

Direct Aid Payments

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

GPR	- \$1,406,600
SEG	<u>3,933,600</u>
Total	\$2,527,200

Request a decrease of \$703,300 GPR annually and an increase of \$1,966,800 SEG annually in the appropriations for the county and municipal aid program to fully fund the county and municipal aid statutory distribution amount. The decrease in GPR funding reflects a corresponding adjustment to the GPR sum sufficient appropriation to offset the increase in estimated police and fire protection (SEG) revenue available and to fully fund the statutory distribution. In total, \$744,075,800 (\$707,684,200 GPR and \$36,391,600 SEG) annually would be provided. Total estimated GPR payments for the county and municipal aid program would decrease from \$708,387,500 adjusted base level funding to \$707,684,200 annually. The SEG adjustment reflects an estimated increase in revenue available from the police and fire protection fund in the biennium. Payments from the police and fire protection fund in the biennium would be estimated at \$36,391,600 annually compared to a base level amount of \$34,424,800.

The statutory distribution for county and municipal aid totals \$753,075,800 from all sources. However, \$5,000,000 annually is from the medical assistance program. GPR and police and fire protection SEG fund the remaining \$748,075,800 annually. However, the GPR and SEG appropriations underfund this distribution by \$4,000,000 annually to reflect a 2015 Act 60 provision that reduced the county and municipal aid distribution to Milwaukee County by

\$4,000,000 each year from 2016 through 2035. This annual reduction is intended to offset a portion of the state's contribution to the Wisconsin Center District toward construction of the sports and entertainment arena in Milwaukee.

2. PUBLIC UTILITY AID

GPR	\$8,641,500
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Request increases of \$264,800 in 2023-24 and \$8,376,700 in 2024-25 to the sum sufficient public utility distribution account appropriation to reflect estimates of payment amounts. With these adjustments, base level funding in the appropriation of \$87,916,900 would increase to \$88,181,700 in 2023-24 and \$96,293,600 in 2024-25. The public utility distribution account appropriation is used to make aid payments to counties and municipalities containing certain types of public utility property that are exempt from local property taxation.

3. EXPENDITURE RESTRAINT PAYMENT PROGRAM

GPR	- \$2,332,000
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Request decreases of \$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 annually.

Property Tax Credits

1. FIRST DOLLAR CREDIT

GPR	- \$544,000
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Request decrease of \$272,000 annually to the sum sufficient appropriation to reflect estimated cost of the first dollar credit. With these adjustments, estimated total funding available for the credit would decrease from an adjusted base level of \$148,500,000 to \$148,228,000 in 2023-24 and 2024-25.

These adjustments represent the estimated actual total costs of the first dollar credit to be distributed in each year of the biennium. Each year, DOR establishes a credit base for the first dollar credit that is meant to distribute the \$150,000,000 GPR available for the credit. The credit base is the amount of improved value on which the credit is to be paid. The actual credit amounts distributed to municipalities have been consistently less than the \$150,000,000 available. The estimated amounts would align more closely with the actual amounts distributed each year.

2. FARMLAND PRESERVATION TAX CREDIT

GPR	- \$900,000
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Request decreases of \$430,000 in 2023-24 and \$470,000 in 2024-25 to the sum-sufficient

appropriations for the farmland preservation tax credit, which applies to certain lands in farmland preservation zoning districts and under farmland preservation agreements. With these reestimates, budgeted credits would decrease from an adjusted base level of \$16,790,000 to \$16,360,000 in 2023-24 and \$16,320,000 in 2024-25.

3. LOTTERY AND GAMING CREDIT

SEG	\$85,477,800
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Request increases of \$42,738,900 annually to the sum sufficient appropriation to reflect estimates of lottery proceeds available for distribution. With these adjustments, estimated total funding would increase from an adjusted base level of \$277,116,000 to \$319,854,900 annually.

4. LOTTERY AND GAMING CREDIT; LATE APPLICATIONS

SEG	\$368,800
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Request increases of \$184,400 in each year to the sum sufficient appropriation to reflect estimates of the amounts of credits to be paid to persons who apply for the credit after tax bills have been issued. With these adjustments, estimated total funding would increase from an adjusted base level of \$665,600 to \$850,000 annually.

Other Property Tax Relief

1. FORESTRY TRANSFER

GPR	\$55,317,400
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Request an increase of \$26,958,700 in 2023-24 and \$28,358,700 in 2024-25 for the transfer from the general fund to the forestry account of the conservation fund for the purposes of acquiring, preserving, and developing the forests of the state. 2017 Act 59 replaced the state forestry mill tax with a sum sufficient appropriation from the general fund equal to the value of the tax, or 0.1697 mills for each dollar of the assessed valuation of the property in the state. As a result, as assessed values of property in the state increase, the amount of the transfer increases. Under the request, the transfer to the forestry account would be estimated at \$142,500,000 in 2023-24 and \$143,900,000 in 2024-25. Base funding for the transfer is \$115,541,300.

STATE FAIR PARK

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$1,660,300	\$1,660,300	\$1,660,300	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
PR	<u>21,096,000</u>	<u>21,295,600</u>	<u>21,295,600</u>	<u>399,200</u>	0.9	<u>47.00</u>	<u>47.00</u>	<u>47.00</u>	<u>0.00</u>	0.0
TOTAL	\$22,756,300	\$22,955,900	\$22,955,900	\$399,200	0.9%	47.00	47.00	47.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

PR	\$399,200
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Request adjustments to the agency base budget for the following: (a) overtime (\$189,000 annually); and (b) full funding of continuing positions salaries and fringe benefits (\$10,600 annually).

2015 Act 201 Plan

	Fund	Amount	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Reestimate agricultural programming expenditures.	PR	-\$207,800	-\$207,800
2. Reestimate Wisconsin State Fair entertainment expenses.	PR	-325,000	-325,000
3. Reestimate expenditures for enhanced security measures.	PR	-225,000	-225,000
4. Reestimate facilities improvement expenditures.	PR	<u>-200,000</u>	<u>-200,000</u>
Total		-\$957,800	-\$957,800

STATE TREASURER

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$0	\$129,900	\$153,700	\$283,600	N.A.	0.00	1.50	1.50	1.50	N.A.
PR	<u>130,300</u>	<u>257,600</u>	<u>281,400</u>	<u>278,400</u>	106.8%	<u>1.00</u>	<u>2.50</u>	<u>2.50</u>	<u>1.50</u>	150.0%
TOTAL	\$130,300	\$387,500	\$435,100	\$562,000	215.7%	1.00	4.00	4.00	3.00	300.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

PR	-\$5,000
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Request 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
GPR	\$283,600	1.50
PR	<u>283,400</u>	<u>1.50</u>
Total	\$567,000	3.00

Request \$259,700 (\$129,000 GPR and \$129,800 PR) in 2023-24 and \$307,300 (\$153,700 GPR and \$153,600 PR) in 2024-25 to create three GPR/PR split-funded positions, including a chief of staff, financial officer, and office manager. Create a GPR appropriation for general program operations. Requested funding would support salaries and benefits and supplies and services for the new positions, including additional supplies and services, travel, membership in national organizations, and costs for relocating the office to a new space in 2023-34 to accommodate the requested staff. The source of the PR would be unclaimed property.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
Reduce unclaimed property supplies and services.	PR	-\$6,500	-\$6,500

SUPREME COURT

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$18,231,100	\$20,045,000	\$20,305,000	\$3,887,800	10.7%	115.50	115.50	115.50	0.00	0.0%
FED	1,007,100	1,004,700	1,004,700	- 4,800	- 0.2	5.00	5.00	5.00	0.00	0.0
PR	14,776,100	17,649,300	17,673,300	5,770,400	19.5	110.75	112.00	112.00	1.25	1.1
SEG	<u>602,700</u>	<u>332,500</u>	<u>332,500</u>	<u>- 540,400</u>	<u>- 44.8</u>	<u>1.60</u>	<u>1.60</u>	<u>1.60</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$34,617,000	\$39,031,500	\$39,315,500	\$9,113,000	13.2%	232.85	234.10	234.10	1.25	0.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$522,100 annually associated with: (a) full finding of continuing position salary and fringe benefits (\$10,900 GPR, -\$2,400 FED, \$557,000 PR, and -\$1,000 SEG annually); and (b) full funding of lease and directed move costs (-\$42,400 GPR annually).

GPR	- \$63,000
FED	- 4,800
PR	1,114,000
SEG	<u>- 2,000</u>
Total	\$1,044,200

2. CYBERSECURITY PROGRAM FUNDING

GPR	\$3,924,200
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Request \$1,832,100 in 2023-24 and \$2,092,100 in 2024-25 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, and the increase in cybersecurity threats to court system data. Funding would include: (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. PROGRAM AND SEGREGATED REVENUE ESTIMATES

PR	\$4,473,200
SEG	<u>- 538,400</u>
Total	\$3,934,800

Request \$2,236,600 PR and -\$269,200 SEG annually in funding estimates for the court information systems appropriation (\$2,188,000 PR annually), the board of bar examiners appropriation (\$48,600 PR annually), and the mediation fund appropriation (-\$269,200 SEG annually) to reflect anticipated spending levels in the 2023-25 biennium.

4. CENTRAL SERVICES SUPPORT

	Funding	Positions
PR	\$183,200	1.25

Request \$79,600 in 2023-24, \$103,600 in 2024-25, and 1.25 positions annually to provide increased financial and personnel management staff support. Funding would include: (a) \$72,200 in 2023-24 and \$96,200 in 2024-25 for salaries and fringe benefits; and (b) \$7,400 annually for supplies and services. Positions would include: (a) 1.0 financial analyst; and (b) 0.25 human resources and payroll associate. The positions are intended to provide central administrative services for the court system, and would be funded from the continuing Supreme Court central services appropriation (s. 20.680(2)(kc)), which 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 \$225,500 with 2.5 positions.

TOURISM

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$6,487,000	\$7,382,400	\$7,313,700	\$1,722,100	13.3%	32.00	32.00	32.00	0.00	0.0%
FED	780,900	781,000	781,000	200	0.0	1.00	1.00	1.00	0.00	0.0
PR	9,416,300	9,220,900	9,220,900	- 390,800	- 2.1	1.00	1.00	1.00	0.00	0.0
SEG	<u>1,603,500</u>	<u>1,603,500</u>	<u>1,603,500</u>	<u>0</u>	<u>0.0</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$18,287,700	\$18,987,800	\$18,919,100	\$1,331,500	3.6%	34.00	34.00	34.00	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request 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); and (c) removal of non-continuing elements from the base (-3.00 GPR positions annually).

	Funding	Positions
GPR	\$642,400	- 3.00
PR	9,200	0.00
FED	<u>200</u>	<u>0.00</u>
Total	\$651,800	- 3.00

2. ARTS BOARD FUND MATCHING

GPR	\$552,500
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Request \$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 requested for 2023-24, an estimated \$148,900 would be associated with matches to NEA grants received by September 30, 2023.

3. NATOW CONTRACT TRANSFER

PR	- \$400,000
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Request to 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 request would combine the marketing funding for NATOW programs with existing

tribal PR-funded grants to GLITC that are administered by DOA. [See the entry under "Administration."]

4. OFFICE OF OUTDOOR RECREATION

	Funding	Positions
GPR	\$527,200	3.00

Request \$237,000 in 2023-24 and \$290,200 in 2024-25 with 3.0 permanent positions for the Office of Outdoor Recreation. The Office 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 will expire on June 30, 2023, and authorized positions would be removed under standard budget adjustments.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
Base Level Plan			
1. Request 3.0 positions and associated funding to continue operations of the Office of Outdoor Recreation.	GPR	\$237,000	\$290,200
2. Transfer NATOW contract administration and expenditure authority to the Department of Administration.	PR	-200,000	-200,000
3. Reestimate tourism promotional spending.	PR	<u>-37,000</u>	<u>-90,200</u>
Total		\$0	\$0
	GPR	(\$237,000)	(\$290,200)
	PR	(-\$237,000)	(-\$290,200)
5% Budget Reduction Plan			
1. Request 3.0 positions and associated funding to continue operations of the Office of Outdoor Recreation.	GPR	\$237,000	\$290,200
2. Transfer NATOW contract administration and expenditure authority to the Department of Administration.	PR	-200,000	-200,000
3. Reduce overall tribal gaming PR general marketing funding.	PR	-748,400	-801,600
4. Reestimate tourism promotional spending.	PR	-99,000	-99,000
5. Eliminate conservation fund (parks account) operations funding, primarily for publications.	SEG	-12,100	-12,100
6. Reestimate Arts Board gifts and grants spending.	PR	<u>-20,000</u>	<u>-20,000</u>
Total		-\$842,500	-\$842,500
	GPR	(\$237,000)	(\$290,200)
	PR	(-\$1,067,400)	(-\$1,120,600)
	SEG	(-\$12,100)	(-\$12,100)

TRANSPORTATION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$87,559,900	\$89,737,900	\$89,908,600	\$4,526,700	2.6%	0.00	0.00	0.00	0.00	N.A.
FED	922,538,800	1,081,611,000	1,083,739,100	320,272,500	17.4	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	2,065,944,400	2,070,944,400	29,448,000	0.7	2,390.09	2,390.09	2,390.09	0.00	0.0
SEG-L	115,325,600	152,469,700	152,987,300	74,805,800	32.4	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	\$3,516,740,800	\$3,524,557,200	\$434,995,400	6.6%	3,287.41	3,287.41	3,287.41	0.00	0.0%
BR		\$253,714,300								

Major Request Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the 2023-25 transportation fund condition statement under the Department of Transportation (DOT) budget request. The "General Fund Transfer" amounts are the annual statutory transfers that will be made from the general fund to the transportation fund based on estimated general fund tax revenues under the Department of Administration's (DOA) November 20 report on agency budget requests and revenue estimates. DOT appropriations represent the bulk of the appropriations from the transportation fund. However, appropriations are also made for the following purposes, which are shown in the table, in total, as "Other Agency Appropriations": (a) to the Department of Revenue for the administration of the motor fuel tax, the air carrier and railroad property taxes, and the rental vehicle fee; (b) to the conservation fund to reflect estimated motor fuel taxes paid by users of motorboats, snowmobiles, all-terrain vehicles, and utility-terrain vehicles; (c) railroad terminal tax distributions, which are payments made to local governments where railroad terminal property is located; and (d) payment of reissued checks related to DOT.

	<u>2023-24</u>	<u>2024-25</u>
Unappropriated Balance, July 1	\$87,121,800	\$61,252,600
Revenues		
Motor Fuel Tax	\$1,095,927,900	\$1,108,788,200
Registration and Title Fee Revenues		
Registration Revenues	713,511,100	718,964,300
Title Revenues	206,155,000	214,198,900
Miscellaneous Motor Vehicle Fees	26,788,300	26,824,900
Less Revenue Bond Debt Service	-188,120,800	-178,355,900
Petroleum Inspection Fee One-Cent Deposit	40,063,700	40,792,500
Driver's License Fees	41,955,200	42,336,300
Aeronautical Fees and Taxes	10,459,900	11,259,000
Railroad Property Taxes	41,436,100	42,706,200
Miscellaneous Departmental Revenues	14,541,500	15,461,500
Investment Earnings	597,700	803,700
Transfers to the Fund		
General Fund Transfer	54,041,300	56,179,000
Petroleum Inspection Fund Unencumbered Balance	10,828,800	11,025,800
Petroleum Inspection Fund Ongoing Transfer	<u>6,258,500</u>	<u>6,258,500</u>
Total Annual Revenues	\$2,074,444,200	\$2,117,242,900
Total Available	\$2,161,566,000	\$2,178,495,500
Appropriations and Reserves		
DOT Appropriations	\$2,065,499,400	\$2,070,499,400
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	10,000,000	10,000,000
Other Agency Appropriations	<u>27,814,000</u>	<u>27,823,200</u>
Net Appropriations and Reserves	\$2,100,313,400	\$2,105,322,600
Unappropriated Balance, June 30	\$61,252,600	\$73,172,900

Note: Estimated general fund transfer amounts reflect general fund tax collections included in DOA's November 20, 2020, report. DOT appropriations include base debt service appropriations.

2. 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 general fund transfer is equal to 0.25% of general fund tax collections for each year in the fund condition statement for the general fund as enacted in the biennial budget. Two annual transfers are also made from the petroleum inspection fund: (a) an ongoing transfer of \$6,258,500; and (b) beginning on June 30, 2020, the transfer of the unencumbered balance of the PIF to the transportation fund, except for an amount equal to not less than 5% of the gross revenues of the PIF during the fiscal year in which the transfer is made. The following table indicates the estimated amounts to be

transferred from the general fund and the petroleum inspection fund in the 2023-25 biennium as well as the amounts to be transferred in the current biennium.

The amounts to be transferred from the General Fund reflect the estimated general fund tax collections included in the DOA's November 20, 2022, report. Based on those estimated collections, general fund transfers have been adjusted by \$5,396,700 (11.1%) in 2023-24 and by \$7,534,400 (15.5%) in 2024-25 compared to the base year transfer of \$48,644,600.

Use of Other Funds for Transportation Purposes -- Biennial Comparison

	<u>2021-23</u>	<u>2023-25</u>	<u>Biennial Change</u>	<u>% Change</u>
<i>General Fund</i>				
0.25% Trans. of General Fund Taxes	\$93,362,100	\$110,220,300	\$16,858,200	18.1%
One-Time Transfers	<u>182,796,800</u>	<u>0</u>	<u>-182,796,800</u>	-100.0
Subtotal	\$276,158,900	\$110,220,300	-\$165,938,600	-60.1%
<i>Petroleum Inspection Fund</i>				
Annual Transfer Unencumbered Balance	\$27,627,300	\$21,854,600	-\$5,772,700	-20.9%
Ongoing Appropriation Transfer	<u>12,517,000</u>	<u>12,517,000</u>	<u>0</u>	<u>0.0</u>
Total	\$40,144,300	\$34,371,600	-\$5,772,700	-14.4%
Total	\$316,303,200	\$144,591,900	-\$171,711,300	-54.3%

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.

3. ALLOCATION OF FEDERAL HIGHWAY AID

Estimate federal highway formula aid at \$964,698,900 in 2023-24 and \$966,485,300 in 2024-25, which represents increases of \$140,757,600 in 2023-24 and \$142,544,000 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. Some uncertainty remains regarding the amount of federal transportation aid that will be appropriated by the federal government and available to the state in the biennium. In addition, DOT indicates that the Department's request has not allocated all of the additional IIJA federal program funding. As a result, this additional funding will be available for distribution among DOT state and local highway programs under the Governor's 2023-25 budget recommendations.

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, of the funds

allocated, DOT is requesting 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, and the local bridge improvement assistance program. DOT also requests funding increases for the transportation alternatives program, congestion mitigation and air quality improvement program, railroad crossing improvement program, and the department management and operations appropriation, while other appropriations would see minor changes due to standard budget adjustments.

<u>Appropriation</u>	<u>Base</u>	<u>Change to Base</u>		<u>Request</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation	\$485,856,300	\$3,546,300	\$3,546,300	\$489,402,600	\$489,402,600
Major Highway Development	184,848,900	582,300	582,300	185,431,200	185,431,200
Local Transportation Facility Improvement Assistance	72,331,300	71,222,300	72,643,500	143,553,600	144,974,800
Local Bridge Improvement	24,523,900	45,095,100	45,095,100	69,619,000	69,619,000
Departmental Mgmt. and Ops.	15,659,200	1,171,500	1,171,500	16,830,700	16,830,700
Southeast Freeway Megaprojects	14,366,000	274,200	274,200	14,640,200	14,640,200
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	318,000	318,000	1,631,200	1,631,200
Total	\$823,941,300	\$140,757,600	\$142,544,000	\$964,698,900	\$966,485,300

Note: Includes adjustments to the base and standard budget adjustment amounts.

4. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2021-23 biennium and under the Department's 2023-25 biennial budget request. 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. The amounts shown for transportation revenue bonds reflect the amounts authorized for the two programs using these bonds. However, the Department requested only \$165,523,200 SEG-S appropriation authority in the biennium from which to spend transportation revenue bond proceeds for those two programs.

	<u>2021-23</u>	<u>2023-25</u>
Transportation Fund-Supported, General Obligation Bonds		
Freight Rail Preservation	\$20,000,000	\$20,000,000
Harbor Assistance	15,300,000	16,000,000
Southeast Wisconsin Freeway Megaprojects	40,000,000	0
Design-Build Projects	<u>20,000,000</u>	<u>0</u>
Subtotal	\$95,300,000	\$36,000,000
Transportation Revenue Bonds		
Major Highway Development	\$128,258,200*	\$149,214,300
Administrative Facilities	<u>0*</u>	<u>18,500,000</u>
Subtotal	\$128,258,200	\$167,714,300
General Obligation Bonds		
Passenger Rail Development**	\$10,000,000	\$0
Unspecified, General Obligation Bonds		
Southern Bridge	<u>\$0</u>	<u>\$50,000,000</u>
Total	\$233,558,200	\$253,714,300

*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.

**Debt service paid under Building Commission's capital improvement and other public purposes debt service appropriation.

5. TRANSPORTATION REVENUE BOND AUTHORIZATION

BR	\$167,714,300
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Request increased transportation revenue bond authority of \$167,714,300, reflecting the Department's proposed use of revenue bonds for major highway development projects and administrative facility construction projects. The Department's request indicates a carry-over balance of \$80,571,100 in unused transportation revenue bond authority that will remain available for use in 2023-25. This balance along with DOT's request would result in the availability of \$248,285,400 in ongoing revenue bond authority. Of this total, DOT would use \$162,023,200 in the 2023-25 biennium, as follows: (a) \$75,511,600 annually for the major highway development program; and (b) \$9,250,000 annually for administrative facility construction projects. The Department's request indicates that the remaining \$82,762,200 would be used for projects in the 2023-25 biennium that would be initiated, but not completed, in the 2023-25 biennium.

DOT indicates that estimated debt service on outstanding transportation revenue bonds in the biennium would equal \$188.1 million in 2023-24 and \$178.4 million in 2024-25. In 2022-23, estimated debt service on outstanding transportation bonds is \$198.6 million.

Local Transportation Assistance

1. SOUTHERN BRIDGE PROJECT IN BROWN COUNTY

BR	\$50,000,000
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Request \$50,000,000 in general obligation bonding authority to assist in funding the construction of the "Southern Bridge" in Brown County. The Department's request does not specify the funding source that would be used to fund annual debt service on the general obligation bonds. The 2021-23 budget requires 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 that 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.

Separate from the project, DOT is constructing a new diamond interchange as part of the I-41 major highway development expansion project, which would allow for the future connection of County Highway GV to the interstate. DOT indicates 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 I-41. DOT also indicates that the bridge would remain under the jurisdiction of Brown County after construction. Under current law, DOT does not operate a program that provides funding directly to local governments for the construction of bridges connected by local highways. DOT has identified a preferred alternative for the project, 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.

2. FREIGHT RAIL PRESERVATION PROGRAM

BR	\$20,000,000
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Request \$20,000,000 BR in transportation fund-supported, general obligation bonds for the freight rail preservation program, which preserves freight rail service through the acquisition of abandoned railroad lines or by providing grants to make improvements on lines already owned by the state to upgrade them to modern freight rail standards. In the 2021-23 biennium, the program was also provided \$20,000,000 in additional bonding authority.

3. HARBOR ASSISTANCE PROGRAM

BR	\$16,000,000
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Request \$16,000,000 BR in transportation fund-supported, general obligation bonds for the harbor assistance program, which provides grants for making capital improvements to harbors on the Great Lakes or the Mississippi River system. In the 2021-23 biennium, additional bonding authority of \$15,300,000 was provided to the program.

4. NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM

FED	\$34,511,700
SEG-L	<u>8,628,300</u>
Total	\$43,140,000

Request \$17,085,000 FED in 2023-24 and \$17,426,700 FED in 2024-25, and request \$4,271,600 SEG-L in 2023-24 and \$4,356,700 SEG-L 2024-25. The requested 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 monies from local units of government and other sources for the construction of electric vehicle charging infrastructure. In addition, the Department requests the statutory creation of a SEG appropriation to support the implementation of the state's federally-approved NEVI plan, but no SEG funding is requested.

Request authority to allow DOT to establish and administer an electric vehicle infrastructure program. Under the program, the Department would have authority to provide funding for electric vehicle infrastructure projects eligible for funding under the NEVI formula program as provided in federal law. Specify that all funding under this provision must be from the three appropriations created under this provision.

Request a statutory exemption from regulation as a public utility, a person who supplies electricity through the person's electric vehicle charging station to users' electric vehicles, 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 IJA 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. The formula program is anticipated to provide Wisconsin with \$11.6 million in 2022 with increased amounts in the following federal fiscal years. 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.

5. LOCAL TRANSPORTATION FACILITY IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$143,539,800
SEG-L	<u>35,884,900</u>
Total	\$179,424,700

Request funding increases for the local transportation facility improvement assistance appropriation of \$71,059,300 FED in 2023-24 and \$72,480,500 FED in 2024-25, and \$17,764,800 SEG-L in 2023-24 and \$18,120,100 SEG-L in 2024-25. This funding is provided to the Department's local transportation facility improvement assistance appropriation and primarily funds the surface transportation program, which makes grants of federal funds to local units of government for projects to rehabilitate roads under their jurisdiction. This appropriation also funds the highway safety improvement program, which makes spot safety improvements in areas with

high crash histories. The federal 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, 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 appropriation: (a) from \$72,331,300 FED to \$143,390,600 in 2023-24 and \$144,811,800 in 2024-25; and (b) from \$43,898,600 SEG-L to \$61,663,400 in 2023-24 and \$62,018,700 in 2024-25.

6. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$90,000,000
SEG-L	<u>22,500,000</u>
Total	\$112,500,000

Request \$45,000,000 FED and \$11,250,000 SEG-L annually for 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 additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the SEG-L increase reflects the federally-required 20% local match from grant recipients. The requested funding would increase the adjusted base funding levels from \$24,523,900 FED to \$69,523,900 annually and from \$11,157,600 SEG-L to \$22,407,600 annually.

7. TRANSPORTATION ALTERNATIVES PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$22,158,600
SEG-L	<u>5,539,700</u>
Total	\$27,698,300

Request funding increases for the transportation alternatives program (TAP) of \$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. 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 amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the SEG-L increase reflects the federally-required 20% local match from grant recipients. The requested funding would increase base level funding for the program: (a) from \$7,049,300 FED to \$18,018,900 in 2023-24 and \$18,238,300 in 2024-25; and (b) from \$2,012,300 SEG-L to \$4,754,700 in 2023-24 and \$4,809,600 in 2024-25.

8. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$9,011,700
SEG-L	<u>2,252,900</u>
Total	\$11,264,600

Request funding increases for the congestion mitigation and air quality improvement (CMAQ) program of \$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. 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 amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the additional SEG-L reflects the federally-required 20% local match from grant recipients. This would increase base level funding for the program: (a) from \$10,719,000 FED to \$15,180,200 FED in 2023-24 and \$15,269,500 FED in 2024-25; and (b) from \$3,124,700 SEG-L to \$4,240,000 SEG-L in 2023-24 and \$4,262,300 SEG-L in 2024-25.

9. RAILROAD CROSSING IMPROVEMENT PROGRAM

FED	\$5,704,100
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FEDERAL FUNDING ALLOCATION

Request increases of \$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.

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

DOT's budget request would provide the adjusted base level funding for the state highway rehabilitation, major highway development, and southeastern Wisconsin freeway megaprojects components of the state highway improvement program, as modified by standard budget adjustments. The following tables compare funding for the state highway improvement program in 2022-23 with funding for those programs in the 2023-25 biennium under DOT's agency budget request. 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 Department indicates that its request does not allocate all of the available federal funding to the state highway improvement program.

The first table breaks down the total funding for the state highway improvement programs by current appropriations (SEG/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.

**State Highway Improvement Program --
Base Year to 2023-25 Agency Request Comparison**

Fund Source	2022-23 Base Plus Bonds	Agency Request*		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
SEG	\$592,438,700	\$593,890,800	\$593,890,800	\$2,904,200	0.2%
FED	685,071,200	689,474,000	689,474,000	8,805,600	0.6
Bonds	<u>103,511,600**</u>	<u>73,511,600</u>	<u>73,511,600</u>	<u>-60,000,000</u>	-29.0
Total	\$1,381,021,500	\$1,356,876,400	\$1,356,876,400	-\$48,290,200	-1.7%

*Amounts shown include adjustments base and standard budget adjustments.

**Amounts shown include \$10.4 million in existing revenue bond proceeds associated with previously issued bonds.

**State Highway Improvement Program Component Summary --
Base Year to 2023-25 Agency Request Comparison**

Fund Source	2022-23 Base Plus Bonds	Agency Request*	
		2023-24	2024-25
State Highway Rehabilitation			
SEG	\$559,006,800	\$560,203,600	\$560,203,600
FED	<u>485,856,300</u>	<u>489,402,600</u>	<u>489,402,600</u>
Total	\$1,044,863,100	\$1,049,606,200	\$1,049,606,200
Major Highway Development			
SEG	\$25,319,400	\$25,523,500	\$25,523,500
FED	184,848,900	185,431,200	185,431,200
Trans. Revenue Bond Proceeds	<u>73,511,600**</u>	<u>73,511,600</u>	<u>73,511,600</u>
Total	\$283,679,900	\$284,466,300	\$284,466,300
SE Wis. Freeway Megaprojects			
SEG	\$8,112,500	\$8,163,700	\$8,163,700
FED	14,366,000	14,640,200	14,640,200
Gen. Ob. Bonds (SEG)	<u>20,000,000</u>	<u>0</u>	<u>0</u>
Total	\$42,478,500	\$22,803,900	\$22,803,900
Design-Build Projects			
Gen. Ob. Bonds (SEG)	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,381,021,500	\$1,356,876,400	\$1,356,876,400

*Amounts shown include adjustments to the base and standard budget adjustments.

**Amounts shown include \$10.4 million in existing revenue bond proceeds associated with previously issued bonds.

The following tables compare total funding for state highway improvement programs in the 2021-23 biennium with the Department's 2023-25 budget request. The tables show total biennial program resources by funding type and the percentage change to the composition of program

funding. The 2021-23 amount includes additional FED received associated with the IJA reauthorization of federal surface transportation programs in 2021-22 and approved by the Joint Committee on Finance in May, 2022.

**State Highway Improvement Program Summary --
2021-23 to 2023-25 Agency Request Comparison**

<u>Fund Source</u>	<u>2021-23</u>	<u>2023-25 (Request)*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
SEG	\$1,180,234,900	\$1,187,781,600	\$7,546,700	0.6%
FED	1,469,973,900**	1,378,948,000	-91,025,900	-6.2
Bond Proceeds	<u>209,023,200***</u>	<u>147,023,200</u>	<u>-62,000,000</u>	-29.7
Total	\$2,859,232,000	\$2,713,752,800	-\$145,479,200	-5.1%

*Amounts shown include adjustments to the base and standard budget adjustments.

**Includes \$123.6 million FED in 2021-22 federal plan approved by the Joint Committee on Finance.

***Amounts shown include \$20.8 million in existing revenue bond proceeds associated with previously issued bonds.

**State Highway Improvement Program Component Summary --
2021-23 to 2023-25 Agency Request Comparison**

<u>Fund Source</u>	<u>2021-23</u>	<u>2023-25 (Request)*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
State Highway Rehabilitation				
SEG	\$1,118,011,700	\$1,120,407,200	\$2,395,500	0.2%
FED	<u>1,073,620,300**</u>	<u>978,805,200</u>	<u>-94,815,100</u>	-8.8
Subtotal	\$2,191,632,000	\$2,099,212,400	-\$92,419,600	-4.2%
Major Highway Development				
SEG	\$50,223,200	\$51,047,000	\$823,800	1.6%
FED	366,353,600	370,862,400	4,508,800	1.2
Bond Proceeds	<u>149,023,200***</u>	<u>147,023,200</u>	<u>-2,000,000</u>	-1.3
Subtotal	\$565,600,000	\$568,932,600	\$3,332,600	0.6%
SE Wis. Freeway Megaprojects				
SEG	\$12,000,000	\$16,327,400	\$4,327,400	36.1%
FED	30,000,000	29,280,400	-719,600	-2.4
Gen. Ob. Bonds (SEG)	<u>40,000,000</u>	<u>0</u>	<u>-40,000,000</u>	-100.0
Subtotal	\$82,000,000	\$45,607,800	-\$36,392,200	-44.4%
Design Build Projects				
Gen Ob. Bonds (SEG)	<u>\$20,000,000</u>	<u>0</u>	<u>-\$20,000,000</u>	-100.0%
Total	\$2,859,232,000	\$2,713,752,800	-\$145,479,200	-5.1%

*Amounts shown include adjustments to the base and standard budget adjustments.

**Includes \$123.6 million FED in 2021-22 federal plan approved by the Joint Committee on Finance.

***Amounts shown include \$20.8 million in existing revenue bond proceeds associated with previously issued bonds.

Division of Motor Vehicles

1. PRODUCTION OF LICENSE PLATES

SEG	\$6,506,000
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Request expenditure authority of \$3,253,000 annually for the Division of Motor Vehicles (DMV) to fund the replacement of primary vehicle license plates ten 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 in 2022-23 for this purpose, but the funding is not included in base level funding for the 2023-25 biennium. This request would provide the necessary funding on an ongoing basis.

2. POSTAGE AND DATA PROCESSING

SEG	\$1,000,000
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Request \$500,000 annually for the Division of Motor Vehicles to cover increased postage and data processing costs. DOT's request indicates that since the Department last received additional funding for postage in 2012-13, its postage costs have increased by \$2.9 million annually due to: (a) higher postage rates; and (b) growth in the volume of postage sent, as the numbers of customers and transactions increase over time. The request 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.

3. SYSTEM MODERNIZATION -- SOFTWARE SYSTEM

SEG	\$5,000,000
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Request \$5,000,000 in 2024-25 to fund the modernization of the Division of Motor Vehicles software system. 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 system is 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 system 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 to be \$30.0 million.

4. SYSTEM MODERNIZATION -- STATUTORY MODIFICATIONS

As part of its system modernization, the Department requests statutory modifications to make permanent its skills test waiver pilot program and alternating online driver license renewal pilot program, and to expand its electronic notification authority. Specifically, the Department requests the following statutory modifications:

Skills Test Waiver. Request that the Division of Motor Vehicles be provided permanent authority to allow drivers under 18 year of age, who have completed the required education, to attain a waiver for the driver skills test and receive a driver license. In response to the COVID-19 pandemic during the 2019-21 biennium, the Department instituted a pilot program to grant waivers to the driving skills test, allowing eligible applicants to forgo in-person road tests. Individuals can waive the skills test if they: (a) are under the age of 18; (b) apply for a class D license; (c) have successfully completed driver's education; (d) have not had a moving violation within the prior six months; (e) have held an instruction permit for at least six months; and (f) have had their sponsor (typically a parent or guardian) agree to the skills test waiver.

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. 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.

The Department indicates that other Midwestern states have successfully implemented similar programs. Also, DOT's request indicates that the pilot program has not led to negative road safety outcomes in Wisconsin, while 88% of eligible applicants utilize the skills test waiver.

Online Driver License Renewal. Request permanent authority to allow the Division to implement an alternating online driver license renewal program. Under current law, Wisconsin drivers must renew their driver licenses at a customer service center once every eight years. This program 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.

Electronic Notification Expansion. Request authority to allow the Division to send notifications electronically, including those for individuals who are subject to certain disciplinary actions regarding their driver license status. Under current law, DMV customers can elect to receive registration and driver notifications electronically. However, the Division is required to notify individuals by mail when certain disciplinary actions are taken regarding their license status, including license revocations, suspensions, or disqualifications. The Department's request indicates that expansion of the electronic notification system would reduce printing and mailing costs, and bolster notification speed and security.

State Patrol

1. IN-VEHICLE VIDEO CAMERAS

GPR	\$4,356,000
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Request \$2,178,000 annually for the Division of State Patrol 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 reports that this equipment has reached the end of its useful life and has begun to fail. The Department indicates that the requested funding would be used to purchase 500 cameras annually at the price of \$4,356 each, including licensing, software, security, and data storage costs.

2. STATE TROOPER OVERTIME

SEG	\$3,450,000
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Request \$1,725,000 annually for the Division of State Patrol 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.

3. STATEWIDE MICROWAVE RADIO NETWORK

SEG	\$1,172,000
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Request an increase of \$586,000 annually for the Division of State Patrol to upgrade the statewide microwave radio network. The Division 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. 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 requested funds would be combined with \$529,500 in expenditure authority 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.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

FED	\$14,346,600
PR	357,800
SEG	12,320,000
SEG-S	<u>84,600</u>
Total	\$27,109,000

Request adjustments to the agency base budget for: (a) turnover reduction (-\$1,511,600 FED and -\$4,672,000 SEG annually); (b) full funding of continuing position salaries and fringe benefits (\$7,636,400 FED, -\$42,900 PR, \$6,654,800 SEG, and \$42,300 SEG-S annually); (c) overtime (\$1,030,400 FED, \$221,800 PR, and \$3,832,300 SEG annually); and (d) night and weekend differential pay (\$18,100 FED and \$344,900 SEG annually).

2. DOT ADMINISTRATIVE FACILITIES

SEG-S	\$5,500,000
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Request \$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 request would increase base level funding of \$6,500,000 SEG-S to \$9,250,000 SEG-S annually for DOT facility capital projects. 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).

3. DEPARTMENTAL MANAGEMENT AND OPERATIONS FEDERAL FUNDING ALLOCATION

FED	\$1,000,000
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Request \$500,000 annually for DOT's departmental management and operations appropriation. 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 IJJA. The requested funding would increase the adjusted base funding level for the departmental management and operations appropriation from \$15,659,200 to \$16,159,200 annually.

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
		<u>Fund</u>	
5% Budget Reduction Plan			
Aids			
1.	Reduce child abuse and neglect prevention expenditure authority.	PR	-\$6,300
Local Transportation Assistance			
1.	Reduce aviation career education appropriation.	SEG	-8,900
2.	Reduce congestion mitigation and air quality improvement expenditure authority.	SEG-L	-156,200
3.	Reduce transportation infrastructure loans appropriation.	SEG	-200
State Highway Improvement Program			
1.	Reduce southeast Wisconsin freeway megaprojects appropriation.	SEG	-405,600
2.	Reduce major highway development appropriation.	SEG	-1,266,000
3.	Reduce major highway development appropriation.	SEG-S	-3,675,600
4.	Reduce state highway rehabilitation appropriation.	SEG	-27,950,300
5.	Reduce state highway rehabilitation expenditure authority.	SEG-L	-103,000
6.	Reduce supplement from sponsorship agreements expenditure authority.	PR	-500
7.	Reduce highway system management and operations appropriation.	SEG	-5,059,700
8.	Reduce state-owned lift bridge operations and maintenance appropriation.	SEG	-119,000
9.	Reduce routine maintenance activities appropriation.	SEG	-9,418,300
10.	Reduce intelligent transportation systems and traffic control signals appropriation.	SEG	-490,400
11.	Reduce highway system management and operations expenditure authority.	SEG-L	-95,000
12.	Reduce administration and planning appropriation.	SEG	-685,000
13.	Reduce surveying reference station system expenditure authority.	PR	-29,500
14.	Reduce utility facilities within highway rights-of-way expenditure authority.	PR	-14,000
15.	Reduce damage claims expenditure authority.	PR	-204,400
General Operations			
1.	Reduce departmental management and operations appropriation.	SEG	-3,625,400
2.	Reduce transit safety oversight appropriation.	SEG	-3,600
3.	Reduce capital building projects appropriation.	SEG-S	-325,000
4.	Reduce departmental management and operations expenditure authority.	SEG-L	-18,500
5.	Reduce demand management appropriation.	SEG	-21,600
6.	Reduce data processing services appropriation.	SEG-S	-752,500
7.	Reduce fleet operations appropriation.	SEG-S	-628,900
8.	Reduce other department services, operations appropriation.	SEG-S	-257,000

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
Motor Vehicle Services and Enforcement			
1. Reduce convenience fees expenditure authority.	PR	-\$5,900	-\$5,900
2. Reduce repaired salvage vehicle examinations expenditure authority.	PR	-7,300	-7,300
3. Reduce breath screening instruments expenditure authority.	PR	-21,000	-21,000
4. Reduce vehicle registration, inspection and maintenance, driver licensing and aircraft registration appropriation.	SEG	-3,996,400	-3,996,400
5. Reduce escort, security and traffic enforcement services expenditure authority.	PR	-34,000	-34,000
6. Reduce traffic academy tuition payments expenditure authority.	PR	-32,800	-32,800
7. Reduce chemical testing training and services expenditure authority.	PR	-90,000	-90,000
8. Reduce public safety radio management expenditure authority.	PR-S	-51,200	-51,200
9. Reduce public safety radio management expenditure authority.	PR	-8,000	-8,000
10. Reduce vehicle inspection, traffic enforcement and radio management appropriation.	SEG	-3,675,400	-3,675,400
11. Reduce transportation safety appropriation.	SEG	-106,900	-106,900
12. Reduce motorcycle safety program supplement expenditure authority.	PR	-1,900	-1,900
13. Reduce payments to Wisconsin Trout Unlimited expenditure authority.	PR	-300	-300
14. Reduce payments resulting from the issuance of certain special plates expenditure authority.	PR	-300	-300
15. Reduce payments to the Boy Scouts of America National Foundation expenditure authority.	PR	-300	-300
16. Reduce payments to Whitetails Unlimited expenditure authority.	PR	-300	-300
17. Reduce payments to the Wisconsin Rocky Mountain Elk Foundation expenditure authority.	PR	-300	-300
18. Reduce payments to Wisconsin Organization of Nurse Executives expenditure authority.	PR	-300	-300
19. Reduce basketball plate payments to the Milwaukee Bucks Foundation expenditure authority.	PR	-300	-300
20. Reduce payments to Midwest Athletes Against Childhood Cancer expenditure authority.	PR	-300	-300
21. Reduce motor vehicle emission inspection and Maintenance program; contractor costs and equipment grants appropriation.	SEG	<u>-159,700</u>	<u>-159,700</u>
Total		-\$63,513,300	-\$63,513,300
	SEG	(-\$56,992,400)	(-\$56,992,400)
	SEG-S	(-\$5,639,000)	(-\$5,639,000)
	SEG-L	(-\$372,700)	(-\$372,700)
	PR	(-\$458,000)	(-\$458,000)
	PR-S	(-\$51,200)	(-\$51,200)

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary						FTE Position Summary				
Fund	2022-23	Request		2023-25 Change Over		2022-23	Request		2024-25	
	Adjusted Base	2023-24	2024-25	Base Year Doubled	%		2023-24	2024-25	Over 2022-23	%
				Amount					Number	
GPR	\$1,238,072,200	\$1,322,036,200	\$1,447,516,400	\$293,408,200	11.8%	17,817.99	17,706.49	17,706.49	- 111.50	- 0.6%
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	3,939,459,700	3,939,459,700	142,228,400	1.8	13,429.09	13,461.36	13,461.36	32.27	0.2
SEG	<u>30,012,900</u>	<u>30,012,900</u>	<u>30,012,900</u>	<u>0</u>	<u>0.0</u>	<u>133.19</u>	<u>133.19</u>	<u>133.19</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$6,774,407,300	\$6,929,485,500	\$7,054,965,700	\$435,636,600	3.2%	36,534.36	36,455.13	36,455.13	- 79.23	- 0.2%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$20,846,400
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Request adjustments to the agency base budget of \$10,423,200 annually for full funding of continuing position salaries and fringe benefits.

2. PAY PLAN INCREASES

GPR	\$123,100,000
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Request \$30,300,000 (\$26,383,300 permanent position salaries and \$3,916,700 fringe benefits) in 2023-24 and \$92,800,000 (\$80,801,700 permanent position salaries and \$11,998,300 fringe benefits) in 2024-25 to support a 4% wage adjustment for UW System employees on January 1, 2024, and another 4% wage adjustment on January 1, 2025 for UW system's faculty, academic staff, university staff, and limited appointments. UW System indicates these amounts would be reestimated based on the UW System October, 2022 payroll.

3. GENERAL OPERATIONS FUNDING INCREASE

GPR	\$114,900,000
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Request \$38,300,000 in 2023-24 and \$76,600,000 in 2024-25 to provide additional funding to all system campuses for the following: to offset increased inflationary costs of goods and services; support the tuition share of the pay plan increases implemented from fiscal years 2016-17 through 2021-22 (\$48,500,000), 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.

4. TUITION PROMISE EXPANSION

GPR	\$24,500,000
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Request \$24,500,000 in 2024-25 to expand the tuition promise initiative to all campuses in the UW System outside of UW-Madison. The program would provide a waiver of tuition and segregated fees for students who are Wisconsin residents and whose household adjusted gross income is \$62,000 or less. Incoming freshmen would be eligible for waivers for eight consecutive semesters (four years) and transfer students would be eligible for waivers for four consecutive semesters (two years).

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. UW System estimates 8,000 students would receive assistance through the expanded tuition program in the first four years.

5. REESTIMATE TUITION REVENUES

	Funding	Positions
PR	\$142,228,400	32.27

Request \$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.

6. REALLOCATE FRESHWATER COLLABORATIVE FUNDING AND CREATE POSITIONS

	Positions
GPR	22.50

Request a reallocation of funding for the Freshwater Collaborative of Wisconsin to allocate the funding to the appropriate budget lines. In addition, request 22.50 positions beginning in fiscal year 2023-24 to support the portion of the allocation associated with salaries. UW System indicates these annual funding shifts from supplies and services (-\$1,718,500) to salaries (\$1,112,500), fringe benefits (\$315,200), permanent property (\$200,000) and aids to individuals (\$90,800), reflect campus budgets following the Freshwater Collaborative request for proposal process.

7. REMOVE VACANT POSITIONS

	Positions
GPR	- 142.00

Request the deletion of 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.

8. STATE LABORATORY OF HYGIENE - NEWBORN SCREENING

GPR	\$4,400,000
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Request \$2,200,000 annually for newborn screening laboratory testing operations. Funding provided by the request would support an identified annual shortfall between testing costs and moneys received by the State Laboratory of Hygiene (SLH) from newborn screening fees. The requested 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).

9. STATE LABORATORY OF HYGIENE -- FORENSIC TOXICOLOGY TESTING

GPR	\$4,000,000
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Request \$2,000,000 annually for forensic toxicology testing. Funding provided by the request 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. The requested funding would support 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.

10. STATE LABORATORY OF HYGIENE RENT

GPR	\$399,800
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Request \$199,900 annually 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.

11. STATE LABORATORY OF HYGIENE -- SOIL HEALTH

	Funding	Positions
GPR	\$227,200	1.00

Request \$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.

12. VETERINARY DIAGNOSTIC LABORATORY MICROBIOLOGISTS

	Funding	Positions
GPR	\$822,200	6.00

Request \$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 microbiologists 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).

13. VETERINARY DIAGNOSTIC LABORATORY BIOINFORMATICS

	Funding	Positions
GPR	\$212,600	1.00

Request \$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.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Reduce the UW GPR general program operations appropriation, which would result in a reduction in activities funded by that appropriation, including the elimination of 200 positions. These activities include instruction, research, public service, student services, academic support, farm operations, physical plant operations, institutional support, and services for students and staff and could result in fewer class sections and extended time to degree.	GPR	-\$50,094,300	-\$50,094,300

		<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
	<u>Fund</u>		
2. Reduce the GPR appropriation for electric energy derived from renewable resources.	GPR	-\$218,400	-\$218,400
3. Reduce the GPR appropriation for the freshwater collaborative, which would result in a reduction to freshwater research, student services, and academic support.	GPR	-125,000	-125,000
4. Reduce the GPR appropriation for the Tommy Thompson Center on Public Leadership, which would result in a reduction to public service.	GPR	-76,700	-76,700
5. Reduce GPR for graduate psychiatric nursing education, which would result in a reduction to instruction.	GPR	-13,000	-13,000
6. Reduce GPR for the State Laboratory of Hygiene (SLH) would result in a reduction in services provided and general public health support.	GPR	-616,600	-616,600
7. Reduce the GPR appropriation for the Veterinary Diagnostic Laboratory, which would result in a reduction in public service and veterinary diagnostic services.	GPR	-279,600	-279,600
8. Reduce the UW System's PR general program operations appropriation, which would result in a reduction in activities funded by that appropriation, including the elimination of 500 positions. Those activities include instruction, research, public service, student services, academic support, farm operations, auxiliary operations, physical plant operations, institutional support, and services for students and staff and could result in fewer class sections and extended time to degree.	PR	-144,799,500	-144,799,500
9. Reduce the UW System's appropriation for gifts and nonfederal grants and contracts, which would result in a reduction in activities funded by that appropriation, including the elimination of 100 positions. Those activities include instruction, research, public service, student services, academic support, farm operations, physical plant operations, institutional support and a reduction in gift and non-federal grant expenditures.	PR	-35,854,200	-35,854,200
10. Reduce PR for SLH, which would result in a reduction in services provided and general public health support.	PR	-1,714,700	-1,714,700
11. Reduce the amount of the driver improvement surcharge that is transferred to the SLH, which would result in a reduction in services provided and public health support.	PR	-81,000	-81,000
12. Reduce the PR appropriation for the Veterinary Diagnostic Laboratory (VDL), which would result in a reduction in public service and veterinary diagnostic services.	PR	-341,900	-341,900
13. Reduce the UW System's appropriation for funds transferred from other state agencies, which would result in a reduction in research, public service, and student services activities and a reduction in services provided to the UW Hospital and Clinics Authority.	PR	-2,834,800	-2,834,800

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
14. Reduce the UW System's appropriation for funds received from other state agencies for the VDL, which would result in a reduction in public service and veterinary diagnostic services.	PR	-\$39,200	-\$39,200
15. Reduce the transfer from the universal service fund to fund telecommunications services at UW institutions, which would result in a reduction in academic support activities and services provided for students and staff.	SEG	-52,700	-52,700
16. Reduce the amount transferred from the critical access hospital fund for the rural residency assistance program, which would result in a reduction in public service activities.	SEG	-43,400	-43,400
17. Reduce the UW System's appropriation for trust fund income, which would reduce its research and public service activities.	SEG	<u>-1,353,200</u>	<u>-1,353,200</u>
Total		-\$238,538,200	-\$238,538,200
	GPR	(-\$51,423,600)	(-\$51,423,600)
	PR	(-\$185,665,300)	(-\$185,665,300)
	SEG	(-\$1,449,300)	(-\$1,449,300)

VETERANS AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$1,749,900	\$1,824,900	\$1,824,900	\$150,000	4.3%	0.00	0.00	0.00	0.00	0.0%
FED	3,014,100	3,062,200	3,062,200	96,200	1.6	16.50	16.50	16.50	0.00	0.0
PR	117,893,900	129,953,600	129,826,700	23,992,500	10.2	1,119.81	1,119.81	1,119.81	0.00	0.0
SEG	<u>20,232,000</u>	<u>20,707,300</u>	<u>20,637,300</u>	<u>880,600</u>	2.2	<u>106.12</u>	<u>106.12</u>	<u>106.12</u>	<u>0.00</u>	0.0
TOTAL	\$142,889,900	\$155,548,000	\$155,351,100	\$25,119,300	8.8%	1,242.43	1,242.43	1,242.43	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$6,972,200 annually (\$48,100 FED, \$7,123,800 PR, and -\$199,700 SEG) to reflect the following standard budget adjustments: (a) -\$1,498,100 PR and -\$137,500 SEG annually for turnover reduction; (b) \$48,100 FED, \$5,563,000 PR, and -\$62,200 SEG annually for full funding of continuing position salaries and fringe benefits; (c) \$948,100 PR annually for overtime; and (d) \$2,110,800 PR annually for night and weekend differential pay.

FED	\$96,200
PR	14,247,600
SEG	<u>- 399,400</u>
Total	\$13,944,400

2. SALARY ADD-ON FOR NURSING CARE STAFF

Request \$3,425,900 in 2023-24 and \$3,299,000 in 2024-25 to provide funding 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 applies only to worked hours, the permanent increase would apply to all hours, including paid time off. The requested funding is calculated based on the number of currently filled positions at the two homes (230 positions at the King home and 66 positions at the Union Grove home).

PR	\$6,724,900
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3. CHIPPEWA FALLS OPERATIONS CONTRACT

Request \$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

PR	\$2,600,000
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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 Department anticipates that the cost of operating the Chippewa Falls home will increase when the contract is renewed in the 2023-25 biennium.

4. UNION GROVE STATE VETERANS HOME SUPPLIES AND SERVICES PR \$420,000

Request \$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.

5. STATE VETERANS CEMETERY EQUIPMENT SEG \$780,000

Request \$425,000 in 2023-24 and \$355,000 for equipment replacement at the three state veterans cemeteries and the purchase of new equipment for expanded operations at the Southern Wisconsin Veterans Cemetery. The equipment to be replaced would include tractors, backhoes, trucks, mowers, and other machinery and tools. The Department anticipates an increase in internments at Southern Wisconsin Veterans Cemetery over the next several years and requests funding for the purchase of additional equipment to meet this demand. The following table shows the requested funding, by cemetery.

<u>State Veterans Cemetery</u>	<u>2023-24</u>	<u>2024-25</u>
Equipment Replacement		
Northern (Spooner)	\$95,000	\$95,000
Central (King)	45,000	22,000
Southern (Union Grove)	145,000	118,000
Southern Expansion	<u>140,000</u>	<u>120,000</u>
Total	\$425,000	\$355,000

6. VETERANS HOUSING AND RECOVERY PROGRAM SEG \$500,000

Request \$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 Department indicates that the additional funding would be used to meet increasing facility maintenance, rental, and utility costs.

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
		<u>Fund</u>	
Base Level Plan			
1.	Unspecified reduction for veterans homes operations.	PR	-\$425,000
2.	Increase for veterans cemetery operations.	SEG	<u>425,000</u>
Total			\$0
		PR	(-\$425,000)
		SEG	(\$425,000)
			(-\$355,000)
			(\$355,000)
5% Budget Reduction Plan			
1.	Unspecified reduction for veterans homes operations.	PR	-\$6,906,000
2.	Increase for veterans cemetery operations.	SEG	<u>425,000</u>
Total			-\$6,481,000
		PR	(-\$6,906,000)
		SEG	(\$425,000)
			(-\$6,836,000)
			(\$355,000)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary					FTE Position Summary	
Fund	2022-23 Adjusted Base	<u>Request</u>		<u>2023-25 Change Over</u> <u>Base Year Doubled</u>		There are no authorized state positions for the Wisconsin Economic Development Corporation.
		<u>2023-24</u>	<u>2024-25</u>	Amount	%	
GPR	\$4,550,700	\$4,550,700	\$4,550,700	\$0	0.0%	
SEG	<u>37,000,000</u>	<u>37,000,000</u>	<u>37,000,000</u>	<u>0</u>	0.0	
TOTAL	\$41,550,700	\$41,550,700	\$41,550,700	\$0	0.0%	

2015 Act 201 Plan

5% Budget Reduction Plan

Reduce GPR expenditures to achieve target 5% reduction. The Board of Directors would adjust the annual budget as necessary to accommodate planned reductions.

	<u>Amount</u>	
<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>
GPR	-\$2,027,500	-\$2,027,500

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Major Request Items

1. STAFF SALARY DETERMINATION

Request a statutory change to eliminate salary caps for Wisconsin Health and Educational Facilities Authority (WHEFA) staff. WHEFA indicates this would enable the Authority to better recruit and retain staff.

Current law specifies that the Authority shall 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).

2. FINANCING WORKING CAPITAL EXPENDITURES

Request a statutory change to authorize WHEFA to issue taxable bonds to finance working capital needs of any participating nonprofit entities.

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.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Major Request Item

1. INCREASE CAPITAL RESERVE FUND BONDING AUTHORIZATION

Request an increase to the limit of outstanding bonds backed by the Wisconsin Housing and Economic Development Authority's (WHEDA) 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 reports the proposed increase is necessary as WHEDA is at risk of reaching the maximum amount of outstanding bonds backed by the capital reserve fund by the end of calendar year 2022. 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. In the four years since the state credit was created, WHEDA indicates an additional \$542 million in bonds backed by the capital reserve fund have been issued, compared to \$224 million in the preceding four years.

While WHEDA may elect to issue bonds without the backing of the capital reserve fund, the Authority reports that any such issuance would be expected to cost more for both borrowers and WHEDA. The increased cost would come from less favorable credit ratings on bonds not backed by the capital reserve fund.

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$579,933,100	\$608,382,000	\$634,882,000	\$83,397,800	7.2%	23.25	26.25	26.25	3.00	12.9%
FED	33,364,600	32,986,400	32,986,400	- 756,400	- 1.1	26.75	23.75	23.75	- 3.00	- 11.2
PR	<u>4,724,400</u>	<u>4,725,600</u>	<u>4,725,600</u>	<u>2,400</u>	0.0	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$618,022,100	\$646,094,000	\$672,594,000	\$82,643,800	6.7%	55.00	55.00	55.00	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$147,800
FED	- 6,400
PR	<u>2,400</u>
Total	\$143,800

Request adjustments to the base budget totaling \$147,800 GPR, -\$6,400 FED, and \$2,400 PR for full funding of continuing position salaries and fringe benefits (\$73,900 GPR, -\$3,200 FED, and \$1,200 PR annually).

2. STATE AID FOR TECHNICAL COLLEGES

GPR	\$75,000,000
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Request \$25,000,000 in 2023-24 and \$50,000,000 in 2024-25 above base level funding of \$103,284,900 for state aid for technical colleges. The agency indicates this funding will provide technical colleges with the flexibility to develop various student supports, including transportation, childcare, high-speed internet access, and access to mental health services, to align with specific institutional and student population needs.

3. WORKFORCE ADVANCEMENT TRAINING GRANTS

GPR	\$3,500,000
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Request \$1,500,000 in 2023-24 and \$2,000,000 in 2024-25 to increase the amount available for workforce advancement training grants. The agency indicates that this funding would be used to increase customized training options that will allow employers to develop skills of their existing employees to meet changing business needs.

4. OPEN EDUCATIONAL RESOURCES

GPR	\$3,000,000
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Request \$1,000,000 in 2023-24 and \$2,000,000 in 2024-25 to provide grants to technical colleges to create open educational resource textbooks and other materials that can be utilized by all colleges within the Wisconsin Technical College System. Open educational resources include

teaching, learning, and research resources that reside in the public domain or are released under an intellectual property license that permits free use by others.

5. GENERAL PROGRAM OPERATIONS

	Funding	Positions
GPR	\$1,750,000	3.00
FED	<u>- 750,000</u>	<u>- 3.00</u>
Total	\$1,000,000	0.00

Request \$500,000 GPR annually above base level funding of \$3,018,800 GPR for general program operations to fund information technology infrastructure and security needs for the System Office. Delete 3.00 FED positions and \$375,000 FED in annual funding and provide 3.00 GPR positions and \$375,000 GPR of annual funding to address a shortfall in federal revenues for FED positions caused by general wage adjustments for state employees since 2013-15 without corresponding increases in federal funding.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
5% Budget Reduction Plan			
1. Reduce funding for text materials.	PR	-\$115,500	-\$115,500
2. Reduce funding for auxiliary services.	PR	-15,200	-15,200
3. Reduce funding for inter-agency and intra-agency programs.	PR	-57,900	-57,900
4. Reduce funding for services for district boards.	PR	<u>-32,700</u>	<u>-32,700</u>
Total		-\$221,300	-\$221,300

WORKFORCE DEVELOPMENT

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Request		2023-25 Change Over Base Year Doubled		2022-23	Request		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$55,107,500	\$55,529,100	\$55,529,100	\$843,200	0.8%	151.03	151.03	151.03	0.00	0.0%
FED	209,806,100	239,966,000	227,270,900	47,624,700	11.3	1,237.97	1,175.97	1,166.97	- 71.00	- 5.7
PR	79,048,400	78,902,100	78,902,100	- 292,600	- 0.2	212.65	212.65	212.65	0.00	0.0
SEG	<u>26,451,200</u>	<u>31,555,800</u>	<u>31,555,800</u>	<u>10,209,200</u>	19.3	<u>72.80</u>	<u>72.80</u>	<u>72.80</u>	<u>0.00</u>	0.0
TOTAL	\$370,413,200	\$405,953,000	\$393,257,900	\$58,384,500	7.9%	1,674.45	1,612.45	1,603.45	- 71.00	- 4.2%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget of \$4,380,300 and -62.0 positions in 2023-24, and \$3,008,900 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); and (d) overtime (\$153,600 PR annually).

	Funding	Positions
GPR	\$843,200	0.00
FED	6,814,800	- 71.00
PR	- 478,000	0.00
SEG	<u>209,200</u>	<u>0.00</u>
Total	\$7,389,200	- 71.00

2. REESTIMATE FEDERAL APPROPRIATIONS

FED	\$40,809,900
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Request adjustments of \$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 Department requests adjustments to the following federal appropriations:

DWD Federal Reestimates

<u>Appropriation</u>	<u>2023-24</u>	<u>2024-25</u>
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	<u>3,070,000</u>	<u>3,070,000</u>
Total	\$26,066,800	\$14,743,100

3. SUPPLEMENTAL BENEFIT APPROPRIATION

SEG	\$10,000,000
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Request \$5,000,000 annually in a new annual appropriation from the Department's segregated worker's compensation operations fund (WCOF). 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.

4. FAMILY AND MEDICAL LEAVE EXPANSION

Request the following changes to the Wisconsin Family Medical Leave Act (WFMLA): (a) require employers that employ at least 25 employees on a permanent basis, instead of 50 under current law, to comply with the family and medical leave law; (b) decrease the number of hours an employee is required to work before qualifying for family and medical leave from 1,000 to 680 hours during the preceding 52 weeks; (c) allow an employee covered under the law to take two weeks of family leave in a 12-month period to care for a grandparent, grandchild, or sibling, in addition to the current family leave definition that specifies that an employee may take family leave to care for the employee's child, spouse, domestic partner, or parent who has a serious health condition; (d) allow an employee covered under the law to take two weeks of family leave in a 12-month period to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling who is in medical isolation; (e) 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; (f) 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 WFMLA; (g) 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; and (h) add coverage if a child care center, child care provider, or school that the employee's child, grandchild, or sibling attends is experiencing an unforeseen or unexpected short-term closure.

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 under s. 252.06 of the statutes; 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.

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, or a health care provider or Christian Science practitioner of the child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee, whichever is appropriate.

Request \$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 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 WFMLA provisions.

Under current law, an employer that employs at least 50 individuals on a permanent basis in this state is required to allow an employee who has been employed by the employer for more than 52 consecutive weeks and who has worked for the employer for at least 1,000 hours during the preceding 52 weeks to take the following: (a) six weeks of family leave in a 12-month period for the birth or adoptive placement of a child; (b) two weeks of family leave in a 12-month period to care for the employee's child, spouse, domestic partner, or parent with a serious health condition; and (c) two weeks of medical leave in a 12-month period when the employee has a serious health condition that makes the employee unable to perform the employee's employment duties.

5. EMPLOYEE MISCLASSIFICATION

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.

The Department requests the following statutory changes to current law:

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. The Department requests that for each act occurring after the date of the: (a) third determination of a violation, the employer be assessed a \$3,000 penalty for each act, 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) fourth determination of a violation, the employer be assessed a \$4,000 penalty for each act, 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. The Department requests that for each act occurring after the date of the: (a) third determination of a violation, the employer must be assessed a penalty in the amount of \$3,000 for each act, or three times the amount of the premium that would have been payable, whichever is greater; and (b) fourth determination of a violation, the employer shall be assessed a penalty in the amount of \$4,000 for each act, or four times the amount of the premium that would have been payable, 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. The Department requests that for each act occurring after the date of the: (a) third determination, an employer who is required to provide worker's compensation insurance coverage must forfeit \$3,000 per violation; and (b) fourth determination, an employer who is required to provide worker's compensation insurance coverage must forfeit \$4,000 per violation.

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 a penalty by the Department in the amount of \$500 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 a penalty by the Department in the amount of \$1,000 for each individual coerced. Under current law, this provision only applies to certain construction industry employers and penalties may not exceed \$10,000 per calendar year.

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. Require employers to post the notice and specify that any employer who violates this posting requirement to forfeit not more than \$100 for each offense. Require the Department to provide informational materials and resources on worker misclassification to each person who files with DWD articles of incorporation, articles of organization, a limited liability partnership statement of qualification, or a certificate of limited partnership.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2023-24</u>	<u>2024-25</u>
Base Level Plan			
Reestimate expenditures from the interagency and intra-agency agreements appropriation.	PR	-\$92,700	-\$92,700
5% Budget Reduction Plan			
Reestimate expenditures from the interagency and intra-agency agreements appropriation.	PR	-\$5,467,200	-\$5,467,200