



State of Wisconsin  
2021 - 2022 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO ASSEMBLY BILL 235**

April 13, 2021 - Offered by Representatives ANDERSON, BALDEH, BILLINGS, BOWEN, BROSTOFF, CABRERA, CONLEY, CONSIDINE, DOYLE, DRAKE, EMERSON, GOYKE, HAYWOOD, HEBL, HESSELBEIN, HINTZ, HONG, MCGUIRE, B. MEYERS, MILROY, MOORE OMOKUNDE, L. MYERS, NEUBAUER, OHNSTAD, ORTIZ-VELEZ, POPE, RIEMER, S. RODRIGUEZ, SHANKLAND, SHELTON, SINICKI, SNODGRASS, SPREITZER, STUBBS, SUBECK, VINING and VRUWINK.

1 **AN ACT to repeal** 49.45 (2p) and 49.45 (23); **to amend** 20.435 (4) (jw), 49.45 (23b)  
2 (title), 49.45 (23b) (b), 49.45 (23b) (c), 49.45 (23b) (e), 49.471 (4) (a) 4. b. and  
3 49.686 (3) (d); and **to create** 20.192 (1) (bm), 20.835 (2) (ca), 49.471 (1) (cr),  
4 49.471 (4) (a) 8., 49.471 (4g) and 238.18 of the statutes; **relating to:** rural  
5 economic development programs administered by the Wisconsin Economic  
6 Development Corporation, farm support grants, eligibility expansion under the  
7 Medical Assistance program, and making an appropriation.

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***Analysis by the Legislative Reference Bureau***

**RURAL ECONOMIC DEVELOPMENT**

This bill appropriates \$200,000,000 in general purpose revenue for the Wisconsin Economic Development Corporation to do all of the following:

1. Expend moneys for any economic development program WEDC is administering as of the date on which the bill becomes law if the expenditure assists economic development in a rural county.

2. Expend moneys for any economic development program WEDC begins administering after the date on which the bill becomes law if the expenditure assists

economic development in a rural county. The bill requires passive review by the Joint Committee on Finance before WEDC first expends moneys under the bill on each such program and requires WEDC to adopt policies and procedures establishing, to the extent feasible, matching requirements for any such expenditure.

3. Subject to passive review by JCF, award grants to state agencies, including other authorities, if WEDC determines that a state agency's expenditure of the grant moneys will assist economic development in a rural county.

4. Award onetime grants to certain county and regional economic development organizations serving rural counties for the purpose of creating or expanding revolving loan funds that promote economic development and entrepreneurial start-ups in rural counties. The bill additionally authorizes WEDC to award limited onetime grants to such organizations for the organizations' program operations and marketing in rural counties.

With respect to WEDC's administration of all of the programs described above, the bill requires WEDC to make every effort to ensure that underserved communities in rural counties are prioritized. Additionally, under the bill, WEDC must submit a report to JCF no later than June 30 of each fiscal year in which WEDC expends moneys under the bill that describes in detail WEDC's use of those moneys in that fiscal year.

#### **FARM SUPPORT GRANTS**

The bill also requires the Department of Revenue to provide grants to farmers. The total amount of the grants is \$100,000,000. Under the bill, a farmer is eligible for a grant if the farmer's gross sales of farm products for 2019 exceeds \$35,000 but not does exceed \$5,000,000 and the farmer has experienced financial hardship as a result of the COVID-19 pandemic. The bill directs DOR to consult with the Department of Agriculture, Trade and Consumer Protection in providing the grants.

#### **ELIGIBILITY EXPANSION UNDER THE MEDICAL ASSISTANCE PROGRAM**

BadgerCare Plus and BadgerCare Plus Core are programs under the state's Medical Assistance program, which provides health services to individuals who have limited financial resources. The federal Patient Protection and Affordable Care Act allows a state to receive an enhanced federal medical assistance percentage payment for providing benefits to certain individuals through a state's Medical Assistance program. This bill changes the family income eligibility level to up to 133 percent of the federal poverty line for parents and caretaker relatives under BadgerCare Plus and for childless adults currently covered under BadgerCare Plus Core and who are incorporated into BadgerCare Plus in this bill. The bill requires the Department of Health Services to comply with all federal requirements and to request any amendment to the state Medical Assistance plan, waiver of Medicaid law, or other federal approval necessary to qualify for the highest available enhanced federal medical assistance percentage for childless adults under the BadgerCare Plus program.

Under current law, certain parents and caretaker relatives with incomes of not more than 100 percent of the federal poverty line, before a 5 percent income disregard is applied, are eligible for BadgerCare Plus benefits. Under current law, childless adults who 1) are under age 65; 2) have family incomes that do not exceed 100 percent

of the federal poverty line, before the 5 percent income disregard is applied; and 3) are not otherwise eligible for Medical Assistance, including BadgerCare Plus, are eligible for benefits under BadgerCare Plus Core. The bill eliminates the childless adults demonstration project, known as BadgerCare Plus Core, as a separate program.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
2 the following amounts for the purposes indicated:

**2021-22            2022-23**

3           **20.192 Wisconsin Economic Development**

4                           **Corporation**

5           (1)   PROMOTION OF ECONOMIC DEVELOPMENT

6           (bm) Rural economic development           GPR       A   200,000,000           -0-

7           **20.835 Shared revenue and tax relief**

8           (2)   TAX RELIEF

9           (ca) Farm support grants                           GPR       A   100,000,000           -0-

10           **SECTION 2.** 20.192 (1) (bm) of the statutes is created to read:

11           20.192 (1) (bm) *Rural economic development*. The amounts in the schedule for  
12 rural economic development programs and grants to authorities and state agencies  
13 under s. 238.18.

14           **SECTION 3.** 20.435 (4) (jw) of the statutes is amended to read:

15           20.435 (4) (jw) *BadgerCare Plus and hospital assessment*. All moneys received  
16 from payment of enrollment fees under the program under s. 49.45 (23), all moneys  
17 transferred under s. 50.38 (9), all moneys transferred from the appropriation account

1 under par. (jz), and 10 percent of all moneys received from penalty assessments  
2 under s. 49.471 (9) (c), ~~for administration of the program under s. 49.45 (23)~~, to  
3 provide a portion of the state share of administrative costs for the BadgerCare Plus  
4 Medical Assistance program under s. 49.471, and for administration of the hospital  
5 assessment under s. 50.38.

6 **SECTION 4.** 20.835 (2) (ca) of the statutes is created to read:

7 20.835 (2) (ca) *Farm support grants.* The amounts in the schedule to make the  
8 farm support grants under section 9137 (1) of 2021 Wisconsin Act ... (this act).

9 **SECTION 5.** 49.45 (2p) of the statutes is repealed.

10 **SECTION 6.** 49.45 (23) of the statutes is repealed.

11 **SECTION 7.** 49.45 (23b) (title) of the statutes is amended to read:

12 49.45 (23b) (title) ~~CHILDLESS ADULTS DEMONSTRATION PROJECT REFORM WAIVER~~  
13 ~~IMPLEMENTATION REQUIRED.~~

14 **SECTION 8.** 49.45 (23b) (b) of the statutes is amended to read:

15 49.45 (23b) (b) Beginning as soon as practicable after October 31, 2018, and  
16 ending no sooner than December 31, 2023, the department shall do all of the  
17 following with regard to the childless adults demonstration project under sub. (23)  
18 s. 49.471 (4) (a) 8.:

19 1. Require in each month persons, except exempt individuals, who are eligible  
20 to receive Medical Assistance under sub. (23) s. 49.471 (4) (a) 8. and who are at least  
21 19 years of age but have not attained the age of 50 to participate in, document, and  
22 report 80 hours per calendar month of community engagement activities. The  
23 department, after finding good cause, may grant a temporary exemption from the  
24 requirement under this subdivision upon request of a Medical Assistance recipient.

1           2. Require persons with incomes of at least 50 percent of the poverty line to pay  
2 premiums in accordance with par. (c) as a condition of eligibility for Medical  
3 Assistance under ~~sub. (23)~~ s. 49.471 (4) (a) 8.

4           3. Require as a condition of eligibility for Medical Assistance under ~~sub. (23)~~  
5 s. 49.471 (4) (a) 8. completion of a health risk assessment.

6           4. Charge recipients of Medical Assistance under ~~sub. (23)~~ s. 49.471 (4) (a) 8.  
7 an \$8 copayment for nonemergency use of the emergency department in accordance  
8 with 42 USC 1396o-1 (e) (1) and 42 CFR 447.54.

9           5. Disenroll from Medical Assistance under ~~sub. (23)~~ s. 49.471 (4) (a) 8. for 6  
10 months any individual who does not pay a required premium under subd. 2. and any  
11 individual who is required under subd. 1. to participate in a community engagement  
12 activity but who does not participate for 48 aggregate months in the community  
13 engagement activity.

14           **SECTION 9.** 49.45 (23b) (c) of the statutes is amended to read:

15           49.45 **(23b)** (c) 1. Persons who are eligible for the demonstration project under  
16 ~~sub. (23)~~ s. 49.471 (4) (a) 8. and who have monthly household income that exceeds  
17 50 percent of the poverty line shall pay a monthly premium amount of \$8 per  
18 household. A person who is eligible to receive an item or service furnished by an  
19 Indian health care provider is exempt from the premium requirement under this  
20 subdivision.

21           2. The department may disenroll under par. (b) 5. a person for nonpayment of  
22 a required monthly premium only at annual eligibility redetermination after  
23 providing notice and reasonable opportunity for the person to pay. If a person who  
24 is disenrolled for nonpayment of premiums pays all owed premiums or becomes

1 exempt from payment of premiums, he or she may reenroll in Medical Assistance  
2 under sub. ~~(23)~~ s. 49.471 (4) (a) 8.

3 3. The department shall reduce the amount of the required household premium  
4 by up to half for a recipient of Medical Assistance under sub. ~~(23)~~ s. 49.471 (4) (a) 8.  
5 who does not engage in certain behaviors that increase health risks or who attests  
6 to actively managing certain unhealthy behaviors.

7 **SECTION 10.** 49.45 (23b) (e) of the statutes is amended to read:

8 49.45 **(23b)** (e) Before December 31, 2023, the ~~demonstration project~~  
9 requirements under this subsection may not be withdrawn and the department may  
10 not request from the federal government withdrawal, suspension, or termination of  
11 the ~~demonstration project~~ requirements under this subsection unless legislation has  
12 been enacted specifically allowing for the withdrawal, suspension, or termination.

13 **SECTION 11.** 49.471 (1) (cr) of the statutes is created to read:

14 49.471 **(1)** (cr) “Enhanced federal medical assistance percentage” means a  
15 federal medical assistance percentage described under 42 USC 1396d (y) or (z).

16 **SECTION 12.** 49.471 (4) (a) 4. b. of the statutes is amended to read:

17 49.471 **(4)** (a) 4. b. The individual’s family income does not exceed ~~100~~ 133  
18 percent of the poverty line ~~before application of the 5 percent income disregard under~~  
19 ~~42 CFR 435.603 (d).~~

20 **SECTION 13.** 49.471 (4) (a) 8. of the statutes is created to read:

21 49.471 **(4)** (a) 8. An individual who meets all of the following criteria:

22 a. The individual is an adult under the age of 65.

23 b. The individual has a family income that does not exceed 133 percent of the  
24 poverty line, except as provided in sub. (4g).

1 c. The individual is not otherwise eligible for the Medical Assistance program  
2 under this subchapter or the Medicare program under 42 USC 1395 et seq.

3 **SECTION 14.** 49.471 (4g) of the statutes is created to read:

4 49.471 **(4g)** MEDICAID EXPANSION; FEDERAL MEDICAL ASSISTANCE PERCENTAGE. For  
5 services provided to individuals described under sub. (4) (a) 8., the department shall  
6 comply with all federal requirements to qualify for the highest available enhanced  
7 federal medical assistance percentage. The department shall submit any  
8 amendment to the state medical assistance plan, request for a waiver of federal  
9 Medicaid law, or other approval request required by the federal government to  
10 provide services to the individuals described under sub. (4) (a) 8. and qualify for the  
11 highest available enhanced federal medical assistance percentage. Sections 20.940  
12 and 49.45 (2t) do not apply to a submission to the federal government under this  
13 subsection.

14 **SECTION 15.** 49.686 (3) (d) of the statutes is amended to read:

15 49.686 **(3)** (d) Has applied for coverage under and has been denied eligibility  
16 for medical assistance within 12 months prior to application for reimbursement  
17 under sub. (2). This paragraph does not apply to an individual ~~who is eligible for~~  
18 ~~benefits under the demonstration project for childless adults under s. 49.45 (23) or~~  
19 ~~to an individual~~ who is eligible for benefits under BadgerCare Plus under s. 49.471  
20 (4) (a) 8. or (11).

21 **SECTION 16.** 238.18 of the statutes is created to read:

22 **238.18 Rural economic development. (1) DEFINITION.** In this section:

23 (a) "State agency" means an office, department, agency, institution of higher  
24 education, association, society, or other body in state government created or  
25 authorized to be created by the constitution or any law that is entitled to expend

1 moneys appropriated by law, including any authority created in subch. II of ch. 114  
2 or in ch. 231, 233, 234, or 279.

3 (b) "Rural county" means a county with a population density of less than 155  
4 residents per square mile.

5 **(2) ECONOMIC DEVELOPMENT PROGRAMS BENEFITING RURAL COUNTIES.** From the  
6 appropriation under under s. 20.192 (1) (bm), the corporation may do the following:

7 (a) Expend moneys for any economic development program the corporation is  
8 administering on the effective date of this paragraph .... [LRB inserts date], if that  
9 expenditure assists economic development in a rural county.

10 (b) Expend moneys for any economic development program the corporation  
11 begins administering after the effective date of this paragraph .... [LRB inserts date],  
12 if that expenditure assists economic development in a rural county, subject to all of  
13 the following:

14 1. Before the corporation first expends moneys on each program under this  
15 paragraph, the corporation shall notify the joint committee on finance in writing of  
16 the corporation's intention to expend the moneys on the program. The notice shall  
17 describe the program and purposes for which the corporation proposes to expend the  
18 moneys under this paragraph.

19 2. If, within 14 working days after the date of the corporation's notice under  
20 subd. 1., the cochairpersons of the joint committee on finance do not notify the  
21 corporation that the committee has scheduled a meeting to review the corporation's  
22 proposal, the corporation may make the expenditures as proposed in the  
23 corporation's notice. If, within 14 working days after the date of the corporation's  
24 notice under subd. 1., the cochairpersons of the committee notify the corporation that  
25 the committee has scheduled a meeting to review the corporation's proposal, the



1 corporation may make the proposed expenditures only upon approval of the  
2 committee.

3 3. The corporation shall adopt policies and procedures establishing, to the  
4 extent feasible, matching requirements for the corporation's expenditures under this  
5 paragraph.

6 (c) Award a grant to a state agency if the corporation determines the state  
7 agency's expenditure of the grant moneys will assist economic development in a rural  
8 county, subject to all of the following:

9 1. Before the corporation makes a grant under this paragraph, the corporation  
10 shall notify the joint committee on finance in writing of the corporation's intention  
11 to make the grant. The notice shall describe the program and purposes for which the  
12 corporation proposes to make the grant.

13 2. If, within 14 working days after the date of the corporation's notice under  
14 subd. 1., the cochairpersons of the joint committee on finance do not notify the  
15 corporation that the committee has scheduled a meeting to review the corporation's  
16 proposal, the corporation may make the grant as proposed in the corporation's notice.  
17 If, within 14 working days after the date of the corporation's notice under subd. 1.,  
18 the cochairpersons of the committee notify the corporation that the committee has  
19 scheduled a meeting to review the corporation's proposal, the corporation may make  
20 the proposed grant only upon approval of the committee.

21 (d) Before the corporation expends moneys on an economic development  
22 program under par. (a) or (b) or makes a grant under par. (c), the corporation shall  
23 consider the economic impact of the program or activity for which the moneys will  
24 be used.

1           **(3g) GRANTS FOR REVOLVING LOAN FUNDS.** (a) In this subsection and in sub. (3r),  
2           “eligible organization” means each county economic development organization  
3           serving a rural county and each regional economic development organization serving  
4           a rural county that the corporation determines under par. (d) is eligible for a grant  
5           under par. (c).

6           (b) From the appropriation under under s. 20.192 (1) (bm), the corporation shall  
7           set aside \$5,000,000 for grants under this subsection.

8           (c) The corporation shall award a onetime grant of \$250,000 to each eligible  
9           organization, or shall grant a smaller amount if the eligible organization so elects.  
10          The corporation may award a onetime grant of more than \$250,000 to a consortium  
11          of rural counties, or to a consortium of eligible organizations in lieu of a grant to  
12          eligible organizations that are members of the consortium. An eligible organization  
13          or a consortium receiving a grant under this paragraph shall expend the grant  
14          moneys only for the purpose of creating or expanding a revolving loan fund that  
15          promotes economic development and entrepreneurial start-ups in a rural county  
16          served by the eligible organization or in rural counties served by the consortium.

17          (d) In determining whether a county economic development organization  
18          serving a rural county or regional economic development organization serving a  
19          rural county is eligible for a grant under par. (c), the corporation shall consider all  
20          of the following:

21                1. Whether the organization has appropriate fiscal and administrative policies  
22                and procedures in place.

23                2. Whether the organization’s staff is sufficient and qualified by education or  
24                experience to administer a revolving loan fund.

1           3. Whether the organization can provide at least 2 examples of projects  
2 financed with public funding that the organization has taken from grant application  
3 to project completion.

4           4. Whether the organization has experience or a history of serving the  
5 community with economic development projects.

6           **(3r)** GRANTS FOR PROGRAM OPERATIONS AND MARKETING. (a) From the  
7 appropriation under under s. 20.192 (1) (bm), the corporation shall award a onetime  
8 grant of \$50,000 to each eligible organization, or shall grant a smaller amount if the  
9 eligible organization so elects, subject to all of the following:

10           1. The eligible organization shall expend all grant moneys received under this  
11 paragraph only for the purpose of program operations and marketing within a rural  
12 county served by the eligible organization.

13           2. The eligible organization shall submit a report to the corporation no later  
14 than 180 days after the last day of the state fiscal year in which the grant is awarded  
15 concerning the organization's use of the grant under this paragraph. The report shall  
16 include a description of all marketing efforts undertaken as a result of the grant.

17           (b) A rural county served by an eligible organization receiving a grant under  
18 par. (a) may not use or depend on grant moneys to supplant existing funding for  
19 economic development purposes.

20           **(4)** REPORTING REQUIREMENTS. No later than June 30 of each state fiscal year  
21 in which the corporation expends moneys from the appropriation under under s.  
22 20.192 (1) (bm), the corporation shall submit a report to the joint committee on  
23 finance describing in detail the corporation's use of those moneys in that fiscal year.

24           **(5)** COOPERATION OF STATE AGENCIES. All state agencies shall, to the extent  
25 needed, as determined by the corporation, cooperate with the corporation concerning

1 the corporation's planning and implementation of its expenditures of moneys under  
2 this section.

3 **(5m) FOCUS ON UNDERSERVED COMMUNITIES.** In administering this section, the  
4 corporation shall make every effort to ensure that underserved communities in rural  
5 counties are prioritized.

6 **SECTION 9119. Nonstatutory provisions; Health Services.**

7 (1) CHILDLESS ADULTS DEMONSTRATION PROJECT. The department of health  
8 services shall submit any necessary request to the federal department of health and  
9 human services for a state plan amendment or waiver of federal Medicaid law or to  
10 modify or withdraw from any waiver of federal Medicaid law relating to the childless  
11 adults demonstration project under s. 49.45 (23), 2019 stats., to reflect the  
12 incorporation of recipients of Medical Assistance under the demonstration project  
13 into the BadgerCare Plus program under s. 49.471 and the termination of the  
14 demonstration project. Sections 20.940 and 49.45 (2t) do not apply to a submission  
15 to the federal government under this subsection.

16 **SECTION 9137. Nonstatutory provisions; Revenue.**

17 (1) FARM SUPPORT GRANTS. From the appropriation under s. 20.835 (2) (ca), the  
18 department of revenue shall provide grants to farmers who have experienced  
19 financial hardship due to the COVID-19 pandemic. A farmer desiring a grant under  
20 this subsection may file an application with the department of revenue in the  
21 manner determined by the department. The department of revenue shall consult  
22 with the department of agriculture, trade and consumer protection in providing  
23 grants under this subsection. In this subsection, "farmer" means a farmer, as defined  
24 in s. 102.04 (3), who owns or leases land that is agricultural property, whose gross

1 sales of farm products in 2019 exceeds \$35,000 but not does exceed \$5,000,000, and  
2 who has experienced financial hardship as a result of the COVID-19 pandemic.

3 **SECTION 9219. Fiscal changes; Health Services.**

4 (1) MEDICAID EXPANSION. In the schedule under s. 20.005 (3) for the  
5 appropriation to the department of health services under s. 20.435 (4) (b), the dollar  
6 amount for fiscal year 2021-22 is decreased by \$849,788,000 as a result of expanding  
7 eligibility for the Medical Assistance program. In the schedule under s. 20.005 (3)  
8 for the appropriation to the department of health services under s. 20.435 (4) (b), the  
9 dollar amount for fiscal year 2022-23 is decreased by \$841,925,400 as a result of  
10 expanding eligibility for the Medical Assistance program.

11 **SECTION 9419. Effective dates; Health Services.** This act takes effect on the  
12 day after publication, except as follows:

13 (1) MEDICAID EXPANSION. The treatment of ss. 20.435 (4) (jw), 49.45 (2p), (23),  
14 and (23b) (title), (b), (c), and (e), 49.471 (1) (cr), (4) (a) 4. b. and 8., and (4g), and 49.686  
15 (3) (d) and SECTIONS 9119 (1) and 9219 (1) of this act take effect on July 1, 2021.

16 (END)