# Wisconsin Legislative Council

# **AMENDMENT MEMO**

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2021 Assembly Bill 314

Assembly Substitute Amendment 1 and Assembly Amendment 1 to Assembly Substitute Amendment 1

#### 2021 ASSEMBLY BILL 314

2021 Assembly Bill 314 directs the Wisconsin Economic Development Corporation (WEDC) to establish and administer a program to promote the export of Wisconsin agricultural and agribusiness products. Under the bill, WEDC and the Center for International Agribusiness Marketing within the Department of Agriculture, Trade and Consumer Protection (DATCP) must cooperate to achieve specified export objectives by June 30, 2026. After this date, the Legislative Audit Bureau is required to conduct an audit of the WEDC export program and file a copy of the audit report with various entities by December 31, 2026.

The bill requires WEDC to expend \$5,000,000 under the export program and indicates amounts that must be spent on specific objectives. WEDC must request the Joint Committee on Finance (JCF) for funding for the exports program, no later than the 30th day after the publication of the 2021 biennial budget act. WEDC must also hire at least one full-time employee to administer the program.

No later than December 31, 2021, WEDC and DATCP must jointly submit a plan to the Legislature describing how the corporation and the department will achieve the bill's export objectives. This plan must include a plan to grant at least 15 percent of the funds to be expended under the program by no later than December 31, 2022. By June 30, 2024, WEDC and DATCP must jointly submit a report to the appropriate standing committees of the Legislature that describes the progress made towards achieving the bill's export objectives.

## **ASSEMBLY SUBSTITUTE AMENDMENT 1**

Assembly Substitute Amendment 1 directs DATCP's Center for International Agribusiness Marketing to establish and administer the bill's exports program, rather than directing WEDC to do so. In turn, provisions of the bill applicable to WEDC are instead made applicable to DATCP under the substitute amendment. The substitute amendment maintains the requirement that WEDC and DATCP cooperate to achieve the specified export objectives.

<sup>&</sup>lt;sup>1</sup> The bill also provides that no more than \$1,000,000 may be spent under the exports program in any fiscal year.

<sup>&</sup>lt;sup>2</sup> Language applicable to WEDC under the bill is largely identical to the language applicable to DATCP under the substitute amendment. However, while the bill directs WEDC to hire at least one full-time employee to administer the exports program, the substitute amendment directs DATCP to reallocate one full-time equivalent position to administer the program.

#### ASSEMBLY AMENDMENT 1 TO ASSEMBLY SUBSTITUTE AMENDMENT 1

While Assembly Bill 314 and Assembly Substitute Amendment 1 both establish a line in the appropriation schedule to fund the agricultural exports program, neither provide funding for this appropriation. Rather, the bill and the substitute amendment direct the agency administering the exports program to request that JCF supplement the appropriation with sufficient funding to carry out the program. Assembly Amendment 1 to Assembly Substitute Amendment 1 eliminates the line in the appropriation schedule, given that an identical, unfunded line in the appropriation schedule was established in the 2021 biennial budget act, 2021 Wisconsin Act 58.3

Assembly Amendment 1 to Assembly Substitute Amendment 1 also makes changes related to the requirement for DATCP to submit a request for supplemental funding to JCF. As described previously, the substitute amendment, as introduced, directs DATCP to submit a request to supplement the appropriation for the exports program no later than the 30<sup>th</sup> day after publication of the 2021 biennial budget act.<sup>4</sup> Assembly Amendment 1 to Assembly Substitute Amendment 1 replaces this requirement with three separate requirements for DATCP to submit requests to JCF:

- 1. No later than the 30<sup>th</sup> day after DATCP and WEDC jointly submit their plan to the Legislature,<sup>5</sup> DATCP must request JCF for supplemental funding for the exports program. This request must be in an amount not to exceed \$558,400.
- 2. No later than October 1, 2022, DATCP must request JCF for supplemental funding for the exports program. This request must be in an amount not to exceed \$558,400.6
- 3. In its budget request for the 2023-25 fiscal biennium, DATCP must include a request for funding sufficient to allow the department to satisfy its duties under the exports program in that biennium.

In addition to the changes detailed above, Assembly Amendment 1 to Assembly Substitute Amendment 1 eliminates the substitute amendment's requirement for DATCP to reallocate one full-time equivalent position to administer the exports program.

### **BILL HISTORY**

Representative Kurtz offered Assembly Substitute Amendment 1 on May 20, 2021. The representative subsequently offered Assembly Amendment 1 to Assembly Substitute Amendment 1 on October 13, 2021. On October 19, 2021, JCF recommended adoption of the simple amendment to the substitute amendment and adoption of the substitute amendment, as amended, on votes of Ayes, 15; Noes, 0. The bill was then recommended for passage, as amended, on a vote of Ayes, 15; Noes, 0.

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<sup>&</sup>lt;sup>3</sup> As passed by the Legislature, 2021 Assembly Bill 68 (later enacted as 2021 Wisconsin Act 58) would have directed DATCP and WEDC to jointly submit to JCF a proposal for allocating \$5,000,000 over five years to pursue various export objectives. The Governor eliminated this directive through a partial veto.

<sup>&</sup>lt;sup>4</sup> The 2021 biennial budget act, 2021 Wisconsin Act 58, was published on July 9, 2021. Thus, the substitute amendment's deadline for DATCP to submit a request to JCF would have been August 8, 2021.

<sup>&</sup>lt;sup>5</sup> As discussed previously, WEDC and DATCP must submit a plan to the Legislature on how the agencies plan to achieve the export objectives specified in the substitute amendment. This plan must be submitted no later than December 31, 2021.

<sup>&</sup>lt;sup>6</sup> 2021 Wisconsin Act 58 included an appropriation to JCF to provide supplemental funding to a variety of agencies. [s. 20.865 (4)(a), Stats.] This appropriation included \$558,400 in each year of the 2021-23 fiscal biennium to be used for DATCP's export initiative. Further information on the JCF appropriation for agency supplements is available on page 204 of Legislative Fiscal Bureau, Summary of Provisions-2021 Act 58 (Aug. 2021).