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May 25, 2023

Joint Committee on Finance

Paper #550

Federal and Program Revenue Reestimates (Military Affairs)

[LFB 2023-25 Budget Summary: Page 414, #2]

CURRENT LAW

The National Guard program revenue (PR) military property annual appropriation [s. 20.465(1)(g)] for military property repair and maintenance is utilized in conjunction with DMA's GPR funds for repair and maintenance [s. 20.465(1)(b)]. Base funding for the military property appropriation is \$1,355,000 PR.

The National Guard federal aid continuing appropriation for improvement, repair, maintenance, or operation of armories or other military property [s. 20.465(1)(m)] has base funding of \$39,787,700 FED.

The emergency management services federal aid for state operations continuing appropriation [s. 20.465(3)(m)] provides the state with 50% of the federal Emergency Management Performance Grant (EMPG) funds. Expenditures typically support staff funding and aids to other state agencies for public assistance grants, hazard mitigation grants, and hazmat training. Base funding for the appropriation is \$5,331,700 FED.

The emergency management services federal aid for local assistance continuing appropriation [s. 20.465(3)(n)] provides federal aid payments to local units of government for public assistance, EMPG, hazard mitigation, and the Hazardous Materials Emergency Preparedness (HMEP) grant. Base funding for the appropriation is \$12,800,000 FED.

The emergency management services federal aid to individuals and organizations continuing appropriation [s. 20.465(3)(o)] provides funding to not-for-profit organizations for public assistance and hazard mitigation. Base funding for the appropriation is \$1,926,400 FED.

The National Guard youth programs gifts and grants continuing appropriation [s.

20.465(4)(h)] supports the Wisconsin National Guard Challenge Academy. Base funding for the appropriation is \$0 PR.

DISCUSSION POINTS

1. Under Assembly Bill 43/Senate Bill 70, revenue reestimates would be provided for the appropriations under s. 20.465(1)(m), 20.465(3)(m), 20.465(3)(n), 20.465(3)(o), and 20.465(4)(h). Additionally, while not included in under AB 43/SB 70, the Department indicates that its National Guard military property annual PR appropriation [s. 20.465(1)(g)] used for military property repair and maintenance could be reestimated.

Appropriation Reestimates under AB 43/SB 70

<u>Section</u>	<u>Appropriation Title</u>	<u>Fund Source</u>	<u>Reestimate</u>
20.465(1)(m)	National Guard operations; federal aid	FED	\$6,891,900
20.465(3)(m)	Federal aid, state operations	FED	26,900
20.465(3)(n)	Federal aid, local assistance	FED	15,491,700
20.465(3)(o)	Federal aid, individuals and organizations	FED	2,981,900
20.465(1)(g)*	Military property	PR	152,100
20.465(4)(h)	National Guard youth programs; gifts and grants	PR	1,700

* Not included under AB 43/SB 70.

2. A federal revenue reestimate for the emergency management services federal aid for local assistance continuing appropriation [s. 20.465(3)(n)] is intended to account for higher disaster expenditures that occurred for hazard mitigation and public assistance during the COVID-19 pandemic. The reestimate of \$15,491,700 was calculated by averaging expenditures from the appropriation between 2020 and 2022. Local governments made expenditures for disaster projects during the pandemic and applied for reimbursement from the Federal Emergency Management Agency (FEMA). The Department anticipates increased revenues and expenditures from this appropriation over the next three years as the Federal Emergency Management Agency (FEMA) provides funds to reimburse local governments for projects that were submitted and approved. This funding will then pass through the Department to local governments with approved projects. Examples of projects include the purchase and distribution of personal protective equipment and COVID-19 testing. Hazard mitigation grants provided for COVID-19 expenses are 100% federally reimbursed.

3. The revenue reestimates for the National Guard federal aid for improvement, repair, maintenance, or operation of armories or other military property [s. 20.465(1)(m)] and the National Guard youth programs gifts and grants continuing appropriations [s. 20.465(4)(h)] were calculated by averaging expenditures over a six-year period (2017 through 2022). The revenue reestimate for the emergency management services federal aid for state operations continuing appropriation [s. 20.465(3)(m)] was calculated by averaging expenditures over a four-year period (2017 through 2020).

as expenditures were higher than usual in 2021 and 2022 due to one-time funding from the COVID-19 pandemic. The revenue reestimates for the emergency management services federal aid to individuals and organizations continuing appropriation [s. 20.465(3)(o)] and the emergency management services federal aid for local assistance continuing appropriation [s. 20.465(3)(n)] were calculated by averaging expenditures over a three-year period (2020 through 2021) because the increased expenditures incurred under these appropriations during the COVID-19 pandemic are anticipated to persist in the 2023-25 biennium. According to the Department, revenue reestimates recommended in the budget bill for these appropriations would prevent DMA from needing to continuously request additional expenditure authority (from DOA for federal appropriations, and under s. 16.515 for program revenue), and would reduce administrative burden.

4. The Department indicates that its National Guard military property annual PR appropriation [s. 20.465(1)(g)] used for military property repair and maintenance could be reestimated due to increased costs for snow plowing and other repairs in 2022-23. According to the Department, PR funds in this appropriation are utilized when the GPR appropriation for repair and maintenance [s. 20.465(1)(b)] is exhausted. In 2022-23, increased costs resulted in an increased use of the PR military property appropriation. The Department indicates that the amount of the reestimate (\$152,100 PR) reflects the estimated increase in expenditures from this appropriation by the end of 2022-23. Program revenues for the appropriation are derived from rental of a DMA-owned cellular tower and the sale of DMA equipment and facilities; for example, sale of an armory. The Department indicates that it has sufficient ongoing PR to support the reestimate.

5. Given that the Department's revenue projections and estimated program needs exceed the expenditure authority for a number of federal and PR appropriations, the Committee could provide reestimates totaling \$25,392,400 FED and \$153,800 PR annually [Alternative 1]. Reestimates would be provided to the following appropriations: (a) \$6,891,900 FED annually to the National Guard federal aid continuing appropriation for improvement, repair, maintenance, or operation of armories or other military property [s. 20.465(1)(m)]; (b) \$26,900 FED annually to the emergency management services federal aid for state operations continuing appropriation [s. 20.465(3)(m)]; (c) \$15,491,700 FED annually to the emergency management services federal aid for local assistance continuing appropriation [s. 20.465(3)(n)]; (d) \$2,981,900 FED annually to the emergency management services federal aid to individuals and organizations continuing appropriation [s. 20.465(3)(o)]; (e) \$152,100 PR annually to the National Guard PR military property annual appropriation for military property repair and maintenance [s. 20.465(1)(g)]; and (f) \$1,700 PR annually to the National Guard youth programs gifts and grants continuing appropriation [s. 20.465(4)(h)].

6. The Committee could take no action. [Alternative 2] For the FED appropriations, if reestimates were not provided, the Department could increase expenditure authority by seeking approval from DOA. For the PR appropriations, the Department could seek additional expenditure authority through a passive review request (s. 16.515 of the statutes).

ALTERNATIVES

1. Provide \$25,392,400 FED and \$153,800 PR annually to reflect current revenue projections and estimated program needs for the following appropriations: (a) \$6,891,900 FED

annually to the National Guard federal aid continuing appropriation for improvement, repair, maintenance, or operation of armories or other military property [s. 20.465(1)(m)]; (b) \$26,900 FED annually to the emergency management services federal aid for state operations continuing appropriation [s. 20.465(3)(m)]; (c) \$15,491,700 FED annually to the emergency management services federal aid for local assistance continuing appropriation [s. 20.465(3)(n)]; (d) \$2,981,900 FED annually to the emergency management services federal aid to individuals and organizations continuing appropriation [s. 20.465(3)(o)]; (e) \$152,100 PR annually to the National Guard PR military property annual appropriation for military property repair and maintenance [s. 20.465(1)(g)]; and (f) \$1,700 PR annually to the National Guard youth programs gifts and grants continuing appropriation [s. 20.465(4)(h)].

ALT 1	Change to Base
FED	\$50,784,800
PR	<u>307,600</u>
Total	\$51,092,400

2. Take no action.

Prepared by: Brianna Murphy