

2021-23 wisconsin  
state budget



# summary of provisions

2021 act 58

legislative fiscal bureau  
august 2021



# **2021-23 WISCONSIN STATE BUDGET**

## **Summary of Provisions**

### **2021 Wisconsin Act 58**

**Legislative Fiscal Bureau**

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## INTRODUCTION

This document provides a summary of the 2021-23 state budget. The budget was enacted into law as 2021 Wisconsin Act 58 on July 8, 2021. This document describes each of the provisions of Act 58.

The document is organized into five basic sections, the first of which contains a Table of Contents, History of the 2021-23 Budget, and a Brief Chronology of the 2021-23 Budget.

This is followed by an "overview" section which provides a series of summary tables and charts which display 2021-23 revenues, appropriations, and authorized position levels. Information is presented for all fund sources, the general fund, transportation fund, and the state's lottery program.

The next section contains budget and policy summaries for each state agency and program. The agencies appear in alphabetical order. For each agency, tables are presented which depict funding and authorized position levels. This is followed by a narrative description and fiscal effect, if any, of each budget change item.

The fourth section of the document lists the four reports and one study required in 2021 Act 58.

The final section lists the 2021-23 biennial budget issue papers prepared by the Legislative Fiscal Bureau.



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## HISTORY OF THE 2021-23 BIENNIAL BUDGET

This section provides a narrative history of the 2021-23 biennial budget. Although the formal legislative history of the biennial state budget commenced with the introduction of a bill comprising the Governor's budget recommendations, the actual process of assembling the budget began several months prior to its introduction. This history starts at that point.

On June 5, 2020, the Department of Administration (DOA) released Governor Tony Ever's major budget policies. Included in these directives were instructions that state agencies prepare their 2021-23 biennial budget requests based on 100 percent of their fiscal year 2020-21 adjusted base. In addition, agencies were to assume zero growth in overall state general purpose revenue (GPR) appropriations, except for K-12 school aids, required basic cost-to-continue needs for the state's institutions, entitlement and related assistance programs in the Department of Health Services (such as Medical Assistance), the Department of Children and Families' Division of Safety and Permanence, the Department of Workforce Development's Division of Vocational Rehabilitation, and housekeeping adjustments such as standard budget adjustments, fuel and utilities, and debt service.

Pursuant to s.16.423 of the statutes, all state agencies were required to submit a base budget review report no later than May 15, 2020. The reports were summarized in the Governor's biennial state budget report to the Legislature. The reports were required to include: (1) a description of each agency appropriation; (2) an accounting of all expenditures by quarter for the three previous fiscal years; (3) an analysis of whether the appropriation contributes to agency's mission and whether the objectives of the appropriation justify the expenditures; (4) the minimum funding needed to achieve the objectives (not to exceed the prior fiscal year 's adjusted base) and an accounting of the current funding; and (5) a description of the agency mission or guiding principles.

Under 2015 Wisconsin Act 201, all executive branch agencies were required to include proposals for a state operations budget that met the following requirements: (1) a zero growth target in each fiscal year of the 2021-23 biennium; and (2) a reduction in the agency's state operations budget by 5% from the 2020-21 adjusted base in each year of the 2021-23 biennium. (These requirements excluded federal appropriations and debt service appropriations.)

Agencies were also required to report on performance measures identified in previous biennial budgets. For the 2021-23 biennial budget, agencies were asked to report actual outcome measures through fiscal years 2018-19 and 2019-20. Planned outcome measures were to be included for fiscal years 2020-21, 2021-22, and 2022-23.

Executive branch agencies were required to submit their formal budget requests to the Department of Administration (DOA) and the Legislative Fiscal Bureau by September 15, 2020.

The Division of Executive Budget and Finance (within DOA) began reviewing agency funding requests as they were submitted. On November 20, 2020, DOA distributed a compilation of state agencies' 2021-23 biennial budget requests to Governor Evers, and members of the Legislature. This report indicated that agencies were seeking total 2021-23 funding of \$88.83 billion (all funds), of which \$40.61 billion was requested from general purpose revenue. Also included in the summary was the statutorily-required estimate of tax revenues for fiscal year 2020-21 and the 2021-23 biennium, as developed by the Department of Revenue. For fiscal year 2020-21, state tax revenues were estimated at \$17.66 billion. Total general fund tax collections for the 2021-23 biennium were projected at \$36.68 billion.

Every January, the Legislative Fiscal Bureau prepares general fund revenue projections for the Legislature as it begins to consider the state's budget and other legislation. Based on updated tax collection data and economic forecasts, on January 26, 2021, the Bureau estimated that the state's general fund would realize a total of \$1,155.9 million more in tax collections for the period from 2020-21 through 2022-23 than was reflected in the administration's November 20 report. The Fiscal Bureau annual projections compared to the administration's estimates were \$437.4 million higher in 2020-21, \$265.6 million higher in 2021-22, and \$452.9 million higher in 2022-23. For the 2020-21 fiscal year, there was a \$629.5 million difference between the administration's general fund condition statement, which had a gross ending balance of \$1,221.9 million, and the Bureau's ending balance of \$1,851.4 million. The factors that caused the \$629.5 million difference were \$437.4 million more in tax collections from the November 20 projection, increased estimated departmental revenues of \$1.4 million, and a reduction of net appropriations of \$190.7 million.

By statute, the Governor is required to submit the budget message and the executive budget bill (or bills) to the Legislature on or before the last Tuesday in January of each odd-numbered year (January 26 for 2021). However, under 2021 Senate Joint Resolution 1, adopted by the Senate on January 4, 2021, and concurred in by the Assembly on the same day, the deadline for the submission of Governor Evers's budget was extended to February 16, 2021.

On February 16, 2021, the Governor delivered his budget message to a joint session of the Legislature. Immediately following the Governor's message, the Joint Committee on Finance (JFC) introduced the 2021-23 executive budget in identical form as 2021 Assembly Bill 68 and 2021 Senate Bill 111. As required by statute, the bills were referred to the JFC. In addition, the bills were also referred to the Joint Survey Committee on Tax Exemptions.

The Joint Committee on Finance held agency informational briefings on the biennial budget on April 6 and 7. During these briefings, agency representatives testified before the Committee on the executive budget recommendations affecting their respective agencies. The agencies that appeared before the Committee were the Departments of Public Instruction, Workforce Development, and Natural Resources, and the Public Service Commission.

The Joint Committee on Finance held four public hearings on the biennial budget. Public hearings were held in Whitewater on April 9, Rhinelander on April 21, Menomonie on April 22, and a virtual public hearing was held on April 28.

On April 29, 2021, the Legislative Fiscal Bureau sent a memorandum to Senator Marklein and Representative Born, the Co-Chairs of the Joint Committee on Finance, identifying 191 non-fiscal policy items contained in the Governor's budget.

On April 30, the Finance Committee's Co-Chairs distributed a memorandum to the Committee's members, which outlined the procedures that the Committee would follow during its deliberations on the 2021-23 budget. In that memorandum, the Co-Chairs indicated that the first executive session on the budget would be held on May 6. In addition, the Co-Chairs indicated that the first item before the Committee on May 6 would be a motion to delete 384 provisions of the Governor's recommendations from further budget consideration. The 384 items included the 191 provisions of the Fiscal Bureau's April 29 memorandum and 193 other items contained in the Governor's bill. Those 384 items were incorporated into budget motion #19.

The Co-Chairs April 30<sup>th</sup> memorandum also indicated that the Committee would use, as its beginning point, the adjusted base budget, less the items of motion #19. Budget motion #22 introduced for adoption Assembly Substitute Amendment (LRB 00114/1) and Senate Substitute Amendment (LRB 0125/1) to the Governor's budget bill. The substitute amendments in motion #22 included only the adjusted base for each agency and the required debt service appropriation level associated with the state's appropriation obligation bonds. Thus, it would take a majority vote of the Committee to include any items in the Committee's version of the 2021-23 budget.

Finally, the April 30<sup>th</sup> memorandum indicated that following the introduction of the substitute amendments, the Committee would vote on motion that: 1) included the standard budget adjustments for 2021-22 and 2022-23; 2) provided estimated amounts for current law sum sufficient appropriations; and 3) reduced agency budgets for selected agencies subject to the administration's 2020-21 required lapses/transfers to the general fund. These items were included in budget motion #24.

On June 8, 2021, the Legislative Fiscal Bureau sent a letter to the Co-Chairs of the Joint Committee on Finance regarding recent tax collection data. Based on its review of collection data and economic forecasts, the Bureau indicated that general fund tax revenue estimates of January 26 should be revised by \$1,447.9 million in 2020-21, \$1,543.7 million in 2021-22, and \$1,435.8 million in 2022-23. The Bureau also estimated that, given the increased tax collections in 2020-21, an additional \$807.9 million would transfer to the budget stabilization fund, bringing the balance in that fund to an estimated \$1,570.3 million.

The Joint Committee on Finance held a total of nine executive sessions on the biennial budget bill. The first executive session was held on May 6, and the last was held on June 17. At the Committee's final executive session, the Committee adopted a substitute amendment incorporating all of its previous actions modifying the biennial budget. The vote to recommend Assembly Bill 68/Senate Bill 111 for passage, as amended, was 11-4.

Under section 13.95(1r) of the statutes, as created by 2011 Act 220, the Legislative Fiscal Bureau is required to prepare an earmark transparency report on each biennial budget bill and on each amendment to that bill. The report is required to include the following elements: (1) a list of

all earmarks; (2) the cost of each earmark; (3) the beneficiary of each earmark, if the Bureau can make this determination, and the assembly and senate district in which the beneficiary resides (for individuals) or is located (for entities); and (4) for a report on a budget amendment, the name of the legislator who proposed the earmark.

Under section 13.102 of the statutes, the Joint Committee on Finance cannot vote to recommend passage of the biennial budget bill or an amendment to the bill until the required report, on either the bill or amendment, has been distributed by the Bureau to each member of the Legislature and is made available on the Legislature's website. Section 13.39 of the statutes specifies that neither house of the Legislature may pass the biennial budget bill until the Bureau has distributed a copy of an earmark transparency report on the bill, as amended, to each member of the Legislature and has made the report available on the Legislature's website.

Under these provisions, the Legislative Fiscal Bureau released earmark reports as follows:

- June 17, 2021 -- Earmark Transparency Report on the JFC substitute amendment (ASA 2 to AB 68 and SSA 2 to SB 111): Total of 19 earmarks--four that were included in AB 68/SB 111 (Governor) and an additional 15 added by JFC.
- June 29, 2021 -- Earmark Transparency Report on AA 10 to ASA 2 to AB 68, as amended by the Assembly: Total of 20 earmarks--one additional earmark was added by the Assembly.
- June 30, 2021 -- Earmark Transparency Report on Engrossed AB 68: Total of 20 earmarks--no additional earmarks were added by the Senate.

On June 28, 2021, the Joint Survey Committee on Tax Exemptions submitted its report on provisions included in Assembly Bill 68/Senate Bill 111. The Committee's report addressed provisions in the bills, as introduced, that would affect existing statutes or create new statutes relating to the exemption of property or persons from state or local taxes. The provisions included: (a) Internal Revenue Code (IRC) update; (b) limit on capital gain exclusions; (c) medical care insurance subtraction for self-employed individuals; (d) limit on private school tuition deduction; (d) limit on dividends received deduction; (e) first-time homebuyer account subtraction; (f) National Guard and Reserve subtraction; (g) AmeriCorps Awards subtraction; (h) exemption for diapers; (i) exemption for battery storage; (j) exemption for sweetened dried fruit; (k) exemption for prairie/wetland services; (L) repeal of clay pigeon/game bird exemption; and (m) repeal of exemption for farm-raised deer. The tax exemption provisions in the bills were determined by the Committee to be appropriate public policy.

Prior to Senate and Assembly deliberations on the budget, the Legislative Fiscal Bureau conducted briefings with the caucuses in both houses on the provisions of the budget bill.

The Assembly took action on the 2021-23 state budget on June 29, 2021. During the Assembly deliberations, 10 amendments to ASA 2 to Assembly Bill 68 were offered. Two amendments were adopted—Assembly Amendments 9 and 10. On June 29, 2021, Assembly Substitute Amendment 2 to AB 68, as amended, was adopted and the bill, as amended, was passed

on a vote of 64-34. The bill was immediately messaged to the Senate.

The Senate debated the 2021-23 state budget on June 30, 2021. A total of seven amendments to Assembly Bill 68, as passed by the Assembly, were offered. No amendments were adopted. The Senate concurred with the Assembly by a vote of 23-9 on June 30, 2021.

The bill was enrolled on July 1, 2021, and presented to the Governor on July 2, 2021. Governor Evers approved Enrolled Assembly Bill 68, in part, on July 8, 2021, and had it deposited to the Office of the Secretary of State on July 8, as 2021 Wisconsin Act 58. The Governor indicated in his message to the Legislature that he had exercised his authority to make 50 partial vetoes to the bill, as passed by the Legislature. 2021 Wisconsin Act 58 was published on July 9, 2021, and except as otherwise specifically provided, became effective the following day.



# BRIEF CHRONOLOGY OF THE 2021-23 BUDGET

## **Governor/Administration**

- June 5, 2020 Department of Administration issued major budget policies.
- September 15 Agency deadline for submission of budget requests.
- November 20 Executive Budget Office submitted a compilation of agency budget requests and Department of Revenue estimate of tax revenues.
- February 16, 2021 Governor Evers delivered budget message and recommendations to the Legislature.

## **Joint Committee on Finance**

- January 26 Legislative Fiscal Bureau released general fund expenditure and revenue projections.
- February 16 Introduced the executive budget as 2021 Assembly Bill 68/Senate Bill 111.
- April 6-7 Budget bill briefings by agency officials.
- April 9-28 Public hearings (Whitewater, Rhinelander, Menomonie, virtual-statewide).
- May 6-June 17 Executive sessions.
- June 8 Legislative Fiscal Bureau released revised general fund tax collection estimates.
- June 17 Adopted Assembly Substitute Amendment 2 (ASA 2) to AB 68 and Senate Substitute Amendment 2 (SSA 2) to SB 111 and recommended the bills for passage, as amended, on an 11-4 vote.

## **Legislature**

- June 29 Assembly adopted Assembly Substitute Amendment 2, as amended by Assembly Amendments 9 and 10, to AB 68 and passed the bill, as amended, on a vote of 64-34.
- June 30 Senate concurred with the Assembly's action on the budget bill on a vote of 23-9.

## **Enactment**

- July 2 Enrolled AB 68 presented to Governor.
- July 8 Governor approved bill, with 50 partial vetoes, as 2021 Wisconsin Act 58.
- July 9 Act 58 published.
- July 10 Act 58 became generally effective.



## **OVERVIEW**

### **ALL FUNDS BUDGET AND POSITION SUMMARIES**



**TABLE 1****Summary of 2021-23 Appropriations and Authorizations**

<u>Fund Source</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Total</u>	<u>Percent of Total</u>
<b>General Purpose Revenue</b>	<b>\$19,344,445,400</b>	<b>\$19,858,651,000</b>	<b>\$39,203,096,400</b>	<b>43.9%</b>
Appropriations	19,302,516,200	19,752,699,400	39,055,215,600	
Compensation Reserves	41,929,200	105,951,600	147,880,800	
<b>Federal Revenue</b>	<b>12,911,303,100</b>	<b>12,720,421,900</b>	<b>25,631,725,000</b>	<b>28.7%</b>
Appropriations	12,904,675,300	12,704,075,400	25,608,750,700	
Compensation Reserves	6,627,800	16,346,500	22,974,300	
<b>Program Revenue</b>	<b>6,843,621,000</b>	<b>6,876,604,400</b>	<b>13,720,225,400</b>	<b>15.4%</b>
Appropriations	6,832,596,800	6,849,415,300	13,682,012,100	
Compensation Reserves	11,024,200	27,189,100	38,213,300	
<b>Segregated Revenue</b>	<b>4,421,830,300</b>	<b>4,566,159,100</b>	<b>8,987,989,400</b>	<b>10.1%</b>
Appropriations	4,415,125,700	4,549,623,600	8,964,749,300	
Compensation Reserves	<u>6,704,600</u>	<u>16,535,500</u>	<u>23,240,100</u>	
<b>Subtotal</b>	<b>\$43,521,199,800</b>	<b>\$44,021,836,400</b>	<b>\$87,543,036,200</b>	<b>98.1%</b>
Appropriations	43,454,914,000	43,855,813,700	87,310,727,700	
Compensation Reserves	66,285,800	166,022,700	232,308,500	
<b>Bond Revenue</b>			<b>\$1,666,054,600</b>	<b>1.9%</b>
General Obligation Bonding			1,513,096,400*	
Revenue Bonding			<u>152,958,200</u>	
<b>TOTAL</b>			<b>\$89,209,090,800</b>	<b>100.0%</b>

\*Excludes \$2,000,000,000 of economic refunding bonds.

**TABLE 2**

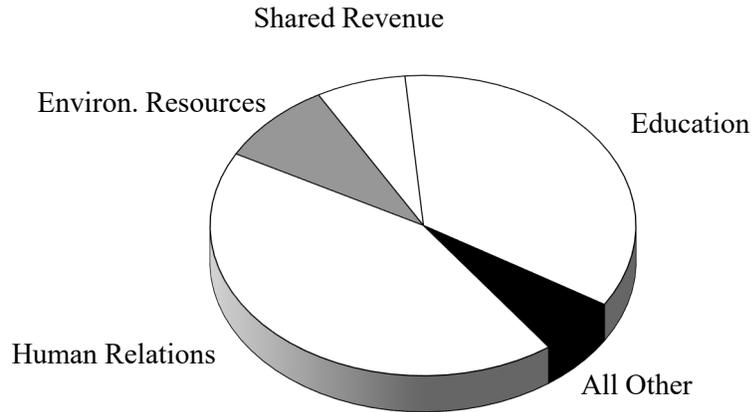
**Summary of Total All Funds Appropriations by Agency**

<u>Agency</u>	2020-21 Adjusted <u>Base Doubled</u>	<u>Act 58</u>			<u>2021-23 Act 58 Change Over Base</u>	
		<u>2021-22</u>	<u>2022-23</u>	<u>2021-23</u>	<u>Amount</u>	<u>%</u>
Administration	\$1,217,987,600	\$609,158,900	\$603,180,100	\$1,212,339,000	-\$5,648,600	-0.5%
Agriculture, Trade and Consumer Protection	213,388,800	110,408,900	110,812,900	221,221,800	7,833,000	3.7
Appropriation Obligation Bonds	834,040,000	281,188,500	311,179,800	592,368,300	-241,671,700	-29.0
Board for People with Developmental Disabilities	3,238,000	1,771,300	1,697,400	3,468,700	230,700	7.1
Board of Commissioners of Public Lands	3,627,800	1,651,700	1,661,700	3,313,400	-314,400	-8.7
Board on Aging and Long-Term Care	7,426,200	3,717,500	3,719,300	7,436,800	10,600	0.1
Building Commission	67,858,400	37,025,500	43,843,300	80,868,800	13,010,400	19.2
Child Abuse and Neglect Prevention Board	6,487,600	3,221,200	3,221,200	6,442,400	-45,200	-0.7
Children and Families	2,807,832,400	1,429,729,700	1,446,212,200	2,875,941,900	68,109,500	2.4
Circuit Courts	215,191,000	106,077,800	107,619,900	213,697,700	-1,493,300	-0.7
Compensation Reserves	---	66,285,800	166,022,700	232,308,500	232,308,500	N.A.
Corrections	2,798,065,400	1,409,675,500	1,429,491,400	2,839,166,900	41,101,500	1.5
Court of Appeals	23,320,800	11,321,800	11,341,100	22,662,900	-657,900	-2.8
District Attorneys	109,810,400	58,297,300	58,839,500	117,136,800	7,326,400	6.7
Educational Communications Board	42,355,400	21,142,500	20,744,900	41,887,400	-468,000	-1.1
Elections Commission	11,403,400	5,977,800	5,982,400	11,960,200	556,800	4.9
Employee Trust Funds	99,501,600	50,902,700	51,022,000	101,924,700	2,423,100	2.4
Employment Relations Commission	2,131,600	1,002,100	1,003,900	2,006,000	-125,600	-5.9
Environmental Improvement Fund	34,996,200	16,428,900	13,538,300	29,967,200	-5,029,000	-14.4
Ethics Commission	2,901,200	1,503,000	1,514,000	3,017,000	115,800	4.0
Financial Institutions	40,646,200	19,600,800	19,486,000	39,086,800	-1,559,400	-3.8
Fox River Navigational System Authority	250,800	125,400	125,400	250,800	0	0.0
Governor	8,327,400	4,237,300	4,237,300	8,474,600	147,200	1.8
Health Services	26,630,688,600	15,031,235,400	15,116,910,600	30,148,146,000	3,517,457,400	13.2
Higher Educational Aids Board	290,717,800	145,411,300	145,411,300	290,822,600	104,800	<0.1
Historical Society	62,828,400	29,514,300	30,733,600	60,247,900	-2,580,500	-4.1
Insurance	563,286,400	271,612,600	282,635,100	554,247,700	-9,038,700	-1.6
Investment Board	135,329,400	67,664,700	67,664,700	135,329,400	0	0.0
Judicial Commission	644,400	345,000	345,600	690,600	46,200	7.2
Justice	286,880,200	153,786,500	154,876,400	308,662,900	21,782,700	7.6

<u>Agency</u>	2020-21 Adjusted <u>Base Doubled</u>	<u>Act 58</u>			2021-23 Act 58 <u>Change Over Base</u>	
		<u>2021-22</u>	<u>2022-23</u>	<u>2021-23</u>	<u>Amount</u>	<u>%</u>
Kickapoo Reserve Management Board	\$1,946,000	1,034,800	1,034,800	2,069,600	123,600	6.4%
Labor and Industry Review Commission	5,505,000	2,796,800	2,796,800	5,593,600	88,600	1.6
Legislature	164,739,400	88,294,800	87,774,000	176,068,800	11,329,400	6.9
Lieutenant Governor	875,800	470,500	470,500	941,000	65,200	7.4
Lower Wisconsin State Riverway Board	507,000	256,600	256,600	513,200	6,200	1.2
Medical College of Wisconsin	22,489,600	11,155,400	11,157,800	22,313,200	-176,400	-0.8
Military Affairs	238,137,200	128,503,600	137,303,700	265,807,300	27,670,100	11.6
Miscellaneous Appropriations	363,251,800	193,350,000	187,412,400	380,762,400	17,510,600	4.8
Natural Resources	1,124,305,200	564,301,400	558,779,900	1,123,081,300	-1,223,900	-0.1
Program Supplements	14,282,000	44,132,200	241,947,300	286,079,500	271,797,500	1,903.1
Public Defender	218,792,000	113,495,400	113,499,900	226,995,300	8,203,300	3.7
Public Instruction	15,573,799,400	8,021,838,500	8,229,747,900	16,251,586,400	677,787,000	4.4
Public Service Commission	104,849,000	32,195,400	32,195,400	64,390,800	-40,458,200	-38.6
Revenue	456,601,200	239,494,600	237,967,600	477,462,200	20,861,000	4.6
Safety and Professional Services	115,881,200	59,942,900	60,266,000	120,208,900	4,327,700	3.7
Secretary of State	566,000	281,400	281,400	562,800	-3,200	-0.6
Shared Revenue and Tax Relief	6,209,128,800	3,011,014,700	2,930,883,700	5,941,898,400	-267,230,400	-4.3
State Fair Park Board	48,792,400	23,108,000	22,612,100	45,720,100	-3,072,300	-6.3
State Treasurer	240,200	126,800	126,800	253,600	13,400	5.6
Supreme Court	66,567,000	33,354,400	33,367,300	66,721,700	154,700	0.2
Tourism	34,272,400	18,551,800	18,551,800	37,103,600	2,831,200	8.3
Transportation	6,600,810,200	3,353,988,200	3,262,609,800	6,616,598,000	15,787,800	0.2
University of Wisconsin System	12,937,869,600	6,464,091,900	6,473,584,700	12,937,676,600	-193,000	0.0
Veterans Affairs	284,074,200	150,039,600	140,136,100	290,175,700	6,101,500	2.1
Wisconsin Economic Development Corporation	83,101,400	41,550,700	41,550,700	83,101,400	0	0.0
Wisconsin Technical College System	1,140,199,800	603,814,700	617,814,700	1,221,629,400	81,429,600	7.1
Workforce Development	<u>728,778,800</u>	<u>369,993,000</u>	<u>362,632,700</u>	<u>732,625,700</u>	<u>3,846,900</u>	0.5
Total	\$83,061,526,000	\$43,521,199,800	\$44,021,836,400	\$87,543,036,200	\$4,481,510,200	5.4%

**FIGURE 1**

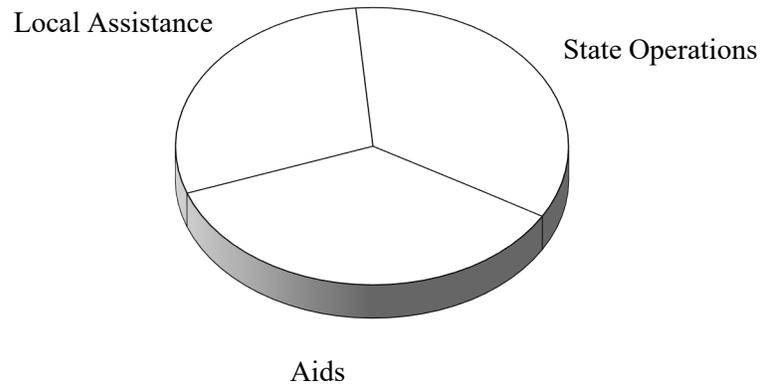
**2021-23 All Funds Appropriations  
By Functional Area**



<u>Functional Area</u>	<u>Amount</u>	<u>Percent of Total</u>
Human Relations and Resources	\$37,602,610,700	42.9%
Education	30,826,163,500	35.2
Environmental Resources	7,809,583,700	8.9
Shared Revenue and Tax Relief	5,941,898,400	6.8
All Other		
General Executive	2,774,941,500	3.2
Commerce	1,127,977,500	1.3
General Appropriations	747,710,700	0.9
Judicial	303,772,900	0.3
Compensation Reserves	232,308,500	0.3
Legislative	<u>176,068,800</u>	<u>0.2</u>
<b>TOTAL</b>	<b>\$87,543,036,200</b>	<b>100.0%</b>

## FIGURE 2

### 2021-23 All Funds Appropriations By Purpose



<u>Purpose</u>	<u>Amount</u>	<u>Percent of Total</u>
Aids to Individuals and Organizations	\$31,640,208,500	36.1%
State Operations	(30,501,136,600)	(34.8)
UW System	12,935,390,400	14.8
Corrections	2,752,934,900	3.1
Other Programs	14,580,502,800	16.7
Compensation Reserves	232,308,500	0.2
Local Assistance	<u>25,401,691,100</u>	<u>29.1</u>
<b>TOTAL</b>	<b>\$87,543,036,200</b>	<b>100.0%</b>

**TABLE 3****Summary of All Funds Full-Time Equivalent Positions by Agency**

<u>Agency</u>	2020-21	<u>Act 58</u>		2022-23 Act 58
	<u>Base</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Change to Base</u>
Administration	1,439.08	1,426.78	1,425.78	-13.30
Agriculture, Trade and Consumer Protection	636.29	639.29	633.29	-3.00
Board for People with Developmental Disabilities	9.60	8.60	7.00	-2.60
Board of Commissioners of Public Lands	9.50	9.50	9.50	0.00
Board on Aging and Long-Term Care	44.50	44.50	44.50	0.00
Child Abuse and Neglect Prevention Board	7.00	7.00	7.00	0.00
Children and Families	799.92	798.17	798.17	-1.75
Circuit Courts	527.00	535.00	543.00	16.00
Corrections	10,213.92	10,255.52	10,261.52	47.60
Court of Appeals	75.50	75.50	75.50	0.00
District Attorneys	493.50	498.90	498.90	5.40
Educational Communications Board	55.18	52.18	52.18	-3.00
Elections Commission	31.75	31.75	31.75	0.00
Employee Trust Funds	274.20	275.20	275.20	1.00
Employment Relations Commission	6.00	6.00	6.00	0.00
Ethics Commission	8.00	8.00	8.00	0.00
Financial Institutions	141.54	141.54	141.54	0.00
Governor	37.25	37.25	37.25	0.00
Health Services	6,364.19	6,343.92	6,341.92	-22.27
Higher Educational Aids Board	10.00	10.00	10.00	0.00
Historical Society	181.54	177.70	177.70	-3.84
Insurance	134.83	133.83	133.83	-1.00
Investment Board	236.00	236.00	236.00	0.00
Judicial Commission	2.00	2.00	2.00	0.00
Justice	742.14	717.14	712.14	-30.00
Kickapoo Reserve Management Board	4.00	4.00	4.00	0.00
Labor and Industry Review Commission	18.70	18.70	18.70	0.00
Legislature	777.97	777.97	777.97	0.00
Lieutenant Governor	5.00	5.00	5.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	0.00
Military Affairs	554.10	546.10	545.50	-8.60
Natural Resources	2,535.60	2,515.93	2,510.93	-24.67
Public Defender	614.85	619.85	619.85	5.00
Public Instruction	643.00	643.00	643.00	0.00
Public Service Commission	154.75	154.75	154.75	0.00

**TABLE 3 (continued)**

**Summary of All Funds Full-Time Equivalent Positions by Agency**

<u>Agency</u>	2020-21	<u>Act 58</u>		2022-23 Act 58
	<u>Base</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Change to Base</u>
Revenue	1,182.03	1,178.00	1,178.00	-4.03
Safety and Professional Services	241.14	246.14	242.14	1.00
Secretary of State	2.00	2.00	2.00	0.00
State Fair Park Board	47.00	47.00	47.00	0.00
State Treasurer	1.00	1.00	1.00	0.00
Supreme Court	236.25	232.85	232.85	-3.40
Tourism	34.00	34.00	34.00	0.00
Transportation	3,244.11	3,238.91	3,238.91	-5.20
University of Wisconsin System	35,671.25	35,671.25	35,671.25	0.00
Veterans Affairs	1,269.36	1,242.43	1,242.43	-26.93
Wisconsin Technical College System	55.00	55.00	55.00	0.00
Workforce Development	<u>1,707.05</u>	<u>1,615.45</u>	<u>1,610.45</u>	<u>-96.60</u>
Total	71,480.59	71,322.60	71,306.40	-174.19

**Full-Time Equivalent Position Summary by Funding Source**

<u>Agency</u>	2020-21	<u>Act 58</u>		2022-23 Act 58
	<u>Base</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Change to Base</u>
GPR	35,558.12	35,601.02	35,610.31	52.19
FED	10,172.38	10,048.32	10,025.12	-147.26
PR	20,918.98	20,862.06	20,859.77	-59.21
SEG	<u>4,831.11</u>	<u>4,811.20</u>	<u>4,811.20</u>	<u>-19.91</u>
Total	71,480.59	71,322.60	71,306.40	-174.19



## **OVERVIEW**

### **GENERAL FUND BUDGET AND POSITION SUMMARIES**



**TABLE 4****2021-23 General Fund Condition Statement**

	<u>2021-22</u>	<u>2022-23</u>
<b>Revenues</b>		
Opening Balance, July 1	\$2,520,354,800	\$2,001,404,000
Taxes*	18,570,664,000	19,457,864,000
Departmental Revenues		
Tribal Gaming Revenues	0	20,764,200
Other	<u>464,355,600</u>	<u>471,370,400</u>
Total Available	\$21,555,374,400	\$21,951,402,600
<b>Appropriations, Transfers, and Reserves</b>		
Gross Appropriations	\$19,302,516,200	\$19,752,699,400
Transfers to:		
Transportation Fund	178,869,600	97,289,300
Building Trust Fund	15,000,000	0
MA Trust Fund	174,665,900	527,783,700
UI Trust Fund	60,000,000	60,000,000
Compensation Reserves	41,929,200	105,951,600
Less Lapses	<u>-219,010,500</u>	<u>-267,069,300</u>
Net Appropriations	\$19,553,970,400	\$20,276,654,700
<b>Balances</b>		
Gross Balance	\$2,001,404,000	\$1,674,747,900
Less Required Statutory Balance	<u>-90,000,000</u>	<u>-95,000,000</u>
Net Balance, June 30	\$1,911,404,000	\$1,579,747,900

\*Includes the estimated fiscal effects of 2021 Acts 1 and 2, which were enacted on February 18, 2021.

**TABLE 5**

**Estimated 2021-23 General Fund Taxes**

<u>Tax Source</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2021-23</u>	<u>Percent of Total</u>
Individual Income	\$8,680,464,000	\$9,115,564,000	\$17,796,028,000	46.8%
Sales and Use	6,639,600,000	6,844,500,000	13,484,100,000	35.5
Corporate Income/Franchise	1,910,000,000	2,160,000,000	4,070,000,000	10.7
Public Utility	354,000,000	352,000,000	706,000,000	1.9
Excise				
Cigarette	494,000,000	483,000,000	977,000,000	2.6
Tobacco Products	96,000,000	100,000,000	196,000,000	0.5
Vapor Products	1,700,000	2,000,000	3,700,000	<0.1
Liquor and Wine	60,000,000	61,000,000	121,000,000	0.3
Beer	8,900,000	8,800,000	17,700,000	<0.1
Insurance Company	209,000,000	217,000,000	426,000,000	1.1
Miscellaneous	<u>117,000,000</u>	<u>114,000,000</u>	<u>231,000,000</u>	<u>0.6</u>
TOTAL*	\$18,570,664,000	\$19,457,864,000	\$38,028,528,000	100.0%

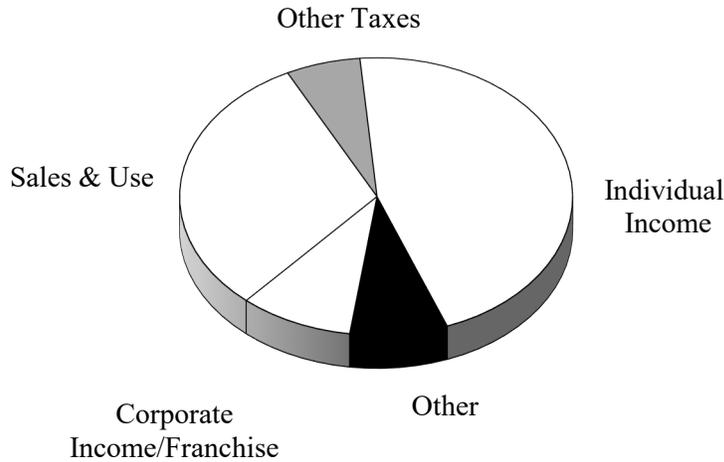
\*Includes the estimated fiscal effects of 2021 Acts 1 and 2, which were enacted on February 18, 2021.

**TABLE 6****Estimated 2021-23 Departmental Revenues**

	<u>2021-22</u>	<u>2022-23</u>	<u>2021-23</u>
Administration	\$5,750,000	\$5,780,900	\$11,530,900
Agriculture, Trade and Consumer Protection	51,500	51,500	103,000
Appropriation Obligation Bonds	180,679,800	188,652,000	369,331,800
Children and Families	45,300	45,300	90,600
Circuit Courts	35,188,700	34,080,100	69,268,800
Corrections	3,400,000	3,141,300	6,541,300
Court of Appeals	115,900	110,500	226,400
Educational Communications Board	8,900	8,900	17,800
Financial Institutions	83,076,700	84,191,500	167,268,200
Health Services	44,307,500	44,307,500	88,615,000
Higher Educational Aids Board	300,000	500,000	800,000
Insurance Commissioner	23,877,100	23,682,100	47,559,200
Interest Earnings	3,000,000	1,500,000	4,500,000
Military Affairs	200,000	200,000	400,000
Miscellaneous Appropriations	10,669,300	10,669,300	21,338,600
Natural Resources	5,100,000	5,150,000	10,250,000
Public Defender	2,500	2,500	5,000
Public Instruction	400,000	400,000	800,000
Public Service Commission	1,899,400	1,877,700	3,777,100
Revenue	33,840,000	34,340,000	68,180,000
Safety and Professional Services	1,700,000	1,900,000	3,600,000
Secretary of State	100,000	100,000	200,000
Shared Revenue and Tax Relief	9,026,300	9,026,300	18,052,600
Supreme Court	26,700	23,000	49,700
Transportation	2,800,000	2,800,000	5,600,000
University of Wisconsin System	18,500,000	18,500,000	37,000,000
Wisconsin Economic Development Corporation	250,000	250,000	500,000
Workforce Development	<u>40,000</u>	<u>80,000</u>	<u>120,000</u>
Subtotal	\$464,355,600	\$471,370,400	\$935,726,000
Tribal Gaming	<u>0</u>	<u>20,764,200</u>	<u>20,764,200</u>
Total	\$464,355,600	\$492,134,600	\$956,490,200

**FIGURE 3**

**Estimated 2021-23 General Fund Revenues**

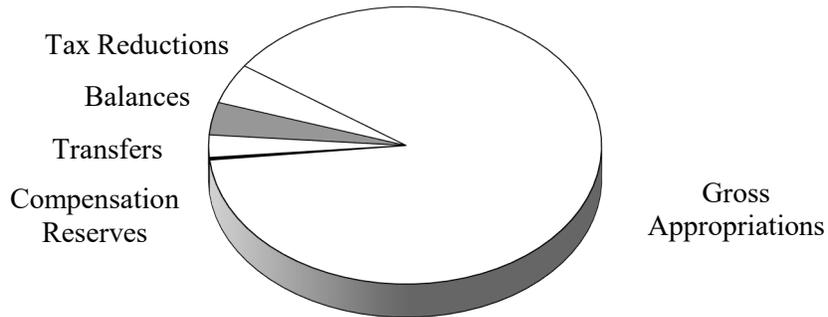


<u>Tax Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Individual Income*	\$19,860,000,000	45.6%
Sales & Use*	13,485,000,000	31.0
Corporate Income/Franchise	4,070,000,000	9.3
Public Utility	706,000,000	1.6
Excise		
Cigarette	977,000,000	2.2
Tobacco Products	196,000,000	0.4
Vapor Products	3,700,000	<0.1
Liquor and Wine	121,000,000	0.3
Beer	17,700,000	<0.1
Insurance	426,000,000	1.0
Miscellaneous	231,000,000	0.5
Total -- Taxes	\$40,093,400,000	92.0%
<u>Other</u>		
Opening Balance, July 1, 2021	\$2,520,354,800	5.8%
Departmental Revenues	956,490,200	2.2
Total -- Other	\$3,476,845,000	8.0%
<b>GRAND TOTAL</b>	<b>\$43,570,245,000</b>	<b>100.0%</b>

\*Estimated taxes prior to: (a) \$2,063,972,000 of individual income tax reductions; and (b) \$900,000 of sales and use tax reductions.

## FIGURE 4

### Use of 2021-23 General Fund Revenues



<u>Use</u>	<u>Amount</u>	<u>Percent of Total</u>
General Fund Tax Reductions	(\$2,064,872,000)	(4.7%)
Individual Income Rate Reduction	2,013,500,000	4.6
Other	51,372,000	0.1
Gross Appropriations	39,055,215,600	88.6
Compensation Reserves	147,880,800	0.3
Transfers	(1,113,608,500)	(2.6)
Transportation Fund	276,158,900	0.6
Building Trust Fund	15,000,000	<0.1
MA Trust Fund	702,449,600	1.6
UI Trust Fund	120,000,000	0.3
Balances	(1,674,747,900)	(3.8)
Statutory Balance	95,000,000	0.2
Net Balance	<u>1,579,747,900</u>	<u>3.6</u>
<b>GROSS TOTAL</b>	<b>\$44,056,324,800</b>	<b>100.0%</b>
Less Lapses	<u>-486,079,800</u>	
<b>NET TOTAL</b>	<b>\$43,570,245,000</b>	

**TABLE 7**

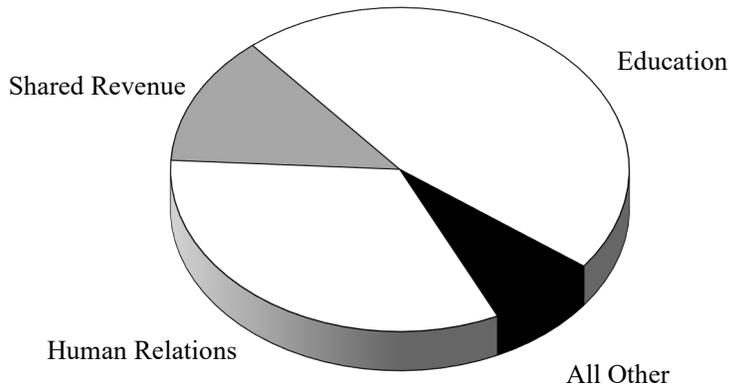
**Summary of General Fund Appropriations by Agency**

<u>Agency</u>	2020-21 Adjusted <u>Base Doubled</u>	<u>Act 58</u>			<u>2021-23 Act 58 Change Over Base</u>	
		<u>2021-22</u>	<u>2022-23</u>	<u>2021-23</u>	<u>Amount</u>	<u>%</u>
Administration	\$36,667,200	17,617,500	17,220,800	34,838,300	-1,828,900	-5.0%
Agriculture, Trade and Consumer Protection	58,973,600	30,978,800	31,076,900	62,055,700	3,082,100	5.2
Appropriation Obligation Bonds	834,040,000	281,188,500	311,179,800	592,368,300	-241,671,700	-29.0
Board for People with Developmental Disabilities	240,000	129,000	129,000	258,000	18,000	7.5
Board of Commissioners of Public Lands	3,522,400	1,599,000	1,609,000	3,208,000	-314,400	-8.9
Board on Aging and Long-Term Care	3,266,400	1,664,400	1,665,000	3,329,400	63,000	1.9
Building Commission	63,763,600	35,546,100	42,172,100	77,718,200	13,954,600	21.9
Child Abuse and Neglect Prevention Board	1,990,000	995,000	995,000	1,990,000	0	0.0
Children and Families	973,317,600	494,763,800	498,800,000	993,563,800	20,246,200	2.1
Circuit Courts	214,725,600	105,845,100	107,387,200	213,232,300	-1,493,300	-0.7
Compensation Reserves	---	41,929,200	105,951,600	147,880,800	147,880,800	N.A.
Corrections	2,549,799,000	1,284,865,000	1,304,395,400	2,589,260,400	39,461,400	1.5
Court of Appeals	23,320,800	11,321,800	11,341,100	22,662,900	-657,900	-2.8
District Attorneys	102,045,400	53,708,600	54,290,900	107,999,500	5,954,100	5.8
Educational Communications Board	12,506,400	6,146,900	5,745,100	11,892,000	-614,400	-4.9
Elections Commission	9,411,400	4,784,500	4,788,100	9,572,600	161,200	1.7
Employee Trust Funds	112,800	42,000	33,100	75,100	-37,700	-33.4
Employment Relations Commission	1,840,400	856,500	858,300	1,714,800	-125,600	-6.8
Environmental Improvement Fund	18,996,200	8,428,900	6,538,300	14,967,200	-4,029,000	-21.2
Ethics Commission	1,850,000	987,600	998,000	1,985,600	135,600	7.3
Governor	8,327,400	4,237,300	4,237,300	8,474,600	147,200	1.8
Health Services	8,815,593,400	4,426,862,700	4,432,714,200	8,859,576,900	43,983,500	0.5
Higher Educational Aids Board	287,083,000	143,593,900	143,593,900	287,187,800	104,800	<0.1
Historical Society	43,914,000	21,352,000	21,575,600	42,927,600	-986,400	-2.2
Insurance	144,547,400	41,544,800	34,233,200	75,778,000	-68,769,400	-47.6

<u>Agency</u>	2020-21 Adjusted <u>Base Doubled</u>	<u>Act 58</u>			<u>2021-23 Act 58 Change Over Base</u>	
		<u>2021-22</u>	<u>2022-23</u>	<u>2021-23</u>	<u>Amount</u>	<u>%</u>
Judicial Commission	\$644,400	\$345,000	\$345,600	\$690,600	\$46,200	7.2%
Justice	127,654,800	73,690,400	76,330,400	150,020,800	22,366,000	17.5
Labor and Industry Review Commission	341,000	149,500	149,500	299,000	-42,000	-12.3
Legislature	160,016,600	85,856,600	85,346,500	171,203,100	11,186,500	7.0
Lieutenant Governor	875,800	470,500	470,500	941,000	65,200	7.4
Medical College of Wisconsin	21,994,600	10,907,900	10,910,300	21,818,200	-176,400	-0.8
Military Affairs	62,718,800	30,088,900	29,358,100	59,447,000	-3,271,800	-5.2
Miscellaneous Appropriations	301,475,000	161,618,800	155,119,400	316,738,200	15,263,200	5.1
Natural Resources	211,932,400	103,043,700	94,482,300	197,526,000	-14,406,400	-6.8
Program Supplements	14,282,000	29,780,400	235,095,500	264,875,900	250,593,900	1,754.6
Public Defender	215,887,200	112,005,500	112,008,200	224,013,700	8,126,500	3.8
Public Instruction	13,590,141,800	7,019,968,700	7,223,378,800	14,243,347,500	653,205,700	4.8
Revenue	382,254,200	187,306,000	187,294,800	374,600,800	-7,653,400	-2.0
Shared Revenue and Tax Relief	5,450,834,000	2,559,738,900	2,552,077,300	5,111,816,200	-339,017,800	-6.2
State Fair Park Board	4,876,000	2,072,800	1,667,500	3,740,300	-1,135,700	-23.3
Supreme Court	36,021,400	17,371,100	17,376,700	34,747,800	-1,273,600	-3.5
Tourism	10,701,400	6,758,100	6,758,100	13,516,200	2,814,800	26.3
Transportation	232,191,000	102,108,700	90,806,300	192,915,000	-39,276,000	-16.9
University of Wisconsin System	2,375,172,000	1,189,086,000	1,193,309,300	2,382,395,300	7,223,300	0.3
Veterans Affairs	5,511,200	2,853,700	1,992,100	4,845,800	-665,400	-12.1
Wisconsin Economic Development Corporation	25,101,400	8,250,700	6,650,700	14,901,400	-10,200,000	-40.6
Wisconsin Technical College System	1,064,719,800	565,837,300	579,837,300	1,145,674,600	80,954,800	7.6
Workforce Development	<u>107,731,600</u>	<u>54,147,300</u>	<u>54,356,900</u>	<u>108,504,200</u>	<u>772,600</u>	0.7
Total	\$38,612,932,400	\$19,344,445,400	\$19,858,651,000	\$39,203,096,400	\$590,164,000	1.5%

**FIGURE 5**

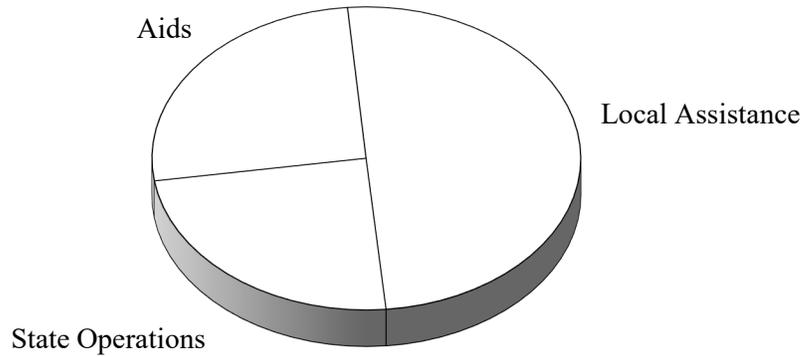
**2021-23 General Fund Appropriations  
By Functional Area**



<u>Functional Area</u>	<u>Amount</u>	<u>Percent of Total</u>
Education	\$18,135,243,000	46.3%
Human Relations and Resources	12,880,809,600	32.9
Shared Revenue and Tax Relief	5,111,816,200	13.0
All Other		
General Executive	1,250,078,000	3.2
General Appropriations	659,332,300	1.7
Environmental Resources	418,924,400	1.0
Judicial	271,333,600	0.7
Legislative	171,203,100	0.4
Commerce	156,475,400	0.4
Compensation Reserves	<u>147,880,800</u>	<u>0.4</u>
<b>TOTAL</b>	<b>\$39,203,096,400</b>	<b>100.0%</b>

**FIGURE 6**

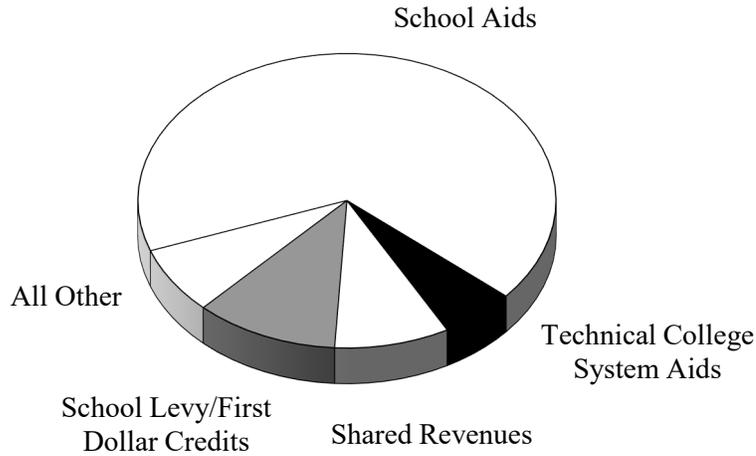
**2021-23 General Fund Appropriations  
By Purpose**



<u>Purpose</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Assistance	\$19,555,946,300	49.9%
Aids to Individuals and Organizations	10,197,924,000	26.0
State Operations	(9,449,226,100)	(24.1)
Corrections	2,511,380,100	6.4
UW System	2,382,395,300	6.1
Other Programs	4,407,569,900	11.2
Compensation Reserves	<u>147,880,800</u>	<u>0.4</u>
TOTAL	\$39,203,096,400	100.0%

**FIGURE 7**

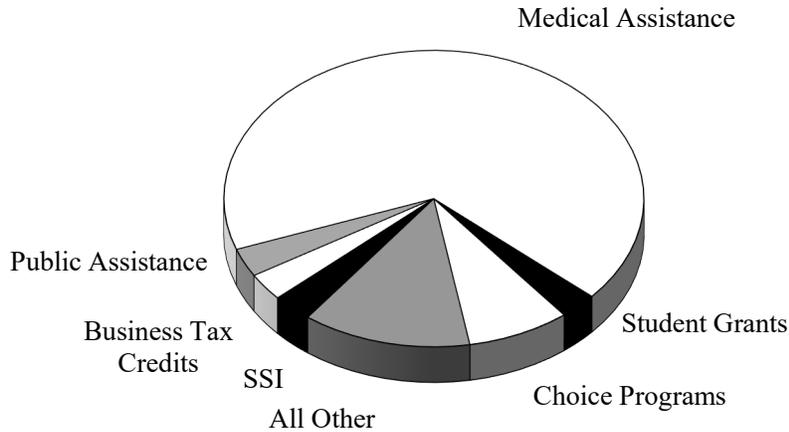
**2021-23 General Fund Appropriations  
Local Assistance**



<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
Elementary and Secondary School Aids	\$13,061,862,100	66.8%
School Levy/First Dollar Tax Credits	2,176,637,900	11.1
Shared Revenues	1,753,837,100	9.0
Technical College System Aids	1,139,486,600	5.8
Community and Juvenile Correctional Services	620,452,600	3.2
Aid for Exempt Computer Property	196,094,200	1.0
Aid for Exempt Personal Property	148,413,600	0.8
Income Maintenance and Circuit Court Payments	107,854,700	0.5
Other	<u>351,307,500</u>	<u>1.8</u>
<b>TOTAL</b>	<b>\$19,555,946,300</b>	<b>100.0%</b>

**FIGURE 8**

**2021-23 General Fund Appropriations  
Aids to Individuals and Organizations**

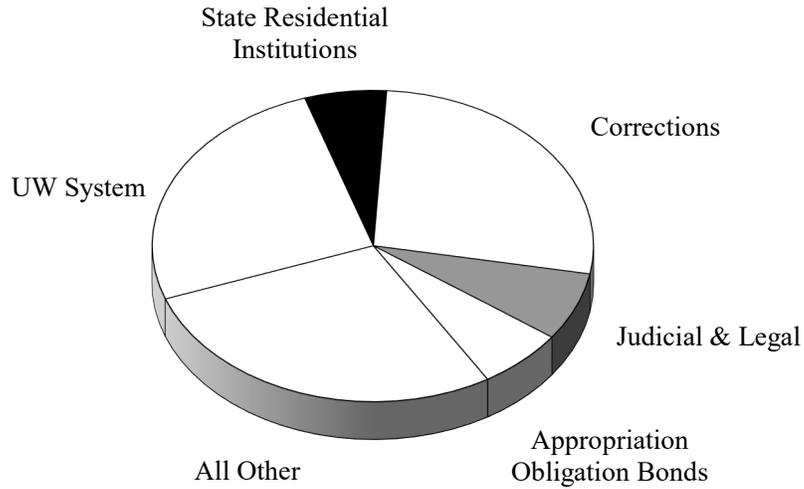


<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
Medical Assistance Benefits*	\$6,918,343,900	67.8%
Private School Choice Programs	875,895,900	8.6
Public Assistance	320,610,400	3.1
Supplemental Security Income	316,810,800	3.1
Student Grants and Aids	299,860,400	2.9
Individual Tax Credits	280,400,000	2.7
Refundable Business Tax Credits	272,505,000	2.8
Independent Charter Schools	176,344,900	1.7
Milwaukee Child Welfare	139,518,300	1.4
Out-of-Home Care and Adoption Services	106,401,800	1.1
Other	491,232,600	4.8
<b>TOTAL</b>	<b>\$10,197,924,000</b>	<b>100.0%</b>

\*Excludes \$702,449,600 transferred to the segregated MA Trust Fund.

**FIGURE 9**

**2021-23 General Fund Appropriations  
State Operations**



<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
Correctional Operations	\$2,511,380,100	26.6%
UW System	2,382,135,300	25.2
Judicial and Legal Services	662,732,200	7.0
Appropriation Obligation Bonds	592,368,300	6.3
State Residential Institutions	555,429,900	5.9
Tax Administration	374,600,800	4.0
Health Services/Workforce Development	357,305,000	3.8
Joint Finance -- Supplemental Appropriation	264,478,900	2.8
Income Tax Reciprocity	231,400,000	2.4
Conservation Fund -- Forestry Account	223,744,400	2.4
Transportation Debt Service	192,915,000	2.0
Natural Resources	175,948,400	1.9
Legislature	171,203,100	1.8
Other	<u>753,584,700</u>	<u>7.9</u>
<b>TOTAL</b>	<b>\$9,449,226,100</b>	<b>100.0%</b>

**TABLE 8**  
**Distribution of 2021-23 General Fund Appropriations**

	<u>Amount</u>	<u>Total % of Category</u>	<u>% of Total</u>
<b>LOCAL ASSISTANCE</b>			
Elementary and Secondary School Aids	\$13,061,862,100	66.8%	33.3%
School Levy/First Dollar Tax Credits	2,176,637,900	11.1	5.5
Shared Revenues	1,753,837,100	9.0	4.5
Technical College System Aids	1,139,486,600	5.8	2.9
Community and Juvenile Correctional Services	620,452,600	3.2	1.6
Aid for Exempt Computer Property	196,094,200	1.0	0.5
Aid for Exempt Personal Property	148,413,600	0.8	0.4
Income Maintenance and Circuit Court Payments	107,854,700	0.5	0.3
Other	<u>351,307,500</u>	<u>1.8</u>	<u>0.9</u>
TOTAL--LOCAL ASSISTANCE	\$19,555,946,300	100.0%	49.9%
<b>AIDS TO INDIVIDUALS AND ORGANIZATIONS</b>			
Medical Assistance Benefits*	\$6,918,343,900	67.8%	17.6%
Private School Choice Programs	875,895,900	8.6	2.2
Public Assistance	320,610,400	3.1	0.8
Supplemental Security Income	316,810,800	3.1	0.8
Student Grants and Aids	299,860,400	2.9	0.8
Individual Tax Credits	280,400,000	2.8	0.7
Refundable Business Tax Credits	272,505,000	2.7	0.7
Independent Charter Schools	176,344,900	1.7	0.4
Milwaukee Child Welfare	139,518,300	1.4	0.4
Out-of-Home Care and Adoption Services	106,401,800	1.1	0.3
Other	<u>491,232,600</u>	<u>4.8</u>	<u>1.3</u>
TOTAL--AIDS	\$10,197,924,000	100.0%	26.0%
<b>STATE OPERATIONS</b>			
Correctional Operations	\$2,511,380,100	26.6%	6.4%
UW System	2,382,135,300	25.2	6.1
Judicial and Legal Services	662,732,200	7.0	1.7
Appropriation Obligation Bonds	592,368,300	6.3	1.5
State Residential Institutions	555,429,900	5.9	1.4
Tax Administration	374,600,800	4.0	1.0
Health Services/Workforce Development	357,305,000	3.8	0.9
Joint Finance -- Supplemental Appropriation	264,478,900	2.8	0.7
Income Tax Reciprocity	231,400,000	2.4	0.6
Conservation Fund -- Forestry Account	223,744,400	2.4	0.6
Transportation Debt Service	192,915,000	2.0	0.5
Natural Resources	175,948,400	1.9	0.4
Legislature	171,203,100	1.8	0.4
Other	<u>753,584,700</u>	<u>7.9</u>	<u>1.9</u>
TOTAL--STATE OPERATIONS	\$9,449,226,100	100.0%	24.1%
<b>GRAND TOTAL</b>	<b>\$39,203,096,400</b>		<b>100.0%</b>

\*Excludes \$702,449,600 transferred to the segregated MA Trust Fund.

**TABLE 9****2021-23 General Fund Appropriations  
Ten Largest General Fund Programs**

	<u>Amount</u>	<u>Total % of Total</u>	<u>Cumulative % of Total</u>
Elementary and Secondary School Aids	\$13,061,862,100	33.3%	33.3%
Medical Assistance Benefits*	6,918,343,900	17.6	50.9
Correctional Operations	2,511,380,100	6.4	57.3
UW System	2,382,135,300	6.1	63.4
School Levy/First Dollar Tax Credits	2,176,637,900	5.5	68.9
Shared Revenues	1,753,837,100	4.5	73.4
Technical College System Aids	1,139,486,600	2.9	76.3
Private School Choice Programs	875,895,900	2.2	78.5
Judicial and Legal Services	662,732,200	1.7	80.2
Community and Juvenile Correctional Services	620,452,600	1.6	81.8
Subtotal	\$32,102,763,700	81.8%	
All Other Programs	7,100,332,700	18.2%	100.0%
GRAND TOTAL	\$39,203,096,400	100.0%	

\*Excludes \$702,449,600 transferred to the segregated MA Trust Fund.

**TABLE 10**

**Summary of General Fund Full-Time Equivalent Positions by Agency**

<u>Agency</u>	2020-21	<u>Act 58</u>		2022-23 Act 58
	<u>Base</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Change to Base</u>
Administration	63.72	60.87	59.87	-3.85
Agriculture, Trade and Consumer Protection	199.40	201.40	201.40	2.00
Board of Commissioners of Public Lands	9.50	9.50	9.50	0.00
Board on Aging and Long-Term Care	20.48	20.48	20.48	0.00
Children and Families	232.92	232.92	232.92	0.00
Circuit Courts	527.00	535.00	543.00	16.00
Corrections	9,668.62	9,711.22	9,716.22	47.60
Court of Appeals	75.50	75.50	75.50	0.00
District Attorneys	449.00	456.40	456.40	7.40
Educational Communications Board	26.94	25.94	25.94	-1.00
Elections Commission	25.75	25.75	25.75	0.00
Employment Relations Commission	6.00	6.00	6.00	0.00
Ethics Commission	4.55	4.70	4.70	0.15
Governor	37.25	37.25	37.25	0.00
Health Services	2,657.23	2,643.55	2,642.84	-14.39
Higher Educational Aids Board	10.00	10.00	10.00	0.00
Historical Society	112.65	112.65	112.65	0.00
Judicial Commission	2.00	2.00	2.00	0.00
Justice	408.58	407.58	405.58	-3.00
Labor and Industry Review Commission	0.80	0.80	0.80	0.00
Legislature	758.17	758.17	758.17	0.00
Lieutenant Governor	5.00	5.00	5.00	0.00
Military Affairs	82.08	82.08	82.08	0.00
Natural Resources	223.52	222.52	222.52	-1.00
Public Defender	609.85	614.85	614.85	5.00
Public Instruction	252.47	252.47	252.47	0.00
Revenue	953.08	950.15	950.15	-2.93
Supreme Court	115.50	115.50	115.50	0.00
Tourism	32.00	32.00	32.00	0.00
University of Wisconsin System	17,814.49	17,814.49	17,814.49	0.00
Wisconsin Technical College System	23.25	23.25	23.25	0.00
Workforce Development	<u>150.82</u>	<u>151.03</u>	<u>151.03</u>	<u>0.21</u>
<b>Total</b>	<b>35,558.12</b>	<b>35,601.02</b>	<b>35,610.31</b>	<b>52.19</b>



## **OVERVIEW**

## **TRANSPORTATION FUND BUDGET**



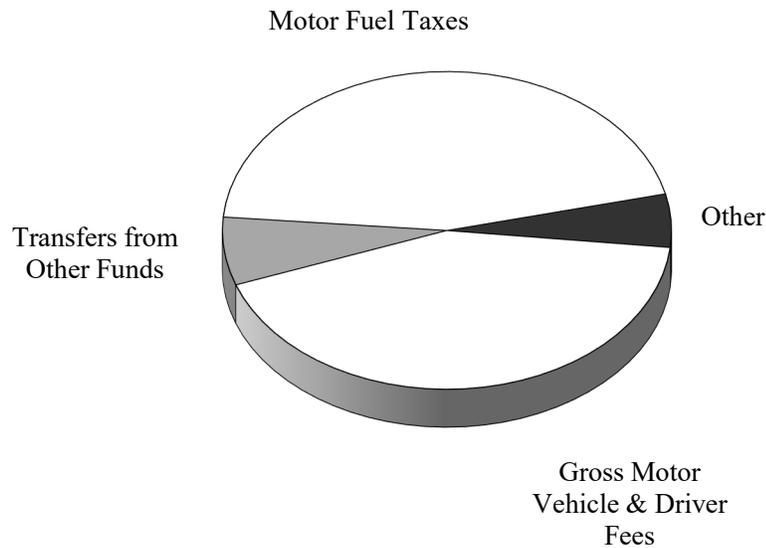
## TABLE 11

### 2021-23 Transportation Fund Condition Statement

	<u>2021-22</u>	<u>2022-23</u>
Unappropriated Balance, July 1	\$35,554,300	\$2,266,900
<b>Revenues</b>		
Motor Fuel Tax	\$1,025,431,900	\$1,046,468,800
Registration and Title Fees		
Registration Revenues	693,856,100	697,884,300
Title Revenues	219,189,900	226,227,300
Miscellaneous Motor Vehicle Fees	25,887,700	25,970,500
Less Revenue Bond Debt Service	-220,762,600	-215,893,800
General Fund Transfer	178,869,600	97,289,300
Petroleum Inspection Fee One-Cent Deposit	38,500,000	39,350,000
Petroleum Inspection Fund Unencumbered Balance	15,088,900	15,985,800
Petroleum Inspection Fund Ongoing Transfer	6,258,500	6,258,500
Driver's License Fees	40,743,100	41,511,000
Railroad Property Taxes	44,124,200	44,675,700
Aeronautical Fees and Taxes	9,828,100	10,685,100
Miscellaneous Departmental Revenues	29,347,000	31,203,700
Investment Earnings	<u>3,000,000</u>	<u>3,000,000</u>
Total Annual Revenues	\$2,109,362,400	\$2,070,616,200
 Total Available	 \$2,144,916,700	 \$2,072,883,100
<b>Appropriations and Reserves</b>		
DOT Appropriations	\$2,108,395,200	\$2,014,260,500
Compensation and Other Fund Reserves	10,000,000	12,000,000
Less Estimated Lapses	-3,000,000	-3,000,000
Other Agency Appropriations	<u>27,254,600</u>	<u>27,816,400</u>
Net Appropriations and Reserves	\$2,142,649,800	\$2,051,076,900
 Unappropriated Balance, June 30	 \$2,266,900	 \$21,806,200

## FIGURE 10

### Estimated 2021-23 Transportation Fund Revenues



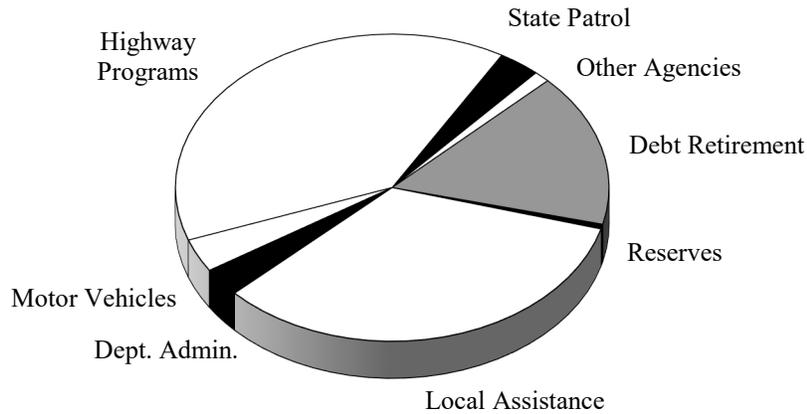
<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Motor Fuel Taxes	\$2,071,900,700	44.9%
Gross Motor Vehicle and Driver Fees*	1,971,269,900	42.7
Transfers from Other Funds	319,750,600	6.9
Petroleum Inspection Fee One-Cent Deposit	77,850,000	1.7
Railroad Property Taxes	88,799,900	1.9
Aeronautical Taxes and Fees	20,513,200	0.5
Miscellaneous Revenue	<u>66,550,700</u>	<u>1.4</u>
<b>Total</b>	<b>\$4,616,635,000</b>	<b>100.0%</b>

\*The amount shown is the total motor vehicle fee revenue before deductions for the payment of revenue bond debt service.

Note: The 2021-23 opening balance in the transportation fund totaled \$35.6 million, so the total amount of revenues available in the 2021-23 biennium is estimated at \$4,652.2 million.

## FIGURE 11

### 2021-23 Transportation Fund Appropriations By Category



<u>Category</u>	<u>Amount</u>	<u>Percent of Total</u>
Highway Programs*	1,807,122,900	39.0%
Local Assistance	1,556,509,600	33.6
Debt Retirement	749,280,400	16.1
Division of Motor Vehicles	160,508,500	3.5
Division of State Patrol	145,693,700	3.1
Department Administration	140,197,000	3.0
Other Agencies	55,071,000	1.2
Reserves	<u>22,000,000</u>	<u>0.5</u>
<b>Total</b>	<b>\$4,636,383,100</b>	<b>100.0%</b>

\*Does not include transportation fund-supported bond proceeds, but does include debt service on revenue bonds, which is subtracted from vehicle registration revenues prior to deposit in the transportation fund, and debt service on transportation fund-supported, general obligation bonds.

Note: Lapses to the transportation fund from the appropriations above are estimated to be \$6.0 million in 2021-23. Therefore, expenditures are estimated to be \$4,630.4 million.



## **OVERVIEW**

## **LOTTERY FUND BUDGET**



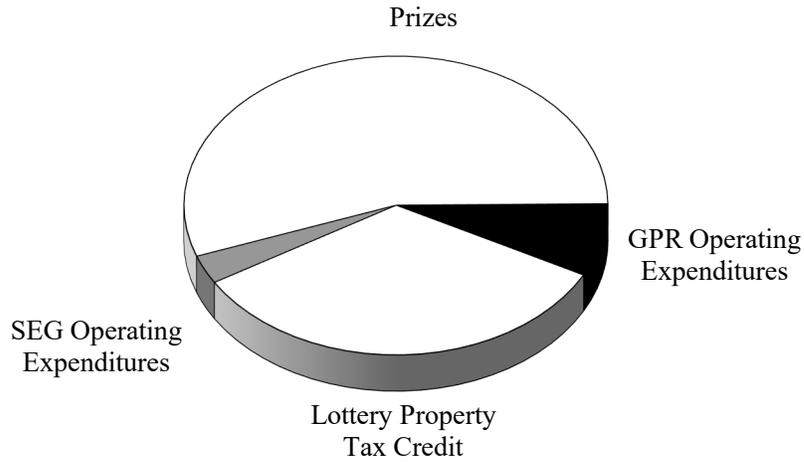
**TABLE 12****2021-23 Lottery Fund Condition Statement**

	<u>2021-22</u>	<u>2022-23</u>
Fiscal Year Opening Balance	\$82,200,400	\$16,316,000
<b>Operating Revenues</b>		
Total Ticket Sales	\$815,610,000	\$815,610,000
Retailer Fees and Miscellaneous	<u>192,200</u>	<u>192,200</u>
Gross Revenues	\$815,802,200	\$815,802,200
<b>Expenditures (SEG)</b>		
Prizes	\$510,560,800	\$510,560,800
General Program Operations	20,203,400	20,203,400
Retailer Compensation	5,258,700	5,305,000
Vendor Fees	2,589,100	937,000
Gaming Law Enforcement	466,100	475,600
Lottery Credit Administration	316,900	316,900
Program Reserves	<u>149,600</u>	<u>301,900</u>
Total SEG Expenditures	\$539,544,600	\$538,100,600
<b>Expenditures (GPR)</b>		
Retailer Compensation	\$52,046,700	\$51,999,600
Vendor Fees	<u>20,828,300</u>	<u>20,875,400</u>
Total GPR Expenditures	\$72,875,000	\$72,875,000
Net SEG Proceeds	\$276,257,600	\$277,701,600
Interest Earnings	\$80,000	\$80,000
Total Available for Tax Relief *	\$358,538,000	\$294,097,600
<b>Appropriations for Tax Relief</b>		
Lottery and Gaming Credit	\$341,556,400	\$277,116,000
Late Lottery and Gaming Credit Applications	<u>665,600</u>	<u>665,600</u>
Total Appropriations for Tax Relief	\$342,222,000	\$277,781,600
Gross Closing Balance	\$16,316,000	\$16,316,000
Reserve (2% of Gross Revenues)	\$16,316,000	\$16,316,000
Net Closing Balance	\$0	\$0

\*Opening balance, net SEG proceeds, and interest earnings.

**FIGURE 12**

**2021-23 Lottery Fund Expenditures**



	<u>Amount</u>	<u>Percent of Total</u>
<b>Prizes</b>	\$1,021,121,600	55.4%
<b>Lottery Property Tax Credit</b>	\$620,003,600	33.6%
<b>GPR Operating Expenditures</b>	(145,750,000)	(7.9%)
Retailer Compensation	104,046,300	5.6
Vendor Payments	41,703,700	2.3
<b>SEG Operating Expenditures</b>	(56,523,600)	(3.1%)
General Program Operations	40,406,800	2.2
Retailer Compensation	10,563,700	0.6
Vendor Payments	3,526,100	0.2
Appropriations to DOJ and DOR	1,575,500	0.1
Program Reserves and Miscellaneous	<u>451,500</u>	<u>&lt;0.1</u>
<b>TOTAL</b>	<b>\$1,843,398,800</b>	<b>100.0%</b>

# **STATE AGENCY BUDGET SUMMARIES**



## ADMINISTRATION

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$18,333,600	\$17,617,500	\$17,220,800	-\$1,828,900	- 5.0%	63.72	60.87	59.87	- 3.85	- 6.0%
FED	140,392,800	140,239,700	140,157,500	-388,400	- 0.1	60.80	55.80	55.80	- 5.00	- 8.2
PR	394,746,700	395,897,900	390,440,800	- 3,154,700	- 0.4	1,301.81	1,297.56	1,297.56	- 4.25	- 0.3
SEG	<u>55,520,700</u>	<u>55,403,800</u>	<u>55,361,000</u>	<u>- 276,600</u>	- 0.2	<u>12.75</u>	<u>12.55</u>	<u>12.55</u>	<u>- 0.20</u>	- 1.6
<b>TOTAL</b>	<b>\$608,993,800</b>	<b>\$609,158,900</b>	<b>\$603,180,100</b>	<b>-\$5,648,600</b>	<b>- 0.5%</b>	<b>1,439.08</b>	<b>1,426.78</b>	<b>1,425.78</b>	<b>- 13.30</b>	<b>- 0.9%</b>

### Budget Change Items

### General Agency Provisions

#### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Funding	Positions
GPR	\$133,100	- 1.00
FED	127,600	- 3.00
PR	2,726,100	0.00
SEG	<u>- 184,400</u>	<u>0.00</u>
<b>Total</b>	<b>\$2,802,400</b>	<b>- 4.00</b>

Provide adjustments to the base totaling \$97,000 GPR, \$104,900 FED, \$1,350,300 PR, and -\$70,800 SEG and -3.0 FED positions in 2021-22 and \$36,100 GPR, \$22,700 FED, \$1,375,800 PR, and -\$113,600 SEG and -1.0 GPR and -3.0 FED positions in 2022-23. Adjustments are for: (a) turnover reduction (-\$3,042,600 PR annually); (b) removal of non-continuing elements from the base (-\$119,900 FED and -\$37,600 SEG and -3.0 FED positions in 2021-22 and -\$62,100 GPR, -\$202,100 FED, and -\$80,400 SEG and -1.0 GPR and -3.0 FED positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits (\$323,800 GPR, \$305,200 FED, \$2,505,000 PR, and \$2,600 SEG annually); (d) reclassifications and semiautomatic pay progression (\$28,700 PR annually); (e) overtime (\$539,300 PR annually); (f) night and weekend differential pay (\$28,100 PR annually); (g) full funding of lease and directed moves costs (-\$226,800 GPR, -\$80,400 FED, \$1,291,800 PR, and -\$35,800 SEG in 2021-22 and -\$225,600 GPR, -\$80,400 FED, \$1,317,300 PR, and -\$35,800 SEG in 2022-23) and (h) minor transfers within the same alpha appropriation (\$0 PR annually).

#### 2. DEBT SERVICE ESTIMATE [LFB Paper 102]

GPR	- \$379,200
PR	<u>- 7,407,600</u>
<b>Total</b>	<b>- \$7,786,800</b>

Provide \$42,200 GPR and -\$962,500 PR in 2021-22 and -\$421,400 GPR and -\$6,445,100 PR in 2022-23 to reflect current law estimates of

debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) educational technology infrastructure in schools (\$54,400 GPR in 2021-22 and -\$371,000 GPR in 2022-23); (b) educational technology infrastructure for public library boards (\$1,100 GPR in 2021-22 and -\$2,100 GPR in 2022-23); (c) Black Point Estate in Lake Geneva (-\$13,300 GPR in 2021-22 and -\$48,300 GPR in 2022-23); (d) parking facilities in Madison (\$54,800 PR in 2021-22 and -\$769,900 PR in 2022-23; and (e) buildings used to house state agencies (-\$1,017,300 PR in 2021-22 and -\$5,675,200 PR in 2022-23).

**3. POSITION REALLOCATIONS**

Provide -\$258,000 FED, \$304,100 PR, and -\$46,100 SEG and -2.0 FED, 2.2 PR, and -0.2 SEG positions annually.

	Funding	Positions
FED	-\$516,000	- 2.00
PR	608,200	2.20
SEG	<u>- 92,200</u>	<u>- 0.20</u>
Total	\$0	0.00

Positions and funding are deleted from the following Department of Administration (DOA) appropriations: (a) services to non-state governmental units; entity contract (\$114,400 PR and 1.0 PR position annually); (b) materials and services to state agencies and certain districts (\$148,400 PR and 0.85 PR position annually); (c) federal aid (\$144,800 FED and 1.0 FED position annually); (d) general program operations - environmental improvement programs; state funds (\$46,100 SEG and 0.2 SEG position annually); (e) housing and community development, federal aid; state operations (\$113,200 FED and 1.0 FED position annually); and (f) general program operations; bingo (\$171,200 PR and 2.15 PR positions annually).

Positions and funding are provided to the following DOA appropriations: (a) printing, mail, communication, and information technology services; state agencies (\$159,200 PR and 1.55 PR positions annually); (b) capital planning and building construction services (\$113,600 PR and 0.5 PR position annually); (c) enterprise resource planning system (\$153,100 PR and 1.0 PR position annually); (d) financial services (\$141,000 PR and 1.0 PR position annually); (e) general program operations; Indian gaming (\$84,100 PR and 0.8 PR position annually); and (f) general program operations; raffles (\$87,100 PR and 1.35 PR positions annually).

**4. GENERAL PROGRAM OPERATIONS REDUCTION**

GPR	-\$2,470,600
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Reduce the general program operations; supervision and management appropriation by -\$1,235,300 annually.

**5. POSITION REDUCTIONS**

Delete 2.85 GPR and 7.05 PR positions annually from the following appropriations: (a) 1.0 unclassified and 1.85 classified GPR positions [General program operations, 20.505(1)(a)]; (b) 1.0 PR position [Materials and services to state agencies and certain districts, 20.505(1)(ka)]; (c) 3.0 PR positions [Enterprise resource planning system, 20.505(1)(kd)]; (d) 0.15 PR position [Financial services, 20.505(1)(kj)]; (e) 2.1 PR positions [Printing, mail, communication, and information technology services;

	Positions
GPR	- 2.85
PR	<u>- 7.05</u>
Total	- 9.90

agencies, 20.505(1)(kL)]; (f) 0.3 PR position [Personnel management general program operations, 20.505(1)(kz)]; and (g) 0.5 PR position [Hearings and appeals fees, 20.505(4)(kp)].

**6. SERVICE AWARD CAP AND SUM SUFFICIENT ESTIMATE [LFB Paper 102]**

GPR	-\$159,200
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Eliminate the statutory cap on the total amount provided each year by DOA for length-of-service awards. In addition, estimate expenditures for the service award program by -\$143,500 in 2021-22 and -\$15,700 in 2022-23. The service award program assists municipalities and counties in retaining volunteer fire fighters, first responders, and emergency medical technicians through state matching contributions to volunteers' retirement accounts. The program is funded by a sum sufficient GPR appropriation, with expenditures limited to \$2.9 million annually.

[Act 58 Sections: 13, 14, 81, and 82]

**7. HUMAN RESOURCES POSITION ADJUSTMENTS [LFB Paper 130]**

Positions	
PR	0.60

Modify funding and position authority under DPM's general program operations appropriation as follows: (a) provide 0.60 position annually; (b) provide \$87,800 annually for salaries and fringe benefits; and (c) delete \$87,800 annually from supplies and services. Specify that the incumbent employees occupying the positions also be transferred. In addition, specify that an incumbent employee transferred under the provision would retain the same rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be require to serve a probationary period.

Under 2017 Act 59, human resources positions and functions were transferred from most executive branch agencies to the Division of Personnel Management in DOA. The modifications above provide for: the transfer of positions that continue to perform personnel management functions in other agencies to DOA (0.6 PR position from Workforce Development and 1.0 PR position from Health Services); and the transfer of 1.0 PR position that is not performing personnel management functions from DOA to Transportation. Funding in Health Services and Workforce Development associated with the positions is transferred from salaries and fringe benefits to supplies and services, to pay assessments to DOA for services provided. Funding in Transportation is transferred from supplies and services to salaries and fringe benefits to support the position being transferred from DOA. [See "Health Services -- Departmentwide," "Transportation -- Departmentwide," and "Workforce Development -- Departmentwide."]

[Act 58 Sections: 9101(1), 9119(1), and 9150(1)]

## Housing and Homelessness

1. **SHELTER FOR HOMELESS AND HOUSING GRANTS** [LFB Paper 116] 

GPR	\$1,200,000
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Provide \$600,000 annually to DOA's shelter for homeless and housing grants appropriation to support the housing assistance program.

2. **HOMELESS EMPLOYMENT PROGRAM MATCH**

Modify the homeless employment program to require municipalities to provide a match of at least \$10,000, rather than at least \$50,000. The Department indicates that the program did not receive any applications in 2018-19 or 2019-20 because of the proportionally high match requirement.

[Act 58 Section: 15]

3. **PROGRAM OPERATIONS REDUCTION**

GPR	-\$153,000
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Adjust the general program operations; housing and community development appropriation by -\$76,500 annually.

## Division of Gaming

1. **TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE** [LFB Paper 145] 

GPR-Tribal	\$20,764,200
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Deposit tribal gaming revenues of \$20,764,200 in 2022-23 into the general fund. In addition, appropriate \$30,469,900 in 2021-22 and \$30,410,000 in 2022-23 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) tribal gaming regulation in DOA [\$2,079,100 in 2021-22 and \$2,079,300 in 2022-23]; (b) tribal gaming law enforcement in the Department of Justice (DOJ) [\$200,300 annually]; and (c) allocations totaling \$28,190,500 in 2021-22 and \$28,130,400 in 2022-23 to various state agencies for programs.

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

Under current law, Indian gaming receipts are credited to: (a) the DOA general program

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

Under the compacts, payments to the state may be proportionally reduced in the event of a natural or man-made disaster that affects gaming operations. In 2019-20, payments were postponed because of casino closures during the COVID-19 pandemic. As a result, DOA's gaming receipts appropriation is expected to have a closing balance of -\$28,430,900 in 2020-21. Tribes are scheduled to submit the postponed 2019-20 payment in three installments (in 2021-22, 2022-23, and 2023-24). These scheduled payments are included in the estimated tribal payments for the 2021-23 biennium. The calculation for the general fund tribal revenue is summarized in the following table.

### **General Fund Revenue, Tribal Gaming**

	<u>2021-22</u>	<u>2022-23</u>
Opening Balance	-\$28,430,900	-\$10,267,600
Estimated Tribal Payments	\$54,897,100	\$60,458,100
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	<u>300,000</u>	<u>600,000</u>
Total Revenue	\$55,687,700	\$61,548,700
Program Allocations to State Agencies	\$30,469,900	\$30,410,000
Program Reserves*	7,054,500	106,900
Tribal Gaming General Fund Revenue	\$0	\$20,764,200

\*Includes \$7 million reserved in the Joint Committee on Finance's supplemental appropriation for tribal assistance grants.

As noted, allocations under the act to state agencies, including allocations to DOA and DOJ for regulation and law enforcement, total \$30,469,900 in 2021-22 and \$30,410,000 in 2022-23. Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

## 2021-23 Tribal Gaming Revenue Appropriations

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2021-22</u>	<u>2022-23</u>	
1	Administration	\$0	\$0	Tribal assistance grants.*
4	Administration	350,000	350,000	Youth treatment wellness center.
5	Administration	563,200	563,200	County management assistance grant program.
6	Administration	356,800	356,800	UW-Green Bay and Oneida Tribe programs assistance grants.
7	Administration	79,500	79,500	Tribal governmental services and technical assistance.
8	Children and Families	1,867,500	1,867,500	Tribal family services grants.
9	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
10	Corrections	50,000	50,000	American Indian tribal community reintegration program.
11	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
12	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
13	Health Services	445,500	445,500	Indian substance abuse prevention education.
14	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
15	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
16	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
17	Health Services	106,900	106,900	American Indian health projects.
18	Health Services	22,500	22,500	American Indian diabetes and control.
19	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
20	Higher Education Aids Board	481,800	481,800	Wisconsin Grant Program for tribal college students
21	Higher Education Aids Board	405,000	405,000	Tribal College Payments
22	Historical Society	229,800	229,800	Northern Great Lakes Center operations funding.
23	Historical Society	265,600	265,600	Collection preservation storage facility.
24	Justice	695,000	695,000	Tribal law enforcement grant program.
25	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
26	Justice	490,000	490,000	County law enforcement grant program.
27	Justice	123,900	123,900	County-tribal law enforcement programs: state operations.
28	Kickapoo Valley Reserve Board	73,600	73,600	Law enforcement services at the Kickapoo Valley Reserve.
29	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
30	Natural Resources	174,700	174,700	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
31	Natural Resources	128,700	128,700	Management of an elk reintroduction program.
32	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
33	Natural Resources	83,000	83,000	Reintroduction of whooping cranes.
34	Natural Resources	1,284,900	1,284,900	State snowmobile enforcement program, safety training and fatality reporting.

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2021-22</u>	<u>2022-23</u>	
35	Public Instruction	\$222,800	\$222,800	Tribal language revitalization grants.
36	Tourism	8,967,100	8,967,100	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
37	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
38	Tourism	24,900	24,900	State aid for the arts.
39	Transportation	435,600	435,600	Elderly transportation grants.
40	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
41	University of Wisconsin System	245,700	185,600	Ashland full-scale aquaculture demonstration facility debt service payments.
42	University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.
43	Veterans Affairs	100,800	100,800	American Indian services veterans benefits coordinator position.
44	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
45	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
46	Workforce Development	<u>314,900</u>	<u>314,900</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	\$28,190,500	\$28,130,400	
47	Administration	\$2,079,100	\$2,079,300	General program operations for Indian gaming regulation under the compacts.
48	Justice	<u>200,300</u>	<u>200,300</u>	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/Enforcement)	\$2,279,400	\$2,279,600	
	Total Appropriations	\$30,469,900	\$30,410,000	

\* While funds are not provided to DOA, \$7 million is reserved in the Joint Committee on Finance's supplemental appropriation for tribal assistance grants.

## 2. NATIVE AMERICAN ASSISTANCE GRANTS [LFB Paper 146]

Reserve \$7,000,000 PR in 2021-22 in the Joint Committee on Finance's PR appropriation for assistance grants. Specify that DOA establish the amount of each grant based on the pro-rata number of employees employed by the tribe or band as of December 31, 2019. Specify that each tribe or band may use grant funds as it deems necessary to support programs to meet the needs of members of the tribe or band. Grant funds may not be used to pay gaming-related expenses. Sunset the program on July 1, 2022.

[Act 58 Sections: 11, 12, 78, 79, 84, 85, and 9401(1)]

**3. TRIBAL YOUTH WELLNESS CENTER [LFB Paper 147]**

PR	\$700,000
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Provide \$350,000 on a one-time basis during the 2021-23 biennium, funded by tribal gaming revenues, to build a youth substance abuse and mental health treatment center led by the Great Lakes Inter-Tribal Council. Modify DOA's existing appropriation for the center to repeal the limitation that funds may only be used to create architectural plans. Under 2019 Act 9, one-time funding of \$640,000 was provided to create architectural plans for the center. Additional funds will be used to develop operational plans, complete program design, and secure a suitable location for the center.

[Act 58 Section: 80]

**4. UW-GREEN BAY SUMMER CAMP PROGRAMS [LFB Paper 150]**

PR	\$218,600
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Provide \$109,300 on a one-time basis during the 2021-23 biennium, funded by tribal gaming revenues, to the University of Wisconsin-Green Bay. The administration indicates that funds will be used for educational summer camp programs developed in partnership with the Oneida Nation of Wisconsin. Funds will support STEM-related (science, technology, engineering and mathematics) camps for up to 288 students in grades three through 11 and provide access to UW-Green Bay's college credit program for high school students.

**5. BINGO AND RAFFLE APPROPRIATION [LFB Paper 151]**

Combine the PR appropriations for raffle and bingo program operations. The act does not modify bingo or raffle fees, nor does it modify the total amount authorized for program operations.

Under current law, bingo and raffle licenses may be granted to any local religious, charitable, service, fraternal, or veterans' organization, and to any organization to which contributions are deductible for tax purposes. Fees are deposited in appropriations for bingo and raffle regulation, respectively. The Wisconsin Constitution requires that state revenues from charitable bingo be used for property tax relief, with the exception of funds used for regulation.

In 2019-20, the bingo appropriation had an unsupported overdraft of \$38,100 and no bingo revenue was transferred to the lottery fund. Revenues from bingo have declined in recent years, while revenues from raffles have increased. The administration indicates that combining the appropriations will increase administrative flexibility, as revenues from raffle fees will help offset the bingo overdraft. Base funding for bingo regulation is \$359,500 and 3.2 positions, while base funding for raffle regulation is \$299,000 and 2.9 positions.

[Act 58 Sections: 83, 86, 168, 280, and 404 thru 411]

## AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$29,486,800	\$30,978,800	\$31,076,900	\$3,082,100	5.2%	199.40	201.40	201.40	2.00	1.0%
FED	12,230,800	11,550,400	11,359,300	-1,551,900	-6.3	87.62	89.52	83.52	-4.10	-4.7
PR	28,892,600	30,142,800	30,239,500	2,597,100	4.5	218.77	217.87	217.87	-0.90	-0.4
SEG	<u>36,084,200</u>	<u>37,736,900</u>	<u>38,137,200</u>	<u>3,705,700</u>	5.1	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.00</u>	0.0
TOTAL	\$106,694,400	\$110,408,900	\$110,812,900	\$7,833,000	3.7%	636.29	639.29	633.29	-3.00	-0.5%
BR		\$7,000,000								

### Budget Change Items

### Departmentwide

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$249,800 GPR, -\$226,800 PR and -\$112,300 FED annually); (b) removal of non-continuing elements from the base (-\$212,900 PR each year with -3.0 PR positions, and -\$420,500 FED in 2021-22 and -\$639,000 FED in 2022-23 with -6.0 positions); (c) full funding of continuing position salaries and fringe benefits (\$560,600 GPR, \$770,500 PR, \$391,400 SEG, and -\$95,800 FED each year); (d) reclassifications and semi-automatic pay progression (\$11,600 PR in 2021-22 and \$17,400 PR in 2022-23, and \$50,700 SEG in 2021-22 and \$58,200 SEG in 2022-23); and (e) full funding of lease and directed moves costs (\$133,200 GPR, -\$33,400 PR, -\$42,400 SEG, and -\$63,400 FED each year).

	Funding	Positions
GPR	\$888,000	0.00
PR	623,800	-3.00
SEG	806,900	0.00
FED	<u>-1,602,500</u>	<u>-6.00</u>
Total	\$716,200	-9.00

**2. BUREAU OF LABORATORY SERVICES STAFFING [LFB Paper 155]**

Provide 1.0 PR position and \$90,200 PR, \$33,800 SEG, \$7,500 GPR, and \$7,500 FED in 2021-22, and \$113,300 PR, \$42,600 SEG, \$9,400 GPR, and \$9,400 FED in 2022-23 to support staff within the Bureau of Laboratory Services (BLS). BLS analyzes samples gathered during

	Funding	Positions
PR	\$203,500	1.00
SEG	76,400	0.00
GPR	16,900	0.00
FED	<u>16,900</u>	<u>0.00</u>
Total	\$313,700	1.00

inspections and regulatory actions under the food safety, industrial hemp, and agrichemical management programs. The Bureau charges Department programs for its services, with the charges reflected as expenditures to those programs and as revenues to the laboratory. Funding of \$69,500 PR in 2021-22 and \$87,300 PR in 2022-23 is directly associated with the 1.0 PR position, while other funding requested reflects an equal amount of appropriation authority sufficient for the food safety, industrial hemp and agrichemical management programs to pay charges for Bureau services.

**3. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES**

PR	\$650,000
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Provide \$300,000 in 2021-22 and \$350,000 in 2022-23 for additional expenditures for information technology services throughout the Department. DATCP information technology services are funded from assessments charged to appropriations of other DATCP programs. Total budgeted amounts for computer system equipment, staff, and services are \$3.5 million each year of the biennium.

**4. POSITION REALIGNMENT**

Transfer the following positions and associated salary and fringe benefit costs shown in the table between appropriations to align the funding sources of the positions with their current duties within the Department.

	Funding	Positions
PR	\$23,400	0.10
FED	- 11,000	- 0.10
SEG	<u>1,200</u>	<u>0.00</u>
Total	\$13,600	0.00

**DATCP Position Realignment**

<u>Division/Appropriation</u>	<u>Fund</u>	<u>Annual Funding</u>	<u>Positions 2021-23</u>
<b><i>Food and Recreational Safety</i></b>			
Fruit and vegetable inspection	PR	-\$78,500	-1.20
Dairy trade regulation	PR	9,800	0.15
<b><i>Trade and Consumer Protection</i></b>			
Public warehouse regulation	PR	\$3,300	0.05
Federal funds; trade and consumer protection	FED	154,700	2.00
Telephone solicitation regulation	PR	65,700	1.00
<b><i>Agricultural Development</i></b>			
Federal funds; client assistance program	FED	-\$154,700	-2.00
<b><i>Agricultural Resource Management</i></b>			
Industrial hemp	PR	\$31,800	0.40
Agricultural impact statements	PR	-58,200	-0.80
Soil and water administration	SEG	600	0.00
<b><i>Management Services</i></b>			
General laboratory services	PR	\$37,800	0.50
Indirect cost reimbursements	FED	<u>-5,500</u>	<u>-0.10</u>
Total		\$6,800	0.00

The transfers result in a net change of \$6,800 annually and affect funds by source annually as follows: (a) \$11,700 PR with 0.10 positions; (b) -\$5,500 FED with -0.10 positions; and (c) \$600 SEG.

PR	- \$180,200
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**5. PROGRAM REVENUE ESTIMATES**

Estimate program revenue appropriations associated with fruit and vegetable inspection (-\$50,000 annually), agricultural resource management services (-\$17,100 annually), and agricultural impact statements (-\$23,000 annually) to reflect anticipated revenues and expenditures in the 2021-23 biennium. These appropriations are continuing appropriations, meaning DATCP may expend all monies received for the purposes identified in the appropriation. The estimates are intended to align budgeted expenditures for the year with anticipated revenues.

**6. FEDERAL REVENUE ESTIMATES**

FED	- \$217,600
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Estimate appropriations receiving federal revenue associated with: (a) the Client Assistance Program (-\$68,800 annually) received by the Division of Agricultural Development from the U.S. Department of Education; and (b) funding related to pesticide regulation (-\$40,000) received by the Bureau of Agrichemical Management from the U.S. Environmental Protection Agency.

**7. DEBT SERVICE ESTIMATES [LFB Paper 102]**

GPR	\$77,300
SEG	<u>- 600,000</u>
Total	- \$522,700

Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -\$1,000 GPR in 2022-23 for debt service on past upgrades to the Wisconsin Veterinary Diagnostic Laboratory (WVDL); (b) \$45,000 GPR in 2021-22 and \$33,300 GPR in 2022-23 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program (CREP), a state-federal land and water conservation program; and (c) -\$408,700 SEG in 2021-22 and -\$191,300 SEG in 2022-23 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to landowners for structural best management practices installed under the soil and water resource management (SWRM) program. Under Act 58, debt service is budgeted as follows: (a) for WVDL upgrades, \$1,800 GPR in 2021-22 and \$800 GPR in 2022-23; (b) for CREP, \$1,268,900 GPR in 2021-22 and \$1,257,200 GPR in 2022-23; and (c) for SWRM grants, \$4,443,500 SEG in 2021-22 and \$4,660,900 SEG in 2022-23.

## **Agricultural Assistance**

### **1. AGRICULTURAL EXPORT PROMOTION [LFB Paper 166]**

Create a continuing appropriation for promotion of agricultural exports and allocate \$558,400 GPR each year in the Joint Committee on Finance supplemental appropriation. DATCP may request release of the funding by the Committee under s. 13.10 of the statutes. The fiscal effect of this item is shown under "Program Supplements."

[Act 58 Section: 23]

### **2. MEAT PROCESSOR GRANTS [LFB Paper 161]**

Create a meat processor grant program and biennial appropriation for grants to facilities that slaughter animals for human consumption, or that process meat or meat products, excluding rendering plants. Provide \$200,000 GPR each year in the Joint Committee on Finance supplemental appropriation for meat processor grants. DATCP may request release of the funding by the Committee under s. 13.10 of the statutes. The fiscal effect of this item is shown under "Program Supplements."

[Act 58 Sections: 26 and 336]

### **3. DAIRY PROMOTION AND PROCESSOR GRANTS [LFB Paper 162]**

Delete the \$200,000 GPR annual allocation for dairy promotion and reallocate funding to the dairy processor grant program on a one-time basis during the 2021-23 biennium. As a result, dairy processor grants have funding of \$400,000 GPR each year during the 2021-23 biennium, including \$200,000 of base funding and \$200,000 in one-time funding. Dairy promotion grants have no ongoing funding under Act 58.

The dairy processor grant program provides funding to projects at dairy processing plants that would, among other goals, grow the processing plant, contribute to processor innovation, or improve production and profitability. Eligible projects may include plant modernization and expansion, food safety improvements, staff training, and hiring of professional consultants. Historically, dairy promotion grants supported business improvements for dairy producers as well as scholarships for students pursuing education in dairy farming. However, the appropriation has been lapsed to the general fund since 2018-19.

### **4. FARMER MENTAL HEALTH ASSISTANCE [LFB Paper 168]**

GPR	\$200,000
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Provide \$100,000 annually on a one-time basis during the 2021-23 biennium to maintain expiring funding for farmer mental health assistance programming. DATCP was provided

\$100,000 each year of the 2019-21 biennium for farmer mental assistance, which supported: (a) a contract for 24/7 counseling support for farmers with immediate need for mental health assistance; (b) in-person and virtual counseling sessions with mental health professionals; (c) development of a podcast addressing challenges facing Wisconsin farmers; (d) hosting workshops for farmers related to decision making, problem solving, planning, and family communication; (e) hosting and facilitating virtual support groups for farmers and farm couples; and (f) hosting training sessions for agriculture industry professionals on how to identify the warning signs of suicidal ideation and encourage farmers to seek assistance.

## Environment

### 1. COUNTY CONSERVATION STAFF [LFB Paper 157]

GPR	\$1,460,600
SEG	<u>2,921,200</u>
Total	\$4,381,800

Provide an additional \$1,377,300 nonpoint SEG and \$688,600 GPR in 2021-22, and \$1,543,900 nonpoint SEG and \$772,000 GPR in 2022-23 for county conservation staffing grants on a one-time basis during the 2021-23 biennium. Under Act 58, county conservation staffing grants are budgeted a total of \$11,030,000 in 2021-22 and \$11,280,000 in 2022-23, consisting of \$7,314,200 nonpoint SEG and \$3,715,800 GPR in 2021-22, and \$7,480,800 nonpoint SEG and \$3,799,200 GPR in 2022-23.

Grants support county staff that perform work related to state goals for soil and water conservation. Funds are awarded in a tiered process, providing each county full funding for its first position, 70% funding for its second position, and 50% funding for subsequent positions as available funds allow. In the 2021 allocation, first positions at each county were fully funded, and approximately two-thirds of requested state cost-share amounts for second positions were funded. Funding is anticipated to support the state's cost-share of second positions in all counties. Second positions were last fully funded in the 2010 allocation.

### 2. PRODUCER-LED WATERSHED PROTECTION GRANTS [LFB Paper 156]

SEG	\$500,000
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Increase the statutory cap on annual awards for the producer-led watershed protection grant program from \$750,000 to \$1,000,000 and allocate an additional \$250,000 nonpoint SEG annually for producer-led grants. Specify that increased funding be provided on a one-time basis during the 2021-23 biennium. Producer-led watershed protection grants provide funding to farmer-led groups for collaboration activities and cost-sharing to reduce nonpoint pollution in farms' local watersheds.

[Act 58 Section: 27]

**3. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY**

BR	\$7,000,000
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Provide \$7 million in additional bonding authority for cost-sharing grants in the soil and water resource management (SWRM) program. SWRM cost-sharing grants funded by bond revenues support landowner installation of structural best management practices at agricultural sites to reduce soil erosion from agricultural lands and to provide for manure storage and containment. DATCP has been authorized \$7 million in new bonding authority in each biennium beginning in 2007-09, and the Department typically provides \$3.5 million per year for grants to landowners.

In general, state law requires that agricultural landowners receive a cost-sharing offer of at least 70% of the cost of installing a structure or practice if the landowner is to be required to modify an existing structure or operation. Funding for these activities comes from both nonpoint SEG and DATCP general obligation bonding authority; nonstructural practices cannot be supported by bonding and are funded from nonpoint SEG.

[Act 58 Section: 111]

### Regulatory Programs

**1. MEAT INSPECTION PROGRAM STAFF** [LFB Paper 170]

	Funding	Positions
GPR	\$262,300	2.00
FED	<u>262,300</u>	<u>2.00</u>
Total	\$524,600	4.00

Provide \$118,400 GPR and \$118,400 FED in 2021-22, and \$143,900 GPR and \$143,900 FED in 2022-23 with 2.0 GPR and 2.0 FED four-year project positions for meat inspection staff, expiring on June 30, 2025. DATCP's meat safety program conducts inspection of animal and poultry slaughtering and processing in establishments not otherwise inspected by the U.S. Department of Agriculture (USDA). State-inspected facilities are typically smaller operations. The state-funded portion of the inspection program is supported by GPR, and USDA provides matching FED. State inspection programs by law must enforce standards that are "at least equal to" federal food-safety standards, including having sufficient levels of staffing to meet required inspections of processing establishments.

**2. MATCHING FUNDS FOR MEAT INSPECTION** [LFB Paper 170] 

GPR	\$177,000
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Provide \$88,500 each year for additional supplies and services costs associated with the Department's meat inspection program. In general, meat inspection staff are supported by equal amounts GPR and FED, and FED amounts are adjusted regularly to reflect increasing costs over time. The Department reports funding is intended to ensure sufficient state matching funds for current meat inspection staffing and federal funding levels, whereas the preceding item provides 4.0 new positions on a matching basis.

**3. FOOD, LODGING AND RECREATION REGULATION**

PR	\$1,107,000
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Provide \$553,500 in each year of the biennium for additional expenditures associated with the Division of Food and Recreational Safety, including \$253,500 each year associated with updates to the Division's data management system. The Division of Food and Recreational Safety regulates and collects license and other fees associated with: (a) food production, processing, and distribution, including dairy farms, food warehouses, restaurants, and grocery stores; and (b) lodging and recreation facilities, including hotels, campgrounds, and swimming pools. Total budgeted amounts from fees for food, lodging, and recreation regulation are \$11.4 million each year of the biennium under Act 58.

**4. DOG REGULATION AND RABIES CONTROL PROGRAM OVERDRAFT [LFB Paper 171]**

PR-Transfer	\$450,000
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Transfer \$450,000 in 2021-22 from the Veterinary Examining Board PR appropriation to the dog licenses, rabies control, and related services appropriation to alleviate the appropriation's 2020-21 year-end deficit. The appropriation supports: (a) regulation and licensing of animal shelters and control facilities, and dog breeders and sellers; (b) assisting local governments in administering dog licensing and rabies control laws; and (c) training and certification of humane officers. The appropriation receives revenues from: (a) fees imposed on dog sellers, shelters, and animal control facilities; (b) a portion of dog license fees paid by owners to local units of government; (c) training and certification fees associated with DATCP's humane officer training and certification program; and (d) training fees associated with rabies control programs.

DATCP has initiated rulemaking to modify fees to address the ongoing imbalance in the program's revenues and expenditures. Beginning in 2020, DATCP has convened an advisory group of retail dog sellers, dog breeders, humane societies, animal control facilities, veterinarians, and breed rescue groups to assist in revising fees.

[Act 58 Sections: 22 and 9202(1)]

**5. VETERINARY EXAMINING BOARD STAFF [LFB Paper 173]**

	Funding	Positions
PR	\$156,800	1.00

Provide \$69,500 in 2021-22 and \$87,300 in 2022-23 with 1.0 position to support licensing and regulatory oversight functions of the Veterinary Examining Board. The Board was transferred to DATCP from the Department of Safety and Professional Services under 2015 Act 55 but has never been authorized permanent position authority to support its operations. The position is funded from fees imposed on veterinarians and veterinary technicians regulated by the Board.

**6. ENFORCEMENT COST RECOVERY**

PR	\$12,800
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Provide \$6,400 in each year of the biennium for additional expenditures of revenue received from court proceedings to offset the Department's costs of enforcement of its statutorily-delegated regulatory authority. The appropriation is budgeted \$11,000 each year of the biennium, and had a balance of \$69,300 as of June 30, 2020.

## APPROPRIATION OBLIGATION BONDS

Budget Summary					FTE Position Summary	
	2020-21 Adjusted Base	<u>Act 58</u> 2021-22      2022-23		2021-23 Change Over <u>Base Year Doubled</u> Amount      %		There are no full time positions associated with appropriation obligation bonds.
GPR	\$417,020,000	\$281,188,500	\$311,179,800	-\$241,671,700	- 29.0%	

### Budget Change Items

#### 1. APPROPRIATION OBLIGATION BOND DEBT SERVICE ESTIMATE -- PENSION BONDS

GPR	-\$253,331,900
GPR-Lapse	<u>272,504,500</u>
Net GPR	\$19,172,600

Reduce funding by -\$135,831,500 in 2021-22 and -\$117,500,400 in 2022-23 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 year or the following year. Compared to the base level funding of \$317,261,300, smaller payments are scheduled in 2021-22 and 2022-23. Therefore, the GPR appropriation in 2021-22 and 2022-23 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 2020-21, an estimated \$142,181,700 will lapse to the general fund. In 2021-22 and 2022-23, with the proposed reductions to the appropriation, the related lapse amounts are also reduced. DOA anticipates lapses of \$750,000 in 2021-22 and \$11,108,900 in 2022-23. The net effect of these adjustments would be an increase in net expenditures of \$19,172,600, as shown in the table below.

#### Pension Bonds

	<u>Base Year</u> <u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	Change to Base Year <u>Doubled</u>
GPR	\$317,261,300	\$181,429,800	\$199,760,900	-\$253,331,900
GPR-Lapse	<u>-142,181,700</u>	<u>-750,000</u>	<u>-11,108,900</u>	<u>272,504,500</u>
Net GPR	\$175,079,600	\$180,679,800	\$188,652,000	\$19,172,600

For the 2021-23 biennium, the GPR appropriation is lower than the 2020-21 base amount (doubled) by \$253.3 million. However, the lapse amount is \$272.5 million less. The net effect is an increase in net GPR expenditures of \$19.2 million for the biennium.

**2. APPROPRIATION OBLIGATION BOND DEBT SERVICE ESTIMATE -- TOBACCO BONDS**

GPR	\$11,660,200
GPR-Lapse	<u>35,659,300</u>
Net GPR	\$47,319,500

Provide \$11,660,200 in 2022-23 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 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 \$99,758,700, a larger payment is scheduled in 2023-24. Therefore, the GPR appropriation in 2022-23 is increased 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 2020-21, an estimated \$22,735,700 will lapse to the general fund. DOA anticipates lapses of \$5,000 in 2021-22 and \$9,807,100 in 2022-23. The net effect of these adjustments would be an increase in net expenditures of \$47,319,500, as shown in the table below.

**Tobacco Bonds**

	Base Year <u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	Change to Base Year <u>Doubled</u>
GPR	\$99,758,700	\$99,758,700	\$111,418,900	\$11,660,200
GPR-Lapse	<u>-22,735,700</u>	<u>-5,000</u>	<u>-9,807,100</u>	<u>35,659,300</u>
Net GPR	\$77,023,000	\$99,753,700	\$101,611,800	\$47,319,500

For the 2021-23 biennium, the GPR appropriation will increase over the 2020-21 base amount (doubled) by \$11.7 million. In addition, the lapse amount will be \$35.6 million less. The net effect is an increase of GPR expenditures of \$47.3 million for the biennium.

## BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$120,000	\$129,000	\$129,000	\$18,000	7.5%	0.00	0.00	0.00	0.00	N.A.
FED	<u>1,499,000</u>	<u>1,642,300</u>	<u>1,568,400</u>	<u>212,700</u>	7.1	<u>9.60</u>	<u>8.60</u>	<u>7.00</u>	<u>- 2.60</u>	- 27.1
<b>TOTAL</b>	<b>\$1,619,000</b>	<b>\$1,771,300</b>	<b>\$1,697,400</b>	<b>\$230,700</b>	<b>7.1%</b>	<b>9.60</b>	<b>8.60</b>	<b>7.00</b>	<b>- 2.60</b>	<b>- 27.1%</b>

### Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

	Funding	Positions
GPR	\$18,000	0.00
FED	<u>212,700</u>	<u>- 2.60</u>
<b>Total</b>	<b>\$230,700</b>	<b>- 2.60</b>

Provide \$152,300 (\$9,000 GPR and \$143,300 FED) in 2021-22 and \$78,400 (\$9,000 GPR and \$69,400 FED) in 2022-23, and delete 1.0 FED position in 2021-22 and 2.6 FED positions in 2022-23, to reflect the net effect of the following standard budget adjustments: (a) removal of non-continuing elements from the base (-\$45,200 FED in 2021-22 and -\$119,100 FED in 2022-23 and -1.0 FED position in 2021-22 and -2.6 FED positions in 2022-23); (b) full funding of continuing position salaries and fringe benefits (\$196,400 FED annually); and (c) full funding of lease payments and directed moves costs (\$9,000 GPR and -\$7,900 FED annually).

## BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$1,761,200	\$1,599,000	\$1,609,000	-\$314,400	- 8.9%	9.50	9.50	9.50	0.00	0.0%
FED	52,700	52,700	52,700	0	0.0	0.00	0.00	0.00	0.00	N.A.
<b>TOTAL</b>	<b>\$1,813,900</b>	<b>\$1,651,700</b>	<b>\$1,661,700</b>	<b>-\$314,400</b>	<b>- 8.7%</b>	<b>9.50</b>	<b>9.50</b>	<b>9.50</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	-\$158,800
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Reduce agency operations by \$79,400 annually for adjustments to the base budget as follows: (a) -\$71,500 for full funding of salaries and fringe benefits of continuing positions; and (b) -\$7,900 for full funding of lease costs and directed moves.

**2. OPERATIONS APPROPRIATION ADJUSTMENTS [LFB Paper 175]**

GPR	-\$195,600
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Reallocate \$76,500 annually from the supplies and services allotment within the Board's general operations appropriation, to provide \$56,400 to the permanent position salary allotment and \$20,100 to the fringe benefit allotment. BCPL had three vacant positions at the time the adjusted base budget and standard budget adjustments were calculated, reducing the salary and fringe allotments below levels at which the Board would normally fill the positions. The Board intends to fill all positions for the 2021-23 biennium. The reallocation restores funding for permanent position salaries and fringe benefits deleted under standard budget adjustments.

Additionally, reduce the agency operations appropriation by \$97,800 annually. Board operations are budgeted at \$1,584,000 annually in the 2021-23 biennium, a \$177,200 reduction from the \$1,761,200 base budget.

**3. AIDS IN LIEU OF TAXES [LFB Paper 176]**

GPR	\$40,000
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Create an annual GPR appropriation to fund aids in lieu of property taxes on BCPL-owned land. Amend the statutes to allow BCPL to pay aids in lieu of taxes from the general fund, rather than from the income of the school trust funds. Provide \$15,000 in 2021-22 and \$25,000 in 2022-23.

Under s. 24.62(3) of the statutes, BCPL is required to pay aids in lieu of property taxes on all lands acquired by the Board after July 14, 2015, provided the lands were taxable or subject to payments in lieu of property taxes at the time of acquisition. BCPL pays an amount equal to the property taxes levied, or the state or federal aids payment made, in the year prior to acquisition.

[Act 58 Sections: 87 and 164]

#### **4. GIFTS AND GRANTS APPROPRIATION [LFB Paper 176]**

Create a continuing appropriation for gifts and grants received by the Board. Allow moneys in the appropriation to be expended for the purposes for which gifts are made. BCPL staff indicate the provision would allow the Board to receive cash gifts and grants that would assist Board operations. Prior to Act 58, the Board could receive any gifts designated for the school trust funds under the Board's management, but BCPL had limited ability to directly receive grants or donations to assist operations involving investments or trust lands.

[Act 58 Section: 88]

## BOARD ON AGING AND LONG-TERM CARE

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$1,633,200	\$1,664,400	\$1,665,000	\$63,000	1.9%	20.48	20.48	20.48	0.00	0.0%
PR	<u>2,079,900</u>	<u>2,053,100</u>	<u>2,054,300</u>	<u>- 52,400</u>	- 1.3	<u>24.02</u>	<u>24.02</u>	<u>24.02</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$3,713,100</b>	<b>\$3,717,500</b>	<b>\$3,719,300</b>	<b>\$10,600</b>	<b>0.1%</b>	<b>44.50</b>	<b>44.50</b>	<b>44.50</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$63,000
PR	<u>- 52,400</u>
<b>Total</b>	<b>\$10,600</b>

Provide \$4,400 (\$31,200 GPR and -\$26,800 PR) in 2021-22 and \$6,200 (\$31,800 GPR and -\$25,600 PR) in 2022-23 to fund the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$700 GPR and \$800 PR annually); and (b) full funding of lease payments and directed moves costs (\$30,500 GPR and -\$27,600 PR in 2021-22 and \$31,100 GPR and -\$26,400 PR in 2022-23).

# BONDING AUTHORIZATION

## 1. GENERAL OBLIGATION BONDING AUTHORITY SUMMARY SCHEDULE

Include a summary schedule of general obligation bonding in Act 58 totaling \$1,513,096,400, as indicated in the following table. In addition, include a summary schedule of estimated debt service on general obligation bonds, which indicates that all funds debt service would total \$903,721,000 in 2021-22 and \$892,818,800 in 2022-23. Debt service on general obligation bonds funded with general purpose revenue would total \$514,007,900 in 2021-22 and \$486,646,200 in 2022-23.

<u>Agency and Purpose</u>	<u>Amount</u>
<b>Administration</b>	
Energy Conservation Projects	\$25,000,000
<b>Agriculture, Trade and Consumer Protection</b>	
Soil and Water	7,000,000
<b>Building Commission</b>	
Other Public Purposes (All Agency Projects)	232,987,700
Housing State Agencies	24,086,000
North Central Health Care	5,000,000
WisCraft, Inc.–Beyond Vision Center–Milwaukee	5,000,000
Wisconsin Museum of Nature and Culture–Milwaukee	40,000,000
<b>Corrections</b>	
Correctional Facilities	37,821,900
Juvenile Correctional Facilities	4,000,000
<b>Health Services</b>	
Mental Health Facilities	60,367,400
<b>Historical Society</b>	
Historic Sites	8,321,000
<b>Military Affairs</b>	
Armories and Military Facilities	21,825,300
<b>Natural Resources</b>	
Contaminated Sediment Removal	4,000,000
Dam Safety Projects	10,000,000
Nonpoint Source	6,500,000
Urban Nonpoint Source Cost-Sharing	4,000,000
Knowles-Nelson Stewardship	90,000,000
Recreation Development	13,261,700
SEG Revenue Supported Facilities	33,583,500

<u>Agency and Purpose</u>	<u>Amount</u>
<b>Public Instruction</b>	
State School, State Center	\$17,611,700
<b>Public Service Commission</b>	
Broadband Grants	125,000,000
<b>Transportation</b>	
Freight Rail	20,000,000
Interstate 94 East-West	40,000,000
Alternative Contracting - Design-Build	20,000,000
Harbor Assistance	15,300,000
<b>University of Wisconsin System</b>	
Academic Facilities	540,612,000
Self-Amortizing Facilities	83,875,000
<b>Veterans Affairs</b>	
Veterans Facilities	7,190,900
Self-amortizing Facilities	<u>10,752,300</u>
TOTAL General Obligation Bonds*	\$1,513,096,400

\*Excludes \$2.0 billion of economic refunding bonds.

[Act 58 Section: 20]

## 2. REVENUE OBLIGATION BONDING SUMMARY SCHEDULE

Include a summary schedule of revenue bonding in Act 58 totaling \$152,958,200, as indicated in the following table.

[Act 58 Section: 20]

<u>Agency and Purpose</u>	<u>Amount</u>
<b>Environmental Improvement Program</b>	
Clean Water and Safe Drinking Water	\$24,700,000
<b>Transportation</b>	
Transportation Facilities and Major Highway Projects	<u>128,258,200</u>
TOTAL Revenue Obligation Bonds	\$152,958,200
GRAND TOTAL General and Revenue Obligation Bonds	\$1,666,054,600

# BUDGET MANAGEMENT AND COMPENSATION RESERVES

## Budget Change Items

### 1. REQUIRED GENERAL FUND STRUCTURAL BALANCE

Provide that s. 20.003(4m) of the statutes, which requires that no bill may be passed by the Legislature if the bill would cause estimated general fund expenditures to exceed estimated revenues in the second year of the biennium, would not apply to the action of the Legislature in adopting any legislation during the 2021-22 legislative session.

[Act 58 Section: 9128(1)]

### 2. COMPENSATION RESERVES [LFB Papers 230, 231, and 232]

Provide, in the 2021-23 general fund condition statement, total compensation reserves of \$41,929,200 GPR in 2021-22 and \$105,951,600 GPR in 2022-23 for cost increases related to state and UW System employee salaries and fringe benefits. Total compensation reserve amounts by fund source and fiscal year are shown in the following table.

<u>Fund Source</u>	<u>2021-22</u>	<u>2022-23</u>
General Purpose Revenue	\$41,929,200	\$105,951,600
Federal Revenue	6,627,800	16,346,500
Program Revenue	11,024,200	27,189,100
Segregated Revenue	<u>6,704,600</u>	<u>16,535,500</u>
Total	\$66,285,800	\$166,022,700

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

The GPR compensation reserve amounts related to state and UW System employee fringe benefits include the following: (a) \$17,511,700 in 2021-22 and \$35,748,900 in 2022-23 to support prior period and inflationary increases for fringe benefits; and (b) -\$1,467,700 in 2021-22 and -\$2,503,400 in 2022-23 associated with savings from employees opting out of the state's health insurance coverage net of the cost to provide \$2,000 annual opt-out incentive payments.

The GPR compensation reserve amounts related to salaries for employees include the following: (a) \$21,717,000 in 2021-22 and \$65,734,500 in 2020-23 intended to support a 2%

general wage adjustment for state and UW System employees on January 1, 2022, as well as another 2% general wage adjustment (GWA) for state and UW System employees on January 1, 2023; (b) \$1,750,000 annually to fund 50% of the cost of a \$5 per hour add-on for all hours worked by correctional officers and correctional sergeants at any adult correctional institution where the share of vacant correctional officer and correctional sergeant positions at the institution is more than 40%; (c) \$661,900 in 2021-22 and \$2,360,300 in 2022-23 for the purpose of increasing judge and justice salaries beyond the two 2% general wage adjustments by an additional 3% in 2021-22 (5% increase effective January, 2022) and by an additional 4% in 2022-23 (6% increase effective January, 2023); (d) \$1,000,000 annually to support market wage and parity adjustments for state employees in the classified service; (e) \$703,600 in 2021-22 and \$598,900 in 2022-23 to extend the retention incentive payment program for protective status employees of the Department of Corrections and the Department of Health Services, as structured in the 2019-21 compensation plan, through the 2021-23 biennium; (f) \$1,194,400 in 2022-23 to increase night and weekend differential pay rates to \$0.80 per hour each, beginning in January, 2023; and (g) \$52,700 in 2021-22 and \$68,000 in 2022-23 to fund a certified nursing assistant and resident care technician pay progression.

With regard to funding provided for a \$5 per hour add-on, specify that supplemental pay would apply to all hours worked by correctional officers and correctional sergeants at any adult correctional institution that meets the following criteria: (a) on or after the effective date of the bill, the share of vacant correctional officer and correctional sergeant positions at the institution is more than 40%; and (b) where the \$5 add-on is implemented under this provision, the add-on would continue to be paid until the vacancy rate for such positions has been 40% or less for six consecutive months. For an institution that reached the threshold vacancy rate after the effective date of the bill, the add-on would begin to be paid after the Division of Personnel Management (DPM) in the Department of Administration determined the criteria had been met. Include the \$5 add-on specifications as nonstatutory provisions, and direct that the administrator of DPM include the item in the proposed 2021-23 compensation plan.

With regard to the 2% general wage adjustments on January 1, 2022, and January 1, 2023, for state and UW System employees, amounts in compensation reserves are adjusted to account for groups of employees who would generally be ineligible to receive the pay increases (assistant and deputy district attorneys, assistant state public defenders, and assistant and deputy attorneys general), or who would receive pay increases as elected officials on a later date (state legislators, constitutional officers, and elected district attorneys).

Under the Wisconsin State Constitution, the compensation of a public officer may not be increased or decreased during the term of office, except that: (a) any increase in the compensation of members of the Legislature takes effect, for all Senators and Representatives, after the next general election beginning with the new Assembly term; and (b) any increase or decrease in the compensation of Justices of the Supreme Court or judges of any other court become effective for all Justices or judges, upon the election or appointment of any Justice or judge. Further, under state statute, the salary of each elected district attorney is established at the rate that is in effect for their office in the state employee compensation plan on the second Tuesday of July preceding the commencement of their term of office. Therefore, state legislators will next be eligible for a pay increase in January, 2023; the State Superintendent, whose coming term will begin July, 2021, would next be eligible for a pay increase when assuming office in July, 2025; other constitutional

officers would be eligible for a pay increase in January, 2023; and elected district attorneys would be eligible for a pay increase when assuming office in January, 2025.

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

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

The following table identifies the components of the compensation reserves calculation.

### **GPR and All-Funds Compensation Reserves Components**

	<u>2021-22</u>	<u>2022-23</u>	<u>2021-23 Biennium</u>
Prior Period and Inflationary Increases for			
Fringe Benefits	\$17,511,700	\$35,748,900	\$53,260,600
Opt-Out Incentive Savings	-1,467,700	-2,503,400	-3,971,100
General Wage Adjustments	21,717,000	65,734,500	87,451,500
\$5 Add-on for Correctional Vacancies	1,750,000	1,750,000	3,500,000
Judge and Justice Salary Increases	661,900	2,360,300	3,022,200
Market Wage and Parity Adjustments	1,000,000	1,000,000	2,000,000
Long-Term Service Awards	703,600	598,900	1,302,500
Night and Weekend Differential Increase	0	1,194,400	1,194,400
Nursing Assistant and Resident Care Technician			
Pay Progression	<u>52,700</u>	<u>68,000</u>	<u>120,700</u>
Compensation Reserves Total - GPR	\$41,929,200	\$105,951,600	\$147,880,800
 Compensation Reserves Total - All Funds	 \$66,285,800	 \$166,022,700	 \$232,308,500

[Act 58 Sections: 19 and 9101(5)]

## BUILDING COMMISSION

Budget Summary					FTE Position Summary	
Fund	2020-21	Act 58		2021-23 Change Over		
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount	
GPR	\$31,881,800	\$35,546,100	\$42,172,100	\$13,954,600	21.9%	
PR	1,023,200	455,200	647,000	- 944,200	- 46.1	
SEG	<u>1,024,200</u>	<u>1,024,200</u>	<u>1,024,200</u>	<u>0</u>	0.0	
TOTAL	\$33,929,200	\$37,025,500	\$43,843,300	\$13,010,400	19.2%	

### Budget Change Items

**1. DEBT SERVICE ESTIMATE [LFB Paper 102]**

GPR	\$13,954,600
PR	<u>- 944,200</u>
Total	\$13,010,400

Increase funding by \$3,664,300 GPR in 2021-22 and \$10,290,300 GPR in 2022-23 to reflect the estimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for GPR-supported bonds. Decrease funding by -\$568,000 PR in 2021-22 and -\$376,200 PR in 2022-23 for debt service on PR-supported bonds.

**2. GENERAL OBLIGATION REFUNDING AUTHORITY**

Increase the amount of state public debt that may be contracted to refund unpaid indebtedness for tax-supported or self-amortizing facilities by \$2.0 billion, from \$7.51 billion to \$9.51 billion. Under current law, the Building Commission is authorized to contract public debt of up to \$7.51 billion to refund unpaid premium and interest amounts for tax-supported or self-amortizing facilities. Debt incurred under this appropriation is repaid from the appropriations that provide for the retirement of public debt incurred for facilities in proportional amounts to the purposes for which the debt was refinanced. No bonds may be issued unless the true interest costs to the state can be reduced.

[Act 58 Section: 113]

**3. INCOURAGE COMMUNITY FOUNDATION CONSTRUCTION GRANT**

Authorize the Building Commission to provide \$3.0 million of GPR-supported bonding to assist the Incourage Community Foundation, Inc., in the remodeling of the former Daily Tribune

building in the City of Wisconsin Rapids into an economic and community hub. Require that the state funding commitment be in the form of a grant to the Incourage Community Foundation, Inc. The grant would be funded from the Commission's existing \$25.0 million authorization for construction projects with a public purpose.

Specify that before approving any state funding commitment for the remodeling of the former Daily Tribune Building, the Building Commission would be required to make a determination that the that the Incourage Community Foundation, Inc., has secured additional funding for the project of at least \$3.0 million from non-state revenue sources. Require that if the Building Commission makes a grant to the Incourage Community Foundation, Inc., for the remodeling of the former Daily Tribune Building into an economic and community hub, the state would retain an ownership interest in the remodeled space equal to the amount of the state's grant if, for any reason, the remodeled space is not used for an economic and community hub.

Specify that the Legislature finds and determines that supporting entrepreneurs and innovators, providing facilities for job training, and promoting dynamic community revitalization and development are of vital importance in creating jobs and contributing to economic development and tourism in this state and are statewide responsibilities of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist the Incourage Community Foundation, Inc., in the remodeling of the former Daily Tribune building in the City of Wisconsin Rapids into an economic and community hub.

Specify that the Building Commission may not make a grant to the Foundation for the redevelopment of the Tribune building unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further, specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

[Act 58 Sections: 1, 2, and 9104(9)]

# BUILDING PROGRAM

## 1. 2021-23 ENUMERATED PROJECTS [LFB Paper 190]

All Funds \$1,404,554,300
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Provide \$1,404,554,300 from all funding sources of 2021-23 building program financing authority for: (a) specific enumerated projects (\$966,129,800); and (b) all agency projects (\$438,424,500).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) \$1,124,643,300 from new general obligation bonding authority; (b) \$30,624,800 from general obligation bonding authority that was previously authorized; (c) \$13,000,000 of existing transportation revenue bonding authority; (d) \$43,160,700 from agency operating funds; (e) \$47,188,500 from federal funds; and (f) \$145,937,000 from gifts, grants, and other receipts.

The recommended and enacted funding sources for the 2021-23 building program by agency are shown in Table 1. The major agency projects enumerated as part of the 2021-23 state building program are listed in Table 2. Table 3 lists the projects included in the UW System's minor facilities renewal projects program. Funding will be used for maintenance projects that repair, renovate, replace, or upgrade building components estimated to exceed available funding for the all agency projects program. Projects within each group are listed in priority order, as determined by the UW System, and projects in Group 1 are deemed a higher priority than those in Group 2.

[Act 58 Sections: 9104(1) and 9104(7)]

**TABLE 1**

**Act 58 Funding Sources for the 2021-23 Building Program**

	<u>New General Obligation Bonds</u>			Existing	Existing	Agency	Gifts,	<u>Federal</u>	<u>Total</u>
	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Operating Funds</u>	<u>Grants, and Other</u>		
Building Commission	\$50,000,000	\$0	\$0	\$0	\$0	\$0	\$99,000,000	\$0	\$149,000,000
Corrections	23,695,900	0	0	0	0	0	0	0	23,695,900
Health Services	55,527,000	0	0	0	0	0	0	0	55,527,000
Military Affairs	21,825,300	0	0	0	0	0	0	25,178,100	47,003,400
Natural Resources	13,261,700	0	20,526,500	2,274,100	0	0	0	0	36,062,300
University of Wisconsin System	540,612,000	33,875,000	0	21,087,000	0	0	33,078,000	0	628,652,000
Veterans Affairs	4,154,000	7,714,200	0	0	0	0	0	0	11,868,200
Historical Society	<u>8,321,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000,000</u>	<u>0</u>	<u>14,321,000</u>
Subtotal	\$717,396,900	\$41,589,200	\$20,526,500	\$23,361,100	\$0	\$0	\$138,078,000	\$25,178,100	\$966,129,800
All Agency									
Facilities Repair and Renovation	\$120,871,700	\$41,261,100	\$9,315,200	\$4,432,800	\$8,444,000	\$6,308,000	\$5,619,000	\$5,380,500	\$201,632,300
Utilities Repair and Renovation	62,594,300	29,469,500	1,121,000	1,902,000	4,556,000	4,632,300	0	7,651,600	111,926,700
Health, Safety and Environmental Protection	37,042,200	1,589,900	2,306,400	161,400	0	177,800	0	4,458,900	45,736,600
Preventative Maintenance Program	50,000	0	0	0	0	325,000	0	0	375,000
Programmatic Remodeling and Renovation	5,387,500	1,765,500	314,400	259,400	0	19,579,000	1,773,000	2,446,600	31,525,400
Capital Equipment and Acquisition	7,042,000	0	0	508,100	0	80,200	467,000	2,072,800	10,170,100
Land and Property Acquisition	0	0	0	0	0	11,700,000	0	0	11,700,000
Energy Conservation	<u>0</u>	<u>25,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>358,400</u>	<u>0</u>	<u>0</u>	<u>25,358,400</u>
Subtotal	\$232,987,700	\$99,086,000	\$13,057,000	\$7,263,700	\$13,000,000	\$43,160,700	\$7,859,000	\$22,010,400	\$438,424,500
<b>TOTAL</b>	<b>\$950,384,600</b>	<b>\$140,675,200</b>	<b>\$33,583,500</b>	<b>\$30,624,800</b>	<b>\$13,000,000</b>	<b>\$43,160,700</b>	<b>\$145,937,000</b>	<b>\$47,188,500</b>	<b>\$1,404,554,300</b>

**TABLE 2****State Agency 2021-23 Enumerated Major Projects  
Total Project Authority (All Funding Sources)**

	<u>Act 58</u>
<b>Building Commission</b>	
North Central Health Care	\$5,000,000
WisCraft, Inc.–Beyond Vision Center–Milwaukee	19,000,000
Wisconsin Museum of Nature and Culture–Milwaukee	<u>125,000,000</u>
Total	\$149,000,000
<b>Corrections</b>	
Central Generating Plant – Water System Infrastructure–Waupun	\$7,114,900
Oshkosh Correctional Institution – Secure Residential Treatment and Diversion Units	2,580,000
Wisconsin Secure Program Facility – New Health Services Unit–Boscobel	7,792,000
Taycheedah Correctional Institution – Security Improvements – Fond du Lac	<u>6,209,000</u>
Total	\$23,695,900
<b>Health Services</b>	
Winnebago Mental Health Institute – Patient Admissions Area–Oshkosh	\$16,795,000
Sand Ridge Secure Treatment Center – Skilled Care Unit Remodel – Mauston	12,612,000
Mendota Mental Health Institute – Water System Improvements – Madison	11,200,000
Mendota Mental Health Institute – Utility Improvements–Madison	<u>14,920,000</u>
Total	\$55,527,000
<b>Historical Society</b>	
Old World Wisconsin – Immersive Welcome Experience, Phase II–Waukesha County	\$14,321,000
<b>Military Affairs</b>	
Viroqua – New Readiness Center	\$23,994,000
Statewide– Tower Upgrades	10,556,400
Milwaukee – Readiness Center Renovation Phase IV	6,494,000
Marinette and Waupaca– New Motor Vehicle Storage Buildings	2,561,000
Fort McCoy – Physical Fitness Facility	2,068,000
Chippewa Falls– New Facility Maintenance Building	<u>1,330,000</u>
Total	\$47,003,400
<b>Natural Resources</b>	
Rock Island State Park – Historic Boat House Exterior Repair – Door County	\$1,441,900
Lake Wissota State Park –Campground Toilet/Shower Building – Chippewa County	3,497,700
Mirror Lake State Park –Campground Toilet/Shower Building – Sauk County	1,462,200
Vernon Wildlife Area – Consolidated CWD Field Operations Facility–Waukesha County	1,970,900
Pattison State Park –Campground Toilet/Shower Building – Douglas County	1,458,900
Potawatomi State Park –Public Entrance Visitor Station – Door County	2,532,500
Peninsula State Park –Campground Toilet/Shower Building – Door County	2,091,400
Hartman Creek State Park –Campground Toilet/Shower Building – Waupaca County	2,239,300
Collins Marsh Wildlife Area – New Field Station–Manitowoc County	1,688,400
Richard Bong State Recreational Area – Consolidated Field Operations Facility – Kenosha County	1,576,300
Fisheries Operations Headquarters – Field Operations Facility Replacement–Fitchburg	2,503,800
Horicon Marsh Wildlife Area – Centralized Field Equipment Facility–Dodge County	1,214,700
Grantsburg Ranger Station – Fire Equipment Maintenance Facility –Burnett County	3,319,200
Washburn – Fire Response Range Station Replacement – Bayfield County	3,591,900
Wisconsin Rapids Service Center – Consolidated Equipment Storage Facility	2,040,300
Dodgeville Service Center – Multifunctional Field Support Building	<u>3,432,900</u>
Total	\$36,062,300

<b>University of Wisconsin System</b>	
Wisconsin Veterinary Diagnostic Laboratory -- Barron	\$9,555,000
Systemwide – Minor Facilities Renewal Projects Program, Group 1	56,629,000
Stevens Point – Albertson Hall Replacement	96,000,000
Oshkosh – Clow Hall/Nursing Education Renovation, Phase II	26,974,000
Milwaukee – Sandburg Hall West Tower Renovation	11,445,000
La Crosse – Residence Halls Elevator Tower Additions	9,642,000
Systemwide – Minor Facilities Renewal Projects Program, Group 2	43,798,000
Madison – Engineering Drive Utilities Replacement	73,141,000
River Falls – Science and Technology Innovation Center	116,730,000
Green Bay – Cofrin Technology and Education Center	96,297,000
Madison – College of Letters and Science Academic Building	<u>88,441,000</u>
Total	\$628,652,000
<b>Veterans Affairs</b>	
Union Grove – Kitchen Remodel	\$3,508,900
King – Chiller Modifications	4,599,300
King – HVAC and Controls Upgrades	<u>3,760,000</u>
Total	\$11,868,200
<b>All Agency</b>	
Facility Maintenance and Repair	\$201,632,300
Utility Repair and Renovation	111,926,700
Health, Safety and Environmental Protection	45,736,600
Preventive Maintenance Program	375,000
Programmatic Remodeling and Renovation	31,525,400
Capital Equipment Acquisition	10,170,100
Land and Property Acquisition	11,700,000
Energy Conservation	<u>25,358,400</u>
Total	\$438,424,500
Grand Total	\$1,404,554,300

**TABLE 3**

**2021-23 University of Wisconsin System, Minor Facility Renewal Programs**

<u>Campus</u>	<u>Project Description</u>
<b>Group 1</b>	
UW - Parkside	Heating and chill plant boiler replacement
UW - Madison	Fire alarm system renovation
UW - Madison	Fire protection system renovations
UW - Madison	Fire suppression system renovations
UW - Milwaukee	Great lakes research facility dock wall restoration
UW - Superior	Sports and activity fields redevelopment
UW - Madison	Armory and gymnasium exterior envelope repair
UW - Platteville	Fieldhouse HVAC and electrical system replacements
<b>Group 2</b>	
UW - Oshkosh	Harrington Hall HVAC system replacement
UW - Madison	Elevator modernization and replacements
UW - Madison	AAALAC (laboratory animal care) accreditation repairs
UW - Superior	Barstow science laboratory and applied research renovation
UW - Stout	Jarvis Hall technology wing laboratory infrastructure renovation
UW - Stout	Restroom renovations
UW - Oshkosh	Historic homes renovation

**2. BONDING AUTHORIZATIONS FOR 2021-23 BUILDING PROGRAM** BR \$1,124,643,300

Provide \$1,124,643,300 of new general obligation bonding authority for 2021-23 building program projects as shown in the table below.

[Act 58 Sections: 95, 96, 101, 102, 108, 110, 112, 114, 115, 121, and 123 thru 125]

**2021-23 Building Program Bonding Authorizations**

	<u>Act 58</u>
<b>Administration</b>	
Energy Conservation Projects	\$25,000,000
<b>Building Commission</b>	
Other Public Purposes (All Agency Projects)	232,987,700
Housing State Agencies	24,086,000
North Central Health Care	5,000,000
WisCraft, Inc.–Beyond Vision Center–Milwaukee	5,000,000
Wisconsin Museum of Nature and Culture–Milwaukee	40,000,000
<b>Corrections</b>	
Correctional Facilities	23,695,900
<b>Health Services</b>	
Mental Health Facilities	55,527,000
<b>Historical Society</b>	
Historic Sites	8,321,000
<b>Military Affairs</b>	
Armories and Military Facilities	21,825,300
<b>Natural Resources</b>	
Recreation Development	13,261,700
SEG Revenue Supported Facilities	33,583,500
<b>University of Wisconsin System</b>	
Academic Facilities	540,612,000
Self-Amortizing Facilities	83,875,000
<b>Veterans Affairs</b>	
Veterans Facilities	4,154,000
Self-amortizing Facilities	<u>7,714,200</u>
<b>GRAND TOTAL</b>	<b>\$1,124,643,300</b>

### **3. MODIFICATIONS TO PRIOR BUILDING PROGRAMS**

Modify prior building programs as follows:

#### **a. 2015-17 Building Program**

(1) Under projects financed by GPR-supported borrowing, increase the amount for the "Central Wisconsin Center-life safety renovations Buildings 1 and 6 - Madison" project under the Department of Health Services from \$15,808,000 to \$22,448,400.

#### **b. 2017-19 Building Program**

(1) Under projects financed by GPR-supported borrowing, change the name of the project identified as "Wisconsin Veterans Home at King - food service system upgrades" to "Wisconsin Veterans Home at King - central services kitchen upgrade" under the Department of Veterans Affairs and increase the amount from \$2,450,300 to \$4,086,200.

(2) Under projects financed by PR-supported borrowing, change the name of the project identified as "Wisconsin Veterans Home at King - food service system upgrades" to "Wisconsin Veterans Home at King - central services kitchen upgrade" under the Department of Veterans Affairs and increase the amount from \$4,550,700 to \$7,588,800.

(3) Under projects financed by GPR-supported borrowing, change the name of the project identified as "Wisconsin Veterans Home at King - water improvements" to "Wisconsin Veterans Home at King - domestic water treatment" under the Department of Veterans Affairs and increase the amount from \$833,700 to \$2,234,700.

(4) Under projects financed by GPR-supported borrowing, increase the amount for the "Type 1 juvenile correctional facilities-statewide" under the Department of Corrections by \$4,000,000.

#### **c. 2019-21 Building Program**

(1) Under projects financed by GPR-supported borrowing, increase the amount for the "Stanley Correctional Institution - new health services unit - Stanley" under the Department of Corrections from \$10,633,000 to \$14,126,000.

(2) Under projects financed by GPR-supported borrowing, change the name of the project identified as "Wisconsin Educational Services Program for the Deaf and Hard of Hearing - comprehensive code upgrades - Delavan" to "Wisconsin Education Services Program for the Deaf and Hard of Hearing - New Huff Hall Dormitory - Delavan" under the Department of Public Instruction and increase the amount from \$7,388,300 to \$25,000,000.

[Act 58 Sections: 9104(4) thru 9104(6)]

**4. BONDING AUTHORIZATIONS FOR PREVIOUS BUILDING PROGRAMS**

BR	\$46,653,100
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Provide \$46,653,100 of new general obligation bonding authority for projects authorized in previous building programs, as shown in the following table.

**Bonding Authorizations for Previous Building Programs**

	<u>Act 58</u>
<u>2019-21</u>	
<b>Corrections</b>	
Correctional Facilities	\$14,126,000
Juvenile Corrections	4,000,000
<b>Public Instruction</b>	
State School and Center Facilities	17,611,700
<u>2017-19</u>	
<b>Veterans Affairs</b>	
Veterans Facilities	3,036,900
Self-amortizing Facilities	3,038,100
<u>2015-17</u>	
<b>Health Services</b>	
Mental Health Facilities	<u>4,840,400</u>
 Total	 \$46,653,100

[Act 58 Sections: 108 thru 110, 122, 124, and 125]

**5. BEYOND VISION CENTER**

Enumerate a \$19,000,000 project for the Beyond Vision (VisABILITY) center under the 2021-23 state building program. Authorize the Building Commission to provide \$5,000,000 of GPR-supported borrowing to assist Wiscraft, Inc. in purchasing and renovating a facility in Milwaukee County for the employment of and provision of other related services to blind and visually impaired individuals. The fiscal effect is included in Items #1 and #2.

Require that the state funding commitment be in the form of a grant to Wiscraft, Inc. Specify that, before approving any state funding commitment for the construction of the center, the Building Commission make a determination that Wiscraft, Inc., has secured additional funding for the project of at least \$14,000,000 from non-state revenue sources. Require that if the Building Commission makes a grant to Wiscraft, Inc., for the construction of the Beyond Vision center, the state would retain an ownership interest in the remodeled space equal to the amount of the state's grant if, for any reason, the space is not used for the employment of and provision of other related services to blind and visually impaired individuals.

Specify that the Legislature finds and determines that the employment of individuals who are blind or visually impaired, including statewide remote employment, and the provision of other

related services to those individuals, improves those individuals' lives, increases the workforce and reduces unemployment in this state, and is a statewide responsibility of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist Wiscraft, Inc., with constructing the Beyond Vision center for the employment of and provision of other related services to blind and visually impaired individuals.

Specify that the Building Commission may not make a grant to Wiscraft, Inc., for the construction of the center unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security and redemption fund appropriation.

[Act 58 Sections: 7, 94, 119, 128, and 9104(8)]

## **6. WISCONSIN MUSEUM OF NATURE AND CULTURE**

Enumerate a \$125,000,000 project for a museum under the 2021-23 state building program. Authorize the Building Commission to provide \$40,000,000 of GPR-supported borrowing to Historic Haymarket Milwaukee, LLC, to construct a museum to be located in the City of Milwaukee. The fiscal effect is included in Items #1 and #2.

Require that the state funding commitment be in the form of a grant to Historic Haymarket Milwaukee, LLC. Specify that, before approving any state funding commitment for the construction of the museum, the Building Commission make a determination that the organization has secured additional funding for the project of at least \$85,000,000 from non-state revenue sources. Require that, if the Building Commission makes a grant for the construction of the museum, the state would retain an ownership interest in the space equal to the amount of the state's grant if, for any reason, the space is not used as a museum of nature and culture.

Specify that the Legislature finds and determines that providing education, programming, and immersive exhibits concerning Wisconsin's natural history and the intersection of nature and culture in Wisconsin and the world vastly enriches the lives of the citizens of this state and is a statewide responsibility of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist the in the construction of a new building to serve as a natural history museum in the City of Milwaukee.

Specify that the Building Commission may not make a grant for the construction of the museum unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that the contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the

project. Provide that these payments could be made through the bond security and redemption fund appropriation.

[Act 58 Sections: 6, 94, 120, 129, and 9104(10)]

## **7. STATEMENT OF BUILDING PROGRAM CONTINUATION**

Continue the building and financing authority enumerated under previous building programs into the 2021-23 biennium. Each building program is approved only for the current biennium; this provision would continue past state building programs into the 2021-23 biennium.

[Act 58 Section: 9104(2)]

## **8. PROJECT LOANS**

Authorize the Building Commission, during the 2021-23 biennium, to make loans from general fund-supported borrowing or the building trust fund to state agencies for any 2021-23 building program projects funded from non-GPR sources.

[Act 58 Section: 9104(3)]

## **9. WISCONSIN HISTORY MUSEUM**

Allocate \$4,000,000 of building trust funds to the Wisconsin Historical Society to assist with project planning, development, design, site selection, and land and property acquisition for the previously enumerated Wisconsin History Museum.

[Act 58 Section: 9104(11)]

## **10. NORTH CENTRAL HEALTH CARE**

Provide \$5,000,000 of general fund supported borrowing to make a grant to renovate an existing mental health facility in Marathon County to provide 26 beds for expanded capacity for psychiatric and other behavioral health treatment. Include a finding of public purpose. Prior to awarding a grant, specify that the Department of Administration must review and approve plans for the construction project but may not supervise any services or work, or let any contract for the project. Specify that the facility must: (a) agree to renovate an existing mental health facility in Marathon County to provide 16 adult inpatient psychiatric beds, five beds for emergency stabilization, and five beds for detoxification and substance use treatment; (b) serve individuals, including those eligible for emergency detention, from Forest, Langlade, Lincoln, Marathon, Oneida, and Vilas Counties; (c) identify measures to serve the needs of residents with behavioral health needs, especially in reducing the burden on state-operated facilities; (d) report annually to the legislature on the services provided with grant funds; and (e) recognize that it is liable to repay the grant if it fails to maintain continued expanded services and the expanded numbers of beds for a minimum of 10 years. Provide that if the space that is renovated with the grant is not used for the

specified purposes, the state would retain an ownership interest in the renovated space equal to the amount of the grant. Specify that notwithstanding current law governing bed capacity, the hospital could increase its approved bed capacity. The fiscal effect is included in Items #1 and #2.

[Act 58 Sections: 3, 94, 117, 126, and 9104(12)]

## 11. PSYCHIATRIC BED GRANT

GPR-Transfer	\$15,000,000
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Transfer \$15,000,000 from the general fund in 2021-22 to the building trust fund and authorize the Building Commission to award a grant of \$15,000,000 in 2021-22 from the building trust fund to a health system that applies for the grant and meets all of the following criteria: (a) the system has a hospital that is located in Eau Claire County, south of the Chippewa River, and northeast of the intersection of STH 37 and USH 12 and has a hospital in Chippewa County; (b) the health system agrees to expand psychiatric bed capacity by 22 beds between Eau Claire County hospital and the Chippewa County hospital, and to give preference in admissions to fill beds added with the grant to individuals who meet the criteria for emergency detention under Chapter 51 of the statutes and who are from Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas, Dunn, Eau Claire, Iron, Jackson, La Crosse, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Price, Rusk, Sawyer, St. Croix, Taylor, Trempealeau, Vilas, Washburn, or Wood Counties; (c) the health system identifies measures that it believes will serve the needs of area residents with mental health needs, especially, as a critical component of the measures, in reducing the burden on the Winnebago Mental Health Institute; (d) the health system agrees to annually report to the Legislature the services provided with the resources funded by the grant, including the number of individuals diverted from the Winnebago Mental Health Institute; and (e) the health system recognizes that it is liable to repay the grant funds to the state if it fails to continue to maintain the expanded services and number of expanded psychiatric beds available, with the amount the health system is liable for repayment reduced proportionately each year for ten years of continuing expanded services. Include a finding of public purpose.

Specify that a determination of continued services must be based on finding that the health system does all of the following: (a) maintains an agreed upon number of beds for acceptance of admissions for emergency detention, with at least half of the expanded psychiatric beds available for individuals who are initially admitted under an emergency detention; (b) enters into a contract with, at minimum, two-thirds of the counties specified above in which at least one of the hospitals agrees to do all of the following: (i) accept for admission under an emergency detention individuals regardless of payment source; (ii) accept any individual subject to an emergency detention from the county unless all psychiatric beds added with the grant are filled; and (iii) ensure the county department is the secondary payer after any other coverage the individual has is exhausted. Specify that the hospital may set its payment rate based on the acuity of the individual being detained. Provide that notwithstanding current law governing bed capacity, the hospital could increase its approved bed capacity.

[Act 58 Sections: 130, 9104(13), and 9104(14)]

## CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$995,000	\$995,000	\$995,000	\$0	0.0%	0.00	0.00	0.00	0.00	N.A.
FED	662,000	661,200	661,200	- 1,600	- 0.1	1.00	1.00	1.00	0.00	0.0%
PR	1,571,800	1,550,000	1,550,000	- 43,600	- 1.4	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.
<b>TOTAL</b>	<b>\$3,243,800</b>	<b>\$3,221,200</b>	<b>\$3,221,200</b>	<b>- \$45,200</b>	<b>- 0.7%</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

PR	- \$43,600
FED	<u>- 1,600</u>
<b>Total</b>	<b>- \$45,200</b>

Reduce funding by \$22,600 (-\$21,800 PR and -\$800 FED) annually to reflect: (a) full funding of continuing position salaries and fringe benefits (-\$22,600 PR and -\$800 FED annually); and (b) full funding of lease and directed move costs (\$800 PR annually).

## CHILDREN AND FAMILIES

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
	2021-22	2022-23	Amount	%	2021-22		2022-23	Number	%	
GPR	\$486,658,800	\$494,763,800	\$498,800,000	\$20,246,200	2.1%	232.92	232.92	232.92	0.00	0.0%
FED	785,240,200	805,827,000	818,273,300	53,619,900	3.4	387.49	385.74	385.74	- 1.75	- 0.5
PR	122,742,500	119,864,200	119,864,200	- 5,756,600	- 2.3	179.51	179.51	179.51	0.00	0.0
SEG	9,274,700	9,274,700	9,274,700	0	0.0	0.00	0.00	0.00	0.00	N.A.
<b>TOTAL</b>	<b>\$1,403,916,200</b>	<b>\$1,429,729,700</b>	<b>\$1,446,212,200</b>	<b>\$68,109,500</b>	<b>2.4%</b>	<b>799.92</b>	<b>798.17</b>	<b>798.17</b>	<b>- 1.75</b>	<b>- 0.2%</b>

### Budget Change Items

## TANF and Economic Support

### 1. TANF AND CCDF RELATED REVENUES AND EXPENDITURES

This item presents summaries of estimates of revenue available to fund economic support and TANF-funded programs in the 2021-23 biennium, and expenditures allocated under Act 58 (Table 1). "TANF" refers to the federal temporary assistance for needy families program. "CCDF" refers to the Child Care Development Fund, which is comprised of funding the state receives under the federal Social Security Act and the Child Care and Development Block Grant (CCDBG).

As shown in Table 1, the opening balance and total revenues are estimated at \$936.6 million in 2021-22 and \$875.8 million in 2022-23. Compared to the adjusted base, federal revenue the state is projected to receive under the child care and development block grant is increased by \$19.9 million in 2021-22 and by \$27.1 million in 2022-23. This assumes that \$11.0 million in 2021-22 and \$18.2 million in 2022-23 of supplemental CCDBG funding received under the American Rescue Plan Act (ARPA) of 2021 would be used for the funding increases under Item 4 ("Wisconsin Shares Increase Maximum Reimbursement Rates").

Under Act 58, total expenditures would be \$714.0 million in 2021-22 and \$726.2 million in 2022-23. These amounts include all funds, and represent an increase from the base budget of \$9.4 million in 2021-22 and \$21.7 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.

The projected TANF-related balance at the end of the 2021-23 biennium is projected to be \$149.7 million, which could be carried over into the 2023-25 biennium. Assuming that no additional supplemental CCDBG funding will be available to support the allocations shown in the table and that the increase in W-2 spending in item 2, below, is not ongoing, it is estimated that ongoing expenditures would exceed ongoing revenue by approximately \$83.2 million at the end of 2022-23.

**TABLE 1**  
**W-2 and TANF Related Revenue and Expenditures**  
**Act 58**

	Adjusted Base	Act 58		Change to Base		Item
		2021-22	2022-23	2021-22	2022-23	
Opening Balance (Carryover)		\$294,209,000	\$222,619,100			
<b>Revenue</b>						
GPR Appropriations Base Funding	\$160,381,400	\$160,381,400	\$160,381,400	\$0	\$0	
FED -- TANF Block Grant	312,059,600	307,336,800	311,009,600	-4,722,800	-1,050,000	
FED -- CCDF	126,889,000	156,719,100	163,919,100	29,830,100	37,030,100	
FED -- CCDF & TANF Recoveries	4,287,600	4,287,600	4,287,600	0	0	
PR -- Child Support Collections	2,749,000	2,749,000	2,749,000	0	0	
PR -- Child Care Fees	1,778,400	1,500,000	1,500,000	-278,400	-278,400	14
PR -- Social Services Block Grant	100,000	100,000	100,000	0	0	
PR -- Public Assistance Recoveries	160,600	160,600	160,600	0	0	
SEG -- Public Benefits Fund (SEG)	9,139,700	9,139,700	9,139,700	0	0	
Total Revenues	\$617,545,300	\$642,374,200	\$653,247,000	\$24,828,900	\$35,701,700	
<b>Expenditures</b>						
<i>Child Care</i>						
Direct Child Care Services	\$365,700,400	\$376,700,400	\$383,900,400	\$11,000,000	\$18,200,000	4
Quality Care for Quality Kids	16,683,700	16,683,700	16,683,700	0	0	
Child Care Admin. and Licensing	42,439,200	42,117,800	41,803,100	-321,400	-636,100	5
<i>Child Welfare Programs</i>						
Kinship Care Benefits & Assessments	28,159,200	28,727,100	31,441,800	567,900	3,282,600	7
Child Welfare Safety Services	9,314,300	10,314,300	10,314,300	1,000,000	1,000,000	13
Child Welfare Prevention Services	6,789,600	6,789,600	6,789,600	0	0	
Child Abuse Prevention Grant	500,000	500,000	500,000	0	0	
Substance Abuse Prevention Grant	500,000	500,000	500,000	0	0	
<i>Employment Programs</i>						
W-2 Benefits	31,732,200	37,000,000	34,000,000	5,267,800	2,267,800	2
W-2 Worker Supplement	2,700,000	2,700,000	2,700,000	0	0	
W-2 Service Contracts	50,000,000	54,009,700	57,071,200	4,009,700	7,071,200	3
Transitional/Transform Milwaukee Jobs	9,500,000	9,500,000	9,500,000	0	0	
Children First	1,140,000	1,140,000	1,140,000	0	0	
<i>Housing Programs</i>						
Emergency Assistance	6,000,000	6,000,000	6,000,000	0	0	
Homeless Grants	500,000	500,000	500,000	0	0	
Case Mgt. Services for Homeless Families	500,000	500,000	500,000	0	0	
<i>Administrative Support</i>						
Public Assistance & TANF Admin.	17,548,100	17,231,100	17,482,300	-317,000	-65,800	8
Local Fraud Prevention	605,500	605,500	605,500	0	0	

	Adjusted Base	Act 58		Change to Base		Item
		2021-22	2022-23	2021-22	2022-23	
<i>Grant Programs</i>						
GED Test Assistance	\$175,000	\$241,300	\$241,300	\$66,300	\$66,300	16
Legal Services	500,000	500,000	500,000	0	0	
Adult Literacy	41,600	118,100	118,100	76,500	76,500	15
Boys & Girls Clubs of America	2,675,000	2,807,000	2,807,000	132,000	132,000	9
Wisconsin Community Services	400,000	400,000	400,000	0	0	
Fostering Futures	560,300	560,300	560,300	0	0	
Families and Schools Together	250,000	250,000	250,000	0	0	
Offender Reentry	250,000	250,000	0	0	-250,000	10
Jobs for America's Graduates	0	500,000	500,000	500,000	500,000	11
<i>Funding Transfers to Other Agencies</i>						
DHS -- SSI Caretaker Supplement	25,013,300	18,564,700	18,145,000	-6,448,600	-6,868,300	6
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	0	0	
DOR -- Earned Income Tax Credit	<u>69,700,000</u>	<u>63,600,000</u>	<u>66,600,000</u>	<u>-6,100,000</u>	<u>-3,100,000</u>	12
Total Expenditures	\$704,530,900	\$713,964,100	\$726,207,100	\$9,433,200	\$21,676,200	
Year-End Closing Balance		\$222,619,100	\$149,659,000			

\* The 2022-23 TANF allocation for the offender reentry demonstration project was restored by the Governor's partial veto. However, no funding is appropriated for the program in that year.

[Act 58 Sections: 210, 211, 213, 218, and 222]

**2. WISCONSIN WORKS -- SUBSIDIZED EMPLOYMENT BENEFITS [LFB Paper 200]** FED \$7,535,600

Provide \$5,267,800 in 2021-22 and \$2,267,800 in 2022-23 to fund projected costs of Wisconsin Works (W-2) benefits payments in the 2021-23 biennium to reflect reestimates based on unemployment data, other economic indicators, and W-2 benefit and caseload information through March, 2021. Base funding for W-2 benefits is \$31,732,200, so that \$37,000,000 in 2021-22 and \$34,000,000 in 2022-23 in TANF funds would be budgeted for W-2 benefits payments under the bill.

[Act 58 Section: 208]

**3. WISCONSIN WORKS -- SERVICE CONTRACTS [LFB Paper 200]** FED \$11,080,900

Increase funding for W-2 contracts by \$4,009,700 in 2021-22 and \$7,071,200 in 2022-23 to reflect estimates of funding that will be needed to support service contracts in the 2021-23 biennium. Base funding for contracts is \$50,000,000, so a total of \$54,009,700 in 2021-22 and \$57,071,200 in 2022-23 is budgeted for W-2 agency contracts under Act 58. W-2 service contracts fund the costs of subsidized employment placements, work support services, education and training, and agency administration. The funding increase reflects projections of W-2 agency caseload increases due to the economic downturn resulting from the COVID-19 pandemic.

[Act 58 Section: 209]

**4. WISCONSIN SHARES -- INCREASE MAXIMUM REIMBURSEMENT RATES [LFB Paper 202]**

FED	\$29,200,000
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Increase funding for direct child care subsidies by \$11,000,000 in 2021-22 and by \$18,200,000 in 2022-23. It is estimated that the reimbursement rates would fully pay the price of at least 65 percent of the slots for children within the licensed capacity of all child care providers (the 65<sup>th</sup> percentile).

[Act 58 Section: 216]

**5. CHILD CARE -- STATE ADMINISTRATION [LFB Paper 101]**

	Funding	Positions
FED	-\$957,500	- 1.00

Decrease funding by \$321,400 in 2021-22 and \$636,100 in 2022-23 and delete 1.0 position, beginning in 2021-22, for state administration of child care licensing and regulation activities, Wisconsin Shares, and child care quality improvement programs. This includes the following items.

First, increase funding by \$734,100 in 2021-22 and by \$419,400 in 2022-23 to fund: (a) salary, fringe, and supplies and services for customer service limited-term employees to support the Milwaukee early care administration (MECA) (\$277,900 FED annually); (b) system changes to update child care authorization processing at MECA (\$783,000 FED in 2021-22); (c) staff costs associated with health insurance, retirement, and reserves (-\$326,800 in 2021-22 and \$141,500 in 2022-23).

Second, decrease funding by \$1,055,500 annually as a result of standard budget adjustments, including: (a) turnover reduction (-\$479,300 annually); (b) removal of non-continuing elements (-\$67,800 annually and -1.0 FED positions beginning in 2021-22); (c) full funding of continuing position salaries and fringe benefits (-\$612,400 annually); and (d) full funding of lease and directed moves costs (\$104,000 annually).

Overall, the total amount of funding that would be provided for state administration of child care programs would be \$42,117,800 in 2021-22 and \$41,803,100 in 2022-23.

[Act 58 Section: 217]

**6. CARETAKER SUPPLEMENT [LFB Paper 200]**

FED	-\$13,316,900
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Reduce funding by \$6,448,600 in 2021-22 and by \$6,868,300 in 2022-23 to reflect a reestimate of TANF-supported 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 receiving state and federal SSI benefit payments, SSI recipients with dependent children receive a caretaker supplement of \$250 per month for the first child and \$150 per month for each additional child.

Base funding for benefits and administration of the caretaker supplement is \$25,013,300 (TANF). Under the bill, the amounts budgeted for payments would total \$20,989,600 (\$17,872,700 TANF (PR) and \$3,116,900 GPR) in 2021-22 and \$20,569,800 (\$17,452,900 TANF (PR) and \$3,116,900 GPR) in 2022-23 and funding for the administration of the program would total \$692,100 TANF (PR) annually. The GPR budgeted for payments is provided to enable the state to continue to meet federal SSI maintenance of effort requirements.

A total of \$18,564,700 in 2021-22 and \$18,145,000 in 2022-23, funded from TANF, is budgeted to fund caretaker supplement payments and program administration costs.

[Act 58 Section: 219]

**7. KINSHIP CARE [LFB Paper 211]**

FED	\$3,850,500
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Provide \$567,900 in 2021-22 and \$3,282,600 in 2022-23 to increase monthly kinship care payments from \$254 to \$300 per child, beginning January 1, 2022. Act 58 provides \$28,727,100 in 2021-22 and \$31,441,800 in 2022-23 to fund these payments.

As an alternative to foster care and other out-of-home care placements, monthly kinship care payments are provided by counties, tribes, and DCF (in Milwaukee County) to qualifying adults to support costs of caring for their relative children.

[Act 58 Sections: 205, 206, 220, and 9406(1)]

**8. STATE ADMINISTRATION OF WISCONSIN WORKS AND OTHER RELATED TANF PROGRAMS [LFB Paper 101]**

	Funding	Positions
FED	-\$382,800	- 0.75

Reduce funding by \$317,000 in 2021-22 and \$65,800 in 2022-23 to support the costs of administering TANF-related programs.

*BRITS.* Provide \$410,000 in 2021-22 and \$550,000 in 2022-23 for the benefit recovery investigative tracking system (BRITS), including: (a) \$250,000 annually for the maintenance and enhancements of BRITS; and (b) one-time funding to complete a second phase in the development of BRITS (\$160,000 in 2021-22 and \$300,000 in 2022-23). BRITS is an information technology (IT) system used by DCF, DHS, and county income maintenance staff to assist in the recovery of overpayments made under several public assistance programs. The program became operational in 2017, and additional features to the system are in development. The second phase of the project is estimated to cost approximately \$2.3 million, of which \$0.6 million would be funded by DCF and \$1.7 million by DHS, based on collections caseloads. DCF indicates that completion of the project is required to bring the system into compliance with federal requirements.

*Standard Budget Adjustments.* Reduce TANF funding by \$727,000 in 2021-22 and by \$615,800 in 2022-23 to reflect standard budget adjustments, including: (a) turnover reduction (-\$158,500 annually); (b) removal of non-continuing elements (-\$46,200 in 2021-22 and -\$61,700 in 2022-23); and (c) full funding of continuing position salaries and fringe benefits (-\$423,700

annually and -0.75 FED project positions, beginning in 2021-22). Finally, a funding decrease of \$98,600 in 2021-22 and a funding increase of \$28,100 in 2022-23 reflect estimates of staff costs associated with health insurance, retirement, and reserves.

Overall, the total amount of funding that is provided for state administration of TANF-related programs under Act 58 is \$17,231,100 in 2021-22 and \$17,482,300 in 2022-23.

[Act 58 Section: 212]

**9. GRANTS TO BOYS AND GIRLS CLUBS OF AMERICA**

FED	\$264,000
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Provide \$132,000 annually to increase, from \$2,675,000 to \$2,807,000, annual funding for grants to the Wisconsin Chapter of the Boys and Girls Clubs of America. This grant supports programs that improve social, academic, and employment skills of youth, focusing on study habits, intensive tutoring in math and English, and exposure to career options and role models.

Prior to Act 58, of the total amount budgeted for grants, up to \$1,400,000 in each fiscal year must be budgeted for the Be Great: Graduate program in the amount of matching funds the program provides. Act 58 increases this amount to \$1,532,000 each year.

[Act 58 Section: 225]

**10. OFFENDER REENTRY PILOT PROGRAM [LFB Paper 200]**

FED	-\$250,000
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Delete base funding for the offender reentry pilot program in 2022-23 (-\$250,000), but retain current law that allocates \$250,000 annually for the offender reentry pilot program. Consequently, underspending or spending decreases in other TANF-related programs could fund the program in 2022-23.

Prior to Act 58, DCF was budgeted \$250,000 annually to partially support a five-year offender reentry demonstration program through 2021-22 to aid the successful community transition out of incarceration by noncustodial fathers in the City of Milwaukee. DCF is required to conduct an evaluation of the demonstration project by June 30, 2023.

**11. JOBS FOR AMERICA'S GRADUATES**

FED	\$1,000,000
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Provide \$500,000 annually for grants to the Wisconsin affiliate of Jobs for America's Graduates (JAG) to support programs that improve social, academic, and employment skills of TANF-eligible youth.

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. JAG currently operates in Wisconsin in Dane, Jackson, Milwaukee, and Monroe counties.

[Act 58 Section: 215]

**12. EARNED INCOME TAX CREDIT -- SUM SUFFICIENT ESTIMATE [LFB Paper 334]**

FED	- \$9,200,000
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Reduce federal TANF funds transferred from DCF to the Department of Revenue for the refundable portion of the earned income tax credit by \$6,100,000 in 2021-22 and \$3,100,000 in 2022-23 to reflect estimates of credit payments to eligible claimants. TANF funding budgeted for the EITC totals \$63,600,000 in 2021-22 and \$66,600,000 in 2022-23. For additional information, see "General Fund Taxes -- Refundable Tax Credits and Other Payments."

[Act 58 Section: 226]

**13. CHILD WELFARE SAFETY SERVICES [LFB Paper 214]**

FED	\$2,000,000
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Increase funding for child welfare safety services by \$1,000,000 annually. Base TANF funding of \$5,282,400 supports targeted safety support funds (TSSF) to reimburse county agencies for the costs of certain services and supports that may be used as part of a safety or protective plan. TSSF is available in Milwaukee County, 42 other counties, and one tribe where abuse or neglect issues have been identified, but the child protective services agency has determined that the child can remain at home safely. In addition, base TANF funding of \$4,031,900 supports contracts in the Division of Milwaukee Child Protective Services (DMCPS) with Children's Hospital of Wisconsin-Community Service and SaintA, as well as services provided via a network of providers to provide in-home services for families through the intensive in-home services program.

[Act 58 Section: 221]

**14. TANF PROGRAM FUNDING REALLOCATION**

FED	\$556,800
PR	- 863,800
Total	- \$307,000

Reallocate funding for the Department's TANF-related programs to reduce program support from child care licensing fee revenue (PR) and increase support from the TANF block grant (FED). This item includes: (a) reducing PR funding for TANF-supported programs by \$278,400 annually and increasing FED funding for these programs by corresponding amounts; and (b) reducing PR budgeted for program administration by \$153,500 annually, for which the corresponding FED increases are shown under other items. This funding adjustment reflects decreasing availability of child care licensing fee revenue to support program costs.

**15. ADULT LITERACY**

FED	\$153,000
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Provide \$76,500 annually to support adult literacy grants to provide services to individuals with low literacy or limited English proficiency skills who are eligible to receive TANF. Together with base funding, a total of \$118,100 annually is allocated for such grants under Act 58.

[Act 58 Section: 214]

**16. GED TEST ASSISTANCE**

FED	\$132,600
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Provide \$66,300 annually to support general education development testing and preparation to individuals who are eligible to receive TANF. Together with base funding, a total of \$241,300 annually would be allocated for such grants.

[Act 58 Section: 223]

**Child Welfare**

**1. ADOPTION ASSISTANCE AND STATE FOSTER CARE**

GPR	- \$419,100
FED	<u>4,099,500</u>
Total	\$3,680,400

Provide \$504,200 (-\$948,000 GPR and \$1,452,200 FED) in 2021-22 and \$3,176,200 (\$528,900 GPR and \$2,647,300 FED) in 2022-23 to reflect a reestimate of adoption assistance and state foster care payments and changes in federal Title IV-E claiming rates in the 2021-23 biennium. Maintain funding for adoption assistance service contracts at the adjusted base level (\$2,615,300 GPR and \$1,633,700 FED). The state claims federal funding for these costs under Title IV-E of the Social Security Act.

The state foster care program provides payments for maintenance and case management services for children who are in out-of-home care, whose parental rights have been terminated, and are under the guardianship of DCF, which has care and placement responsibilities. 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 following table summarizes, by source, the base funding for these payments and adoption service contracts, the funding increases under this item, and the total funding that is budgeted for these payments under Act 58.

	2021-22			2022-23		
	GPR	FED IV-E	All Funds	GPR	FED IV-E	All Funds
<b>State Foster Care</b>						
Base Funding	\$3,255,000	\$1,642,000	\$4,897,000	\$3,255,000	\$1,642,000	\$4,897,000
Reestimate	<u>2,413,600</u>	<u>1,259,400</u>	<u>3,673,000</u>	<u>3,247,300</u>	<u>1,691,100</u>	<u>4,938,400</u>
Subtotal	\$5,668,600	\$2,901,400	\$8,570,000	\$6,502,300	\$3,333,100	\$9,835,400
<b>Adoption Assistance</b>						
Base Funding	\$47,502,300	\$45,855,700	\$93,358,000	\$47,502,300	\$45,855,700	\$93,358,000
Reestimate	<u>-3,361,600</u>	<u>192,800</u>	<u>-3,168,800</u>	<u>-2,718,400</u>	<u>956,200</u>	<u>-1,762,200</u>
Subtotal	\$44,140,700	\$46,048,500	\$90,189,200	\$44,783,900	\$46,811,900	\$91,595,800
<b>Total</b>						
Base Funding	\$50,757,300	\$47,497,700	\$98,255,000	\$50,757,300	\$47,497,700	\$98,255,000
Reestimate	<u>-948,000</u>	<u>1,452,200</u>	<u>504,200</u>	<u>528,900</u>	<u>2,647,300</u>	<u>3,176,200</u>
Total	\$49,809,300	\$48,949,900	\$98,759,200	\$51,286,200	\$50,145,000	\$101,431,200

**2. CHILDREN AND FAMILY AIDS [LFB Paper 210]**

Modify the statutory children and family aids statutory allocations to be \$101,154,200 in 2021-22 and \$101,162,800 in 2022-23 to reflect other items in Act 58 supported by children and family aids.

[Act 58 Section: 204]

**3. SUBSIDIZED GUARDIANSHIP**

Provide \$2,400,000 GPR in 2021-22 and \$5,200,000 GPR in 2022-23 in the Joint Finance Committee's appropriation to fund subsidized guardianship payments. The fiscal effect of this is shown in "Program Supplements."

**4. FOSTER CARE RATE INCREASE [LFB Paper 211]**

GPR	\$25,800
FED	<u>13,200</u>
Total	\$39,000

Provide \$13,000 (\$8,600 GPR and \$4,400 FED) in 2021-22 and \$26,000 (\$17,200 GPR and \$8,800 FED) in 2022-23 to maintain foster care Level Two and above monthly payment rates at current levels, to increase the Level One foster care monthly rate from \$254 to \$300 per child, beginning January 1, 2022 in 2022-23. The rates under Act 58 are shown below.

	<u>Current Amount</u>	<u>Rates as of January 1</u>	
		<u>2022</u>	<u>2023</u>
Level One	\$254	\$300	\$300
Levels Two and Above			
Up to Age Five	\$420	\$420	\$420
Ages Five through 11	460	460	460
Ages 12 through 14	522	522	522
Ages 15 and Over	545	545	545

[Act 58 Section: 207 and 9406(1)]

**5. DIVISION OF MILWAUKEE CHILD PROTECTIVE SERVICES -- AIDS PAYMENTS AND CONTRACTED SERVICES [LFB Paper 212]**

GPR	\$6,040,300
FED	761,400
PR	<u>- 5,726,800</u>
Total	\$1,074,900

Provide \$49,100 (\$2,003,700 GPR, \$908,800 FED, and -\$2,863,400 PR) in 2021-22 and \$1,025,800 (\$4,036,600 GPR, -\$147,400 FED and -\$2,863,400 PR) in 2022-23 to reflect reestimates of the cost of Division of Milwaukee Child Protective Services (DMCPS) aids payments and contracted services.

This item includes the following: (a) reducing funding for out-of-home caseloads and subsidized guardianship payments, and service costs for wraparound and in-home services by

\$207,800 (-\$1,766,000 GPR and \$1,558,200 FED) in 2021-22 and increasing funding for these costs by \$826,100 (\$266,900 GPR and \$559,200 FED) in 2022-23; (b) increasing funding for aids contracts costs, such as funding for independent investigations, court services, and foster parent training by \$645,400 (\$2,560,500 GPR, -\$137,400 FED, and -\$1,777,700 PR) in 2021-22 and by \$588,300 (\$2,560,500 GPR, -\$194,600 FED, and -\$1,777,700 PR) in 2022-23; (c) adjustment to base funding to reflect revised estimates of federal claiming rates under Title IV-E of the Social Security Act (\$1,209,200 GPR, -\$512,000 FED, and -\$697,300 PR annually); and (d) reducing estimates of program revenue available to fund subsidized guardianship payments (-\$388,400 PR annually).

The source of the program revenue is surplus third-party collections the Department receives for the support of children in out-of-home care, such as child support and social security income payments.

**6. DMCPS -- ADOPTION RECRUITMENT SERVICES FOR CHILDREN WITH SPECIAL NEEDS**

GPR	\$371,400
FED	<u>228,600</u>
Total	\$600,000

Provide one-time funding during the 2021-23 biennium of \$300,000 (\$185,700 GPR and \$114,300 FED Title IV-E) annually and require DCF to provide a total of \$300,000 (all funds) annually to the Wendy's Wonderful Kids program at the Children's Hospital of Wisconsin to recruit adoptive placements for children with special needs in Milwaukee County. The funding will support a Division of Milwaukee Child Protective Services (DMCPS) contract for four additional Wendy's Wonderful Kids adoption recruiters who would assist in finding permanent homes for children who are waiting for adoption, including children in higher levels of care or congregate care facilities.

[Act 58 Section: 9106(1)]

**7. QUALIFIED RESIDENTIAL TREATMENT PROGRAMS -- NURSING SERVICES AND CERTIFICATION**

GPR	\$377,800
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Provide \$377,800 in 2022-23 to support the ongoing costs of centralizing nursing services for congregate care facilities. These nursing services, provided through telephone consultations and telehealth services, would be available to all congregate care facilities, 24-hours a day, and seven days a week.

The Federal Family First Prevention Services Act (FFPSA) requires states claiming federal reimbursement for the costs of child welfare services under Title IV-E of the Social Services Act to use QRTPs that have registered or licensed nursing staff, and other clinical staff, available 24 hours a day and seven days a week. However, not all congregate care facilities in Wisconsin are currently required to have nursing staff available onsite, particularly the smaller, community-based providers.

**8. CONGREGATE CARE PROVIDER TRAINING**

GPR	\$140,000
FED	<u>60,000</u>
Total	\$200,000

Provide one-time funding of \$200,000 (\$140,000 GPR and \$60,000 FED [Title IV-E]) in 2022-23 to provide training for congregate care providers to help them meet accreditation standards for qualified residential treatment programs (QRTPs) under the Family First Prevention Services Act (FFPSA). Further, authorize DCF to provide training for staff, including contractors, of a child welfare agency or congregate care facility. The administration indicates that this is to assist in certification of QRTPs. Congregate care providers are group homes, shelter care facilities, and residential care centers for children and youth.

Beginning October 1, 2021, Wisconsin will no longer be able claim federal Title IV-E reimbursement for maintenance payments for children and youths in out-of-home care after an initial two-week period unless the congregate care placement is accredited as a QRTP that: (a) is nationally accredited; (b) has a nurse employed or under contract who is available 24 hours a day, seven days a week; (c) uses a trauma-informed treatment model; (d) provides aftercare support for at least six months following discharge; and (e) assesses the child within 30 days after the initial placement, conducted by a qualified individual, using a tool approved by the U.S. Department of Health and Human Services. However, a "grandfathering" clause in the FFPSA enables states to continue to claim federal Title IV-E reimbursement for children and youths that were in congregate care facilities as of October 1, 2021.

[Act 58 Section: 195]

**Juvenile Justice**

**1. YOUTH AIDS BASE ALLOCATION [LFB Paper 220]**

GPR	\$9,428,600
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Provide \$4,714,300 annually to increase the youth aids base allocation. Modify statutory language to specify youth aids amounts may not exceed \$47,740,750 for the last six months of 2021, \$95,481,500 for 2022, and \$47,740,750 for the first six months of 2023.

[Act 58 Sections: 196 thru 203]

## Departmentwide and Child Support Enforcement

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	\$781,400
FED	641,600
PR	<u>874,200</u>
Total	\$2,297,200

Provide \$1,148,600 (\$390,700 GPR, \$320,800 FED, and \$437,100 PR) annually to reflect the following standard budget adjustments: (a) turnover reduction (-\$320,322 GPR, and -\$428,800 PR annually); (b) full funding of continuing position salaries and fringe benefits (-\$75,500 GPR, \$253,400 FED, and \$464,100 PR annually); (c) overtime (\$737,200 GPR, \$20,700 FED, and \$4,200 PR annually); (d) night and weekend differential pay (\$129,800 GPR, \$11,300 FED, and \$1,300 PR annually); and (e) full funding of lease and directed moves costs (\$24,100 GPR, \$34,400 FED, and \$396,000 PR annually).

These amounts do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program (-\$1,837,400 FED in 2021-22 and -\$1,852,900 FED in 2022-23) and the reduction of 1.75 FED positions, beginning in 2021-22, which are included in separate entries under "Economic Support and TANF-Funded Programs."

### 2. LOCAL CHILD SUPPORT ENFORCEMENT [LFB Paper 225]

GPR	\$3,500,000
FED	<u>6,790,000</u>
Total	\$10,290,000

Provide \$5,145,000 (\$1,750,000 GPR and \$3,395,000 FED) annually to increase state support for local administration of the child support enforcement program. Base GPR support for local child support enforcement programs is \$9,310,000. With this increase, GPR support for the program would increase to \$11,060,000 in calendar years 2022 and 2023. The source of the federal funding would be matching funds under Title IV-D of the Social Security Act.

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

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

**3. PROGRAM REVENUE AND FEDERAL APPROPRIATIONS ADJUSTMENTS**

FED	\$9,359,400
PR	<u>- 40,200</u>
Total	\$9,319,200

Provide \$4,659,600 (\$4,679,700 FED and -\$20,100 PR) annually to reflect the net effect of adjustments to several program revenue and federal appropriations, as summarized in the following table.

The following table summarizes the funding change.

**Program Revenue and Federal Appropriations Funding Adjustments**

	Source	Base	2021-22			2022-23		
			Funding Change			Funding Change		
			This Item	Other Items	Total	This Item	Other Items	Total
<b>Children and Family Services</b>								
Social Services Block Grant -- Children and Family Aids	PR	\$7,356,100	-\$100,000	\$0	\$7,256,100	-\$100,000	\$0	\$7,256,100
Social Services Block Grant -- Operations	PR	2,063,000	79,900	-7,000	2,135,900	79,900	-7,000	2,135,900
Federal Project Aids	FED	2,894,800	948,500	0	3,843,300	948,500	0	3,843,300
Federal Program Aids	FED	12,152,700	111,700	0	12,264,400	111,700	0	12,264,400
Federal Program Local Assistance (Title IV-E)	FED	9,941,800	3,130,700	0	13,072,500	3,130,700	60,000	13,132,500
Federal Programs -- Local Assistance (Non-Title IV-E)	FED	4,110,100	-275,000	0	3,835,100	-275,000	0	3,835,100
Children and Family Aids -- Foster Care	FED	45,291,000	169,000	3,000	45,463,000	169,000	5,900	45,465,900
Child Welfare -- Aids to Localities	FED	2,817,300	-69,000	0	2,748,300	-69,000	0	2,748,300
<b>Economic Support</b>								
Refugee Assistance -- Federal Funds*	FED	6,181,100	663,800	-42,000	13,072,500	663,800	-42,000	6,802,900
<b>Totals</b>								
FED			\$4,679,700			\$4,679,700		
PR			<u>-20,100</u>			<u>-20,100</u>		
<b>All Funds</b>			\$4,559,600			\$4,659,600		

## CIRCUIT COURTS

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	%		2021-22	2022-23	Number	%
GPR	\$107,362,800	\$105,845,100	\$107,387,200	-\$1,493,300	- 0.7%	527.00	535.00	543.00	16.00	3.0%
PR	<u>232,700</u>	<u>232,700</u>	<u>232,700</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.
<b>TOTAL</b>	<b>\$107,595,500</b>	<b>\$106,077,800</b>	<b>\$107,619,900</b>	<b>-\$1,493,300</b>	<b>- 0.7%</b>	<b>527.00</b>	<b>535.00</b>	<b>543.00</b>	<b>16.00</b>	<b>3.0%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	-\$5,936,000
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Provide adjustments to the base totaling -\$2,968,000 annually in the 2021-23 biennium associated with full funding of continuing position salaries and fringe benefits.

**2. CIRCUIT COURT BRANCHES FUNDING AND POSITIONS [LFB Paper 102]**

	Funding	Positions
GPR	\$3,126,600	16.00

Provide \$1,011,600 and 8.0 positions in 2021-22 and \$2,115,000 and 16.0 positions in 2022-23 for additional circuit court branches and to comply with the requirements of 2019 Act 184. Under 2019 Act 184, 12 circuit court branches may be added over a three-year period (four judges each in 2021, 2022, and 2023). Act 184 requires the Director of State Courts to request position authority and funding for eight circuit court branches in the 2021-23 biennial budget and for the remaining four circuit court branches in the 2023-25 biennial budget. Under the budget act, position authority includes: (a) 4.0 judges and 4.0 circuit court reporters in 2021-22; and (b) an additional 4.0 judges and 4.0 circuit court reporters in 2022-23. Funding is provided for salaries, fringe benefits, and supplies and services.

Modify statutory language to specify the location of additional court branches in Calumet, Dunn, Jackson and Marathon counties beginning August 1, 2021. On March 9, 2020, the Director of State Courts identified these four counties to receive an additional branch. The other eight branch locations (effective in 2022 and 2023) have not yet been determined, but will similarly require statutory language changes to reflect the correct number of circuit court branches in each county.

[Act 58 Sections: 413 thru 416, 9107(1), and 9407(1)]

### **3. CIRCUIT COURT COST PAYMENTS**

GPR	\$1,316,100
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Provide \$438,700 GPR in 2021-22 and \$877,400 GPR in 2022-23 in the circuit court costs 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 249 to 253 on August 1, 2021, from 253 to 257 on August 1, 2022, and from 257 to 261 on August 1, 2023. Since the Circuit Court cost program distributes funding based on the number of branches, increased funding is intended to maintain current per branch funding levels in the 2021-23 biennium.

### **4. JUDGE AND JUSTICE SALARY INCREASES**

Provide funding in compensation reserves for the purpose of increasing judge and justice salaries by 3% in 2021-22 (effective January, 2022) and by 4% in 2022-23 (effective January, 2023). These increases are in addition to general wage adjustments provided to state employees (2% effective January, 2022, and 2% effective January, 2023). Thus, wage increases for judge and justice salaries would be 5% in 2021-22 and 6% in 2022-23. [For additional information, see "Budget Management and Compensation Reserves."]

## CORRECTIONS

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$1,274,899,500	\$1,284,865,000	\$1,304,395,400	\$39,461,400	1.5%	9,668.62	9,711.22	9,716.22	47.60	0.5%
FED	2,643,300	2,664,800	2,664,800	43,000	0.8	1.00	1.00	1.00	0.00	0.0
PR	<u>121,489,900</u>	<u>122,145,700</u>	<u>122,431,200</u>	<u>1,597,100</u>	0.7	<u>544.30</u>	<u>543.30</u>	<u>544.30</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$1,399,032,700</b>	<b>\$1,409,675,500</b>	<b>\$1,429,491,400</b>	<b>\$41,101,500</b>	<b>1.5%</b>	<b>10,213.92</b>	<b>10,255.52</b>	<b>10,261.52</b>	<b>47.60</b>	<b>0.5%</b>

### Budget Change Items

### Departmentwide

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$39,197,400
PR	3,672,200
FED	<u>43,000</u>
<b>Total</b>	<b>\$42,912,600</b>

Provide \$21,456,300 (\$19,598,700 GPR, \$1,836,100 PR, and \$21,500 FED) annually related to the following standard budget adjustments: (a) full funding of salaries and fringe benefits (-\$31,986,200 GPR, -\$54,100 PR, and \$21,500 FED annually); (b) turnover reduction (-\$13,371,800 GPR and -\$491,900 PR annually); (c) overtime (\$56,336,600 GPR and \$2,106,100 PR annually); and (d) night and weekend differential (\$8,620,100 GPR and \$276,000 PR annually).

Also included under standard budget adjustments are minor transfers of positions within appropriations to align the positions more closely to organization structure, including the transfer of 34.15 positions (31.55 GPR and 2.60 PR), as follows: (a) removing 5.75 positions from the Wisconsin correctional center system, 4.0 positions from the monitoring center, 4.0 positions from the Division of Management Services, 3.0 positions from the Bureau of Finance and Administrative Services, 2.0 positions from the Bureau of Classification and Movement, 2.0 positions from Waupun Correctional Institution, 2.0 positions from Redgranite Correctional Institution, 1.40 positions from the Wisconsin Women's Correctional System, 1.1 positions from Badger State Industries, 1.0 position from Racine Correctional Institution, 1.0 position from probation, parole, and extended supervision, 1.0 position from the Bureau of Technology Management, 1.0 position from the Division of Adult Institutions' Central Office, 1.0 position from the Bureau of Finance and Administrative Services (Juveniles), 1.0 position from Lincoln Hills School, 0.9 positions from Oakhill Correctional Institution, 0.75 positions from correctional farms, 0.75 positions from Copper Lake School, and 0.5 positions from 980 Evaluations; and (b)

transferring 11.0 positions to the Secretary's Office, 9.0 positions to the Office of Records Management, 3.0 positions to Racine Youthful Offender Correctional Facility, 2.2 positions to the Bureau of Health Services, 2.0 positions to the Bureau of Technology Management, 2.0 positions to the Secretary's Office (Juveniles), 1.0 position to Fox Lake Correctional Institution, 1.0 position to Dodge Correctional Institution, 1.0 position to New Lisbon Correctional Institution, 0.75 positions to Badger State Industries, 0.75 positions to Lincoln Hills School, 0.25 positions to Columbia Correctional Institution, 0.1 positions to correctional farms, and 0.1 positions to Prairie du Chien Correctional Institution.

It should also be noted that under standard budget adjustments, funding for overtime and night and weekend differential are removed in the calculations under "full funding of salaries and fringe benefits." Thus, the amounts budgeted for overtime and night and weekend differential represent the Department's total estimated base costs. In addition to standard budget adjustment funding, the act includes supplemental funding for overtime and night and weekend differential, summarized below.

**2. OVERTIME SUPPLEMENT [LFB Paper 235]**

GPR	\$42,000,000
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Provide \$21,000,000 annually for an overtime supplement. Under standard budget adjustments each budget cycle, funding associated with overtime (and night and weekend differential) is removed in the calculations of full funding of salaries and fringe benefits. The budget instructions related to overtime specify that the same dollar amounts only be restored through the standard budget adjustment for overtime. As a result, the act provides overtime in the amount provided for the prior biennium, adjusted by the new variable fringe rate (\$56,336,600 GPR and \$2,106,100 PR annually). In addition, the act provides supplemental funding (\$21,000,000 GPR annually). In total, the act provides \$77,336,600 GPR and \$2,106,100 PR annually to fund costs associated with overtime.

**3. NIGHT AND WEEKEND DIFFERENTIAL PAY SUPPLEMENT**

GPR	\$236,800
PR	<u>110,000</u>
Total	\$346,800

Provide \$118,400 GPR and \$55,000 PR annually for a night and weekend differential pay supplement. Under standard budget adjustments each budget cycle, funding associated with night and weekend differential (and overtime) is removed in the calculations of full funding of salaries and fringe benefits. In total, the act provides \$8,738,500 GPR and \$331,000 PR annually to fund costs associated with night and weekend differential pay.

**4. DEBT SERVICE ESTIMATE [LFB Paper 102]**

GPR	-\$24,897,000
PR	<u>- 23,100</u>
Total	-\$24,920,100

Adjust funding by -\$6,517,900 GPR and -\$7,300 PR in 2021-22 and -\$18,379,100 GPR and -\$15,800 PR in 2022-23 to reflect the estimate of debt service costs.

**5. RISK MANAGEMENT PREMIUM ESTIMATE**

GPR	\$5,559,600
PR	<u>530,000</u>
Total	\$6,089,600

Provide \$2,779,800 GPR and \$265,000 PR annually for increased premium costs associated with liability, property, and workers compensation insurance coverage. The state's risk management program is an insurance program for state agencies administered by the Department of Administration (DOA). Each year, DOA assesses state agencies risk management premiums based generally on program costs, claims history, and risk exposure.

**6. RENT**

GPR	- \$4,829,100
PR	<u>- 1,579,600</u>
Total	- \$6,408,700

Provide an adjustment of -\$3,740,300 (-\$2,945,600 GPR and -\$794,700 PR) in 2021-22 and an adjustment of -\$2,668,400 (-\$1,883,500 GPR and -\$784,900 PR) in 2022-23 for departmentwide rent expenses and related supplies and services expenses.

**7. REALIGNMENT OF FUNDING AND POSITIONS**

	<b>Funding</b>	<b>Positions</b>
GPR	\$205,400	1.00
PR	<u>- 205,400</u>	<u>- 1.00</u>
Total	\$0	0.00

Remove \$102,700 PR and 1.0 PR position annually, provide \$102,700 GPR and 1.0 GPR position annually, and transfer funding and positions between appropriations related to realignment of departmental activities as follows:

**Realignment of Funding and Positions**

<u>Appropriation</u>	<u>Program</u>	<u>Annual Funding</u>		<u>Positions</u>	
		<u>GPR</u>	<u>PR</u>	<u>GPR</u>	<u>PR</u>
General Program Operations	Division of Management Services	-238,200			
General Program Operations	Office of Records Management	254,200			
General Program Operations	Waupun Correctional Institution	-4,000			
General Program Operations	Oakhill Correctional Institution	-4,000			
General Program Operations	Dodge Correctional Institution	-4,000			
General Program Operations	Secretary's Office	463,800		5.00	
Services for Community Corrections	Secretary's Office	-467,800		-5.00	
General Program Operations	Secretary's Office - Juvenile	102,700		1.00	
Juvenile Operations	Secretary's Office - Juvenile		<u>-\$102,700</u>		<u>-1.00</u>
	<b>TOTAL</b>	\$102,700	-\$102,700	1.00	-1.00

**8. PROGRAM REVENUE ESTIMATES**

PR	\$2,803,500
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Provide \$1,344,000 in 2021-22 and \$1,459,500 in 2022-23 associated with funding adjustments identified in the table below. The table identifies the program revenue appropriations affected by this item, by program area, the base funding amounts for these appropriations, the funding changes made to those appropriations under this item and other items in the act, and the total funding budgeted for these purposes.

Purpose	2020-21 Base	2021-22			2022-23		
		Funding Adjustment	Other Budget Items	Total	Funding Adjustment	Other Budget Items	Total
Badger State Logistics	\$8,207,100	\$385,000	-\$1,300	\$8,590,800	\$385,000	-\$1,300	\$8,590,800
Prison Industries	20,472,800	700,000	-54,800	21,118,800	700,000	-51,200	21,121,600
Sex Offender Management	1,109,100	400,000	0	1,509,100	400,000	0	1,509,100
Telephone Company Commissions	2,404,600	1,000,000	0	3,404,600	1,000,000	0	3,404,600
Probation, Parole, Ext. Supervision	8,294,600	1,000,000	4,200	9,298,800	1,000,000	4,200	9,298,800
Global Positioning System Devices - Sex Offenders	318,600	50,000	31,200	399,800	50,000	51,900	420,500
Juvenile Alternate Care Services	4,852,100	-2,208,600	0	2,643,500	-2,099,300	0	2,752,800
Juvenile Utilities & Heating	348,000	<u>17,600</u>	0	365,600	<u>23,800</u>	0	371,800
Total PR Estimates		\$1,344,000			\$1,459,500		

**9. RENEWABLE ENERGY APPROPRIATION BUDGET REDUCTION** GPR - \$200,000

Reduce the renewable energy appropriation budget by \$100,000 GPR annually.

### Adult Institutions

**1. ADULT CORRECTIONAL FACILITY POPULATIONS [LFB Paper 240]**

Estimate an average daily population in adult correctional facilities and contract beds to 20,300 in 2021-22 and 22,431 in 2022-23. The following table identifies the estimated distribution of this population.

	July 9, 2021	Average Daily Population	
	Actual Population	2021-22	2022-23
Institutions & Centers*	19,138	20,296	22,405
Contract Beds**	<u>317</u>	<u>4</u>	<u>26</u>
Total	19,455	20,300	22,431

\* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (413 on July 9, 2021, and 402 for 2021-22 and 2022-23).

\*\* Contract bed populations include inmates held in federal or other intergovernmental facilities and inmates in Wisconsin County jail contract beds due to overcrowding. In addition, funding for 100 contract beds in 2021-22 and for approximately 28 contract beds in 2022-23 for state inmates in Wisconsin County jails is used as needed for quarantine or isolation purposes (in addition to the 22 beds for overcrowding in 2022-23, the act provides a total of 50 contract beds in Wisconsin County jails in 2022-23).

GPR - \$4,884,700

**2. POPULATION AND INFLATIONARY COST INCREASES -- ADULT CORRECTIONAL FACILITIES [LFB Paper 240]**

Provide -\$16,437,100 in 2021-22 and \$11,552,400 in 2022-23 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) -\$2,781,200 in 2021-22 and -\$647,700 in 2022-23 for food costs; (b) -\$2,599,300 in 2021-22 and \$312,600 in 2022-23 for variable non-food costs, such as inmate wages, bedding, clothing, kitchen utensils, and other supplies; and (c) -\$11,056,600 in 2021-22 and \$11,217,300 in 2022-23 for inmate non-food health services. Inmate health services costs assume that the per capita adult inmate cost will increase from an estimated \$4,814 in 2020-21 to \$5,269 in 2021-22 and \$5,767 in 2022-23. Health care costs include 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. PRISON CONTRACT BED FUNDING [LFB Paper 240]**

GPR	- \$31,600,700
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Provide an adjustment of -\$15,392,800 in 2021-22 and -\$16,207,900 in 2022-23 for 628 contract beds in 2021-22 (including 100 contract beds for state inmates in Wisconsin county jails) and 578 contract beds in 2022-23 (including 50 contract beds in Wisconsin county jails). Base funding for the contract bed appropriation is \$32,890,800 GPR.

**4. FUEL AND UTILITIES**

GPR	- \$1,189,900
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Provide adjustments of -\$629,600 in 2021-22 and -\$560,300 in 2022-23 associated with expected changes in prices for fuel and utilities in adult correctional institutions. Base funding for the fuel and utilities appropriation is \$26,866,300.

**5. EDUCATIONAL INITIATIVES [LFB Paper 241]**

GPR	\$1,000,000
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Provide \$500,000 annually for each year of the 2021-23 biennium (on a one-time basis) for career and technical education equipment purchase, maintenance, and replacement.

**6. MEDICATION-ASSISTED TREATMENT [LFB Paper 242]**

GPR	\$800,000
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Provide \$400,000 annually for supplies and services to expand access to medication-assisted treatment (formerly known as the Vivitrol Program), which uses medication in combination with counseling and behavioral therapies to treat individuals with substance use disorders.

**7. OAKHILL CORRECTIONAL INSTITUTION ASSISTED NEEDS FACILITY [LFB Paper 243]**

	Funding	Positions
GPR	\$4,296,500	18.60

Provide \$2,037,800 in 2021-22 and \$2,258,700 in 2022-23 and 18.6 positions annually to operate the assisted needs living unit at Oakhill Correctional Institution. The act additionally requires Corrections to reallocate 39.75 vacant GPR positions (for a total of 58.35 positions) and

associated funding to staff the facility. The 65-bed housing unit (15 hospital beds and 50 standard beds) will provide limited medical services to assist inmates with daily living activities. The project, which was authorized in 2017 Act 59, was designed to help the Department address an increased number of inmates requiring alternate accommodations, increased access to medical resources due to lack of physical mobility, diminishing cognitive ability, poor physical health, or other impairments that prevent an inmate from being fully independent. The facility is anticipated to open in October, 2021. Positions include: 17.5 nursing assistants, 12.5 nurse clinicians, 12.5 correctional officers, 6.25 correctional sergeants, 2.0 food service leaders, 1.0 facilities maintenance specialist-advanced, 1.0 therapist (recreation), 1.0 licensed psychologist, 1.0 nursing supervisor, 1.0 clinical social worker, 1.0 medical program assistant associate (MPAA), 1.0 correctional program supervisor, and 0.6 advanced practice nurse prescriber. Security positions are funded for 10 months and non-security are funded for 11 months in 2021-22, and annualized thereafter.

**8. FULL FUNDING OF THE WISCONSIN SECURE PROGRAM FACILITY PROGRAMS BUILDING**

GPR	\$283,600
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Provide \$141,800 annually to fund non-salary costs funded for a partial year in 2020-21 associated with the expansion of the programs building at the Wisconsin Secure Program Facility (Boscobel).

**9. CENTRAL GENERATING PLANT POSITION**

	Funding	Positions
PR	\$19,500	1.00

Provide \$19,500 in 2022-23 to fund 1.0 utility plant operator position beginning May, 2023, at the Waupun area central generating plant. The plant supplies water to several Department facilities. Currently, the central generating plant does not have a dedicated waterworks operator and instead relies on 2.0 power plant operators to cover waterworks-related duties (in addition to their regular work responsibilities as boiler operators for the central generating plant). In addition, the position is recommended to cover the increased workload associated with the plant's planned system infrastructure improvements.

This item is part of the operating budget impact of the 2021-23 Capital Budget for water system infrastructure improvements to the central generating plant. The anticipated construction start date for the project is August, 2022, and the final completion date is December, 2024.

**10. INSTITUTIONAL REPAIR AND MAINTENANCE**

GPR	\$603,800
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Provide \$198,600 in 2021-22 and \$405,200 in 2022-23 for repair and maintenance costs associated with services and materials for adult institutions. Funding is based on an estimated construction cost index of approximately 4% annually. Base funding for institutional repair and maintenance is \$4,915,900 annually.

**11. WINDOWS TO WORK EXPANSION [LFB Paper 245]**

GPR	\$400,000
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Provide \$200,000 annually to expand the Windows to Work program to allow for an additional 90 participants per year. The Windows to Work program is a pre- and post-release program designed to address criminogenic needs that can lead to recidivism. While still incarcerated, inmates participate in programming including cognitive intervention, general work skills and expectations, financial literacy, community resources, job seeking, applications, and resumes. Post-release includes assistance in job search and job retention activities for approximately 12 months after release. Base funding for Windows to Work is \$1,692,200.

**Community Corrections**

**1. GLOBAL POSITIONING SYSTEM (GPS) SEX OFFENDER TRACKING [LFB Paper 256]**

	Funding	Positions
GPR	\$4,594,400	28.00
PR	67,300	0.00
Total	\$4,661,700	28.00

Adjust all Division of Community Corrections staffing (including staffing to monitor the GPS-tracked sex offender population), to reflect the 2020 workload study recommendations. Provide \$1,416,300 GPR, \$23,300 PR and 23.00 GPR positions in 2021-22, and \$3,178,100 GPR, \$44,000 PR, and an additional 5.0 GPR positions in 2022-23 (for a total of 28.0 newly-provided positions). Require Corrections to reallocate and reclassify 29.0 vacant GPR positions and associated funding for additional correctional field supervisor positions. These changes (identified in the table, below) reflect the 2020 workload study staffing recommendations and provide staff and supplies and services to supervise estimated increases in the GPS-tracked population over the 2021-23 biennium. The workload study largely concluded that probation and parole agents' time spent on each case is lower than identified in the 2014 workload study, and that the current correctional field supervisor staffing is significantly below the recommended ratio to agents.

**Act 58**

Position Title	GPR		PR		New Positions		Reallocated Positions	
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
Probation and Parole Agents	-\$2,583,800	-\$2,323,800					-27.00	-27.00
Program Support Supervisors	-163,000	-143,800					-2.00	-2.00
Office Operations Associates	511,400	556,900			9.00	9.00		
Corrections Field Supervisors	2,629,900	3,061,100			3.00	3.00	29.00	29.00
Corrections Communications Operators	388,100	815,500			8.00	12.00		
Corrections Communications Operator Supervisor	0	85,400				1.00		
Sex Offender Reg. Associates	42,200	61,900			1.00	1.00		
Sex Offender Reg. Specialists	104,700	164,400			2.00	2.00		
GPS Tracking Supplies and Services	486,800	900,500	\$23,300	\$44,000				
<b>Total</b>	<b>\$1,416,300</b>	<b>\$3,178,100</b>	<b>\$23,300</b>	<b>\$44,000</b>	<b>23.00</b>	<b>28.00</b>	<b>0.00</b>	<b>0.00</b>

**2. GLOBAL POSITIONING SYSTEM (GPS) TRACKING ESTIMATE**

GPR	\$462,200
PR	<u>15,800</u>
Total	\$478,000

Provide \$231,100 GPR and \$7,900 PR annually to fund non-salary costs funded for a partial year in 2020-21 associated with global positioning system tracking.

**3. COMMUNITY CORRECTIONS STAFFING [LFB Paper 256]**

GPR	\$86,300
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Provide \$943,800 in 2021-22 and \$1,094,900 in 2022-23 and 12.0 positions annually to increase corrections field supervisor staffing at Division of Community Corrections field offices for the supervision of adults in the community. Reduce funding in the Divisions of Management Services and Adult Institutions by \$977,400 in 2021-22 and by \$975,000 in 2022-23 and 12.0 positions annually. The act requires the Department to reallocate 12.0 vacant GPR positions (including 4.0 corrections program supervisors, 3.0 nurse clinicians, 1.0 advanced accountant, 1.0 systems development position, 1.0 corrections unit supervisor, 1.0 capital project manager, and 1.0 licensed psychologist) for this purpose. The table below identifies the funding and position reallocations.

<u>Division</u>	<u>Program</u>	<u>GPR Funding</u>		<u>GPR Positions</u>
		<u>2021-22</u>	<u>2022-23</u>	
Management Services	Bureau of Finance and Administrative Services	-\$72,700	-\$67,700	-1.00
Management Services	Bureau of Technology Management	-81,500	-81,500	-1.00
Management Services	Bureau of Budget and Facilities Management	-74,900	-74,900	-1.00
Adult Institutions	Bureau of Health Services	-191,100	-193,700	-2.00
Adult Institutions	Waupun Correctional Institution	-224,600	-224,600	-3.00
Adult Institutions	Wisconsin Women's Correctional System	-160,800	-160,800	-2.00
Adult Institutions	Racine Correctional Institution	-74,900	-74,900	-1.00
Adult Institutions	New Lisbon Correctional Institution	-96,900	-96,900	-1.00
Community Corrections	Central Office	12,900	17,200	0.00
Community Corrections	Probation, Parole, and Extended Supervision	<u>930,900</u>	<u>1,077,700</u>	<u>12.00</u>
	<b>TOTAL</b>	-\$33,600	\$119,900	0.00

**Juvenile Corrections**

**1. STATUTORY DAILY RATES [LFB Paper 262]**

Establish the daily rate at \$1,154 in 2021-22 and \$1,178 in 2022-23 based on estimated populations and expenditures. 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. The statutory daily rate for the period January 1, 2021, to June 30, 2021, is set at \$615.

[Act 58 Sections: 388 and 389]

**2. JUVENILE POPULATION ESTIMATES [LFB Paper 260]**

Under the act, the juvenile correctional facility average daily population (ADP) is estimated 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>	<u>Estimated ADPs</u>	
	<u>2021-22</u>	<u>2022-23</u>
Lincoln Hills School	59	59
Copper Lake School	6	6
Grow Academy	2	2
Mendota Juvenile Treatment Center	<u>19</u>	<u>19</u>
Total Juvenile Correctional Facility	86	86

**3. POPULATION AND INFLATIONARY COSTS [LFB Paper 260]** PR - \$1,007,700

Modify population-related funding for juvenile corrections by -\$525,800 in 2021-22 and -\$481,900 in 2022-23, as follows: (a) -\$91,800 in 2021-22 and -\$88,100 in 2022-23 for food costs at juvenile correctional facilities; (b) -\$38,500 in 2021-22 and -\$38,700 in 2022-23 for variable non-food costs (such as clothing, laundry, and personal items); and (c) -\$395,500 in 2021-22 and -\$355,100 in 2022-23 for juvenile health costs.

**4. MENDOTA JUVENILE TREATMENT CENTER ESTIMATE [LFB Paper 262]** PR - \$2,805,400

Adjust funding by -\$1,445,000 in 2021-22 and -\$1,360,400 in 2021-23 related to payments to the Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center. The Department currently contracts with DHS for 29 mental health beds for juveniles.

Replace the statutorily specified amounts for transfer (\$1,365,500 GPR annually, \$3,224,100 PR in 2019-20 and \$5,429,000 PR in 2020-21) with a requirement that Corrections reimburse DHS for the cost of providing those services at a per person daily cost (daily rate) specified by DHS. The provision is first effective for acts committed on or after the day after publication. The act maintains the current law requirement that DHS charge Corrections not more than the actual cost of providing those services.

[Act 58 Section: 187]

**5. SERIOUS JUVENILE OFFENDER FUNDING [LFB Paper 262]** GPR \$2,133,100

Provide \$720,600 in 2021-22 and \$1,412,500 in 2022-23. Base funding for the program is \$17,792,800 annually. The following ADPs for the SJO appropriation, are projected for the 2021-23 biennium:

**Estimated SJO Average Daily Population**

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>	
	<u>2021-22</u>	<u>2022-23</u>
Juvenile Corrections Facilities	28	29
Community Supervision Program	<u>51</u>	<u>45</u>
Total ADP	79	74
Alternate Care <sup>1</sup>	18	16

<sup>1</sup> A subset of the community supervision program (corrective sanctions and aftercare supervision) that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

Under current law, Corrections is required to administer the SJO program for juveniles who meet the age requirements and who are adjudicated delinquent for certain violations of the criminal code. Juveniles who are placed in the SJO program may be placed in a secured facility for up to three years or, if the juvenile has committed an act that would be punishable by life imprisonment if committed by an adult, until the juvenile reaches 25 years of age. Corrections may impose other sanctions, including intensive supervision, electronic monitoring, alcohol or other drug abuse treatment and services, mental health treatment and services, community service, restitution, and education and employment services.

**6. YOUTH WITH ADULT SENTENCES CONTRACT BED FUNDING [LFB Paper 262]** GPR \$5,175,700

Increase contract bed funding by \$2,562,300 GPR in 2021-22 and \$2,613,400 GPR in 2022-23.

**7. REIMBURSEMENT CLAIMS OF COUNTIES CONTAINING JUVENILE CORRECTIONAL FACILITIES [LFB Paper 102]** GPR \$28,000

Estimate the reimbursement claims of counties containing juvenile correctional facilities by \$14,000 annually. Base funding for the appropriation is \$81,000.

## COURT OF APPEALS

Budget Summary						FTE Position Summary					
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23		
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Over 2020-21	%
GPR	\$11,660,400	\$11,321,800	\$11,341,100	-	\$657,900	-2.8%	75.50	75.50	75.50	0.00	0.0%

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	-\$657,900
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Provide adjustments to the base totaling -\$338,600 in 2021-22 and -\$319,300 in 2022-23 associated with: (a) full funding of continuing position salaries and fringe benefits (-\$173,200 annually); and (b) full funding of lease and directed moves costs (-\$165,400 in 2021-22 and -\$146,100 in 2022-23).

**2. JUDGE AND JUSTICE SALARY INCREASES**

Provide funding in compensation reserves for the purpose of increasing judge and justice salaries by 3% in 2021-22 (effective January, 2022) and by 4% in 2022-23 (effective January, 2023). These increases are in addition to general wage adjustments provided to state employees (2% effective January, 2022, and 2% effective January, 2023). Thus, wage increases for judge and justice salaries would be 5% in 2021-22 and 6% in 2022-23. [For additional information, see "Budget Management and Compensation Reserves."]

## DISTRICT ATTORNEYS

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$51,022,700	\$53,708,600	\$54,290,900	\$5,954,100	5.8%	449.00	456.40	456.40	7.40	1.6%
PR	<u>3,882,500</u>	<u>4,588,700</u>	<u>4,548,600</u>	<u>1,372,300</u>	17.7	<u>44.50</u>	<u>42.50</u>	<u>42.50</u>	<u>- 2.00</u>	- 4.5
<b>TOTAL</b>	<b>\$54,905,200</b>	<b>\$58,297,300</b>	<b>\$58,839,500</b>	<b>\$7,326,400</b>	<b>6.7%</b>	<b>493.50</b>	<b>498.90</b>	<b>498.90</b>	<b>5.40</b>	<b>1.1%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

	Funding	Positions
GPR	\$3,513,200	0.00
PR	<u>1,372,300</u>	<u>- 2.00</u>
Total	\$4,885,500	- 2.00

Provide adjustments to the base totaling \$2,120,500 GPR and \$706,200 PR, and -2.0 PR positions in 2021-22, and \$2,120,500 GPR and \$666,100 PR, and -2.0 PR positions in 2022-23. Adjustments are for: (a) turnover reduction (-\$1,455,800 GPR annually); (b) removal of non-continuing elements from the base (-\$120,000 PR and -2.0 PR positions in 2021-22 and -\$160,100 PR and -2.0 PR positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits (\$2,981,900 GPR and \$817,600 PR annually); (d) reclassifications and semiautomatic pay progression (\$135,000 GPR and \$8,600 PR annually); and (e) night and weekend differential pay (\$95,100 GPR annually).

**2. PAY PROGRESSION [LFB Paper 270]**

GPR	\$1,420,800
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Provide \$471,500 in 2021-22 and \$949,300 in 2022-23 to support pay progression plan for assistant district attorneys (ADAs) and deputy district attorneys (DDAs). Adopt a non-statutory provision for the 2021-23 biennium to exempt the agency from the requirement that pay progression be provided beginning with the first pay period after July 1. Funding is intended to provide for a half step increase starting January 1, 2022 and 2023.

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 (\$54,434 as of January 3, 2021) and the highest annual salary (\$131,456 as of January 3, 2021). The value of one hourly salary step equals \$4,534 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.

[Act 58 Section: 9101(3)]

**3. ADDITIONAL GPR PROSECUTOR POSITIONS [LFB Paper 271]**

	Funding	Positions
GPR	\$1,020,100	7.40

Provide \$457,800 GPR in 2021-22, \$562,300 GPR in 2022-23, and 7.4 positions, to provide additional prosecutors to District Attorney offices across the state as identified below.

a. *New State Prosecutor Positions.* Provide \$427,400 in 2021-22, \$531,900 in 2022-23, and 7.0 positions annually, to provide additional ADAs requested by the following eight offices:

<u>County</u>	<u>Additional GPR ADA Positions</u>	<u>Current Prosecutor Position Authority*</u>	<u>Resulting Prosecutor Position Authority</u>
Columbia	1.00	5.00	6.00
Fond du Lac	1.00	8.00	9.00
Lafayette	0.50	1.00	1.50
Manitowoc	1.00	6.00	7.00
Marathon	1.00	12.00	13.00
Monroe	1.00	4.00	5.00
Sauk	1.00	6.00	7.00
Sheboygan	0.50	9.00	9.50
Total	7.00		

\*Note that the number of authorized prosecutor positions includes GPR-funded and PR-funded positions. The number 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. *Increase Existing Part-Time ADA Position Authority:* Provide \$30,400 and 0.4 positions annually, to increase part-time prosecutor position in Green County (0.6 to 1.0 position).

# EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$6,253,200	\$6,146,900	\$5,745,100	-\$614,400	- 4.9%	26.94	25.94	25.94	- 1.00	- 3.7%
PR	<u>14,924,500</u>	<u>14,995,600</u>	<u>14,999,800</u>	<u>146,400</u>	0.5	<u>28.24</u>	<u>26.24</u>	<u>26.24</u>	<u>- 2.00</u>	- 7.1
<b>TOTAL</b>	<b>\$21,177,700</b>	<b>\$21,142,500</b>	<b>\$20,744,900</b>	<b>-\$468,000</b>	<b>- 1.1%</b>	<b>55.18</b>	<b>52.18</b>	<b>52.18</b>	<b>- 3.00</b>	<b>- 5.4%</b>

## Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$93,100
PR	<u>148,200</u>
<b>Total</b>	<b>\$241,300</b>

Modify the base budget by \$40,500 GPR and \$72,000 PR in 2021-22 and \$52,600 GPR and \$76,200 PR in 2022-23 for: (a) full funding of continuing salaries and fringe benefits (-\$27,500 GPR and -\$37,300 PR annually; (b) \$18,800 GPR and \$5,900 PR in 2021-22 and \$30,600 GPR and \$5,900 PR in 2022-23 for reclassifications and semiautomatic pay progression; (c) \$73,300 GPR and \$12,000 PR annually for overtime; (d) \$8,700 GPR and \$3,400 PR annually for night and weekend differential pay; (e) -\$32,800 GPR and \$88,000 PR in 2021-22 and -\$32,500 GPR and \$92,200 PR in 2022-23 for full funding of lease and directed moves costs.

**2. STATE AGENCY BUDGET REDUCTION**

GPR	- \$225,600
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Reduce the ECB general program operations appropriation by \$112,800 annually.

**3. DEBT SERVICE ESTIMATE [LFB Paper 102]**

GPR	- \$216,500
PR	<u>- 1,800</u>
<b>Total</b>	<b>- \$218,300</b>

Estimate debt service funding by \$101,400 GPR in 2021-22 and -\$317,900 GPR in 2022-23 and -\$900 PR annually. Base level funding is \$2,270,700 GPR and \$900 PR.

**4. FUEL AND UTILITIES ESTIMATE**

GPR	- \$265,400
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Delete -\$135,400 in 2021-22 and -\$130,000 in 2022-23 to estimate the Board's fuel and utilities budget to reflect anticipated changes in prices and statistically normal weather conditions. Base level funding is \$948,300 annually.

## 5. DELETE VACANT POSITIONS

Delete 1.0 GPR position from ECB's general operations appropriation and 2.0 PR positions from the gifts, grants, contracts, leases, instructional material, and copyrights appropriation, which have been vacant more than 24 months.

	<b>Positions</b>
GPR	- 1.0
PR	<u>- 2.0</u>
Total	- 3.0

## ELECTIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Over 2020-21
GPR	\$4,705,700	\$4,784,500	\$4,788,100	\$161,200	1.7%	25.75	25.75	25.75	0.00	0.0%
FED	994,900	1,043,000	843,700	- 103,100	- 5.2	6.00	3.00	3.00	- 3.00	- 50.0
PR	1,000	150,200	350,500	498,700	N.A.	0.00	3.00	3.00	3.00	N.A.
SEG	100	100	100	0	0.0	0.00	0.00	0.00	0.00	N.A.
<b>TOTAL</b>	<b>\$5,701,700</b>	<b>\$5,977,800</b>	<b>\$5,982,400</b>	<b>\$556,800</b>	<b>4.9%</b>	<b>31.75</b>	<b>31.75</b>	<b>31.75</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

	Funding	Positions
GPR	\$161,200	0.00
FED	<u>- 343,500</u>	<u>- 6.00</u>
Total	- \$182,300	- 6.00

Provide adjustments to the base totaling \$78,800 GPR and \$29,600 FED in 2021-22, \$82,400 GPR and -\$373,100 FED in 2022-23, and -6.0 FED positions annually. Adjustments are for: (a) removal of non-continuing elements from the base (-\$36,700 FED in 2021-22, -\$440,400 FED in 2022-23, and -6.0 FED positions annually); (b) full funding of continuing position salaries and fringe benefits (\$75,100 GPR and \$15,500 FED annually); (c) reclassifications and semiautomatic pay progression (\$54,300 GPR annually); and (d) full funding of lease and directed moves costs (-\$50,600 GPR and \$50,800 FED in 2021-22 and -\$47,000 GPR and \$51,800 FED in 2022-23).

**2. CONVERT PROJECT POSITIONS TO PERMANENT POSITIONS FOR ELECTIONS SECURITY [LFB Paper 275]**

	Funding	Positions
FED	\$240,400	3.00
PR	<u>236,700</u>	<u>3.00</u>
Total	\$477,100	6.00

Convert 6.0 FED project positions to 3.0 FED and 3.0 PR permanent positions to support security infrastructure and to provide security support to local election officials. Provide \$18,500 FED and \$18,200 PR in 2021-22 and \$221,900 FED and \$218,500 PR in 2022-23 for salaries and fringe benefits. [The 6.0 FED project positions and funding are removed under standard budget adjustments.]

The permanent positions will have the same responsibilities as the current project positions, including managing IT projects, training local officials, and providing technical security assistance. The project positions are currently funded by a federal elections security grant and are scheduled to sunset in June, 2022. The federal positions will continue to be supported by the federal

elections security grant. The program revenue positions will be supported by the security and maintenance appropriation, described below.

**3. SECURITY AND MAINTENANCE APPROPRIATION**

PR	\$262,000
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**CREATION** [LFB Paper 275]

Create a continuing program revenue appropriation for election security and maintenance, estimated at \$131,000 annually. The appropriation will be funded from the sale of voter registration lists and will support elections security and system maintenance. The Commission indicates supported costs may include voter list processing, server and data storage costs, and IT developer expenses to maintain and upgrade the voter registration system.

Specify that the unencumbered balance in the segregated election administration fund associated with the sale of voter lists be transferred to the newly-created appropriation. As of February 15, 2021, the unencumbered balance associated with the sale of voter lists was approximately \$1.8 million. Under current law, the Elections Commission receives revenue from the sale of voter lists, which must be deposited to the election administration fund. The agency indicates it does not currently have the authority to expend such funds.

[Act 58 Sections: 89, 166, and 9212(1)]

## EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	%		2021-22	2022-23	Over 2020-21	%
				Amount					Number	
GPR	\$56,400	\$42,000	\$33,100	-\$37,700	-33.4%	0.00	0.00	0.00	0.00	N.A.
SEG	<u>49,694,400</u>	<u>50,860,700</u>	<u>50,988,900</u>	<u>2,460,800</u>	2.5	<u>274.20</u>	<u>275.20</u>	<u>275.20</u>	<u>1.00</u>	0.4%
<b>TOTAL</b>	<b>\$49,750,800</b>	<b>\$50,902,700</b>	<b>\$51,022,000</b>	<b>\$2,423,100</b>	<b>2.4%</b>	<b>274.20</b>	<b>275.20</b>	<b>275.20</b>	<b>1.00</b>	<b>0.4%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

	Funding	Positions
SEG	\$1,282,500	- 3.00

Provide adjustments to the base totaling \$929,600 and -3.0 positions in 2021-22 and \$739,100 and -3.0 positions in 2022-23. Adjustments are for: (a) turnover reduction (-\$772,600 annually); (b) removal of noncontinuing elements (-\$38,000 and -3.0 positions in 2021-22 and -\$228,500 and -3.0 positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits (\$1,414,700 annually); (d) overtime (\$45,600 annually); (e) night and weekend differential pay (\$72,300 annually); and (f) full funding of lease and directed moves costs (\$14,500 annually).

**2. RETIRED EMPLOYEES BENEFIT SUPPLEMENT ESTIMATE [LFB Paper 102]**

GPR	-\$37,700
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Reduce estimated expenditures by \$14,400 in 2021-22 and \$23,300 in 2022-23 to reflect decreased amounts necessary to pay benefit supplements for retirees who first began receiving annuities before October 1, 1974. These supplements were authorized by Chapter 337, Laws of 1973, 1983 Wisconsin Act 394, and 1997 Wisconsin Act 26. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. Current base level funding for the appropriation is \$56,400.

**3. INFORMATION TECHNOLOGY COSTS FOR SYSTEMS MODERNIZATION [LFB Paper 280]**

SEG	\$741,500
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Provide \$317,300 in 2021-22 and \$424,200 in 2022-23 for supplies and services expenses for ongoing operational information technology (IT) costs related to systems modernization.

Funding is based on ongoing costs for five recent IT upgrades, less the prior operational expenses for each (totaling \$66,500 annually), as follows: (a) software for data extraction, transformation, and loading (\$9,500 in 2021-22 and \$116,400 in 2022-23); (b) website redesign (\$110,900 annually); (c) project and work management software (\$69,500 annually); (d) automated call distribution software (\$64,100 annually); and (e) appointment scheduling software (\$63,300 annually).

**4. PROJECT POSITIONS FOR SERVICE SUPPORT**  
[LFB Paper 280]

	<b>Funding</b>	<b>Positions</b>
SEG	\$266,500	3.00

Provide \$38,000 in 2021-22 and \$228,500 in 2022-23 and 3.0 positions annually (2.0 trust funds specialists and 1.0 accountant), to replace project positions that expire in May, 2022. The trust funds specialist positions will provide support services to employers participating in the health, life, and income continuation insurance programs. The accountant position will support internal control and data integrity measures to provide accurate and timely financial services.

The current project positions (2.0 trust funds specialists and 1.0 accountant), which were created in 2014 and extended in the 2017-19 biennial budget, were provided to support the agency's transformation, integration, and modernization project. The project positions and associated funding are deleted as a standard budget adjustment.

**5. CYBERSECURITY** [LFB Paper 280]

	<b>Funding</b>	<b>Positions</b>
SEG	\$170,300	1.00

Provide \$74,500 in 2021-22 and \$95,800 in 2022-23 and 1.0 position annually for cybersecurity.

## EMPLOYMENT RELATIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Number
GPR	\$920,200	\$856,500	\$858,300	-\$125,600	-	6.00	6.00	6.00	0.00	0.0%
PR	<u>145,600</u>	<u>145,600</u>	<u>145,600</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.
<b>TOTAL</b>	<b>\$1,065,800</b>	<b>\$1,002,100</b>	<b>\$1,003,900</b>	<b>-\$125,600</b>	<b>- 5.9%</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	-\$20,000
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Provide standard budget adjustments to the base totaling -\$10,900 in 2021-22 and -\$9,100 in 2022-23. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$16,400 annually); (b) reclassifications and semiautomatic pay progression (\$6,600 annually); and (c) full funding of lease and directed moves costs (-\$1,100 in 2021-22 and \$700 in 2022-23).

**2. GENERAL PROGRAM OPERATIONS REDUCTION**

GPR	-\$105,600
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Reduce the Commission's general program operations appropriation by \$52,800 annually.

## ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary					FTE Position Summary		
	2020-21	<u>Act 58</u>		2021-23 Change Over		Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.	
Fund	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%
GPR	\$9,498,100	\$8,428,900	\$6,538,300	-	\$4,029,000		- 21.2%
SEG	<u>8,000,000</u>	<u>8,000,000</u>	<u>7,000,000</u>	-	<u>1,000,000</u>		- 6.3
TOTAL	\$17,498,100	\$16,428,900	\$13,538,300	-	\$5,029,000		- 14.4%
BR		\$24,700,000					

### Budget Change Items

**1. REVENUE BONDING AUTHORITY [LFB Paper 291]**

BR	\$24,700,000
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Increase the revenue obligation bonding authority for the environmental improvement fund by \$24,700,000. The total revenue obligation bonding authorization increases from \$2,526,700,000 to \$2,551,400,000 under Act 58. Amounts are intended to support state matches on federal capitalization grants anticipated in the 2021-23 biennium.

The EIF consists of primarily the clean water fund and the safe drinking water loan program. The clean water fund program provides low-interest loans to municipalities for planning, designing, constructing or replacing a wastewater treatment facility, or for nonpoint source pollution abatement or urban storm water runoff control projects. The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction, or modification of public water systems. State revenue obligation bonds are issued to pay a required minimum 20% state match to the federal capitalization grant for each program. Debt service payments are made from loan repayments.

[Act 58 Section: 367]

**2. DEBT SERVICE ESTIMATE [LFB Paper 102]**

GPR	- \$4,029,000
SEG	<u>- 1,000,000</u>
Total	- \$5,029,000

Delete \$1,069,200 in 2021-22 and \$2,959,800 in 2022-23 to estimate budgeted GPR general obligation debt service. This includes adjustments of: (a) -\$1,190,100 in 2021-22 and - \$2,456,600 in 2022-23 for clean water fund debt service; and (b) \$120,900 in 2021-22 and - \$503,200 in 2022-23 for safe drinking water loan program debt service. Additionally, delete \$1,000,000 EIF SEG in 2022-23 for clean water fund debt service.

EIF general obligation debt service is associated with state general obligation bonds previously issued for the state match on federal capitalization grants and for other program financing. The following table shows EIF debt service changes under Act 58.

**Environmental Improvement Fund Debt Service -- Act 58**

	<u>Base</u>	<u>2021-22</u>		<u>2022-23</u>	
		<u>Change to Base</u>	<u>Total</u>	<u>Change to Base</u>	<u>Total</u>
<b>Clean Water Fund</b>					
GPR	\$5,214,200	-\$1,190,100	\$4,024,100	-\$2,456,600	\$2,757,600
SEG	<u>8,000,000</u>	<u>0</u>	<u>8,000,000</u>	<u>-1,000,000</u>	<u>7,000,000</u>
Subtotal	\$13,214,200	-\$1,190,100	\$12,024,100	-\$3,456,600	\$9,757,600
<b>Safe Drinking Water Loan Program</b>					
GPR	<u>\$4,283,900</u>	<u>\$120,900</u>	<u>\$4,404,800</u>	<u>-\$503,200</u>	<u>\$3,780,700</u>
Total	\$17,498,100	-\$1,069,200	\$16,428,900	-\$3,959,800	\$13,538,300

## ETHICS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Over 2020-21
GPR	\$925,000	\$987,600	\$998,000	\$135,600	7.3%	4.55	4.70	4.70	0.15	3.3%
PR	<u>525,600</u>	<u>515,400</u>	<u>516,000</u>	<u>- 19,800</u>	- 1.9	<u>3.45</u>	<u>3.30</u>	<u>3.30</u>	<u>- 0.15</u>	- 4.3
<b>TOTAL</b>	<b>\$1,450,600</b>	<b>\$1,503,000</b>	<b>\$1,514,000</b>	<b>\$115,800</b>	<b>4.0%</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$62,400
PR	<u>- 24,800</u>
<b>Total</b>	<b>\$37,600</b>

Provide adjustments to the base totaling \$31,200 GPR and -\$12,400 PR annually. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (\$9,800 GPR and \$9,000 PR annually); and (b) full funding of lease and directed moves costs (\$21,400 GPR and -\$21,400 PR annually).

**2. DEPUTY ADMINISTRATOR POSITION AND LOBBYING FEE INCREASE [LFB Paper 295]**

	Funding	Positions
GPR	\$73,200	0.15
PR	<u>5,000</u>	<u>- 0.15</u>
<b>Total</b>	<b>\$78,200</b>	<b>0.00</b>
PR-REV	\$25,900	

Provide \$63,400 GPR and \$34,200 PR in 2021-22, \$84,500 GPR and \$45,500 PR in 2022-23, and 1.0 unclassified position annually (0.65 GPR and 0.35 PR) to serve as a deputy administrator. Delete 1.0 classified ethics specialist position (0.5 GPR and 0.5 PR), effective October 1, 2021. Reduce expenditure authority associated with the deleted position by \$32,000 GPR and \$32,000 PR in 2021-22 and \$42,700 GPR and \$42,700 PR in 2022-23. Increase the principal registration fee from \$375 to \$385 and increase the lobbyist authorization fee from \$125 to \$135, beginning on July 1, 2021. These fees were last modified in 1995.

The source of funding for the PR appropriation is lobbying fees. The Commission indicates that the deputy administrator will process complaints, conduct research and analysis, prepare recommendations for the Commission, and assist with the supervision of agency staff. Under current law, the Ethics Commission may employ an administrator and an assistant administrator in the unclassified service. However, the agency is currently only provided authority of 1.0 unclassified position for the administrator.

[Act 58 Sections: 8 and 9]

## FINANCIAL INSTITUTIONS

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		2021-22	2022-23	Number	Over 2020-21
PR	\$19,509,700	\$18,613,700	\$18,498,900	-\$1,906,800	-4.9%	138.54	138.54	138.54	0.00	0.0%
SEG	813,400	987,100	987,100	347,400	21.4	3.00	3.00	3.00	0.00	0.0
<b>TOTAL</b>	<b>\$20,323,100</b>	<b>\$19,600,800</b>	<b>\$19,486,000</b>	<b>-\$1,559,400</b>	<b>-3.8%</b>	<b>141.54</b>	<b>141.54</b>	<b>141.54</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

PR	-\$1,459,600
SEG	347,400
<b>Total</b>	<b>-\$1,112,200</b>

Provide adjustments to the base totaling -\$556,100 annually associated with: (a) turnover reduction (-\$401,400 PR annually); (b) full funding of continuing position salaries and fringe benefits (-\$307,200 PR annually and \$145,100 SEG annually); and (c) full funding of lease and directed move costs (-\$21,200 PR annually and \$28,600 SEG annually).

**2. FINANCIAL INTEGRITY INFORMATION TECHNOLOGY MODERNIZATION [LFB Paper 300]**

PR	\$1,350,800
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Provide \$332,800 in 2021-22 and \$1,018,000 in 2022-23 on a one-time basis to the Department's general program operations appropriation to consolidate multiple older financial applications into one centralized cashing application, capable of integrating with the state's accounting system (State Transforming Agency Resources (STAR)). The increased expenditure authority will be used to: (a) research vendor options and develop applications in 2021-22 (\$322,800); and (b) implement procured software to improve the accuracy and processing of receipts collected by the Department in 2022-23 (\$1,018,000).

**3. NOTARY INFORMATION TECHNOLOGY MODERNIZATION [LFB Paper 300]**

PR	\$812,000
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Provide \$806,000 in 2021-22 and \$6,000 in 2022-23 on a one-time basis to the Department's general program operations appropriation to modernize notary information technology systems. Under 2019 Act 125, notarial acts were expanded to allow notarization using communication technology. The Act also created a remote notary council to adopt and implement standards related to remote notarization. The increased expenditure authority will be used to purchase upgraded

information technology software to: (a) process and track notary applications and payments more effectively; (b) streamline the notary public database updates; and (c) consolidate software applications to increase efficiency.

**4. GENERAL PROGRAM OPERATIONS BUDGET**

PR	-\$2,610,000
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**REDUCTION**

Reduce the general program operations appropriation budget by \$1,305,000 PR annually. As a result, increase the estimated amounts transferred to the general fund under the act by a corresponding amount.

## FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary					FTE Position Summary	
	2020-21 Adjusted Base	<u>Act 58</u> 2021-22      2022-23		2021-23 Change Over <u>Base Year Doubled</u> Amount      %		There are no state authorized positions for the Fox River Navigational System.
Fund						
SEG	\$125,400	\$125,400	\$125,400	\$0	0.0%	

## GENERAL FUND TAXES

### 1. GENERAL FUND TAX CHANGES

The following table shows the estimated fiscal effects of the general fund tax changes included in Act 58 during the 2021-23 biennium. The table does not include changes to refundable tax credits, because they are paid from appropriations rather than recorded as revenue reductions.

#### 2021-23 General Fund Tax Changes -- Act 58

	<u>2021-22</u>	<u>2022-23</u>	<u>2021-23 Biennium</u>
<b>Individual Income Tax</b>			
Reduce Rate for Third Income Tax Bracket	-\$1,019,200,000	-\$994,300,000	-\$2,013,500,000
Child and Dependent Care Credit	Minimal	-9,800,000	-9,800,000
Active Duty Military Exclusion	-20,200,000	-20,200,000	-40,400,000
AmeriCorps Award Exclusion	-136,000	-136,000	-272,000
<b>Sales and Use Taxes</b>			
Exemption for Sweetened Dried Fruit	<u>-400,000</u>	<u>-500,000</u>	<u>-900,000</u>
Total General Fund Tax Changes	-\$1,039,936,000	-\$1,024,936,000	-\$2,064,872,000

### Individual Income Tax

#### 1. INDIVIDUAL INCOME TAX RATE REDUCTION

GPR-Tax	-\$2,013,500,000
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Reduce the tax rate in the third individual income tax bracket from 6.27% to 5.30%, beginning in tax year 2021. The table below displays taxable income that falls within the third tax bracket. Estimate reduced individual income tax collections of \$1,019,200,000 in 2021-22 and \$994,300,000 in 2022-23.

<u>Filing Status</u>	<u>Taxable Income in the 3<sup>rd</sup> Bracket, Tax Year 2021</u>
Single/Head-of-Household	\$24,250 to 266,930
Married Joint	32,330 to 355,910
Married Separate	16,160 to 177,960

[Act 58 Sections: 247 thru 249]

**2. CHILD AND DEPENDENT CARE EXPENSES CREDIT** [LFB 

GPR-Tax	- \$9,800,000
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Paper 311]

Create a nonrefundable state individual income tax credit for household and dependent care expenses, beginning in tax year 2022. Specify that the credit equals 50% of the amount of the federal household and dependent care expenses tax credit [set forth under the Internal Revenue Code (IRC)] that a claimant is eligible to claim on the claimant's federal income tax return for the same tax year. Sunset the current law deduction for household and dependent care expenses beginning in tax year 2022. Reduce individual income tax collections by an estimated \$9,800,000 annually, beginning in 2022-23.

Specify that no state child and dependent care expenses tax credit is allowed unless it is claimed within four years of the unextended due date of the income tax return to which the claim relates. Prohibit nonresidents and part-year residents of Wisconsin from claiming the credit. Direct that no credit is allowed for a tax year covering a period of less than 12 months, except for a tax year that was closed because of the death of the taxpayer. Specify that current law provisions which apply to the individual income tax relating to the Department of Revenue's (DOR) enforcement authority, and to assessments, refunds, appeals, collection, interest, and penalties, also apply to this credit. Require couples who are married at the end of a tax year to claim the credit as married-joint filers for that tax year, except permit married persons living apart and treated as single under the IRC to claim the credit as if a single or head-of-household claimant.

[Act 58 Sections: 244, 258, and 259]

**3. ACTIVE DUTY MILITARY INCOME EXCLUSION** [LFB 

GPR-Tax	- \$40,400,000
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Paper 318]

Beginning in tax year 2021, specify that all basic, special, and incentive pay income received from the federal government by a member of the U.S. Armed Forces while that member is serving on active duty, including income received by individuals who are called into active federal service under 10 USC 12304b of federal law relating to preplanned missions in support of the combatant commands, is excluded from taxable income (to the extent not already excluded under current law). Sunset the current law armed forces member credit beginning in tax year 2021. Estimate reduced individual income tax collections relative to current law of \$20,200,000 annually, beginning in 2021-22.

[Act 58 Sections: 243, 246, 257, and 9337(1)]

**4. AMERICORPS AWARD EXCLUSION**

GPR-Tax	- \$272,000
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Provide that any amount of a national service educational award certified by the Corporation for National and Community Service (which includes the AmeriCorps program) and disbursed under specific provisions of federal law during the taxable year is excluded from an individual's taxable income, beginning in tax year 2021. Stipulate that the exclusion is not allowed for an amount that is subtracted under: (a) the current law deduction for tuition expenses and mandatory

student fees; or (b) the federal deduction for student loan interest. Estimate reduced individual income tax collections of \$136,000 on an annual basis, beginning in 2021-22.

[Act 58 Section: 245]

## Sales and Use Taxes

**1. EXEMPTION FOR SWEETENED DRIED FRUIT** [LFB Paper 321] 

GPR-Tax	- \$900,000
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Provide a sales and use tax exemption for sweetened dried fruit. The intent of this provision is for dried cranberries and similar items to have the same sales tax treatment as other dried fruits.

Under current law, food and food ingredients, except candy, soft drinks, dietary supplements, and prepared food, are exempt from the sales tax. Candy is defined as a preparation of sugar, honey, or other natural or artificial sweetener combined with chocolate, fruit, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. Candy does not include a preparation that contains flour or that requires refrigeration. Act 58 specifies that candy will also not include a preparation that has as its predominant ingredient dried or partially dried fruit, along with one or more sweeteners, and which may also contain other additives including oils, natural flavorings, fiber, or preservatives. Dried or partially dried fruits prepared with the following will not be exempt from the sales and use tax: (a) chocolate; (b) nuts; (c) yogurt; or (d) a confectionary coating or glazing. Additionally, dried or partially dried fruit will not include fruit that has been ground, crushed, grated, flaked, pureed, or jellied.

The provision will take effect on the first day of the third month beginning after publication of Act 58 (October 1, 2021). It is estimated that this exemption will decrease state tax revenues by \$400,000 in 2021-22 and \$500,000 in 2022-23 and annually thereafter.

[Act 58 Sections: 276 thru 278 and 9437(2)]

## Refundable Tax Credits and Other Payments

[Fiscal effects of items in this section are also displayed in the summary tables under "Shared Revenue and Tax Relief" or "Miscellaneous Appropriations."]

**1. ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE TAX CREDIT ESTIMATE** [LFB Papers 102 and 333] 

GPR	- \$386,524,800
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Decrease funding by \$182,894,900 in 2021-22 and \$203,629,900 in 2022-23 for the sum

sufficient appropriation for refundable electronics and information technology manufacturing (EITM) zone tax credits during the 2021-23 biennium. 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 the Wisconsin Economic Development Corporation (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 credits that could be earned under the amended contract between WEDC and Foxconn dated April 20, 2021, estimated at \$29,060,000 in 2021-22 and \$8,325,000 in 2022-23.

**2. EARNED INCOME TAX CREDIT ESTIMATE [LFB Papers 102 and 334]**

GPR	- \$6,600,000
PR	- 9,200,000
Total	- \$15,800,000

Estimate the total amount of earned income tax credit (EITC) payments at \$86,000,000 in 2021-22 and \$90,000,000 in 2022-23. Under current law, the state EITC is paid from two sources: (a) a sum sufficient GPR appropriation; and (b) federal funding from the Temporary Assistance to Needy Families (TANF) program. TANF funding may be used under current law to finance the refundable portion of the state EITC, while GPR is used to finance the nonrefundable portion. Relative to base funding of \$26,200,000, decrease estimated GPR expenditures for the state EITC by \$3,800,000 in 2021-22 and \$2,800,000 in 2022-23. Relative to base funding of \$69,700,000, decrease TANF funding for the state EITC by \$6,100,000 in 2021-22 and \$3,100,000 in 2022-23.

[Act 58 Section: 226]

**3. HOMESTEAD TAX CREDIT ESTIMATE [LFB Paper 102]**

GPR	- \$24,000,000
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Estimate total GPR expenditures for the homestead tax credit at \$60,000,000 in 2021-22 and \$58,000,000 in 2022-23. Compared to base funding of \$71,000,000, total expenditures are estimated to decrease by \$11,000,000 in 2021-22 and \$13,000,000 in 2022-23. Under current law, the homestead credit is provided as a property tax relief mechanism for lower-income homeowners and renters. The credit is refundable, such that if the amount of the credit exceeds a claimant's tax liability, a check is issued to the claimant for the difference.

**4. ENTERPRISE ZONE TAX CREDIT ESTIMATE [LFB Papers 102 and 333]**

GPR	- \$5,400,000
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Increase funding by \$6,200,000 in 2021-22 and decrease funding by \$11,600,000 in 2022-23 for the sum sufficient appropriation for refundable enterprise zone tax credits to estimate anticipated claims during the biennium. The estimate reflects projections of credit claims for major economic development projects for which WEDC has, to date, contracted tax credit awards. With

the adjustments, estimated total funding will change from base funding of \$81,700,000 to \$87,900,000 in 2021-22 and \$70,100,000 in 2022-23. 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.

**5. REFUNDABLE RESEARCH TAX CREDIT ESTIMATE [LFB Paper 102]**

GPR	\$15,700,000
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Increase funding for refundable research tax credit claims by \$6,300,000 in 2021-22 and \$9,400,000 in 2022-23. Estimate the amount of GPR funding necessary to pay for the refundable portion of research tax credit claims under current law from base funding of \$9,000,000 to \$15,300,000 in 2021-22 and \$18,400,000 in 2022-23.

The state provides research credits to businesses equal to a certain percentage of the increase in a business's qualified research expenses, as defined under the IRC, for research conducted in Wisconsin. Beginning in tax year 2018, up to 10% of the amount of research credit computed may be claimed as a refundable credit. The remaining portion of the credit is nonrefundable.

**6. REFUNDABLE RESEARCH TAX CREDIT [LFB Paper 331]**

GPR	\$11,500,000
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Increase the refundable portion of the research tax credit (including the engine and energy efficiency credits) from 10% to 15% of the credit amount. Estimate increased expenditures of \$2,300,000 in 2021-22 and \$9,200,000 in 2022-23. Specify that this provision first applies to new research credit claims for tax years beginning after December 31, 2020.

[Act 58 Sections: 256, 266, 267, 274, and 275]

**7. ILLINOIS-WISCONSIN RECIPROCITY ESTIMATE [LFB Paper 102]**

GPR	\$18,000,000
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Increase the estimated payment under the Illinois-Wisconsin individual income tax reciprocity agreement by \$12,600,000 in 2021-22 and \$5,400,000 in 2022-23 to reflect anticipated payments to Illinois in the 2021-23 biennium. Compared to base funding of \$106,700,000, total payments are estimated at \$119,300,000 in 2021-22 and \$112,100,000 in 2022-23.

Under current law, Wisconsin does not tax the income from personal services earned in Wisconsin by residents of Illinois and instead collects taxes on such income earned in Illinois by Wisconsin residents. Likewise, Illinois does not impose its income tax on the income from personal services of Wisconsin residents and instead taxes such income earned in Wisconsin by their residents. As a result, Wisconsin foregoes tax revenue from personal service income of residents of Illinois who work here, and Illinois foregoes such tax revenue from Wisconsin residents who work there. The reciprocity agreement with Illinois requires a compensation payment when the net foregone tax revenues of one state exceed those of the other state.

**8. VETERANS PROPERTY TAX CREDIT ESTIMATE** [LFB 

GPR	\$11,000,000
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 Paper 102]

Increase funding for the veterans and surviving spouses property tax credit by \$5,000,000 in 2021-22 and \$6,000,000 in 2022-23. Compared to base funding of \$36,000,000, total funding for the credit is estimated at \$41,000,000 in 2021-22 and \$42,000,000 in 2022-23.

Under current law, the credit is equal to 100% of real and personal property taxes paid on a principal dwelling by eligible veterans and surviving spouses. An eligible veteran is a person who: (a) served on active duty in the U.S. Armed Forces; (b) was a resident of this state at the time of entry into that service or had been a Wisconsin resident for any consecutive five-year period after entry; (c) is a resident of the state for purposes of receiving veterans benefits; and (d) has a service-connected disability of 100% or a 100% disability rating based on individual employability. An eligible unremarried surviving spouse includes persons: (1) who receive federal dependency and indemnity compensation as a result of the deceased spouse's active duty service; (2) whose spouse died while on active duty in the U.S. Armed Forces, the National Guard, or the U.S. Armed Forces reserves; or (3) whose deceased spouse had a service-connected disability.

The credit is refundable, such that if the amount of the credit exceeds the claimant's tax liability, the balance is paid to the claimant by check. A claimant cannot claim the credit if they also file a claim for the property tax rent credit (nonrefundable), homestead credit (refundable), or farmland preservation credit (refundable) in the same tax year.

**9. BUSINESS DEVELOPMENT TAX CREDIT ESTIMATE** [LFB Papers 102 and 333] 

GPR	- \$10,600,000
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Reduce funding by \$6,200,000 in 2021-22 and \$4,400,000 in 2022-23 for the sum sufficient appropriation for business development tax credits to estimate anticipated claims during the 2021-23 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, estimated total funding will decrease from base funding of \$19,100,000 to \$12,900,000 in 2021-22 and \$14,700,000 in 2022-23. 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.

**10. JOBS TAX CREDIT ESTIMATE** [LFB Paper 102] 

GPR	- \$2,100,000
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Reduce funding by \$400,000 in 2021-22 and \$1,700,000 in 2022-23 for the sum sufficient appropriation for jobs tax credits to estimate claims during the biennium. The estimate reflects projections for credit claims for economic development projects for which WEDC has previously awarded tax credits. With the adjustments, estimated total funding will decrease from base funding of \$2,900,000 to \$2,500,000 in 2021-22 and \$1,200,000 in 2022-23.

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.

## **11. REFUNDABLE TAX CREDITS FOR PASS-THROUGH ENTITIES**

Allow pass-through entities [partnerships, limited liability companies (LLCs), and tax-option (S) corporations] to elect to claim the jobs, enterprise zone, and business development tax credits at the entity level, as described below.

For contracts entered into prior to December 22, 2017, federal law provides that certain payments from governments (such as the refundable tax credits identified above) are contributions to the capital of the taxpayer, rather than gross income, and are excluded from income for federal income tax purposes. The federal Tax Cuts and Jobs Act of 2017 later repealed the exclusion for contracts entered into after that date. As a result, C corporations and S corporations may qualify for a federal exclusion for credit claims made at the entity level associated with contracts executed with WEDC prior to December 22, 2017, but not afterwards.

Under state law, C corporations may claim refundable tax credits and use the exclusion for federal tax purposes. However, prior to Act 58, S corporations could not use the federal exclusion because the state credits would pass through to their shareholders, who would not qualify for the federal exclusion.

Under Act 58, partnerships, LLCs, and S corporations may elect to claim the jobs, enterprise zone, and business development tax credits at the entity level for taxable years beginning after December 31, 2020, if the credit results from a contract entered into with WEDC prior to December 22, 2017. The entity is required to make this election each taxable year on its original return and the election may not be subsequently made or revoked. Further, if a pass-through entity elects to claim the credit, then the partners, members, and shareholders cannot claim the credit. Likewise, the credit cannot be claimed by the pass-through entity if one or more partners, members, or shareholders have claimed the credit for the same taxable year. Partnerships, LLCs, and S corporations cannot claim credits at the entity level if the claim relates to a contract entered into with WEDC after December 22, 2017.

Partnerships, LLCs, and S corporations that elect to file under the state entity-level tax remain prohibited from claiming the jobs, enterprise zone, and business development tax credits, even if such claims related to a contract with WEDC executed prior to December 22, 2017. Entity-level filers are prohibited from claiming any tax credits, except for the credit for taxes paid to another state.

[Act 58 Sections: 250 thru 255, 260 thru 265, and 268 thru 273]

**12. CIGARETTE AND TOBACCO PRODUCTS TAX REFUNDS ESTIMATE [LFB Paper 102]**

GPR	- \$3,500,000
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Decrease funding for cigarette and tobacco products tax refunds by \$1,500,000 in 2021-22 and \$2,000,000 in 2022-23 to reflect lower estimates of the sum sufficient appropriation amounts required to reimburse Native American tribes under present law. With these adjustments, estimated total funding in the cigarette and tobacco products tax refunds appropriation will decrease from base funding of \$31,700,000 to \$30,200,000 in 2021-22 and \$29,700,000 in 2022-23. 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 the tribe.

**13. OIL PIPELINE TERMINAL TAX DISTRIBUTION ESTIMATE [LFB Paper 102]**

GPR	\$1,240,700
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Increase estimated payments by \$524,600 in 2021-22 and \$716,100 in 2022-23. With these increases, oil pipeline terminal tax payments are budgeted \$6,574,600 in 2021-22 and \$6,766,100 in 2022-23, relative to base level funding of \$6,050,000. The oil pipeline terminal tax distribution provides payments to municipalities where oil pipeline terminal facilities are located. The payment equals a proportionate share of the pipeline company's state tax payment based on the terminal facility's cost as a percentage of the gross book value of the pipeline company in Wisconsin.

**14. CLAIM OF RIGHT CREDIT ESTIMATE [LFB Paper 102]**

GPR	\$24,000
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Increase funding for the claim of right (repayment) credit by \$12,000 in 2021-22 and 2022-23. Compared to base funding of \$120,000, total funding for the credit is estimated at \$132,000 in 2021-22 and 2022-23.

# GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Number
GPR	\$4,163,700	\$4,237,300	\$4,237,300	\$147,200	1.8%	37.25	37.25	37.25	0.00	0.0%

## Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$147,200
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Provide adjustments to the base budget totaling \$73,600 annually in the 2021-23 biennium associated with full funding of continuing positions salaries and fringe benefits.

## HEALTH SERVICES

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Number
GPR	\$4,407,796,700	\$4,426,862,700	\$4,432,714,200	\$43,983,500	0.5%	2,657.23	2,643.55	2,642.84	- 14.39	- 0.5%
FED	6,754,343,400	7,958,625,500	7,715,191,400	2,165,130,100	16.0	1,270.77	1,276.77	1,274.77	4.00	0.3
PR	1,576,572,600	1,785,769,800	1,816,345,500	448,970,100	14.2	2,434.19	2,421.60	2,422.31	- 11.88	- 0.5
SEG	576,631,600	859,977,400	1,152,659,500	859,373,700	74.5	2.00	2.00	2.00	0.00	0.0
<b>TOTAL</b>	<b>\$13,315,344,300</b>	<b>\$15,031,235,400</b>	<b>\$15,116,910,600</b>	<b>\$3,517,457,400</b>	<b>13.2%</b>	<b>6,364.19</b>	<b>6,343.92</b>	<b>6,341.92</b>	<b>- 22.27</b>	<b>- 0.3%</b>

### Budget Change Items

### Medical Assistance

#### 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 Act 58.

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 budgeted for MA benefits for each year of the 2021-23 biennium, compared to the base level funding for the program. The cost-to-continue item reflects current estimates of MA costs in the 2021-23 biennium with no programmatic changes to benefits or eligibility. The other listed items increase or decrease funding for one or more MA funding sources to reflect program changes. In addition to the cost-to-continue estimate and provider reimbursement changes, the Act includes two fund transfers to the medical assistance trust fund (MATF). These transfers result in decreases to the GPR appropriation for MA benefits and corresponding increases to the MATF SEG appropriation. The net effect of the transfer provisions and all other changes to the GPR appropriation for MA benefits is an increase of \$2,783,900 in 2021-22 and \$2,118,200 in 2022-23. These amounts are equal to the decrease to the GPR appropriation for SeniorCare under the cost-to-continue estimate for that program. Consequently, under the Act, there is no net change to the combined GPR appropriation base for MA and SeniorCare.

**TABLE 1**

**Summary of MA Benefits Funding**

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
<b>2021-22</b>					
Base Funding	\$3,456,720,900	\$5,959,530,100	\$1,119,547,800	\$576,283,900	\$11,112,082,700
<i>Cost-to-Continue</i>					
MA Benefits	\$129,907,000	\$1,003,747,400	\$192,843,400	\$61,393,500	\$1,387,891,300
Other Adjustments*	0	-8,000,000	2,615,600	0	-5,384,400
<i>MA Trust Fund Transfers</i>					
General Fund	-\$174,665,900	\$0	\$0	\$174,665,900	\$0
Permanent Endowment Fund	-47,290,000	0	0	47,290,000	0
<i>Reimbursement and Other Changes</i>					
Nursing Homes Rates	\$30,474,700	\$51,559,600	\$0	\$0	\$82,034,300
Direct Care Workforce	20,000,000	33,835,800	0	0	53,835,800
Personal Care, Direct Care	7,584,400	11,319,900	0	0	18,904,300
DSH Payments	20,000,000	33,835,800	0	0	53,835,800
Post-Partum Coverage	0	0	0	0	0
Mental Health/Day Treatment	3,185,400	4,778,300	0	0	7,963,700
Medication-Assisted Treatment	489,800	734,600	0	0	1,224,400
Dental Access Incentives	6,173,200	9,259,600	0	0	15,432,800
Autism Treatment	1,945,400	2,918,200	0	0	4,863,600
Emergency Physician	837,900	1,367,100	0	0	2,205,000
Speech-Language Pathology	383,500	575,300	0	0	958,800
Audiology	187,400	281,100	0	0	468,500
Tribal Shared Savings	0	0	0	0	0
Ambulance Services	2,234,300	3,351,500	0	0	5,585,800
Home Health	473,300	706,500	0	0	1,179,800
Chiropractic Services	566,200	849,300	0	0	1,415,500
Physical Therapy	297,300	446,000	0	0	743,300
Total Change to Base	\$2,783,900	\$1,151,566,000	\$195,459,000	\$283,349,400	\$1,633,158,300
2021-22 Total	\$3,459,504,800	\$7,111,096,100	\$1,315,006,800	\$859,633,300	\$12,745,241,000
<b>2022-23</b>					
Base Funding	\$3,456,720,900	\$5,959,530,100	\$1,119,547,800	\$576,283,900	\$11,112,082,700
<i>Cost-to-Continue</i>					
MA Benefits	\$417,744,700	\$683,266,400	\$214,277,400	-\$5,314,600	\$1,309,973,900
Other Adjustments*	0	-8,000,000	2,615,600	0	-5,384,400
<i>MA Trust Fund Transfers</i>					
General Fund	-\$527,783,700	\$0	\$0	\$527,783,700	\$0
Permanent Endowment Fund	-53,562,400	0	0	53,562,400	0
<i>Reimbursement and Other Changes</i>					
Nursing Homes Rates	\$67,600,700	\$102,774,700	\$0	\$0	\$170,375,400
Direct Care Workforce	20,000,000	30,403,200	0	0	50,403,200
Personal Care, Direct Care	23,557,700	35,811,600	0	0	59,369,300
DSH Payments	20,000,000	30,403,200	0	0	50,403,200
Post-Partum Coverage	1,000,000	1,500,000	0	0	2,500,000
Mental Health/Day Treatment	6,371,000	9,556,400	0	0	15,927,400
Medication-Assisted Treatment	979,500	1,469,200	0	0	2,448,700
Dental Access Incentives	12,346,300	18,519,500	0	0	30,865,800
Autism Treatment	3,890,800	5,836,300	0	0	9,727,100
Emergency Physician	1,675,800	2,734,200	0	0	4,410,000

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
<i>Reimbursement and Other Changes</i>					
Speech-Language Pathology	\$767,000	\$1,150,600	\$0	\$0	\$1,917,600
Audiology	374,800	562,100	0	0	936,900
Tribal Shared Savings	0	5,537,900	0	0	5,537,900
Ambulance Services	4,468,600	6,702,800	0	0	11,171,400
Home Health	960,200	1,459,600	0	0	2,419,800
Chiropractic Services	1,132,500	1,698,700	0	0	2,831,200
Physical Therapy	<u>594,700</u>	<u>892,000</u>	<u>0</u>	<u>0</u>	<u>1,486,700</u>
Total Change to Base	\$2,118,200	\$932,278,400	\$216,893,000	\$576,031,500	\$1,727,321,100
2022-23 Total	\$3,458,839,100	\$6,891,808,500	\$1,336,440,800	\$1,152,315,400	\$12,839,403,800

\* Includes program revenue estimates and standard budget adjustments.

Table 2 shows actual and projected monthly enrollment by major eligibility group. Enrollment projections for the 2021-23 biennium are the basis for the MA cost-to-continue estimate under the Act. In addition to the baseline estimates, the projection for pregnant women reflects a decision to increase postpartum coverage by one month, from 60 days following delivery to 90 days following delivery.

**TABLE 2**  
**Actual and Projected Monthly Average Enrollment by Group**

	<u>Actual</u> <u>2019-20</u>	<u>Projected</u> <u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
<b>Elderly, Blind, Disabled MA</b>				
Elderly	73,054	79,087	81,746	80,907
Disabled, Non-Elderly Adults	141,497	148,235	152,788	150,041
Disabled Children	31,843	32,151	33,058	32,039
EBD Total	246,394	259,473	267,592	262,988
<b>BadgerCare Plus</b>				
Parents	163,888	200,350	212,992	189,116
Children	458,248	514,692	535,200	501,371
Childless Adults	158,164	219,765	240,165	202,655
Pregnant Women	19,796	26,201	28,358	22,132
BadgerCare Plus Total	800,096	961,008	1,016,716	915,274
<b>Other Full Benefit MA</b>				
Foster Care/Subsidized Adoption	20,907	23,179	25,140	24,712
Well Woman	499	496	507	517
<b>Total Full Benefit</b>	1,067,896	1,244,155	1,309,955	1,203,491
<b>Limited Benefit Groups</b>				
Family Planning Only	37,081	39,736	44,769	46,014
Medicare Cost Sharing Assistance	19,548	17,132	16,972	17,142
<b>Total Enrollment</b>	1,124,526	1,301,023	1,371,696	1,266,646

Table 3 shows actual and projected SEG revenues to the MA trust fund (MATF) under the Act, as well as anticipated MATF expenditures. MATF revenues are used for the nonfederal share

of MA benefits, offsetting an equal amount of GPR. Transfers to the MATF from the hospital assessment and critical access hospital assessment funds were higher than anticipated in 2019-20 and in 2020-21, and are projected to be higher in 2021-22 due to the impact of enhanced federal matching received under the Families First Coronavirus Response Act. A higher matching rate reduces the amount of assessment revenue needed to pay hospital access payments, which, in turn, allows more assessment revenue to be transferred to the MATF. Because MATF expenditures are limited to the amount in the MATF SEG appropriation, the fund carried over an unspent balance of \$48.8 million to the 2021-23 biennium. In the 2021-23 biennium, revenues are increased to reflect additional transfers to the MAFT from the general fund and the permanent endowment fund.

**TABLE 3**

**Actual and Projected Medical Assistance Trust Fund Revenues  
Fiscal Years 2019-20 through 2022-23**

	Actual <u>2019-20</u>	Projection <u>2020-21</u>	<u>Act 58</u>	
			<u>2021-22</u>	<u>2022-23</u>
<b>Beginning Balance</b>	\$0	\$10,034,600	\$48,800,000	\$0
<b>Provider Assessments</b>				
Hospital Assessment*	\$183,752,700	\$181,570,000	\$173,969,400	\$157,735,800
Nursing Home/ICF-IID Bed Assessment	62,102,200	60,044,000	56,280,000	54,240,100
Critical Access Hospital Assessment*	1,210,100	1,426,800	1,371,600	1,030,000
<b>Federal Funds Deposited to MA Trust Fund</b>				
County Nursing Home Cert. Pub. Expenditures	\$38,203,300	\$37,057,200	\$35,945,500	\$34,867,100
UW Intergovernmental Transfer	15,474,900	15,726,900	15,726,900	15,726,900
UW Certified Public Expenditures	1,834,500	1,900,000	1,900,000	1,900,000
<b>Other</b>				
Transfer from General Fund	\$0	\$0	\$174,665,900	\$527,783,700
Transfer from Permanent Endowment Fund	50,000,000	50,000,000	97,290,000	103,562,400
Interest Earnings**	<u>-1,315,100</u>	<u>-401,700</u>	<u>-450,000</u>	<u>-450,000</u>
<b>Total Available</b>	\$351,262,600	\$357,357,800	\$605,499,300	\$896,396,000
<b>Expenditures</b>	\$334,215,300	\$300,860,000	\$605,499,300	\$896,396,000
<b>Gross Balance</b>	\$17,047,200	\$56,497,800	\$0	\$0
<b>Year-End Adjustments</b>				
County Nursing Home Supplement***	-\$7,936,000	-\$7,697,900	\$0	\$0
Other Revenue Adjustment	<u>923,400</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net, Year-End Balance</b>	\$10,034,600	\$48,800,000	\$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. This amount is shown as a negative adjustment to the available balance.

Table 4 shows the actual and projected federal medical assistance percentage (FMAP) rates applicable to MA benefit expenditures in each fiscal year from 2020-21 through 2022-23. Under

provisions of the federal Families First Coronavirus Response Act, each state receives a 6.2 percentage point increase to its FMAP for any calendar quarter that the federal public health emergency related to the COVID-19 pandemic is in effect. The MA cost-to-continue estimate under Act 58 assumes that this enhanced rate, which first applied to the first quarter of calendar year 2020, will continue to apply through the end of calendar year 2021. Thus, the FMAP rate shown for 2020-21 reflects a full year of the enhanced rate and the FMAP for 2021-22 reflects the effect of the enhanced rate for two of the four quarters. 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 Program (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 Program)</u>
2020-21		
State	34.44%	21.23%
Federal	65.56	78.77
2021-22		
State	37.15%	26.00%
Federal	62.85	74.00
2022-23		
State	39.68%	27.77%
Federal	60.32	72.23

Table 5 shows the annual income levels, by household size, at various percentages of the 2021 federal poverty level (FPL). The current income eligibility threshold for BadgerCare Plus adults is 100%, whereas 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 2021 Federal Poverty Level,**  
**By Household Size**

<u>Household Size</u>	<u>Percentage of FPL</u>			
	<u>100%</u>	<u>160%</u>	<u>200%</u>	<u>240%</u>
One	\$12,880	\$20,608	\$25,760	\$30,912
Two	17,420	27,872	34,840	41,808
Three	21,960	35,136	43,920	52,704
Four	26,500	42,400	53,000	63,600
Five	31,040	49,664	62,080	74,496

**2. MEDICAL ASSISTANCE COST-TO-CONTINUE [LFB Paper 335]**

GPR	\$547,651,700
FED	1,687,013,800
PR	407,120,800
SEG	<u>56,078,900</u>
Total	\$2,697,865,200

Provide \$1,387,891,300 (\$129,907,000 GPR, \$1,003,747,400 FED, \$192,843,400 PR, and \$61,393,500 SEG) in 2021-22 and \$1,309,973,900 (\$417,744,700 GPR, \$683,266,400 FED, \$214,277,400 PR, and -\$5,314,600 SEG) in 2023-23 to fund projected MA benefits under a cost-to-continue scenario.

The cost-to-continue estimate adjusts the appropriations for MA benefits to reflect anticipated costs during the biennium, under a scenario that generally assumes no changes to program eligibility or provider reimbursement rates. Thus, the funding increases are based on the administration's projections of caseload growth, changes in the use and cost of providing medical and long-term care services, and changes to the state's federal medical assistance percentage (FMAP). Although the cost-to-continue estimate generally assumes no changes to provider reimbursement rates, there are exceptions. For certain MA services, the Department's practice is to make cost-based adjustments to rates, or the rate methodology is itself based, in whole or in part, on provider costs. Examples include hospital base rates, and rates paid to federally qualified health centers, nursing homes, and state centers for individuals with intellectual disabilities. In keeping with past practice, the cost-to-continue estimates incorporate adjustments to account for these reimbursement policies.

As part of the total funding provided under this item, provide \$25,900,000 (\$9,600,000 GPR and \$16,300,000 FED) in 2021-22 and \$51,400,000 (\$20,500,000 GPR and \$30,900,000 FED) in 2022-23 for DHS to increase rates paid to managed care organizations under Family Care, PACE, and Partnership, subject to federal approval.

Of the total funding under the cost-to-continue estimate item, \$19,400 PR annually is provided in an appropriation for the administration of the MA-supported long-term care programs. Although this adjustment reflects a cost-to-continue estimate for MA-supported services, the appropriation supports administrative costs, rather than benefits costs. For this reason the PR and all funds totals in this cost-to-continue reestimate item are slightly different than the totals shown in Table 1, which only reflects funding in MA benefits appropriations.

**3. TRANSFER FROM THE GENERAL FUND TO THE MEDICAL ASSISTANCE TRUST FUND**

GPR	- \$702,449,600
SEG	<u>702,449,600</u>
Total	\$0
GPR-Transfer	\$702,449,600
SEG-REV	\$702,449,600

Transfer \$174,665,900 in 2021-22 and \$527,783,700 in 2022-23 from the general fund to the medical assistance trust fund (MATF). Increase the MATF SEG appropriation for MA benefits by \$174,665,900 SEG in 2021-22 and \$527,783,700 SEG in 2022-23 and reduce the GPR appropriation for MA benefits by corresponding amounts.

[Act 58 Section: 9219(2)]

**4. TRANSFER FROM THE PERMANENT ENDOWMENT FUND TO THE MEDICAL ASSISTANCE TRUST FUND**

GPR	- \$100,852,400
SEG	<u>100,852,400</u>
Total	\$0
GPR-REV	- \$100,852,400
SEG-REV	<u>100,852,400</u>
Total	\$0

Modify a statutory provision that requires an annual transfer of \$50,000,000 in each year from the permanent endowment fund to the medical assistance trust fund (MATF) and the remainder to the general fund to specify, instead, that all amounts in the permanent endowment fund are transferred each year to the MATF. Increase estimated MATF revenues by \$47,290,000 in 2021-22 and \$53,562,400 in 2022-23 and reduce estimated general fund revenues by corresponding amounts. Increase the MATF appropriation for MA benefits by \$47,290,000 SEG in 2021-22 and \$53,562,400 SEG in 2022-23 and reduce the GPR appropriation by corresponding amounts.

The permanent endowment fund receives the state's share of payments under terms of the Master Tobacco Settlement Agreement, related to lawsuits filed by Wisconsin and other states against tobacco manufacturers. In each year since 2007-08, \$50,000,000 annually from this fund has been transferred to the MATF. Since the SEG appropriation from the MATF is used interchangeably with GPR for MA benefits, any increase to the MATF revenue results in a corresponding decrease in the GPR appropriation.

[Act 58 Section: 167]

**5. NURSING HOME REIMBURSEMENT RATES [LFB Paper 336]**

GPR	\$98,075,400
FED	<u>154,334,300</u>
Total	\$252,409,700

Provide \$82,034,300 (\$30,474,700 GPR and \$51,559,600 FED) in 2021-22 and \$170,375,400 (\$67,600,700 GPR and \$102,774,700 FED) in 2022-23 to increase MA reimbursement paid to skilled nursing facilities and intermediate care facilities for individuals with intellectual disabilities (ICFs-IID).

Of this amount, require DHS to increase MA rates paid to skilled nursing facilities and ICFs-IID by a budgeted sum of \$20,000,000, as the state share of payments, and the matching federal share of payments, in 2021-22, and by a budgeted sum of \$20,000,000, as the state share of payments, and the matching federal share of payments, in 2022-23, to support staff in those facilities who perform direct care. It is estimated that funding directed at staff who perform direct care would be \$53,835,800 (\$20,000,000 GPR and \$33,835,800 FED) in 2021-22 and \$50,403,200 (\$20,000,000 GPR and \$30,403,200 FED) in 2022-23.

Although not specified in the Act, it is intended that this increase be applied to nursing home services provided on a managed care and fee-for-service basis, as well as hospice days. Based on current assumptions regarding nursing home and ICF-IID patient bed days, it is estimated that this funding will fund a 12% rate increase effective July 1, 2021, and an additional 12% rate increase effective July 1, 2022.

[Act 58 Section: 9119(4)]

**6. DIRECT CARE WORKFORCE FUNDING [LFB Paper 337]**

GPR	\$40,000,000
FED	<u>64,239,000</u>
Total	\$104,239,000

Provide \$53,835,800 (\$20,000,000 GPR and \$33,835,800 FED) in 2021-22 and \$50,403,200 (\$20,000,000 GPR and \$30,403,200 FED) in 2022-23 to increase amounts available for direct care workforce supplemental payments.

Funding was provided for this purpose in 2017 Act 59 (the 2017-19 budget act) and 2019 Act 9 (the 2019-21 budget act). In the 2017-19 and 2019-21 biennia, the Department distributed the additional funding through the Direct Care Workforce Funding Initiative, which required MCOs to pass additional funding on to providers. Subsequently, providers chose how to pass the funding on to their staff, for example, in the form of wage increases, bonuses, or additional paid time off for certain direct care workers, or to fund employer payroll tax increases that result from increasing workers' wages.

**7. PERSONAL CARE REIMBURSEMENT RATE [LFB Paper 338]**

GPR	\$31,142,100
FED	<u>47,131,500</u>
Total	\$78,273,600

Provide \$18,904,300 (\$7,584,400 GPR and \$11,319,900 FED) in 2021-22 and \$59,369,300 (\$23,557,700 GPR and \$35,811,600 FED) to increase MA personal care reimbursement rates.

Require DHS to increase MA rates paid for direct care to agencies that provide personal care by a budgeted sum of \$7,584,400, as the state share of payments, and the matching federal share of payments, in 2021-22, and by a budgeted sum of \$23,557,700, as the state share of payments, and the matching federal share of payments, in 2022-23, to support staff in those agencies who perform direct care.

Although not specified in the Act, based on current assumptions regarding utilization of personal care services, it is estimated that hourly rates for personal care will increase from the current hourly rate of \$19.16 to \$20.69 on January 1, 2022, and to \$22.35 on January 1, 2023. Further, it is intended that this increase be applied to personal care provided on a fee-for-service and managed care basis, as well as for personal care services provided to IRIS participants, including self-directed IRIS personal care services.

[Act 58 Section: 9119(6)]

**8. DISPROPORTIONATE SHARE HOSPITAL PAYMENTS [LFB Paper 339]**

GPR	\$40,000,000
FED	<u>64,239,000</u>
Total	\$104,239,000

Provide \$53,835,800 (\$20,000,000 GPR and \$33,835,800 FED) in 2021-22 and \$50,403,200 (\$20,000,000 GPR and \$30,403,200 FED) in 2022-23 to increase disproportionate share hospital (DSH) payments. Modify statutory parameters for DSH payments to (a) increase from \$27,500,000 to \$47,500,000 the annual amount of state funds that DHS is required to allocate for payments, in addition to the associated federal matching funds; and (b) modify the maximum amount any single hospital can receive in each fiscal year, previously fixed

in statute at \$4,600,000, to be 6.77% of the total amount of funding available for DSH payments (state and federal funds) in each fiscal year.

DSH payments are provided to hospitals for which more than 6% of inpatient days are attributable to MA patients. The 2019-21 biennial budget, as modified by partial veto, temporarily increased the state share of payments and the maximum individual payment for 2019-21 only. Under the corresponding state plan approved by the federal Medicaid authority, the state share of DSH payments was set at \$47,500,000 per year and the individual payment cap was \$7,950,000, an increase from a total state share of \$27,500,000 per year and a maximum payment cap of \$4,600,000. In addition to the increase in the state share of payments, the total amount distributed was also affected by a temporary 6.2 percentage point increase to the state's federal matching rate under provisions of federal COVID relief legislation. This increase, which first applied in January of 2020 and is expected to remain in effect through at least the end of December, 2021, has the effect of increasing total payments since the state share of the payment is fixed in statute. With the combination of the temporary increase to the amount of state funds allocated for payments and the increase to the federal matching rate, total DSH payments (state and federal funds) increased from \$67.7 million in 2018-19 to \$127.5 million in 2019-20 and \$132.8 million in 2020-21.

Since the increase to the state allocation for DSH payments was only in effect for the 2019-21 biennium, the funding for providing the increase is not part of the appropriation base for the 2021-23 biennial budget. The Act established the state share of payments at the same level as in the 2019-21 biennium, but on a permanent basis. Total DSH payments will be approximately \$127.9 million in 2021-22 and \$119.7 million in 2022-23. Payments are expected to decrease from the amount distributed in 2020-21 due to the expectation that the temporary 6.2 percentage point increase to the state's FMAP will expire at the end of calendar year 2021.

In response to the temporary increase to the federal matching rate, DHS increased the per-hospital maximum payment to \$9,020,000, maintaining the relationship between the maximum payment and the total funding available. By establishing the per-hospital maximum payment as 6.77% of the total amount available for DSH payments, Act 58 ensures that the maximum automatically increases if the state qualifies for a higher federal matching rate in the future. Under the Act, the maximum payment will be approximately \$8.0 million under typical federal matching rates, which is similar to the maximum that would have applied in the 2019-21 biennium without the enhanced federal matching rate.

[Act 58 Sections: 227 and 228]

**9. POSTPARTUM ELIGIBILITY EXTENSION [LFB Paper 340]**

GPR	\$1,000,000
FED	<u>1,500,000</u>
Total	\$2,500,000

Provide \$2,500,000 (\$1,000,000 GPR and \$1,500,000 FED) in 2022-23 to reflect the estimated cost of extending benefits for MA-eligible pregnant women until the last day of the month in which the 90<sup>th</sup> day after the last day of the pregnancy falls, instead of the last day of the month in which the 60<sup>th</sup> day after the last day of the pregnancy falls, as under current law. Require the Department to request federal approval of a state Medicaid plan amendment or federal waiver to extend post-partum eligibility for pregnant women, and to extend postpartum coverage as described above only if federal approval is granted.

Under current law, the income eligibility threshold for pregnant women is 300% of the federal poverty level (FPL), and eligibility for coverage expires at the end of the month in which the 60<sup>th</sup> day following the pregnancy falls. Women whose household income is below 100% of the FPL may retain eligibility following pregnancy, as either a parent or (if she is not a parent of a child in the household) as a childless adult. Women above that level (unless eligible under other MA provisions) are no longer eligible for coverage. This item would extend the postpartum coverage period from 60 days following delivery to 90 days following delivery, which in effect provides an additional month of coverage for women whose household income is above 100% of the FPL. It is estimated that the extension, if approved by the federal Centers for Medicare and Medicaid Services, would increase monthly average enrollment of pregnant women by 675.

[Act 58 Sections: 230 thru 235]

**10. OUTPATIENT MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES AND CHILD-ADOLESCENT DAY TREATMENT REIMBURSEMENT [LFB Paper 341]**

GPR	\$9,556,400
FED	<u>14,334,700</u>
Total	\$23,891,100

Provide \$6,628,100 (\$2,651,200 GPR and \$3,976,900 FED) in 2021-22 and \$13,256,200 (\$5,302,500 GPR and \$7,953,700 FED) in 2022-23 to increase reimbursement rates for outpatient mental health and substance abuse services by 15%, effective January 1, 2022.

Provide \$1,335,600 (\$534,200 GPR and \$801,400 FED) in 2021-22 and \$2,671,200 (\$1,068,500 GPR and \$1,602,700 FED) in 2022-23 to increase reimbursement rates for child and adolescent day treatment services by 20%, effective January 1, 2022.

**11. MEDICATION-ASSISTED TREATMENT REIMBURSEMENT**

GPR	\$1,469,300
FED	<u>2,203,800</u>
Total	\$3,673,100

Provide \$1,224,400 (\$489,800 GPR and \$734,600 FED) in 2021-22 and \$2,448,700 (\$979,500 GPR and \$1,469,200 FED) in 2022-23 to increase reimbursement rates for medication-assisted treatment (MAT) services for individuals with substance use disorder. The funding provided by the Act is based on an estimate of the cost to provide a 5% rate increase for services provided by opioid treatment providers and to provide a \$5 increase to patient visit billing codes claimed by primary care physicians for MAT services. Medication-assisted treatment services include patient evaluation, laboratory analysis of samples, and administration of methadone and other opioid abuse treatment medications. These services are primarily provided by specialized opioid treatment providers (OTPs), but similar services can be provided by primary care physicians, especially when less-intensive treatment is required. The estimated costs of these rate increases include an estimated 1% increase in utilization of OTP services and an estimated 8% increase in utilization of medication-assisted treatment services provided by primary care physicians resulting from the increased rates.

**12. MA DENTAL REIMBURSEMENT [LFB Paper 344]**

GPR	\$18,519,500
FED	<u>27,779,100</u>
Total	\$46,298,600

Provide \$15,432,800 (\$6,173,200 GPR and \$9,259,600 FED) in 2021-22 and \$30,865,800 (\$12,346,300 GPR and \$18,519,500 FED) in 2022-23 to increase reimbursement rates for dental services by 40%. This increase does not apply to rates established under the enhanced dental reimbursement pilot program created by 2015 Act 55, which increases MA reimbursement rates for pediatric dental care and adult emergency dental services provided in Brown, Marathon, Polk, and Racine counties.

**13. AUTISM SERVICES [LFB Paper 341]**

GPR	\$5,836,200
FED	<u>8,754,500</u>
Total	\$14,590,700

Provide \$4,863,600 (\$1,945,400 GPR and \$2,918,200 FED) in 2021-22 and \$9,727,100 (\$3,890,800 GPR and \$5,836,300 FED) in 2022-23 to increase the reimbursement rate for a specific treatment provided to enrollees with autism or other diagnoses or conditions associated with similar behaviors, known as adaptive behavioral treatment without a protocol modification. The funding provided is based on an estimate of the cost to increase this reimbursement rate by 15% effective January 1, 2022.

**14. EMERGENCY PHYSICIAN REIMBURSEMENT [LFB Paper 341]**

GPR	\$2,513,700
FED	<u>4,101,300</u>
Total	\$6,615,000

Provide \$2,205,000 (\$837,900 GPR and \$1,367,100 FED) in 2021-22 and \$4,410,000 (\$1,675,800 GPR and \$2,734,200 FED) in 2022-23 to provide a 15% increase to the reimbursement rates for hospital emergency room physician services.

**15. SPEECH-LANGUAGE PATHOLOGIST REIMBURSEMENT**

GPR	\$1,150,500
FED	<u>1,725,900</u>
Total	\$2,876,400

Provide \$958,800 (\$383,500 GPR and \$575,300 FED) in 2021-22 and \$1,917,600 (\$767,000 GPR and \$1,150,600 FED) in 2022-23 to increase reimbursement rates paid for speech and language pathology services. The funding provided in the Act is based on an estimate of the cost to establish rates for speech-language pathology billing codes, beginning on January 1, 2022, at 75% of the amount paid by Medicare. Payment enhancers for services provided under the Birth to 3 program will be retained. The administration estimates that total payments for speech and language pathology services will increase by approximately 34% in aggregate.

**16. AUDIOLOGY REIMBURSEMENT**

GPR	\$562,200
FED	<u>843,200</u>
Total	\$1,405,400

Provide \$468,500 (\$187,400 GPR and \$281,100 FED) in 2021-22 and \$936,900 (\$374,800 GPR and \$562,100 FED) in 2022-23 to increase reimbursement rates for hearing aid and audiology services. The funding provided by the Act is based on an estimate of the cost to establish rates for hearing aid and audiology billing codes, beginning on January 1, 2022, at 75% of the amount paid by Medicare, or, in the case of MA services for which there is not a comparable Medicare rate, to provide a 19% increase to the current

rate. The administration estimates that total payments for hearing aid and audiology services will increase by approximately 35% in aggregate.

**17. TRIBAL CARE COORDINATION AGREEMENTS**

FED	\$5,537,900
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Provide \$5,537,900 FED in 2022-23 to eligible governing bodies of federally-recognized Native American tribes or bands or tribal health care providers, for health-related purposes. A 2016 change in federal Medicaid policy allows tribal healthcare providers to enter into written care coordination agreements with non-tribal providers for certain healthcare services provided to tribal members who are enrolled in MA. These agreements make services provided by non-tribal providers eligible for the same 100% federal payment that applies to tribal providers, as opposed to the typical non-tribal 60% FED, 40% GPR matching agreement.

Authorize Wisconsin tribes to use these care coordination agreements, shifting the current GPR share of certain care costs to FED. Provide corresponding GPR payments to tribes or tribal healthcare providers based on the amount of GPR savings achieved by the care coordination agreements. Withhold from the payments the state share of administrative costs associated with carrying out this program, not to exceed 10 percent of the payment amounts.

[Act 58 Sections: 65 and 229]

**18. SENIORCARE ESTIMATE [LFB Paper 345]**

GPR	- \$4,902,100
FED	632,900
PR	<u>17,060,400</u>
Total	\$12,791,200

Provide \$2,758,900 (-\$2,783,900 GPR, \$228,100 FED, and \$5,314,700 PR) in 2021-22 and \$10,032,300 (-\$2,118,200 GPR, \$404,800 FED, and \$11,745,700 PR) in 2022-23 to fully fund the estimated cost of benefits under the SeniorCare program. SeniorCare provides drug 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 the federal poverty level.

The base funding for SeniorCare is \$123,311,100 (\$20,090,100 GPR, \$17,333,500 FED, and \$85,887,500 PR). Actual expenditures in 2020-21 were below the base level. Consequently, the estimated expenditure increases discussed above bring the total estimated expenditures in 2021-22 only moderately above the base, with a larger increase above the base in 2022-23. These

amounts are shown in the tables below, along with estimated enrollment in each income group for 2020-21 and both years of the 2021-23 biennium.

### SeniorCare Funding by Fund Source

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2020-21 Appropriation Base	\$20,090,100	\$17,333,500	\$85,887,500	\$123,311,100
2021-22 Change to Base	-2,783,900	228,100	5,314,700	2,758,900
2021-22 Total Funding	17,306,200	17,561,600	91,202,200	126,070,000
2022-23 Change to Base	-2,118,200	404,800	11,745,700	10,032,300
2022-23 Total Funding	17,971,900	17,738,300	97,633,200	133,343,400

### SeniorCare Enrollment Estimates

<u>Income Category</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Less than 160% of FPL	26,300	27,000	27,100
160% of FPL to 200% of FPL	15,900	16,400	16,500
200% of FPL to 240% of FPL	10,800	11,300	11,300
Greater than 240% of FPL	<u>48,400</u>	<u>53,000</u>	<u>57,900</u>
Total Enrollment	101,400	107,700	112,800

#### 19. HOME HEALTH REIMBURSEMENT RATE

GPR	\$1,433,500
FED	<u>2,166,100</u>
Total	\$3,599,600

Provide \$1,179,800 (\$473,300 GPR and \$706,500 FED) in 2021-22 and \$2,419,800 (\$960,200 GPR and \$1,459,600 FED) in 2022-23 and require the Department to increase Medical Assistance rates paid for nursing care in home health agencies that are licensed under s. 50.49, for dates of service beginning January 1, 2022. Further, require that the Department increase these rates by a budgeted sum of \$473,300, as the state share of payments, and provide the matching federal share of payments in 2021-22, and by a budgeted sum of \$960,200, as the state share of payments, and provide the matching federal share of payments, in 2022-23, to support licensed practical nurses, registered nurses, and nurse practitioners in those agencies.

[Act 58 Section: 9119(5)]

#### 20. AMBULANCE SERVICES REIMBURSEMENT

GPR	\$6,702,900
FED	<u>10,054,300</u>
Total	\$16,757,200

Provide \$5,585,800 (\$2,234,300 GPR and \$3,351,500 FED) in 2021-22 and \$11,171,400 (\$4,468,600 GPR and \$6,702,800 FED) in 2022-23 to increase MA reimbursement rates for selected ambulance services to 80% of the 2021 Medicare urban rates applicable in Wisconsin. The rate increase, effective January 1, 2022, applies

to ground ambulance transport services (advanced life support levels one and two, advanced life support level one emergency, basic life support, basic life support emergency, and specialty care transport).

**21. CHIROPRACTIC REIMBURSEMENT**

GPR	\$1,698,700
FED	<u>2,548,000</u>
Total	\$4,246,700

Provide \$1,415,500 (\$566,200 GPR and \$849,300 FED) in 2021-22 and \$2,831,200 (\$1,132,500 GPR and \$1,698,700 FED) in 2022-23 to increase reimbursement rates for spinal manipulation performed by chiropractors to 70% of the 2021 Medicare reimbursement rates paid in Wisconsin, effective January 1, 2022. Spinal manipulations are the only chiropractic services covered under Medicare. This rate increase would not affect reimbursement paid to chiropractors by MA for services other than spinal manipulations, such as office visits and X-rays.

**22. PHYSICAL THERAPY REIMBURSEMENT**

GPR	\$892,000
FED	<u>1,338,000</u>
Total	\$2,230,000

Provide \$743,300 (\$297,300 GPR and \$446,000 FED) in 2021-22 and \$1,486,700 (\$594,700 GPR and \$892,000 FED) in 2022-23 to increase reimbursement rates for physical therapy, effective January 1, 2022. These amounts reflect an estimated five percent increase in reimbursement rates.

**Medical Assistance and FoodShare Administration**

**1. MA AND FOODSHARE ADMINISTRATION -- CONTRACTS [LFB Paper 350]**

GPR	\$10,269,000
FED	<u>22,041,900</u>
Total	\$32,310,900

Provide \$29,129,600 (\$4,676,300 GPR and \$24,453,300 FED) in 2021-22 and \$3,181,300 (\$5,592,700 GPR and -\$2,411,400 FED) in 2022-23 to increase funding for contractual services and systems costs for the administration of medical assistance (MA) and FoodShare.

This item includes adjustments to numerous contracts DHS has with private vendors, including increased funding for: (a) projected cost increases for DXC Technology, the MA program's fiscal agent and contract vendor for the Medicaid management information system (MMIS); (b) contracts to continue to "modularize" MMIS, as required by federal CMS policy, which will enable MMIS functions to be modified in the future without disrupting the system's operations; (c) rates, beginning in calendar year 2023, paid to Deloitte for programming services for the client assistance for reemployment and economic support (CARES) system, which state and county staff use in making eligibility determinations and maintaining case information for MA and several other public assistance programs; and (d) the creation of a new five-person unit in the DHS Office of the Inspector General, consisting of DXC staff, that would conduct repayment

reviews of claims from MA providers that are at high risk of submitting fraudulent claims.

The following table summarizes the 2021-23 spending plan for the appropriations that fund contracted services and systems costs for MA and FoodShare under Act 58.

**Summary of Medicaid and FoodShare Administrative Contracts GPR and FED Funding Act 58**

	2021-22			2022-23		
	<u>GPR</u>	<u>FED</u>	<u>Total</u>	<u>GPR</u>	<u>FED</u>	<u>Total</u>
FoodShare Electronic Benefit Contract	\$1,221,600	\$1,221,600	\$2,443,200	\$1,221,600	\$1,221,600	\$2,443,200
Fiscal Agent Main Contract	32,280,100	90,695,000	122,975,000	33,223,900	76,165,000	109,388,900
MMIS Modules and Related Contracts	3,597,400	23,478,600	27,076,000	2,408,300	9,712,200	12,120,500
CARES Maintenance and Programming	29,802,400	55,025,900	84,828,300	30,933,000	57,610,300	88,543,300
Other Major and Minor Contracts	14,450,100	26,766,600	41,216,800	14,450,100	26,766,600	41,216,800
General Services	<u>2,075,000</u>	<u>2,052,500</u>	<u>4,127,500</u>	<u>2,106,100</u>	<u>2,087,100</u>	<u>4,193,200</u>
Subtotal -- Expenditures	\$83,426,600	\$199,240,200	\$282,666,800	\$84,343,000	\$173,562,800	\$257,905,900
Adjustments						
Costs Allocated to Other Appropriations	-\$3,500,000	\$0	-\$3,500,000	-\$3,500,000	\$0	-\$3,500,000
Funding Transfers	<u>145,800</u>	<u>1,187,300</u>	<u>1,333,100</u>	<u>145,800</u>	<u>0</u>	<u>145,800</u>
Subtotal -- Adjustments	-\$3,354,200	\$1,187,300	-\$2,166,900	-\$3,354,200	\$0	-\$3,354,200
Net Expenditures	\$80,072,400	\$200,427,500	\$280,499,900	\$80,988,800	\$173,562,800	\$254,551,700
2020-21 Base Funding	\$75,396,100	\$175,974,200	\$251,370,300	\$75,396,100	\$175,974,200	\$251,370,300
Difference (Funding Change to Base in Act)	\$4,676,300	\$24,453,300	\$29,129,600	\$5,592,700	-\$2,411,400	\$3,181,400

**2. FUNERAL AND CEMETERY AIDS**

GPR	-\$530,200
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Reduce funding by \$506,900 in 2021-22 and by \$23,300 in 2022-23 to reflect estimates of the amount of funding necessary to support payments under the Wisconsin funeral and cemetery aids program (WFCAP). Under the program, DHS reimburses costs incurred by funeral homes, cemeteries, and crematories for services they provide to certain deceased individuals who were eligible for medical assistance or Wisconsin Works benefits at the time of their death. DHS is required to pay up to \$1,000 for cemetery expenses and up to \$1,500 for funeral and burial expenses 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 \$8,500,000. Reimbursement payments totaled \$7,169,900 in 2019-20. It is estimated that payments will total \$7,537,100 in 2020-21, \$7,993,100 in 2021-22, and \$8,476,700 in 2022-23.

**3. FOODSHARE EMPLOYMENT AND TRAINING PROGRAM ESTIMATE [LFB Paper 353]**

FED	\$2,998,500
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Provide \$1,409,900 FED in 2021-22 and \$5,616,000 (\$4,027,400 GPR and \$1,588,600 FED) in 2022-23 to reflect current estimates of FSET program participation in the 2021-23

biennium. Place the \$4,027,400 GPR in the Joint Committee on Finance's program supplements appropriation in 2022-23. The fiscal effect of this item is shown under "Program Supplements."

The following table shows estimated enrollment, costs, and total GPR funding necessary for the 2021-23 biennium.

### 2021-23 FSET Expenses and Funding

	<u>2021-22</u>	<u>2022-23</u>
Total Annual Administrative Expenses	\$777,500	\$777,500
Total Annual Vendor Expenses	\$38,937,700	\$44,211,700
Average Monthly Enrollment	10,122	11,493
Per Enrollee Per Month Vendor Expenses	<u>\$320.57</u>	<u>\$320.57</u>
<b>Total Program Expenses</b> (Total Annual Vendor + Administrative Expenses)	\$39,715,200	\$44,989,200
 100% Federal Funding Offset	 \$2,902,600	 \$2,902,600
 <b>Total Program Expenses After FED Offset</b>	 \$36,812,600	 \$42,086,600
50% GPR Expenses	18,406,300	21,043,300
50% FED Expenses	18,406,300	21,043,300
 <b>Existing GPR Funding</b>		
GPR Base Funding	\$14,623,800	\$14,623,800
Projected GPR Carry Over	<u>6,174,600</u>	<u>2,392,100</u>
Subtotal	\$20,798,400	\$17,015,900
 GPR Surplus/Deficit (Existing GPR - 50% GPR Expenses)	 \$2,392,100	 -\$4,027,400

### Public Health

1. **COMMUNITY HEALTH CENTER GRANTS** [LFB Paper 357] 

GPR	\$2,000,000
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Provide \$1,000,000 annually to increase, from \$5,490,000 to \$6,490,000, annual funding for grants DHS distributes to community health centers.

Under current law, except for two specific allocations of \$50,000 per year each, this funding is distributed to federally qualified health centers (FQHCs) in amounts proportional to grants they receive from the federal Department of Health and Human Services, Health Resources and Services Administration. FQHCs provide comprehensive primary health care services to underserved areas and populations, including migrant agricultural workers and people experiencing homelessness. They serve individuals regardless of ability to pay, and charge patients based on sliding fee scales.

**2. GRANTS TO FREE AND CHARITABLE CLINICS [LFB Paper 357]**

GPR	\$2,000,000
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Provide \$1,000,000 annually to increase, from \$500,000 to \$1,500,000, annual funding for grants DHS distributes to free and charitable health clinics.

**3. WISCONSIN CHRONIC DISEASE PROGRAM**

GPR	- \$725,000
PR	- 266,200
Total	- \$991,200

Reduce funding by \$650,600 (-\$486,500 GPR and -\$164,100 PR) in 2021-2022 and by \$340,600 (-\$238,500 GPR and -\$102,100 PR) in 2022-2023 to reflect reestimates of the amounts needed to fully fund the Wisconsin chronic disease program (WCDP) in the 2021-23 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 \$4,966,600 (\$3,939,300 GPR and \$1,027,300 PR). The administration estimates that total program costs will be \$4,316,000 (\$3,452,800 GPR and \$863,200 PR) in 2021-22 and \$4,626,000 (\$3,700,800 GPR and \$925,200 PR) in 2022-23. The estimate includes an additional \$250,000 GPR in both years as a contingency that would be available if costs exceed estimates.

**4. EMS FUNDING ASSISTANCE PROGRAM [LFB Paper 357]**

GPR	\$479,600
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Provide \$239,800 annually to increase annual funding for the emergency medical services funding assistance program from \$1,960,200 to \$2,200,000 beginning in 2021-22. The funding assistance program provides annual grants to all public ambulance service providers, including volunteer fire departments, nonprofits, and counties or municipalities that operate their own ambulance service or contract with a private provider. Grants consist of a uniform base allocation to each provider, an additional amount based on population served, and funding for providers who apply for assistance with training, examinations, and licensure.

**5. SURGICAL QUALITY IMPROVEMENT GRANT**

GPR	\$335,000
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Provide \$335,000 in 2021-22 for DHS to make a one-time grant to support surgical quality improvement activities. Permit DHS to transfer this funding from fiscal year 2021-22 to 2022-23. The administration indicates that the funding would be used to fund a coordinating center, outreach activities, online tools, and related materials.

[Act 58 Section: 9119(2)]

**6. LEAD SCREENING AND OUTREACH GRANTS**

GPR	\$100,000
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Provide \$50,000 annually to increase a grant for lead screening and outreach activities provided by a community-based human service agency that provides primary health care, health education, and social services to low-income individuals in the City of Milwaukee, from \$125,000 to \$175,000. This grant has most recently been awarded to Sixteenth Street Community Health Centers, a federally qualified health center.

[Act 58 Section: 366]

**7. EMPLOYER-SPONSORED BLOOD DRIVES**

GPR	\$500,000
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Provide \$250,000 per year in one-time funding in 2021-22 and 2022-23 for the Department to award grants to employers who apply to the department to organize blood drives. Specify that a blood donation be defined as a voluntary and uncompensated donation of whole blood, or specific components of blood, for use by a nonprofit blood bank organization, and that a blood drive be defined as a function organized by a nonprofit blood bank organization in coordination with an employer that is open only to employees of the employer.

[Act 58 Section: 9119(3)]

**8. REACH OUT AND READ GRANT**

GPR	\$500,000
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Create a biennial appropriation and provide \$500,000 in 2021-22 for the Department to award as a grant to Reach Out and Read, Inc., for the early literacy program known as Reach Out and Read Wisconsin.

[Act 58 Sections: 62 and 188]

**Elder and Disability Services**

**1. BIRTH TO 3 PROGRAM -- MAINTENANCE OF EFFORT**

GPR	\$2,250,000
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[LFB Paper 360]

Provide \$1,125,000 annually in order for the Department to meet its federal Individuals with Disabilities Education Act (IDEA) maintenance of effort (MOE) requirement for the Birth to 3 program in the 2021-23 biennium.

Wisconsin's Birth to 3 program, which provides early intervention services to eligible Wisconsin children from birth to age three, is partially funded with federal funds through IDEA. In the 2019-21 budget, one time funding was used to increase funding by \$1,125,000 annually for the Birth to 3 program.

In order to continue to receive federal IDEA funding, federal law requires that the total amount of state and local funds budgeted for expenditures in the current fiscal year for early intervention services must be at least equal to the total amount of state and local funds actually expended for early intervention services for eligible children and their families in the most recent preceding fiscal year for which the information is available.

The administration indicates that in the 2021-23 biennium, Wisconsin's MOE funding obligation is expected to increase by \$1,125,000 annually, assuming the full annual amount allocated in the current biennium is expended on Birth to 3 program services.

**2. DEMENTIA CARE SPECIALISTS [LFB Paper 361]**

GPR	\$3,000,000
FED	<u>525,000</u>
Total	\$3,525,000

Provide \$1,175,000 (\$1,000,000 GPR and \$175,000 FED) in 2021-22 and \$2,350,000 (\$2,000,000 GPR and \$350,000 FED) in 2022-23 to expand the dementia care specialist program to all tribes and aging and disability resource centers (ADRCs) in the state. The administration indicates that funding in the bill is intended to fund 18 dementia care specialist positions at ADRCs and seven tribal dementia care specialist positions.

Dementia care specialists are employed by county ADRCs and tribal agencies. Currently, there are 29 dementia care specialists working in ADRCs, as well as four tribal dementia care specialists employed by tribal agencies. Dementia care specialists provide: cognitive screenings, programs that engage individuals with dementia in regular exercise and social activities, and promote independence for individuals with dementia; support for family caregivers, including assistance with care planning and connections to support groups; and community support, assisting in the development of dementia friendly communities through outreach events and professional consultations.

**3. ALZHEIMER'S FAMILY AND CAREGIVER SUPPORT PROGRAM [LFB Paper 362]**

GPR	\$500,000
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Provide \$250,000 annually. Increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from \$2,558,900 to \$2,808,900 annually.

[Act 58 Section: 190]

**4. NURSING HOME GRANT PROGRAM [LFB Paper 363]**

PR	-\$1,400,000
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Reduce base estimates of PR spending for the nursing home grant program by \$700,000 annually.

**5. SSI SUPPLEMENTS ESTIMATE [LFB Paper 102]**

GPR	-\$2,684,000
PR	<u>-13,316,800</u>
Total	-\$16,000,800

Reduce funding by \$7,790,500 (-\$1,342,000 GPR and -\$6,448,500 PR) in 2021-22 and by \$8,210,300 (-\$1,342,000 GPR and -\$6,868,300 PR)

in 2022-23 to: (a) reflect estimates of funding that will be needed to support supplemental security income (SSI) state supplement and caretaker supplement payments in the 2021-23 biennium; and (b) partially fund caretaker supplement payments with GPR, in addition to PR (temporary assistance for needy families (TANF) funds), so that the state can continue to meet a federal SSI maintenance of effort requirement (MOE). DHS anticipates that, due to one-time retroactive payments DHS made to approximately 5,200 recipients in calendar year 2020, the state will be required to expend \$158,405,424 GPR annually, on a calendar year basis, for SSI related benefits to comply with the MOE requirement.

The SSI program provides federal and GPR-funded benefits to low-income residents who are elderly, blind, or disabled. In August, 2020, approximately 119,900 Wisconsinites received state supplemental SSI benefits payments (currently \$83.78 per month for single individuals, \$132.05 for couples). 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 supported by 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.

The following table summarizes the funding that would be budgeted for SSI supplemental payments under the Act 58.

**SSI Supplemental Payments  
Act 58 Estimates**

	Base	Act 58		Change to Base		
		2021-22	2022-23	2021-22	2022-23	2021-23
<b>SSI State Supplements</b>						
GPR	\$159,747,400	\$155,288,500	\$155,288,500	-\$4,458,868	-\$4,458,900	-\$8,917,800
<b>Caretaker Supplement</b>						
GPR	\$0	\$3,116,900	\$3,116,900	\$3,116,900	\$3,116,900	\$6,233,800
PR	<u>24,321,200</u>	<u>17,872,700</u>	<u>17,452,900</u>	<u>-6,448,500</u>	<u>-6,868,300</u>	<u>-13,316,800</u>
All Funds	\$24,321,200	\$20,989,600	\$20,569,800	-\$3,331,600	-\$3,751,400	-\$7,083,000
<b>Total SSI-Related Payments</b>						
GPR	\$159,747,400	\$158,405,400	\$158,405,400	-\$1,342,000	-\$1,342,000	-\$2,684,000
PR	<u>24,321,200</u>	<u>17,872,700</u>	<u>17,452,900</u>	<u>-6,448,500</u>	<u>-6,868,300</u>	<u>-13,316,800</u>
All Funds	\$184,068,600	\$176,278,100	\$175,858,300	-\$7,790,500	-\$8,210,300	-\$16,000,800
<b>Caretaker Supplement Administration (PR)</b>						
	\$692,100	\$692,100	\$692,100	\$0	\$0	\$0

## Community Based Behavioral Health

### 1. REGIONAL CRISIS RESPONSE SYSTEM GRANTS [LFB Paper 370]

Provide \$10,000,000 GPR in 2021-22 in the Joint Committee on Finance program supplements appropriation for regional crisis services or facilities. The fiscal effect of this provision is summarized under "Program Supplements."

### 2. CRISIS INTERVENTION TRAINING GRANTS [LFB Paper 371]

GPR	\$750,000
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Provide \$375,000 annually for mental health crisis intervention training for law enforcement and correctional officers. Base funding for the program is \$125,000. The proposed increase would provide a total of \$500,000 annually for the program. Increase from \$250,000 to \$1,000,000 the amount DHS may provide as grants in each fiscal biennium under the program. Currently, DHS contracts with the Wisconsin section of the National Alliance on Mental Illness (NAMI) to conduct mental health crisis team training for law enforcement agencies.

[Act 58 Section: 191]

### 3. CHILD PSYCHIATRY CONSULTATION PROGRAM [LFB Paper 371]

GPR	\$500,000
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Provide \$500,000 in 2022-23 to increase from \$1,500,000 to \$2,000,000 the annual funding for the child psychiatry consultation program beginning in that year. Under the program, DHS contracts with the Medical College of Wisconsin to provide professional consultation services to assist primary care physicians and clinics in providing care to pediatric patients with mental health care needs. Currently, consultation services are provided to practitioners in Milwaukee County and counties in northern Wisconsin. The funding increase is intended to expand consultation services statewide.

### 4. MEDICATION-ASSISTED TREATMENT EXPANSION [LFB Paper 371]

Provide \$500,000 GPR in 2021-22 and \$1,000,000 GPR in 2022-23 in the Joint Committee on Finance program supplements appropriation for medication-assisted treatment. The fiscal effect of the provision is summarized under "Program Supplements."

### 5. METHAMPHETAMINE ADDICTION TREATMENT GRANTS [LFB Paper 371]

Provide \$150,000 GPR in 2021-22 and \$300,000 GPR in 2022-23 in the Joint Committee on Finance program supplements appropriation for training of substance use disorder treatment

providers on treatment models for methamphetamine addiction. The fiscal effect of this provision is summarized under "Program Supplements."

**6. SUBSTANCE USE DISORDER TREATMENT PLATFORM [LFB Paper 371]**

Provide \$300,000 GPR in 2022-23 in the Joint Committee on Finance program supplements appropriation for the development of a substance use disorder treatment platform. The fiscal effect of this provision is summarized under "Program Supplements."

**7. BEHAVIORAL HEALTH BED TRACKER [LFB Paper 371]**

GPR	\$70,000
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Provide \$50,000 in 2021-22 and \$20,000 in 2022-23 to develop and maintain a real-time system to track the availability of peer run respite, crisis stabilization, and inpatient psychiatric beds. Modify a current law provision that requires DHS to award a grant for the development and operation of a system to track the availability of inpatient psychiatric beds to: (a) specify that the system for which the grant is provided shall also track the availability of peer run respite and crisis stabilization beds; and (b) require the Department to award a grant for this purpose of \$80,000 in 2021-22 and \$50,000 annually thereafter. Modify other statutory provisions relating to the users of the system and reporting of bed availability to the system to reflect these changes.

Under current law, DHS is required to award a grant of \$80,000 in 2015-16 and \$30,000 annually thereafter for the inpatient psychiatric bed tracking system. The Department contracts with the Wisconsin Hospital Association for this purpose.

[Act 58 Sections: 64, 236, and 237]

**8. BEHAVIORAL HEALTH TRAINEE PROVIDER GRANTS**

GPR	\$250,000
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Provide \$250,000 in 2022-23 in the appropriation for treatment program grants, to increase total funding for the program in that year to \$750,000. Modify the program to: (a) specify that the Department may expend any available federal moneys received for this program; (b) require the Department to distribute a total of \$750,000 per year; and (c) renumber the appropriation so that it is included as an appropriation under mental health and substance abuse services instead of under public health.

[Act 58 Sections: 61 and 362]

## Care and Treatment Facilities

**1. PERMANENT POSITIONS FOR FORENSIC UNITS AT SAND RIDGE SECURE TREATMENT CENTER**  
[LFB Paper 375]

	Funding	Positions
GPR	\$5,308,600	36.50

Provide \$2,654,300 annually and 36.5 positions, beginning in 2021-22, to replace expiring project positions and funding used to staff two treatment units for forensic patients at the Sand Ridge Secure Treatment Center (SRSTC) in Mauston. The two units, with a total of 40 beds, were opened in vacant space at SRSTC to provide additional capacity for male forensic patients. The 2019-21 budget act provided project positions and funding to staff these units. Since these project positions expire on June 30, 2021, the position authority and associated funding is removed in the 2021-23 biennium under the removal of non-continuing elements standard budget adjustment. This item would provide permanent position authority and an equivalent level of funding to provide ongoing staffing for the SRSTC units.

Forensic patients are persons who are committed for treatment by courts as the result of a criminal proceeding. Forensic patients include: (a) persons charged with an offense and whose competency to proceed to trial is questioned; (b) persons deemed not competent to stand trial as the result of mental illness present at the time of the trial; and (c) persons who are found not guilty by reason of mental disease or mental defect present at the time that the offense was committed. DHS has used the SRSTC units for males who are committed as the result of being found not guilty by reason of mental disease or defect, who would otherwise be committed to the Mendota Mental Health Institute. Since Mendota has a waiting list for forensic admissions, the SRSTC units reduce the number of patients with court ordered commitments who are held in county jails prior to admission.

**2. OVERTIME SUPPLEMENT** [LFB Paper 376]

Provide \$9,179,400 (\$5,827,600 GPR and \$3,351,800 PR) annually in the Joint Committee on Finance program supplements appropriation for anticipated overtime costs at the Department's care and treatment residential facilities. The funding under this item reflects the administration's estimate of the difference between actual overtime costs at each facility and the amount that Act 58 provides under the overtime standard budget adjustment. The fiscal effect of this provision is reflected under "Program Supplements."

**3. CONTRACTED MENTAL HEALTH SERVICES**

GPR	\$1,069,200
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Reduce funding by \$63,700 in 2021-22 and increase funding by \$1,132,900 in 2022-23 to fund projected costs of the Division of Care and Treatment Services contracts for community-based treatment and monitoring services for individuals in the forensic and sexually violent persons programs.

The estimates for each of the contracted treatment services use a caseload growth factor, based on recent trends, and a 1.6% annual inflationary adjustment to the per-client costs. These adjustments are applied to the actual caseload and costs in 2019-20. Because caseload and costs in 2020-21 are projected to be lower than the base level funding for several of these services, the total adjustment to the base is negative in 2021-22.

The following table shows the base funding for each type of contract, the estimated 2021-23 costs in each category, and the difference between the base and the estimated cost. Below the table is an explanation of each category. In prior years, the Department treated the court liaison contract as part of the base for outpatient competency exams, but since this is a distinct function, the table shows this contract separately, with \$0 for the base.

<u>Program/Contract</u>	<u>2020-21 Base</u>	<u>Estimated Funding Need</u>		<u>Funding Change</u>	
		<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>
Supervised Release	\$6,384,400	\$6,051,700	\$6,519,600	-\$332,700	\$135,200
Conditional Release	5,621,900	5,556,200	5,747,700	-65,700	125,800
Treatment to Competency	3,081,300	3,132,400	3,455,000	51,100	373,700
Outpatient Competency Exams	2,765,300	2,572,700	2,705,100	-192,600	-60,200
Court Liaison	0	168,600	171,300	168,600	171,300
DOC Contracts	<u>1,575,000</u>	<u>1,882,600</u>	<u>1,962,100</u>	<u>307,600</u>	<u>387,100</u>
Total	\$19,427,900	\$19,364,200	\$20,560,800	-\$63,700	\$1,132,900

*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 care 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.

*Conditional Release Services.* The conditional release program provides 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.

*Treatment to Competency 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.

*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. In the 2019-21 biennium, the Department contracted for these services as part of the outpatient competency examination program.

*Department of Corrections Contracts.* DHS contracts with the Department of Corrections for the supervision of clients in the conditional release and supervised release programs. The contract includes supervision, transportation escort, and global positioning system (GPS) monitoring.

**4. FOOD AND VARIABLE NONFOOD SUPPLIES AND SERVICES**

GPR	\$8,150,400
PR	<u>17,353,400</u>
Total	\$25,503,800

Increase funding for food and variable nonfood supplies and services at the DHS care and treatment facilities as follows.

*Food.* Provide \$291,100 (\$249,300 GPR and \$41,800 PR) in 2021-22 and \$435,500 (\$344,500 GPR and \$91,000 PR) in 2022-23 to fund projected increases in food costs. These estimates are based on the Department's population projections for its seven facilities, and the assumption that average food costs will increase by 2.8% annually. The Department's base budget for food at its facilities is \$4,727,900 (\$3,153,500 GPR and \$1,574,400 PR).

*Variable Nonfood Supplies and Services.* Provide \$9,408,800 (\$2,270,700 GPR and \$7,138,100 PR) in 2021-22 and \$15,368,400 (\$5,285,900 GPR and \$10,082,500 PR) in 2022-23 to fund projected increases in nonfood supplies and services costs that vary with resident populations. These costs include medical services, medical supplies, prescription drugs, and clothing. The estimates are based on facility-specific inflationary cost projections, which reflect differences in medical supplies, services, and medications used by residents and patients at these facilities. The Department's base budget for variable nonfood supplies and services is \$40,410,900 (\$24,968,100 GPR and \$15,442,800 PR).

**5. MENTAL HEALTH INSTITUTES FUNDING SPLIT**

Reduce funding by \$582,500 GPR in 2021-22 and \$657,400 GPR in 2022-23 and increase PR funding by corresponding amounts, and convert 7.68 GPR positions in 2021-22 and 8.39 GPR positions in 2022-23 to PR positions, to reallocate, by source, funding for services provided at the state mental health institutes. This funding adjustment reflects the administration's estimates of the percentage of patients whose care will be funded with GPR and PR at the Mendota and Winnebago mental health institutes in the 2021-23 biennium.

	Funding	Positions
GPR	-\$1,239,900	- 8.39
PR	<u>1,239,900</u>	<u>8.39</u>
Total	\$0	0.00

The share of each facility's costs funded by GPR and PR is based on the composition of patient population. The state is responsible for the cost of caring for forensic patients, which it has generally funded with GPR. The cost of caring for civilly-committed patients is funded from program revenues paid by counties and third-party payers. As part of each biennial budget, base funding for services provided to both forensic and civil patients, primarily personnel costs, is adjusted to match anticipated changes in the relative share of forensic and civil patients at each facility. For the 2021-23 biennium, DHS anticipates that PR-funded civil patients will increase as a share of the total patient population at both Mendota and Winnebago, resulting in a shift from GPR funding and position to PR funding and positions for certain facility-wide services.

**6. DEBT SERVICE [LFB Paper 102]**

GPR	- \$3,478,800
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Reduce funding by \$1,210,900 in 2021-22 and by \$2,267,900 in 2022-23 to reflect estimates of debt service payments on bonds issued for capital projects at DHS care and treatment facilities. Base debt service funding is \$19,848,300. With these adjustments, total debt service payments are estimated at \$18,637,400 in 2021-22 and \$17,580,400 in 2022-23.

**7. FUEL AND UTILITIES**

GPR	- \$766,600
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Reduce funding by \$455,000 in 2021-22 and \$311,600 in 2022-23 to reflect an estimate of GPR-funded fuel and utilities costs at the Division of Care and Treatment Services residential facilities. With these adjustments, total GPR-funded fuel and utility funding would be \$5,563,600 in 2021-22 and \$5,707,000 in 2022-23. The bill would not modify funding for fuel and utility costs supported by the Division's program revenue general program operations budget.

**8. MENDOTA JUVENILE TREATMENT CENTER -- FUNDING TRANSFER FROM DOC**

Delete a statutory provision that specifies the amounts that the Department of Corrections (DOC) must transfer to DHS in each fiscal year for the staffing costs of the Mendota Juvenile Treatment Center (MJTC) and, instead, require DOC to reimburse DHS an amount for the cost of providing services for juveniles placed at MJTC at a per person daily cost specified by DHS.

Under current law, DOC is required to transfer \$1,365,500 from a GPR appropriation and an amount from a PR appropriation that is typically adjusted annually to fund estimated MJTC costs, net of the GPR transfer. In 2020-21, the PR transfer was set at \$5,429,000, which when added to the GPR transfer, establishes a total transfer of \$6,794,500. Under this item, the transfer would be determined based on a daily rate set by DHS. A separate item, summarized under "Corrections -- Juvenile Corrections" would authorize DOC to assess counties for juveniles a per person daily rate at the same rate that DHS charges DOC for MJTC services.

[Act 58 Section: 187]

**9. REIMBURSEMENT OF COSTS FOR CARE TO NON-RESIDENTS [LFB Paper 102]**

GPR	\$400,000
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Increase funding by \$200,000 annually to reflect a reestimate of payments to inpatient facilities for services provided to persons who are committed for treatment under provisions of Chapter 51 but who are not state residents. Total payments, which are made from a sum sufficient appropriation, are estimated at \$500,000 annually.

**Departmentwide**

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

	Funding	Positions
GPR	\$14,976,200	- 36.50
FED	- 17,481,300	- 3.00
PR	12,600,000	0.00
SEG	- 7,200	0.00
Total	\$10,087,700	- 39.50

Provide \$5,174,000 (\$7,448,100 GPR, -\$8,610,500 FED, \$6,300,000 PR and -\$3,600 SEG) in 2021-22 and \$4,913,700 (\$7,488,100 GPR, -\$8,870,800 FED, \$6,300,000 PR, and -\$3,600 SEG) in 2022-23 and the reduction of 37.5 positions (-36.5 GPR positions and -1.0 FED position) in 2021-22 and a reduction of 39.5 positions (-36.5 GPR positions and -3.0 FED positions) in 2022-23, to reflect the net effect of the following standard budget adjustments: (a) turnover reduction (-\$3,998,900 GPR, -\$2,645,500 FED and -\$2,929,400 PR annually); (b) removal of non-continuing elements (-\$2,654,300 GPR, -\$95,400 FED, -36.5 GPR positions, and -1.0 FED position in 2021-22, and -\$2,654,300 GPR, -\$355,700 FED, -36.5 GPR positions, and -3.0 FED positions in 2022-23); (c) full funding of continuing salaries and fringe benefits (\$9,558,000 GPR, -\$4,538,100 FED, -\$207,400 PR, and \$900 SEG annually); (d) overtime (\$3,492,200 GPR and \$7,407,700 PR annually); (e) night and weekend salary differentials (\$2,075,600 GPR, \$101,300 FED, and \$2,259,000 PR annually); (f) full funding of lease and directed moves costs (-\$984,500 GPR, -\$1,432,800 FED, -\$229,900 PR, and -\$4,500 SEG annually); and (g) minor transfers between appropriations of the same fund source (\$0 annually).

**2. FEDERAL REVENUE ESTIMATES**

FED	\$55,323,900
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Provide \$26,437,900 in 2021-22 and \$28,886,000 in 2022-23 to reflect the net effect of funding adjustments to certain federal appropriations that are not included in other items in Act 58.

The following table shows the base funding amount for each appropriation affected by this item, the funding change under this item, the net funding changes to these appropriations under other items in Act 58, and the total amount that is budgeted in each appropriation under Act 58.

## Federal Revenue Funding Reestimates

	<u>Base</u>	<u>Reestimate</u>	2021-22 <u>Other Items</u>	<u>Total</u>	<u>Reestimate</u>	2022-23 <u>Other Items</u>	<u>Total</u>
<b>Public Health</b>							
Medical Assistance -- State							
Administration	\$1,655,000	\$343,100	\$47,000	\$2,045,100	\$343,100	\$47,000	\$2,045,100
Federal Projects Operations	33,338,600	10,309,100	-45,600	43,602,100	10,309,100	-45,600	43,602,100
Maternal and Child Health Block							
Grant – Aids/Local Assistance	6,498,700	501,300	0	7,000,000	501,300	0	7,000,000
Elderly Programs – Aids	29,802,000	132,900	0	29,934,900	132,900	0	29,934,900
<b>Medicaid Services</b>							
FSET – Vendor Contracts	17,623,700	4,333,400	1,409,900	23,367,000	6,791,700	1,588,600	26,004,000
<b>Care and Treatment Services</b>							
Federal Program Operations –							
MA State Administration	958,700	61,700	177,600	1,198,000	61,700	177,600	1,198,000
Federal Project Aids	12,220,600	3,665,800	0	15,886,400	3,665,800	0	15,886,400
Federal Block Grant Local							
Assistance – Substance Abuse							
Block Grant – Counties	7,533,000	2,223,800	0	9,756,800	2,223,800	0	9,756,800
Federal Block Grant Local							
Assistance	1,826,500	5,358,700	0	7,185,200	5,358,700	0	7,185,200
Federal Block Grant Operations –							
Substance Abuse Block Grant	2,400,600	97,000	-19,300	2,478,300	97,000	-19,300	2,478,300
Community Mental Health Block							
Grant – Operations	978,100	215,900	170,500	1,364,500	215,900	170,500	1,364,500
<b>Disability and Elder Services</b>							
Social Services Block Grant							
– Transfer	6,131,400	10,000	0	6,141,400	7,700	0	6,139,100
Social Services Block Grant							
– Local Assistance	20,887,500	227,200	0	21,114,700	219,300	0	21,106,800
<b>General Administration</b>							
Income Augmentation Receipts	1,418,100	<u>-1,042,000</u>	0	376,100	<u>-1,042,000</u>	0	376,100
<b>Total</b>		<b>\$26,437,900</b>			<b>\$28,886,000</b>		

### 3. PROGRAM REVENUE ESTIMATES

PR	\$9,823,400
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Provide \$4,911,700 annually to reflect the net effect of funding adjustments to certain program revenue appropriations.

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 Act 58, and the total amount that is budgeted in each appropriation under Act 58.

## Program Revenue Funding Reestimates

	Base	Reestimate	2021-22 Other Items	Total	Reestimate	2022-23 Other Items	Total
<b>Public Health</b>							
Elderly Nutrition	\$445,500	\$54,500	\$0	\$500,000	\$54,500	\$0	\$500,000
Asbestos Abatement Certification	687,500	4,100	9,300	700,900	4,100	9,300	700,900
<b>Medicaid Services</b>							
Interagency and Intra-agency Aids	22,384,400	2,615,600	-2,518,900	22,481,100	2,615,600	-1,808,000	23,192,000
Interagency and Intra-agency Local Assistance	845,300	154,700	0	1,000,000	154,700	0	1,000,000
<b>Care and Treatment Services</b>							
Center	1,446,400	249,100	0	1,695,500	249,100	0	1,695,500
Interagency and Intra-agency Programs	3,291,500	1,735,400	180,600	5,207,500	1,735,400	180,600	5,207,500
<b>Quality Assurance</b>							
Health Facilities License Fees	951,700	98,300	4,700	1,054,700	98,300	4,700	1,054,700
<b>General Administration</b>							
Administrative and Support Personnel	3,416,000	-2,500,000	-61,900	854,100	-2,500,000	-61,900	854,100
Bureau of Information Technology Services	17,495,500	<u>2,500,000</u>	-412,800	19,582,700	<u>2,500,000</u>	-412,800	19,582,700
<b>Total</b>		<b>\$4,911,700</b>			<b>\$4,911,700</b>		

#### 4. HUMAN RESOURCES SHARED SERVICES [LFB Paper 130]

	Positions
PR	- 1.00

Delete 1.0 position, beginning in 2021-22, as part of a multi-agency modification to transfer positions that currently perform personnel management functions in other agencies to DOA. Reallocate \$110,900 annually in base salary and fringe benefits funding for the position to instead fund supplies and services, which DHS would use to pay assessments to DOA for human resources services DOA provides to the agency. In addition, specify that the incumbent employee occupying the position also be transferred. Also, specify that an incumbent employee transferred under the provisions would retain their employee rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be required to serve a probationary period. For more information, see "Department of Administration -- Personnel Management."

#### 5. ADMINISTRATIVE TRANSFERS

	Funding	Positions
FED	\$1,244,800	7.00
PR	<u>-1,244,800</u>	<u>- 7.00</u>
Total	\$0	0.00

Reduce PR funding by \$622,400 annually and increase FED funding by corresponding amounts, and convert 7.0 PR positions to FED positions, beginning in 2021-22, to reflect the net effect of position transfers that occurred within the Department in the 2019-21 biennium. These transfers are intended to more accurately align base staff costs with funding sources that reflect the positions' current responsibilities.

**6. DELETE VACANT POSITIONS**

Delete 18.27 vacant positions (-6.0 GPR positions and -12.27 PR positions), beginning in 2021-22.

	<b>Positions</b>
GPR	- 6.00
PR	<u>- 12.27</u>
Total	- 18.27

## HIGHER EDUCATIONAL AIDS BOARD

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$143,541,500	\$143,593,900	\$143,593,900	\$104,800	0.0%	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	N.A.
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>	N.A.
<b>TOTAL</b>	<b>\$145,358,900</b>	<b>\$145,411,300</b>	<b>\$145,411,300</b>	<b>\$104,800</b>	<b>0.0%</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Items

- 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]** GPR      \$121,000

Provide \$60,500 annually for full funding of continuing position salaries and fringe benefits.
  
- 2. STATE AGENCY BUDGET REDUCTION** GPR      - \$16,200

Reduce the HEAB general program operations appropriation by \$8,100 annually.
  
- 3. NURSE EDUCATORS [LFB Paper 640]**

Provide \$5,000,000 GPR in 2022-23 in the Joint Finance Committee supplemental appropriation for release to HEAB upon request and approval by the Committee for a nurse educator program. Create a new, continuing appropriation in HEAB for the program where funding would be transferred upon release by the Committee. Specify that the nurse educator program would apply to students and graduates of institutions of higher education, which would be defined as private, non-profit colleges located in Wisconsin, colleges within the Wisconsin Technical College System (WTCS), and UW System institutions or college campuses. Specify that the program would provide: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice, doctor of philosophy in nursing, or master of science in nursing in an institution of higher education; (b) educational loan repayment assistance to recruit and retain faculty for nursing programs in an institution of higher education; and (c) postdoctoral fellowships to recruit faculty for nursing programs in an institution of higher education. Require individuals who receive fellowships or loan repayment assistance to make a commitment to teach for at least three consecutive years in a nursing program at an institution of higher education. The fiscal effect of this item is shown under "Program Supplements."

[Act 58 Sections: 29 and 180]

# HISTORICAL SOCIETY

Budget Summary						FTE Position Summary					
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23		
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Number	%
GPR	\$21,957,000	\$21,352,000	\$21,575,600	-	\$986,400	-2.2%	112.65	112.65	112.65	0.00	0.0%
FED	1,390,800	1,459,000	1,459,200	136,600	4.9	8.86	8.86	8.86	0.00	0.0	0.0
PR	3,303,200	3,525,600	3,543,500	462,700	7.0	26.75	23.35	23.35	-3.40	-12.7	-12.7
SEG	4,763,200	3,177,700	4,155,300	-	2,193,400	-23.0	33.28	32.84	32.84	-0.44	-1.3
<b>TOTAL</b>	<b>\$31,414,200</b>	<b>\$29,514,300</b>	<b>\$30,733,600</b>	<b>-</b>	<b>\$2,580,500</b>	<b>-4.1%</b>	<b>181.54</b>	<b>177.70</b>	<b>177.70</b>	<b>-3.84</b>	<b>-2.1%</b>

## Budget Change Items

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

Adjust the base budget by -\$50,900 GPR, \$68,200 FED, \$246,400 PR, and \$489,200 SEG in 2021-22 and -\$50,900 GPR, \$68,400 FED, \$248,000 PR, and \$489,200 SEG in 2022-23 for: (a) turnover reduction (-\$259,700 GPR annually); b) full funding of continuing position salaries and fringe benefits (\$711,000 GPR, \$60,100 FED, \$204,700 PR, and \$489,200 SEG annually); (c) overtime (\$7,300 GPR annually); (d) night and weekend differential pay (\$12,400 GPR annually); and (e) lease and directed moves costs (-\$521,900 GPR, \$8,100 FED, and \$41,700 PR in 2021-22 and -\$521,900 GPR, \$8,300 FED, and \$43,300 PR in 2022-23).

GPR	-\$101,800
FED	136,600
PR	494,400
SEG	978,400
<b>Total</b>	<b>\$1,507,600</b>

### 2. DEBT SERVICE ESTIMATE [LFB Paper 102]

Modify funding by -\$450,500 GPR and -\$24,000 PR in 2021-22 and -\$228,200 GPR and -\$7,700 PR in 2022-23 as an estimate of debt service payments. Base level funding is \$4,946,800 GPR and \$73,000 PR annually.

GPR	-\$678,700
PR	-31,700
<b>Total</b>	<b>-\$710,400</b>

### 3. FUEL AND UTILITIES ESTIMATE

Reduce funding by -\$103,600 in 2021-22 and -\$102,300 in 2022-23 to reflect estimated costs for fuel and utilities at Historical Society facilities. Base level funding is \$914,400 annually.

GPR	-\$205,900
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**4. REDUCE ESTIMATED EARNED INCOME**

SEG	- \$3,171,800
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Reduce the appropriation funded with earned income to the history preservation partnership trust fund by -\$2,074,700 in 2021-22 and -\$1,097,100 in 2022-23 attributable to the effects of the COVID-19 pandemic on the ability of the Historical Society to generate such income. Income has been affected because the historic sites and museums have been closed or open on a limited basis which reduces revenues from admissions, gift shop sales, and event rentals.

**5. REALIGNMENT OF POSITIONS**

Transfer 0.2 position and \$15,800 FED from the Society's federal general program operations appropriation to its federal indirect cost reimbursements appropriation to comply with federal grant requirements.

**6. DELETE VACANT POSITIONS**

Delete 3.4 PR positions from the Society's appropriation for gifts, grants, and membership sales, and 0.44 SEG positions from the Society's appropriation for the history preservation partnership trust fund.

	<b>Positions</b>
PR	- 3.40
SEG	<u>- 0.44</u>
Total	- 3.84

## INSURANCE

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$72,273,700	\$41,544,800	\$34,233,200	-\$68,769,400	- 47.6%	0.00	0.00	0.00	0.00	N.A.
FED	127,726,300	141,955,200	165,766,800	52,269,400	20.5	0.00	0.00	0.00	0.00	N.A.
PR	20,398,300	19,667,900	19,668,400	- 1,460,300	- 3.6	124.15	123.15	123.15	- 1.00	- 0.8%
SEG	<u>61,244,900</u>	<u>68,444,700</u>	<u>62,966,700</u>	<u>8,921,600</u>	7.3	<u>10.68</u>	<u>10.68</u>	<u>10.68</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	\$281,643,200	\$271,612,600	\$282,635,100	-\$9,038,700	- 1.6%	134.83	133.83	133.83	- 1.00	- 0.7%

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

	Funding	Positions
PR	-\$67,800	- 1.00
SEG	<u>- 54,200</u>	<u>0.00</u>
<b>Total</b>	<b>-\$122,000</b>	<b>- 1.00</b>

Reduce funding by \$61,000 (-\$33,900 and -\$27,100 SEG) annually and delete 1.0 PR position annually to reflect the following standard budget adjustments: (a) -\$352,400 PR annually for turnover reduction; (b) \$326,100 PR and -\$24,300 SEG annually for full funding of continuing position salaries and fringe benefits; (c) \$82,200 PR and -\$2,800 SEG annually for full funding of lease and directed move costs; and (d) -\$89,800 PR and -1.0 PR positions annually for removal of noncontinuing elements from the base.

**2. WISCONSIN HEALTHCARE STABILITY PLAN [LFB Paper 102 and 390]**

GPR	-\$68,769,400
FED	<u>52,269,400</u>
<b>Total</b>	<b>-\$16,500,000</b>

Adjust funding for the Wisconsin healthcare stability plan (WHSP), as follows: (a) decrease funding by \$14,228,900 GPR in 2021-22 and \$38,040,500 GPR in 2022-23 and provide corresponding FED increases to reflect reestimates of the state and federal shares of the cost of reinsurance payments under the program; and (b) reduce funding by \$16,500,000 GPR in 2021-22 to reflect the cost of reinsurance claims filed for plan year 2020. The following table shows the estimated funding for reinsurance payments in the biennium, in comparison with the 2020-21 base, reflecting the adjustments under this item.

### Estimated Funding for Reinsurance Payments

	2020-21 Base	2020-21 (2020 Plan Year)	2022-23 (2021 Plan Year)
GPR	\$72,273,700	\$41,544,800	\$34,233,200
FED	127,726,300	141,955,200	165,766,800
Total	\$200,000,000	\$183,500,000	\$200,000,000

#### 3. WISCONSIN HEALTHCARE STABILITY PLAN -- INCREASE REINSURANCE

Increase the annual maximum amount of reinsurance payments under the Wisconsin healthcare stability plan from \$200,000,000 to \$230,000,000, beginning in plan year 2022. If the Insurance Commissioner elects to establish a higher total payment target under this provision for 2022, it would first affect reinsurance payments in state fiscal year 2023-24.

[Act 58 Sections: 412 and 9123(1)]

#### 4. INJURED PATIENTS AND FAMILIES COMPENSATION FUND PROGRAM CLAIMS SYSTEM IMPROVEMENTS

SEG	\$8,975,800
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Provide \$7,226,900 in 2021-22 and \$1,748,900 in 2022-23 for the purchase and ongoing maintenance costs of policy and claims administration system software to replace existing systems for the injured patients and families compensation fund (IPFCF).

IPFCF is a state program administered by OCI that provides excess medical malpractice insurance coverage for Wisconsin health care providers. The fund pays the amount of any medical malpractice awards or settlements in excess of amount of the provider's primary malpractice coverage. To enroll in IPFCF coverage, participants must first obtain a primary medical malpractice policy meeting the state's minimum coverage requirements, which are established by statute at \$1,000,000 per occurrence or claim and at least \$3,000,000 for all occurrences or claims in the policy year. Premiums for IPFCF policies are established each year by the IPFCF Board of Governors, and vary depending upon profession and medical specialty. There are currently approximately 18,000 active participants in the IPFCF.

This item would provide funding to purchase and pay ongoing costs for licensing and maintenance of a new policy and claims administration system. The administration proposes to purchase Oracle's Insurance Policy Administration software, which would replace several current system modules. The new system would automate processes and be integrated with the state's financial and procurement system (the State Transforming Agency Resources project, or STAR).

The funding for this item would be provided from the injured patients and families compensation fund. The fund is used for the collection of premium assessments and the payment of claims, as well as program administration costs. OCI estimates that the unencumbered balance in the fund at the end of the 2019-21 biennium will be \$1.3 billion, with estimated expenditures for claims and administration in 2020-21 at \$22.9 million.

**5. BOALTC HELPLINE FUNDING TRANSFER**

PR	\$12,100
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Provide \$5,800 in 2021-22 and \$6,300 in 2022-23 to reflect a reestimate of the amount of insurance fee revenue that will be needed to fund telephone counseling services provided by the Board on Aging and Long-Term Care (BOALTC) for individuals seeking information on Medicare supplemental insurance policies ("Medigap" policies), Medicare Part D policies (policies that cover prescription drugs), and SeniorCare.

The BOALTC Helpline provides free one-on-one insurance counseling services to state residents over the age of 60. The Helpline is supported from two sources -- federal funds the state receives under the state health insurance assistance program (SHIP) and state insurance fee revenue budgeted as part of OCI's general program operations appropriation that OCI transfers to BOALTC.

**6. FUNDING FOR OFFICE ADMINISTRATIVE FUNCTIONS**

PR	- \$1,404,600
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Reduce funding by \$702,300 annually, reflecting the net effect of two changes: (a) reduce OCI's general program operations appropriation by \$2,222,600 annually; and (b) provide \$1,520,300 annually in a new interagency and intra-agency appropriation for general program operations. Transfer \$1,520,300 in each year of the 2021-23 fiscal biennium from the unencumbered balance in the general program operations program revenue appropriation account to the interagency and intra-agency appropriation.

[Act 58 Sections: 28 and 9223(1)]

## INVESTMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2020-21	<u>Act 58</u>		<u>2021-23 Change Over</u>		2020-21	<u>Act 58</u>		<u>2022-23</u>	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Number
PR	\$67,664,700	\$67,664,700	\$67,664,700	\$0	0.0%	236.00	236.00	236.00	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 2019-20 for the Board were \$58,328,000. In June, 2020, the Board approved an operating budget for 2020-21 of \$67,664,700 (an increase of 16% over 2019-20 expenditures) and 236.0 positions. In the table above, this amount is indicated for the adjusted base in 2020-21. The SWIB budget recommendation also utilizes this amount for 2021-22 and 2022-23. The actual 2021-22 budget is expected to be finalized by the Board in June, 2021, and the 2022-23 budget one year later.

## JUDICIAL COMMISSION

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Number
GPR	\$322,200	\$345,000	\$345,600	\$46,200	7.2%	2.00	2.00	2.00	0.00	0.0%

### Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$46,200
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Provide \$22,800 in 2021-22 and \$23,400 in 2022-23 for the following adjustments to the base budget: (a) full funding of continuing position salaries and fringe benefits (\$20,600 annually); and (b) full funding of lease and directed moves costs (\$2,200 in 2021-22 and \$2,800 in 2022-23).

# JUSTICE

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$63,827,400	\$73,690,400	\$76,330,400	\$22,366,000	17.5%	408.58	407.58	405.58	- 3.00	- 0.7%
FED	23,731,900	24,461,900	23,491,300	489,400	1.0	72.73	48.73	45.73	- 27.00	- 37.1
PR	55,434,300	55,177,200	54,597,500	- 1,093,900	- 1.0	258.08	258.08	258.08	0.00	0.0
SEG	446,500	457,000	457,200	21,200	2.4	2.75	2.75	2.75	0.00	0.0
<b>TOTAL</b>	<b>\$143,440,100</b>	<b>\$153,786,500</b>	<b>\$154,876,400</b>	<b>\$21,782,700</b>	<b>7.6%</b>	<b>742.14</b>	<b>717.14</b>	<b>712.14</b>	<b>- 30.00</b>	<b>- 4.0%</b>

## Budget Change Items

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Funding	Positions
GPR	\$11,286,800	- 2.00
PR	- 786,700	0.00
FED	489,400	- 27.00
SEG	21,200	0.00
<b>Total</b>	<b>\$11,010,700</b>	<b>- 29.00</b>

Provide adjustments to the base totaling \$5,668,400 GPR, -\$344,300 PR, \$730,000 FED, \$10,500 SEG, -24.0 FED positions in 2021-22; and \$5,618,400 GPR, -\$339,000 PR, -\$240,600 FED, \$10,700 SEG, -2.0 GPR positions, and -27.0 FED positions in 2022-23. Adjustments are for: (a) turnover reduction (-\$1,048,300 GPR and -\$206,700 PR annually); (b) removal of non-continuing elements from the base (-\$1,007,700 FED, and -24.0 FED positions in 2021-22; and -\$56,900 GPR, -\$1,978,400 FED, -2.0 GPR positions, and -27.0 FED positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits (\$4,737,500 GPR, \$26,400 PR, \$1,885,100 FED, and -\$5,100 SEG annually); (d) overtime (\$710,700 GPR, \$532,700 PR, and \$11,000 SEG annually); (e) night and weekend differential pay (\$9,600 GPR and \$2,100 PR annually); and (f) full funding of lease and directed move costs (\$1,258,900 GPR, -\$750,500 PR, -\$147,400 FED, and \$4,600 SEG in 2021-22; and \$1,265,800 GPR, -\$745,200 PR, -\$147,300 FED, and \$4,800 SEG in 2022-23).

### 2. TECHNICAL TRANSFERS WITHIN THE SAME APPROPRIATION

Transfer positions annually within appropriations in DOJ between different subprograms, as identified in the table below, in order to align budgeted position authorization with assigned programmatic duties and personnel management systems.

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram</u>	<u>Positions</u>	<u>Funding</u>
<b>GPR</b>			
<b><i>Legal Services</i></b>			
Investigation and Prosecution	Legal services		-\$20,800
	Computing services		20,800
Law enforcement services	Crime laboratories	-33.10	-\$3,324,800
General program operations	Crime information bureau	-2.00	-246,300
	Training and standards bureau	0.90	153,800
	Criminal investigation	6.00	814,300
	Administrative services	-5.05	-682,100
	Computing services		22,800
	Narcotics enforcement	1.00	149,400
	Internet crimes against children task force	-0.40	-84,200
	DNA analysis resources	29.50	2,815,100
	Criminal justice programs	2.15	228,700
	Office of school safety	1.00	153,300
<b><i>Administrative services</i></b>			
General program operations	Legal services	-0.45	-\$28,400
	Administrative services	0.95	37,200
	Computing services	-0.50	-8,800
<b>PR</b>			
<b><i>Law enforcement services</i></b>			
Crime laboratories; DNA analysis	Crime laboratories	-1.00	-\$1,901,300
	Computing services		4,200
	DNA analysis resources	1.00	1,897,100
Terminal charges	Crime information bureau		-\$8,300
	Computing services		8,300
Drug law enforcement, crime laboratories, and genetic evidence activities	Crime laboratories	44.10	\$3,458,700
	Criminal investigation		-54,900
	Computing services		3,200
	Narcotics enforcement	-5.00	-385,500
	Internet crimes against children task force		-34,300
	DNA analysis resources	-39.10	-2,987,200
Law enforcement training fund, state operations	Crime laboratories	-1.00	-\$97,100
	Crime information bureau	1.00	97,100
	Training and standards bureau	-7.97	-842,500
	Administrative services	1.25	142,600
	Computing services		18,800
	Criminal justice programs	3.92	363,000
	Office of school safety	2.80	318,100
Interagency and intra-agency assistance	Crime information bureau	-0.10	-\$7,000
	Training and standards bureau	-0.20	-18,100
	Criminal investigation	0.10	7,000
	Criminal justice programs	0.20	18,100

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram</u>	<u>Positions</u>	<u>Funding</u>
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	Crime information bureau		-\$32,300
	Computing services		32,300
Drug enforcement intelligence	Criminal investigation	-5.50	-\$679,400
	Narcotics enforcement	5.50	679,400
Criminal history searches, fingerprint identification	Crime laboratories	-1.00	-\$44,100
	Crime information bureau	1.00	400
	Training and standards bureau	-0.34	-31,600
	Computing services		43,700
	Criminal justice programs	0.34	31,600
Law enforcement programs and youth diversion -- administration	Training and standards bureau	-0.95	-\$82,700
	Criminal justice programs	0.95	82,700
WI justice information sharing program	Crime information bureau		-\$3,200
	Computing services		3,200
<b><i>Administrative services</i></b>			
Indirect cost reimbursements	Administrative services	-1.00	-\$86,700
	Office of school safety	1.00	86,700
<b>FED</b>			
<b><i>Law enforcement services</i></b>			
Federal aid, state operations	Crime laboratories	-4.00	-\$279,500
	Crime information bureau	-1.00	-53,400
	Training and standards bureau	-6.93	-607,800
	Criminal investigation	-1.00	-53,400
	Administrative services	-6.00	-381,300
	Internet crimes against children task force	1.00	53,400
	DNA analysis resources	4.00	279,500
	Criminal justice programs	7.93	661,200
	Office of school safety	6.00	381,300
	Victims and witnesses Federal aid, state operations	Office of Victim Services	-1.00
Criminal justice programs		1.00	90,400
Federal aid, victim assistance	Office of Victim Services	-3.00	-\$242,400
	Criminal justice programs	3.00	242,400

### 3. PROGRAM REVENUE ESTIMATES [LFB Paper 395]

PR	- \$2,262,200
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Provide adjustments totaling -\$1,066,100 in 2021-22 and -\$1,196,100 in 2022-23 to reflect current revenue projections and estimated program needs for the following program revenue appropriations:

- a. -\$500,000 in 2021-22 and -\$630,000 in 2022-23 annually for crime victim and

witness assistance surcharge for general services appropriation. The reestimate reduces expenditure authority, but does not change local assistance award amounts. Expenditures are reestimated to reflect revenue available. Base funding for the appropriation is \$6,752,800.

b. -\$461,700 annually for the investigation and prosecution appropriation. The reduction reflects a reestimate of expenses for investigation and prosecution of violations, including attorney fees. Base funding for the appropriation is \$650,700.

c. -\$445,900 annually for the terminal charges appropriation. Expenditures are reestimated to reflect revenue available for the TIME (transaction information for the management of enforcement) system. Base funding for the appropriation is \$2,056,000.

d. \$60,200 annually for the drug law enforcement training fund, local assistance appropriation. Reestimated 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 \$4,364,800.

e. \$100,000 annually for the general operations; child pornography surcharge appropriation. Expenditures are reestimated to reflect revenue available. Base funding for the appropriation is \$75,000.

f. \$181,300 annually for the Wisconsin justice information sharing program appropriation. Expenditures are reestimated for general administration and the 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 \$657,900.

**4. TREATMENT ALTERNATIVES AND DIVERSION PROGRAM EXPANSION [LFB Paper 395]**

GPR	\$2,500,000
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Provide \$2,500,000 in 2022-23 to expand the Treatment Alternatives and Diversion (TAD) program. The TAD program provides grants to counties to establish and operate programs, including suspended and deferred prosecution programs and programs based on principles of restorative justice, which provide alternatives to prosecution and incarceration for criminal offenders who abuse alcohol or other drugs. The drug court grant program provides grants to counties without an established drug court in order for those counties to establish and operate a drug court.

[Note: At the June 10, 2021, executive session regarding the 2021-23 biennial budget, the Joint Committee on Finance approved the conversion of \$1,000,000 PR annually in justice information system fee-funded TAD grants to \$1,000,000 GPR annually. This item was inadvertently excluded from the Committee's substitute amendment. As a result, the approved funding conversion was not included in the Act 58.]

**5. CONTINUE FUNDING CRIMINAL JUSTICE DIVERSION PROGRAMS AND INVESTIGATIONS [LFB Papers 395, 396, and 397]**

GPR	\$3,000,000
PR	<u>1,500,000</u>
Total	\$4,500,000

Provide \$1,500,000 GPR and \$750,000 PR annually to provide on-going funding to support grant and operational programs at the 2020-21 levels. Provide GPR funding for: (a) the treatment alternatives and diversion (TAD) program (\$500,000 GPR annually); (b) a second TAD appropriation (\$500,000 GPR annually); and (c) criminal investigation operations (\$500,000 GPR annually). Modify current law to statutorily specify the transfer of program revenue supporting statewide Internet Crimes Against Children (ICAC) Taskforces at the current level (\$750,000 PR annually). Under 2019 Act 9, the transfer to ICAC taskforces was made on a non-statutory, one-time basis. The equivalent amounts of GPR and PR funding were provided for the above purposes as one-time funding in the 2019-21 biennium and were, therefore, not included in the Department's base budget.

[Act 58 Sections: 71 and 72]

**6. COUNTY VICTIM WITNESS REIMBURSEMENT APPROPRIATION [LFB Paper 398]**

GPR	\$1,548,000
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Provide \$709,000 in 2021-22 and \$839,000 in 2022-23 in a new annual appropriation to reimburse counties for services provided to victims and witnesses of crime. Under current law, counties are eligible to receive reimbursement from the state for not more than 90% of the costs incurred in providing victim and witness services.

[Act 58 Sections: 73 and 417]

**7. SEXUAL ASSAULT VICTIM SERVICES GRANT PROGRAM**

GPR	\$200,000
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Provide \$100,000 annually in the sexual assault victim services appropriation. Base funding for the appropriation is \$2,134,000.

**8. CRIME LABORATORY TOXICOLOGY TESTING [LFB Paper 400]**

PR	\$455,000
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Provide \$455,000 in 2021-22 as one-time funding from the DNA and Crime Lab and Drug Law Enforcement surcharges. Funding will support the purchase of additional instrumentation necessary to identify synthetic drugs and drug analogs that are toxic at very low levels. The forensic toxicology program identifies and quantifies drugs and alcohols in biological samples submitted by law enforcement agencies related to felony investigations.

**9. BODY WORN CAMERA GRANTS**

Provide \$2,000,000 GPR in Joint Finance's supplemental appropriation for law enforcement agency body worn camera grants to be authorized under pending legislation. Create a new continuing GPR appropriation for the purposes of the grants in the Department of Justice. The fiscal effect of this item is shown under "Program Supplements."

[Act 58 Section: 70]

**10. LAKESHORE REGIONAL CHILD ADVOCACY CENTER**

Add Lakeshore Regional Child Advocacy Center in Ozaukee County to the list of centers receiving child advocacy grants.

[Act 58 Section: 363]

**11. LAW ENFORCEMENT TRAINING GRANTS**

GPR	\$4,000,000
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Provide \$2,000,000 annually in a new annual GPR appropriation for law enforcement training fund reimbursements.

[Act 58 Section: 68]

**12. COMMUNITY ORIENTED POLICE HOUSING GRANTS**

Provide \$1,000,000 GPR in Joint Finance's supplemental appropriation for community oriented police houses to be authorized under pending legislation. Create an annual GPR appropriation for the purposes of the grants in the Department of Justice. The fiscal effect of this item is shown under "Program Supplements."

[Act 58 Section: 69]

**13. TRANSFER FROM DOJ**

GPR	- \$60,000
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Reduce DOJ's Legal Services General Program Operations appropriation, by \$60,000 in 2021-22 on a one-time basis. Increase funding for the Assembly and the Senate by \$30,000 each in 2021-22.

**14. ASSISTANT ATTORNEY GENERAL CIVIL LITIGATION POSITION**

	Funding	Positions
GPR	- \$108,800	- 1.00

Remove \$54,400 annually and 1.0 vacant assistant attorney general position.

## KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
PR	\$233,700	\$249,500	\$249,500	\$31,600	6.8%	1.25	1.25	1.25	0.00	0.0%
SEG	<u>739,300</u>	<u>785,300</u>	<u>785,300</u>	<u>92,000</u>	6.2	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	0.0
TOTAL	\$973,000	\$1,034,800	\$1,034,800	\$123,600	6.4%	4.00	4.00	4.00	0.00	0.0%

### Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

PR	\$31,600
SEG	<u>92,000</u>
Total	\$123,600

Provide an increase of \$61,800 each year as follows: (a) \$58,800 (\$15,100 PR and \$43,700 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.

## LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
	2021-22	2022-23	Amount	%	2021-22		2022-23	Number	%	
GPR	\$170,500	\$149,500	\$149,500	-\$42,000	- 12.3%	0.80	0.80	0.80	0.00	0.0%
PR	1,947,800	1,981,400	1,981,400	67,200	1.7	13.70	13.70	13.70	0.00	0.0
SEG	<u>634,200</u>	<u>665,900</u>	<u>665,900</u>	<u>63,400</u>	5.0	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$2,752,500</b>	<b>\$2,796,800</b>	<b>\$2,796,800</b>	<b>\$88,600</b>	<b>1.6%</b>	<b>18.70</b>	<b>18.70</b>	<b>18.70</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	-\$42,000
PR	67,200
SEG	<u>63,400</u>
Total	<u>\$88,600</u>

Adjust the Labor and Industry Review Commission's (LIRC) base budget by -\$21,000 GPR, \$33,600 PR, and \$31,700 SEG annually. The adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$5,700 GPR, -\$55,500 PR, and -\$7,800 SEG annually); and (b) full funding of lease and directed moves costs (-\$15,300 GPR, \$89,100 PR, and \$39,500 SEG annually).

LIRC hearings and operations are supported mostly by federal monies for unemployment insurance administration and equal rights administration, which are received by the Department of Workforce Development and transferred to LIRC as PR. LIRC also is appropriated GPR, and funds from the segregated worker's compensation operations fund.

# LEGISLATURE

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$80,008,300	\$85,856,600	\$85,346,500	\$11,186,500	7.0%	758.17	758.17	758.17	0.00	0.0%
PR	<u>2,361,400</u>	<u>2,438,200</u>	<u>2,427,500</u>	<u>142,900</u>	3.0	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$82,369,700</b>	<b>\$88,294,800</b>	<b>\$87,774,000</b>	<b>\$11,329,400</b>	<b>6.9%</b>	<b>777.97</b>	<b>777.97</b>	<b>777.97</b>	<b>0.00</b>	<b>0.0%</b>

## Budget Change Items

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	-\$2,078,800
PR	<u>4,900</u>
<b>Total</b>	<b>-\$2,073,900</b>

Provide adjustments to the base totaling -\$1,043,500 GPR and \$1,300 PR in 2021-22 and -\$1,035,300 GPR and \$3,600 PR in 2022-23.

Adjustments are for: (a) turnover reduction (-\$1,255,100 GPR annually); (b) full funding of continuing position salaries and fringe benefits (\$203,500 GPR and -\$3,000 PR annually); (c) full funding of lease and directed move costs (\$8,100 GPR and -\$5,200 PR in 2021-22 and \$16,300 GPR and -\$2,900 PR in 2022-23); and (d) reclassification and semiautomatic pay progression (\$9,500 PR annually).

### 2. MEMBERSHIP DUES IN NATIONAL ASSOCIATIONS

GPR	\$10,700
PR	<u>20,000</u>
<b>Total</b>	<b>\$30,700</b>

Provide \$2,000 GPR and \$10,000 PR in 2021-22 and \$8,700 GPR and \$10,000 PR in 2022-23 for dues to the National Conference of State Legislatures (NCSL), the National Conference of Commissioners on Uniform State Laws (NCCUSL) and the National Conference of Insurance Legislators (NCIL). Funding for membership dues is supported by a sum sufficient appropriation with base funding totaling \$285,800 GPR annually, and a continuing PR appropriation for gifts and grants with base funding of \$10,000.

### 3. ACTUARIAL AUDIT SERVICES

PR	\$103,000
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Provide the Legislative Audit Bureau \$50,500 in 2021-22 and \$52,500 in 2022-23 of one-time funding to contract for actuarial audit services that may be required in order to gain audit evidence under accounting standards issued by the Governmental Accounting Standards Board.

Program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services.

**4. PEER REVIEW OF FINANCIAL AUDITS**

PR	\$15,000
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Provide \$15,000 in 2021-22 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, 2018, with the next such review scheduled for September, 2021. Program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services.

**5. ACTUARIAL STUDIES**

GPR	\$15,000
-----	----------

Provide \$15,000 in 2021-22 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 2020-21.

**6. LEGISLATIVE SUPPLIES AND SERVICES [LFB Paper 102]**

GPR	\$10,000,000
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Provide \$2,500,000 annually for the Assembly and \$2,500,000 annually for the Senate for increased supplies and services funding. Funding would be for expenses for litigation regarding lawsuits in which the Legislature is a defendant or plaintiff. Base supplies and services funding in the Assembly is \$3,836,800, and in the Senate \$3,092,900.

**7. LEGISLATIVE HUMAN RESOURCES OFFICE**

GPR	\$2,729,600
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Create a biennial appropriation and provide funding of \$1,364,800 annually for the Legislative Human Resources Office.

[Act 58 Section: 90]

**8. WISEYE SUPPORT**

GPR	\$450,000
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Create a biennial appropriation and provide \$450,000 in 2021-22 on a one-time basis, for support of WisconsinEye. Base funding for 2023-25 biennium would be \$0.

[Act 58 Section: 91]

**9. TRANSFER FROM DEPARTMENT OF JUSTICE**

GPR	\$60,000
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Increase funding for the Assembly and the Senate by \$30,000 each in 2021-22. Reduce DOJ's Legal Services General Program Operations appropriation, 20.455(1)(a), by \$60,000 GPR

in 2021-22 on a one-time basis.

#### **10. EXECUTIVE SALARY GROUP RECLASSIFICATION**

Reassign the Director of the Legislative Technology Services Bureau from executive salary group (ESG) 5 to ESG 6. Under the state's 2019-21 compensation plan, effective January 3, 2021, ESG 5 has an annual pay range of \$89,045 to \$146,931 and ESG 6 a range of \$96,179 to \$158,704. Within the ESG range, the Joint Committee on Legislative Organization determines the Director's annual salary.

[Act 58 Section: 131]

# LIEUTENANT GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2020-21	<u>Act 58</u>		2021-23 Change Over		2020-21	<u>Act 58</u>		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Number
GPR	\$437,900	\$470,500	\$470,500	\$65,200	7.4%	5.00	5.00	5.00	0.00	0.0%

## Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$65,200
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Provide adjustments to the base budget totaling \$32,600 annually associated with full funding of continuing positions salaries and fringe benefits.

## LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Over 2020-21
SEG	\$253,500	\$256,600	\$256,600	\$6,200	1.2%	2.00	2.00	2.00	0.00	0.0%

### Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

SEG	\$6,200
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Provide adjustments of \$3,100 annually to the agency base budget for the following: (a) \$3,700 for full funding of salaries and fringe benefits for continuing positions; and (b) -\$600 for full funding of lease and directed moves costs. The Lower Wisconsin State Riverway Board is funded by the conservation fund, allocated from the water resources account (75%) and forestry account (25%).

## MEDICAL COLLEGE OF WISCONSIN

Budget Summary					FTE Position Summary		
	2020-21	<u>Act 58</u>		2021-23 Change Over		The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, nonprofit state-aided institution governed by a Board of Trustees.	
Fund	Adjusted Base	2021-22	2022-23	<u>Base Year Doubled</u>	Amount		%
GPR	\$10,997,300	\$10,907,900	\$10,910,300	-	\$176,400		- 0.8%
PR	<u>247,500</u>	<u>247,500</u>	<u>247,500</u>	<u>0</u>	<u>0</u>		<u>0.0</u>
TOTAL	\$11,244,800	\$11,155,400	\$11,157,800	-	\$176,400		- 0.8%

### Budget Change Item

**1. DEBT SERVICE ESTIMATE [LFB Paper 102]**

GPR	- \$176,400
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Delete \$89,400 in 2021-22 and \$87,000 in 2022-23 for an estimate of debt service. Base level funding for the two debt service appropriations under MCW totals \$3,459,300.

## MILITARY AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$31,359,400	\$30,088,900	\$29,358,100	-\$3,271,800	- 5.2%	82.08	82.08	82.08	0.00	0.0%
FED	77,584,000	80,176,000	80,177,900	5,185,900	3.3	423.90	415.90	415.30	- 8.60	- 2.0
PR	8,692,500	8,863,900	8,863,900	342,800	2.0	45.12	45.12	45.12	0.00	0.0
SEG	1,432,700	9,374,800	18,903,800	25,413,200	886.9	3.00	3.00	3.00	0.00	0.0
<b>TOTAL</b>	<b>\$119,068,600</b>	<b>\$128,503,600</b>	<b>\$137,303,700</b>	<b>\$27,670,100</b>	<b>11.6%</b>	<b>554.10</b>	<b>546.10</b>	<b>545.50</b>	<b>- 8.60</b>	<b>- 1.6%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

Provide adjustments to the base totaling -\$50,300 GPR, \$2,592,000 FED, \$171,400 PR, \$62,500 SEG, and -8.0 FED positions in 2021-22, and -\$50,300 GPR, \$2,593,900 FED, \$171,400 PR, \$62,500 SEG, and -8.6 FED positions in 2022-23. Adjustments are for: (a) turnover reduction (-\$188,900 GPR and -\$559,700 FED annually); (b) removal of non-continuing elements from the base (-8.0 FED positions in 2021-22 and -8.6 FED positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits (\$120,600 GPR, \$2,743,900 FED, \$145,700 PR, and \$62,500 SEG annually); (d) overtime (\$35,200 GPR, \$384,400 FED, and \$9,800 PR annually); (e) full funding of lease and directed moves costs (-\$17,200 GPR annually, \$23,400 FED in 2021-22, \$25,300 FED in 2022-23, and \$15,900 PR annually); and (f) minor transfers within the same alpha appropriation.

	Funding	Positions
GPR	- \$100,600	0.00
FED	5,185,900	- 8.60
PR	342,800	0.00
SEG	<u>125,000</u>	<u>0.00</u>
<b>Total</b>	<b>\$5,553,100</b>	<b>- 8.60</b>

**2. STATEWIDE INTEROPERABLE RADIO NETWORK REPLACEMENT [LFB Paper 415]**

GPR	\$500,000
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Provide \$500,000 GPR in 2022-23 for project management consultant services and reserve \$6,000,000 GPR in 2022-23 in the Joint Committee on Finance's supplemental appropriation for a statewide interoperable radio network to replace the Wisconsin Interoperable System for Communications (WISCOM). Require DMA to oversee the development and operation of any current or future statewide public safety interoperable communication system and administer the system. Allow DMA to enter into agreements for the maintenance and support of, upgrades to, and enhancements for the system.

The WISCOM system was developed to permit local, state, and federal emergency responders to communicate across jurisdictions. Under 2017 Act 59, DMA was required to upgrade or replace WISCOM. According to DMA, the system's key components have reached end-of-life, and its technical specifications are unable to fulfill program demand. In May, 2020, DMA solicited a request for information to develop specifications for the replacement system. The Department intends to select a vendor and system design through a request for proposal process in 2022, begin a phased deployment in 2023, and sustain the system through 2038.

[Act 58 Sections: 390 thru 392 and 9131(1)]

**3. URBAN SEARCH AND RESCUE TASK FORCE [LFB Paper 418]**

Create a continuing GPR appropriation under DMA for training and equipment for urban search and rescue teams and reserve \$500,000 GPR in 2021-22 in the Committee's supplemental appropriation. Create a continuing PR appropriation to support: (a) task force deployments; and (b) reimbursements to local agencies for increases in duty disability premium contributions for employees who receive such benefits because of an injury incurred as a task force member.

Under current law, DMA contracts with local agencies to establish regional structural collapse teams that respond to structural collapse incidents. The Department reimburses teams for costs only to the extent that DMA collects reimbursement from a responsible party (the entity responsible for the incident). The teams' contracts expired in June, 2019; therefore, the teams are not currently training, deploying, or receiving funds.

[Act 58 Sections: 74 and 74m]

**4. TRUAX FIELD MICROGRID SYSTEM**

GPR	\$64,000
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Provide \$64,000 in 2022-23 to determine the feasibility of constructing an electric microgrid system at Truax Field in Madison, to include the Joint Force Headquarters, the State Emergency Operations Center, and the Joint Operations Center. Microgrids are localized grids that can disconnect from the traditional grid to operate autonomously. Because they are able to operate while the main grid is down, microgrids can mitigate grid disturbances and facilitate faster system response and recovery.

[Act 58 Section: 9131(2)]

**5. NG911: SYSTEM IMPLEMENTATION [LFB Paper 416]**

SEG	\$19,288,200
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Provide \$7,879,600 in 2021-22 and \$11,408,600 in 2022-23 to facilitate the transition to Next Generation 911 (NG911), as described below. The system is funded from the police and fire protection fund using revenues from phone service surcharges. The NG911 system is not provided base funding for the 2021-23 biennium.

*ESInet.* Provide \$7,379,600 in 2021-22 and \$9,708,600 in 2022-23 to develop an emergency services internet protocol network (ESInet). The first step of upgrading the state's 911 system is to

create an internet-based network to connect local public safety answering points (PSAPs) across the state. The ESInet will provide broadband speed transmissions and facilitate the delivery of data for field operations. It is anticipated that a contract to design the ESInet will be negotiated in mid-2021. According to DMA, local agencies will transition to the network in 2022.

*GIS Data Management.* Provide \$500,000 in 2021-22 and \$1,700,000 in 2022-23 to develop a statewide geographic information systems (GIS) database. The database will use geographic information provided by counties to route 911 calls and messages to the correct answering center, thereby decreasing call transfers and response times.

**6. NG911: PUBLIC SAFETY ANSWERING POINT GRANTS**

SEG	\$6,000,000
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[LFB Paper 416]

Provide \$6,000,000 in 2022-23 to help public safety answering points (PSAPs) transition to NG911 by training staff, purchasing equipment, and upgrading software. Funding is provided from the police and fire protection fund using revenues from phone service surcharges.

To receive and process calls through the NG911 system, PSAPs must have call answering equipment compatible with NG911 technology. Under 2019 Act 26, a competitive state grant program was created to help PSAPs transition to the NG911 system. To date, funds have not been allocated for the state grant program. However, DMA has awarded \$2.9 million in federal grant funds to upgrade equipment.

[Act 58 Section: 75]

**7. NG911: GEOGRAPHIC INFORMATION SYSTEMS GRANTS** [LFB Paper 416]

Reserve \$1,500,000 SEG in 2022-23 from the police and fire protection fund in the Joint Committee on Finance's supplemental appropriation for legislation related to GIS grants, which would help counties compile GIS data for NG911. (See "Program Supplements.")

**8. DEBT SERVICE ESTIMATE** [LFB Paper 102] 

GPR	-\$1,043,700
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Reduce expenditure authority by -\$340,400 in 2021-22 and -\$703,300 in 2022-23 to reflect an estimate of GPR debt service costs on state general obligation bonds and commercial debt issued for National Guard facilities by DMA. Debt service costs are estimated to total \$6,697,800 in 2021-22 and \$6,334,900 in 2022-23.

**9. FUEL AND UTILITIES ESTIMATE**

GPR	-\$314,800
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Reduce expenditure authority by -\$150,700 in 2021-22 and -\$164,100 in 2022-23 associated with fuel and utility cost estimates at Army and Air National Guard facilities. Base funding for agency energy costs is \$2,167,300.

**10. SUM SUFFICIENT ESTIMATE**

GPR	-\$2,376,700
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Estimate sum sufficient expenditures for tuition grants by -\$200,000 annually and for disaster recovery aid by -\$529,100 in 2021-22 and -\$1,447,600 in 2022-23.

## MISCELLANEOUS APPROPRIATIONS

Budget Summary						FTE Position Summary
Fund	2020-21 Adjusted Base	<u>Act 58</u>		<u>2021-23 Change Over Base Year Doubled</u>		There are no authorized positions for Miscellaneous Appropriations.
		2021-22	2022-23	Amount	%	
GPR	\$150,737,500	\$161,618,800	\$155,119,400	\$15,263,200	5.1%	
SEG	<u>30,888,400</u>	<u>31,731,200</u>	<u>32,293,000</u>	<u>2,247,400</u>	3.6	
TOTAL	\$181,625,900	\$193,350,000	\$187,412,400	\$17,510,600	4.8%	

### Budget Change Items

- 1. ESTIMATE GENERAL FUND TRANSFER TO THE VETERANS TRUST FUND [LFB Paper 102]** GPR - \$1,647,600

Reduce funding by \$1,123,800 in 2021-22 and \$523,800 in 2022-23 to reflect an estimate of the funding required for transfers from the general fund to the veterans trust fund (VTF). With this adjustment, total transfers are estimated at \$14,676,200 in 2021-22 and \$15,276,200 in 2022-23 in the transfer appropriation. 2019 Act 9 established a GPR, sum sufficient appropriation making these transfers, now accounting for over 95% of VTF revenues.

- 2. TRANSFERS TO THE CONSERVATION FUND [LFB Paper 102]** SEG \$2,247,400

Estimate the revenue transferred from the transportation fund to the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. By statute, transfers are based on the fuel tax rate and the number of registered recreational vehicles as of certain dates in the preceding fiscal year. The following table shows budgeted base amounts for the motorboat, snowmobile, ATV, and UTV formula transfers, and annual estimates for each under Act 58.

### Recreational Vehicle Gas Tax Transfers

	<u>Base</u>	<u>2021-22</u>		<u>2022-23</u>	
		<u>Change</u>	<u>Total</u>	<u>Change</u>	<u>Total</u>
Motorboats	\$12,951,300	\$262,700	\$13,214,000	\$548,100	\$13,499,400
Snowmobile	4,909,200	318,200	5,227,400	422,700	5,331,900
ATVs	1,874,200	19,100	1,893,300	35,500	1,909,700
UTVs	<u>534,400</u>	<u>242,800</u>	<u>777,200</u>	<u>398,300</u>	<u>932,700</u>
Total	\$20,269,100	\$842,800	\$21,111,900	\$1,404,600	\$21,673,700

**3. OFF-HIGHWAY MOTORCYCLE REGISTRATION ESTIMATE [LFB Paper 102]**

GPR	- \$27,800
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Adjust the transfer to the segregated conservation fund for off-highway motorcycle registration fees by -\$13,900 in each year of the biennium. A transfer is made from the general fund annually to a continuing appropriation in the conservation fund equal to the amount paid for off-highway motorcycle registration fees. The appropriation funds the Department of Natural Resources (DNR) off-highway motorcycle program. The transfer is budgeted at \$61,100 each year under Act 58.

**4. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND [LFB Paper 102]**

GPR	- \$1,000,000
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Delete \$1,000,000 in 2021-22 from the disaster damage aids transfer appropriation to reflect the removal of first-year funding from the base. 2013 Wisconsin Act 20 established a GPR sum-sufficient appropriation to fund a transfer to the transportation fund in the second year of the biennium equal to the amount of disaster aid payments made during the biennium in excess of \$1,000,000 for any single disaster event. Although the funding is only needed in the second year of each biennium, this funding is automatically included in the base funding for the first and second years of the next biennium. As a result, the first year of funding has to be removed during the biennial budget process.

**5. MARQUETTE DENTAL SCHOOL DEBT SERVICE ESTIMATE [LFB Paper 102]**

GPR	- \$1,302,100
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Adjust funding by -\$105,600 in 2021-22 and -\$1,196,500 in 2022-23 for debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and education facility for the Marquette Dental School. Budgeted debt service costs associated with the school are \$2,015,700 in 2021-22 and \$924,800 in 2022-23.

**Other Miscellaneous Appropriation Changes**

The description and fiscal effect of miscellaneous appropriation changes relating to Illinois-Wisconsin income tax reciprocity (\$18,000,000 GPR) and oil pipeline terminal tax distribution (\$1,240,700 GPR) are summarized under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

# NATURAL RESOURCES

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	%		Amount	%	Number	%
GPR	\$105,966,200	\$103,043,700	\$94,482,300	-\$14,406,400	- 6.8%	223.52	222.52	222.52	- 1.00	- 0.4%
FED	89,262,400	88,378,900	87,981,400	- 2,164,500	- 1.2	496.84	493.84	488.84	- 8.00	- 1.6
PR	34,343,900	34,191,200	34,209,400	- 287,200	- 0.4	245.89	241.89	241.89	- 4.00	- 1.6
SEG	<u>332,580,100</u>	<u>338,687,600</u>	<u>342,106,800</u>	<u>15,634,200</u>	2.4	<u>1,569.35</u>	<u>1,557.68</u>	<u>1,557.68</u>	<u>- 11.67</u>	- 0.7
TOTAL	\$562,152,600	\$564,301,400	\$558,779,900	-\$1,223,900	- 0.1%	2,535.60	2,515.93	2,510.93	- 24.67	- 1.0%
BR		\$114,500,000								

## Budget Change Items

### Departmentwide

#### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

Provide adjustments to the base budget as follows:

(a) -\$4,860,200 annually for turnover reduction (-\$538,500 GPR, -\$778,800 FED, -\$159,200 PR, and -\$3,383,700 SEG);

(b) -\$323,100 and -4.0 positions (-\$210,500 FED with -3.0 positions, and -\$112,600 SEG with -1.0 position) in 2021-22 and -\$728,200 and -9.0 positions

(-\$615,600 FED with -8.0 positions and -\$112,600 SEG with -1.0 position) in 2022-23 to remove noncontinuing items from the base; (c) \$1,793,900 annually for full funding of continuing position salaries and fringe benefits (\$892,500 GPR, \$179,500 FED, \$208,600 PR, and \$513,300 SEG); (d)

\$27,000 annually for reclassifications and semi-automatic pay increases (\$1,800 GPR, \$6,600 PR, and \$18,600 SEG); (e) \$3,184,000 annually for overtime (\$8,000 PR and \$3,176,000 SEG); and

(f) -\$666,900 (-\$42,900 GPR, -\$73,700 FED, and -\$550,300 SEG) in 2021-22 and -\$633,400 (-\$42,600 GPR, -\$66,100 FED, and -\$524,700 SEG) in 2022-23 for full funding of leases and directed moves.

	Funding	Positions
GPR	\$626,100	0.00
FED	- 2,164,500	- 8.00
PR	128,000	0.00
SEG	<u>- 651,800</u>	<u>- 1.00</u>
Total	- \$2,062,200	- 9.00

#### 2. AGENCY BUDGET REDUCTION

GPR	- \$1,169,200
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Reduce the appropriation for general program operations of the Division of Internal Services

by \$584,600 annually. Base funding for the appropriation is \$3,704,300. Act 58 appropriates \$3,064,400 GPR for Internal Services general operations, including other reductions as standard budget adjustments. Total Internal Services funding under Act 58 is \$47.4 million annually, including other SEG and PR funding.

### 3. DELETE VACANT POSITIONS

Delete 14.67 positions vacant two years or longer. Act 58 does not delete funding associated with the positions in the 2021-23 biennium, but associated funding would be removed under standard budget adjustments for the 2023-25 biennial budget. The following table shows the number of positions by DNR program area and fund source.

	Positions
GPR	- 1.00
SEG	- 12.67
PR	<u>- 1.00</u>
Total	- 14.67

#### DNR Long-Term Vacancy Deletions

<u>Program Area</u>	<u>Total</u>	<u>Fund Source</u>
Fish and Wildlife	3.02	SEG
Parks and Forests	1.15	SEG
Air Management	1.00	PR
Remediation and Redevelopment	0.85	SEG
Facilities, Lands, and Real Estate	2.75	SEG
Information Technology	2.90	SEG
	1.00	GPR
Departmental Administration	1.00	SEG
Community Financial Assistance	<u>1.00</u>	SEG
Total	14.67	

### 4. AIDS IN LIEU OF TAXES

Require that DNR pay a minimum of \$3.50 per acre in aids in lieu of property taxes on all DNR-owned lands. Aids increases under the provision are estimated at \$3,199,600 GPR and \$100 SEG in each year of the biennium. Total aids payments under Act 58 are budgeted at \$17.2 million, including \$9.9 million GPR and \$7.3 million conservation SEG each year.

GPR	\$6,399,200
SEG	<u>200</u>
Total	\$6,399,400

DNR pays aids in lieu of property taxes on Department-owned lands to partially offset the loss in property tax revenues associated with publicly held lands, which are not taxable. The value of the aids varies by the date of acquisition, property value, and tax status in the year prior to acquisition. For lands acquired before 1969, DNR paid 88¢ per acre, prior to Act 58. For lands acquired between 1969 and 1991, DNR pays aids based on a 10-year declining payment schedule. In the first year after acquisition, DNR paid the property tax due on the property. Each year, this value was reduced by 10 percentage points until the 10<sup>th</sup> year or the value of aids in lieu of taxes was 50¢ per acre. Aids in lieu of taxes on lands acquired since 1992 are based on the estimated

value of the property in the year prior to DNR acquisition, adjusted annually based on the change in equalized value of all land, excluding improvements, in the taxing district.

[Act 58 Sections: 239 thru 242]

**5. LAW ENFORCEMENT EQUIPMENT [LFB Paper 430]**

GPR	\$20,400
SEG	<u>579,500</u>
Total	\$599,900

Provide \$227,400 (\$7,200 GPR, \$209,300 conservation SEG, and \$10,900 environmental SEG) annually to accommodate increases for routine costs and equipment such as electroshock stun guns, opioid-blocking naloxone, and body-worn camera data storage. Funding would also enable access to U.S. Department of Justice law enforcement systems and emergency dispatch system upgrades.

Provide \$145,100 (\$6,000 GPR, \$9,100 environmental SEG, and \$130,000 conservation SEG) in 2021-22 as one-time funding to acquire body-worn cameras. Further, amend GPR, conservation SEG, and environmental SEG biennial appropriations to allow DNR to acquire law enforcement technology; prior law authorized DNR to use these appropriations to acquire only radios.

Additionally, provide \$62,300 GPR in 2021-22 in the Joint Committee on Finance supplemental appropriation for an integrated records management system. [See "Program Supplements."] DNR law enforcement staff use several different systems to issue and track citations, develop criminal reports, track and inventory evidence, dispatch and locate wardens and other law enforcement, and report uniform crime data. DNR indicates that funding would enable the Department to procure and operate an integrated system that can perform all administrative functions for law enforcement, as is standard for other law enforcement agencies. Supplemental GPR and SEG funding could be requested under s. 13.10 of the statutes.

[Act 58 Sections: 38 thru 40]

**6. NIGHT AND WEEKEND DIFFERENTIAL PAY**

SEG	\$448,800
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Provide \$224,400 conservation SEG each year to fund night and weekend differential pay. DNR pays an additional 45¢ per hour for all hours worked between 6:00 PM and 6:00 AM. DNR pays an additional 60¢ per hour for all hours worked on Saturdays and Sundays. Employees who work between 6:00 PM and 6:00 AM on weekends receive both pay differentials, adding \$1.05 to their hourly wage. DOA reports that DNR has paid an average of \$194,200 in night and weekend salaries and \$30,200 in associated fringe costs over the last four years. Act 58 increases expenditure authority by the sum of these amounts.

**7. DEBT SERVICE ESTIMATE [LFB Paper 102]**

GPR	- \$20,282,900
SEG	<u>- 8,915,500</u>
Total	- \$29,198,400

Delete \$9,387,800 (\$5,863,600 GPR and \$3,524,200 SEG) in 2021-22 and \$19,810,600 (\$14,419,300 GPR and \$5,391,300 SEG) in 2022-23 to estimate debt service payments on bonds issued for various DNR programs, as shown in the following table:

## DNR Debt Service Estimates -- Act 58

	Base	2021-22		2022-23	
		Change to Base	Estimate	Change to Base	Estimate
<b>GPR</b>					
Stewardship and predecessors	\$67,853,000	-\$5,674,300	\$62,178,700	-\$13,712,600	\$54,140,400
Combined sewer overflow	753,800	-99,800	654,000	-475,300	278,500
Municipal clean drinking water grants	6,400	-600	5,800	-4,100	2,300
Administrative facilities	<u>586,800</u>	<u>-88,900</u>	<u>497,900</u>	<u>-227,300</u>	<u>359,500</u>
GPR Subtotal	\$69,200,000	-\$5,863,600	\$63,336,400	-\$14,419,300	\$54,780,700
<b>SEG</b>					
<i>Conservation Fund</i>					
Dam repair and removal	\$271,600	-\$52,600	\$219,000	-\$136,500	\$135,100
Administrative facilities	<u>6,491,900</u>	<u>-387,500</u>	<u>6,104,400</u>	<u>-69,500</u>	<u>6,422,400</u>
Conservation Fund SEG Subtotal	\$6,763,500	-\$440,100	\$6,323,400	-\$206,000	\$6,557,500
<i>Environmental Fund</i>					
Remedial action	\$2,094,400	-\$468,100	\$1,626,300	-\$786,200	\$1,308,200
Contaminated sediment cleanup	2,243,100	64,800	2,307,900	-209,400	2,033,700
Rural nonpoint source grants - priority watershed program	4,693,700	-822,900	3,870,800	-1,220,400	3,473,300
Rural nonpoint source grants - targeted runoff management	2,403,200	-120,700	2,282,500	227,500	2,630,700
Urban nonpoint source	3,618,000	-567,000	3,051,000	-394,900	3,223,100
Water pollution abatement	4,300,600	-1,134,300	3,166,300	-2,796,500	1,504,100
Administrative facilities	<u>1,126,900</u>	<u>-35,900</u>	<u>1,091,000</u>	<u>-5,400</u>	<u>1,121,500</u>
Environmental Fund SEG Subtotal	\$20,479,900	-\$3,084,100	\$17,395,800	-\$5,185,300	\$15,294,600
SEG Total	\$27,243,400	-\$3,524,200	\$23,719,200	-\$5,391,300	\$21,852,100
All Funds Total	\$96,443,400	-\$9,387,800	\$87,055,600	-\$19,810,600	\$76,632,800

### 8. MACKENZIE CENTER APPROPRIATION

Convert the biennial PR appropriation for the MacKenzie Center to a continuing appropriation. The MacKenzie Center in Poynette is an environmental education center at which educational program participants and facilities renters pay fees for use of the grounds. Act 58 deposits fees in a continuing appropriation and allows DNR to use all moneys received from environmental education fees.

[Act 58 Section: 35]

### 9. TRANSFERS WITHIN APPROPRIATIONS

Transfer positions and funding between budgetary subprograms or budgetary purposes within the same appropriation as described in the following paragraphs to reflect current allocations of program funding and responsibilities in the division indicated.

*Environmental Management.* Move 1.0 GPR business automation specialist position from division administration to water quality. Move 0.46 environmental SEG position from remediation

and redevelopment to drinking and groundwater. This will combine with a 0.54 position in drinking and groundwater to create 1.0 position for work related to petroleum contamination.

*Internal Services.* Move 1.0 conservation SEG federal liaison position, budgeted as 0.98 from management and budget and 0.02 from facility and property services, to 1.0 position in central administration. Move 0.03 conservation SEG financial specialist position from facility and property services to finance.

*External Services.* Move 1.0 program and policy analyst, budgeted as 0.50 conservation SEG and 0.50 environmental improvement FED, from community financial assistance to environmental analysis and sustainability. Move 1.0 vacant environmental improvement FED position from watershed management to community financial assistance. Reallocate \$175,300 (\$2,600 environmental SEG, \$123,000 environmental improvement SEG, and \$49,700 environmental improvement FED) from unallotted reserves to supplies and services. Reallocate \$39,600 GPR within External Services general operations from permanent property to supplies and services.

## **10. TRANSFERS BETWEEN APPROPRIATIONS**

Transfer positions and funding between appropriations in DNR, as described in the following paragraphs, to align position funding with assigned duties or organizational and reporting structure. While certain transfers result in reallocations among segregated funds, the provisions make no net changes to funding by source. All amounts are on an annual basis unless otherwise noted.

*Fish, Wildlife, and Parks.* Transfer 1.0 operations associate position and \$62,000 PR from technology services to wildlife management. Reallocate 1.0 conservation SEG position with \$81,400 in 2021-22 and \$83,600 in 2022-23 from wildlife management to natural heritage conservation to better align position funding with assigned duties.

*Forestry.* Transfer 0.5 vacant position and \$37,400 conservation SEG from facilities and property management to forestry. The transfer would enable the Department to hire a 1.0 executive staff assistant to provide administrative services to the Chief Forester in Rhineland.

*Law Enforcement.* Transfer 0.5 program and policy analyst position and \$49,600 environmental improvement SEG annually from community financial assistance to law enforcement to reflect reporting structure and budget a full 1.0 position under law enforcement. Convert funding to conservation SEG.

*Environmental Management.* Transfer \$36,600 for supplies and services, including \$15,200 PR and \$21,400 environmental SEG, from environmental analysis and sustainability in the Division of External Services to Division of Environmental Management administration to support the DNR actions under the federal Toxics Release Inventory program. Transfer 1.0 position and \$109,400 environmental SEG from recycling administration to waste management general operations to better align position funding with assigned duties.

*Internal Services.* Combine 0.16 position and \$12,100 GPR currently budgeted under customer services with 0.84 position in the Division of Internal Services to budget 1.0 GPR

executive staff secretary position in that division.

*External Services.* Transfer 1.0 position and \$121,400 conservation SEG from law enforcement to customer services to reflect position reporting. Within the community financial assistance program, transfer 1.0 position and \$110,300 dry cleaner emergency response SEG to conservation SEG to address greater grant administration workload for all-terrain vehicle and utility terrain vehicle grant and aid programs.

## Stewardship

**1. STEWARDSHIP REAUTHORIZATION [LFB Papers 435 and 436]**

BR	\$90,000,000
SEG	\$8,000,000

Reauthorize the stewardship program for four years, from July 1, 2022, through June 30, 2026, with an annual allocation of \$33,250,000. Provide an additional \$90,000,000 in bonding authority to fund the program and authorize DNR to utilize any bonding authority unobligated as of June 30, 2022, to fund the program.

Authorize DNR to obligate up to \$33.25 million annually from the capital improvement fund, including \$25.25 million in bond funding and \$8 million transferred from the forestry account of the SEG conservation fund, as shown in the following table. Additionally, create two annual appropriations to transfer funds from the forestry account for DNR land acquisition and county forest grants. Provide up to \$5,000,000 for DNR land acquisitions and \$3,000,000 for county forest grants annually, beginning in 2022-23.

Under the stewardship program, DNR is authorized to: (a) acquire land to expand recreational opportunities and protect environmentally sensitive areas; (b) develop outdoor recreational facilities on state conservation lands; (c) provide grants to local governments and nonprofit conservation organizations (NCOs), typically for up to 50% of the cost of acquiring or developing land for outdoor recreational activities; (d) provide grants to counties for up to 50% of the cost of acquiring forestry land; and (e) provide grants to local governments for developing all-terrain and utility terrain vehicle trails and facilities. Under Act 58, DNR retains authority to conduct those same grants and activities. Other existing provisions are unchanged by Act 58, including Joint Committee on Finance reviews of certain stewardship-funded grants and acquisitions.

[Act 58 Sections: 18m, 54m, 54n, 97m, 134 thru 149m, and 153 thru 157m]

## Stewardship Program Allocations

	<u>Prior Law</u>	<u>Bonding</u>	Act 58 (2022-26)	
			<u>Conservation Fund (SEG)</u>	<u>Total Allotment</u>
<b>Land Acquisition</b>				
DNR Acquisitions	\$6,000,000		\$5,000,000	\$5,000,000
Ice Age Trail	1,000,000	\$1,000,000		1,000,000
Forest Legacy Matching Funds	2,000,000			
NCO Acquisitions	7,000,000	7,000,000		7,000,000
County Forest Grants	<u>5,000,000</u>		<u>3,000,000</u>	<u>3,000,000</u>
Subtotal	\$21,000,000	\$8,000,000	\$8,000,000	\$16,000,000
<b>Recreational Boating Aids</b>	\$2,500,000	\$3,000,000		\$3,000,000
<b>Property Development and Local Assistance</b>				
DNR Property Development*	\$3,500,000	\$4,500,000		\$4,500,000
Grants to Friends Groups	250,000	500,000		500,000
Local Assistance Grants	<u>6,000,000</u>	<u>9,250,000</u>		<u>9,250,000</u>
Subtotal	\$9,750,000	\$14,250,000		\$14,250,000
<b>Total</b>	<b>\$33,250,000</b>	<b>\$25,250,000</b>	<b>\$8,000,000</b>	<b>\$33,250,000</b>

Note: All funding under prior law is from general obligation bonding.

\*The statutes allow DNR to allocate property development funds for motorized recreation projects. The Department has customarily allocated \$500,000 annually for these purposes, and DNR would remain authorized, but not required, to do so under Act 58.

## Forestry and Parks

- 1. COUNTY FOREST ACREAGE SHARE PAYMENTS [LFB**

SEG	\$1,567,800
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 **Papers 440 and 441]**

Increase the county forest acreage payments from 30¢ per acre to 63¢ per acre. Reestimate the sum of payments by \$783,900 forestry SEG annually. Lands in the county forest program are not taxable. DNR pays local units of government fixed per-acre aids from the forestry account of the SEG conservation fund for county forest land located in the town. County forest acreage share payments are estimated at \$1.5 million each year.

[Act 58 Section: 169]

**2. FORESTRY INFORMATION TECHNOLOGY**

SEG	\$760,200
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Provide \$235,100 forestry SEG in each year of the biennium as one-time funding for maintenance and updates for Division of Forestry web applications. Further, provide \$145,000 annually for replacing outdated mobile hardware and software. Funds will support contracts for software improvements to DNR's forestry and timber sale management systems and web development for DNR's fire and emergency response system. Funding will also support the ongoing replacement of outdated mobile phones, tablets and field collection software.

**3. FORESTRY MILL RATE ESTIMATE [LFB Paper 102]**

Increase the estimate of the transfer from the general fund to the forestry account of the conservation fund by \$7,101,200 in 2021-22 and by \$11,462,600 in 2022-23. 2017 Act 59 replaced the state forestry mill tax with a sum-sufficient appropriation from the general fund equal to the value of the tax, or 0.1697 mills for each dollar of the assessed valuation of taxable property in the state (16.97¢ per \$1,000). Funds are transferred to the forestry account for the purposes of acquiring, preserving and developing the forests of the state. Act 58 budgets the transfers at \$109,691,500 in 2021-22 and at \$114,052,900 in 2023-23. [See "Shared Revenue and Tax Relief-Forestry Mill Rate."]

**4. PARKS UTILITY AND DEVELOPMENT FUNDING [LFB Paper 445]**

SEG	\$1,621,800
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Provide \$750,000 each year from the parks account of the conservation fund as one-time funding to the continuing appropriation for parks and trails development. Additionally, provide \$60,900 parks SEG annually for parks general program operations to reflect increased utility costs.

**Fish and Wildlife**

**1. WATERFOWL STAMP INCREASE [LFB Paper 452]**

SEG-REV	\$519,000
SEG	\$519,000

Increase the price of the waterfowl stamp by five dollars, from \$7.00 to \$12.00 (including the 25¢ issuing fee).

The waterfowl stamp is required of any person at least 16 years old who must purchase a state license to hunt waterfowl. Two-thirds of stamp revenues are to be used for managing, preserving, or restoring wetland habitat and for producing waterfowl and related species. These funds may be awarded to DNR or to other cooperating entities. Priority is given to projects including nesting habitat restoration, wetland hydrology enhancements, or major wetland management and maintenance. DNR may expend all monies received from the specified portion of stamp revenues. The appropriation is reestimated by \$173,000 each year to \$530,000 under the provision.

The remaining one-third of stamp revenue is to be used to develop propagation areas in Canada to support bird populations through the state and the Mississippi River Flyway. Funds for propagation areas are provided only to nonprofit conservation organizations through a separate aids appropriation. The aids appropriation is reestimated to \$254,000 each year, an increase of \$86,500.

[Act 58 Section: 171]

**2. PIERCE COUNTY ISLANDS WILDLIFE AREA RESTORATION [LFB Paper 453]**

Provide \$3,000,000 in unobligated bonding authority from the stewardship program for a project to restore the Pierce County Islands Wildlife Area on the Mississippi River in Pierce County. Funds would support wetland and habitat restoration intended to improve water quality. DNR reports that \$14.3 million in bonding authority remained unobligated from the 2019-20 annual allotment for the stewardship program. Act 58 authorizes up to \$3 million from these funds for the Pierce County Islands restoration project, without providing new bonding authority.

[Act 58 Section: 150]

**3. SHEBOYGAN MARSH DAM [LFB Paper 453]**

Direct DNR to award a \$1,000,000 dam safety grant to Sheboygan County for the removal and reconstruction of the Sheboygan Marsh Dam. The grant would use available funding under current law and Act 58 for the dam safety program.

In November, 2020, Sheboygan County's five-year capital plan noted the dam is nearing 100 years old, and replacement of the dam and its components would improve management of water levels and aquatic plants in Sheboygan Marsh. Sheboygan County estimated total project costs of \$2.7 million.

[Act 58 Section: 9132(1)]

**4. WILDLIFE MANAGEMENT AND NATURAL HERITAGE CONSERVATION TRANSFERS**

	<b>Funding</b>	<b>Positions</b>
PR	- \$338,400	-2.00
SEG	<u>209,400</u>	<u>1.00</u>
Total	- \$129,000	-1.00

Make the following transfers and adjustments within or among appropriations in the wildlife management and natural heritage conservation programs:

Convert 1.0 position and \$94,500 annually from program revenue to conservation SEG to reflect reduced revenues from an interagency agreement with the Department of Transportation (DOT), and to better align position funding with work conducted in the Natural Heritage Conservation Bureau.

Provide \$900 SEG in 2021-22 and \$19,500 SEG in 2022-23 from the fish and wildlife

account of the conservation fund to reallocate 1.0 existing wildlife management position to a wildlife veterinarian. Additional funding is intended to provide funding sufficient to fill the position at an annual salary of \$85,000.

Delete 1.0 PR vacant position and \$74,700 PR annually for ferrous metallic mining regulation.

## Motorized Recreation

### 1. LOCAL ATV AND UTV FUNDING [LFB Paper 456]

SEG	\$1,500,000
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Increase annual funding for local all-terrain vehicle (ATV) and utility terrain vehicle (UTV) trail aids by \$750,000 SEG, including \$525,000 for ATV aids and \$225,000 for UTV aids annually. ATV aids are appropriated \$2,195,000 each year, and UTV aids are appropriated \$320,600 each year. Trail aids are available to local governments for non-state ATV and UTV trail projects, including mapping and installation of signs, and under 2019 Wisconsin Act 183, ATV trail aids are available to nonprofit organizations for maps, digital information or applications, communications equipment, or signage. Trail aids are funded from the ATV account, which is supported primarily by ATV and UTV registration fees.

### 2. STATE ATV AND UTV TRAIL MAINTENANCE [LFB Paper 456]

SEG	\$500,000
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Provide a \$250,000 increase in annual funding for state ATV and UTV trail maintenance and development. DNR has base funding of \$310,500 annually for ATV trail maintenance and development, and \$16,900 annually for UTV trail maintenance and development. Act 58 increases the amount available for ATV trails by \$187,500, to \$498,000 annually, and for UTV trails by \$62,500, to \$79,400 annually. DNR reports the provision would accommodate additional maintenance of state trails in response to an increase in the number of motorized recreational trails and trail users.

### 3. BOATING SAFETY AND ENFORCEMENT AIDS [LFB Paper 455]

SEG	\$761,200
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Increase funding for boating safety and enforcement aids by \$380,600 annually from the boat account of the conservation fund. DNR reimburses municipalities for up to 75% of the cost of enforcement of state and local boating laws. Aids are prorated if funding is insufficient to reimburse all eligible claims. Boating safety and enforcement aids are appropriated \$1,766,600 each year of the biennium.

**4. SNOWMOBILE TRAIL MAPPING [LFB Paper 457]**

SEG	\$400,000
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Increase county snowmobile trail aids by \$200,000 in each year of the biennium. Expand eligible uses of snowmobile aids to include real-time online tracking of snowmobile trail conditions and geographic information system (GIS) mapping of snowmobile trails. Authorize direct aids payments to a qualified vendor to provide real-time tracking of trail grooming through an existing online system and to maintain an accurate statewide GIS map of snowmobile trails.

DNR distributes aids to participating counties for the maintenance, development, and acquisition of land for snowmobile trails. Generally, these aids are provided to counties at 100% of eligible costs. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. Act 58 increases these aids from \$5,475,400 each year to \$5,675,400 and authorizes direct payments to a vendor for maintenance of online information on trails and conditions through the Snowmobile Automated Reporting System, or SNARS.

[Act 58 Sections: 400 and 401]

**5. OFF-HIGHWAY MOTORCYCLE NONRESIDENT TRAIL PASS REVENUES**

Deposit all revenues from the nonresident off-highway motorcycle (OHM) trail pass into the continuing appropriation for OHM program administration. OHM program administration is funded by a GPR transfer to the SEG conservation fund equal to the registration fees paid by OHM owners. Revenues from the \$35 annual nonresident trail pass and the \$20 five-day nonresident trail pass are deposited into the conservation fund but were not available for OHM program operations prior to Act 58.

[Act 58 Section: 56]

**6. RECREATIONAL VEHICLE DEALER ONLINE REGISTRATION**

SEG	\$340,000
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Provide one-time conservation SEG funding of \$250,000 in 2021-22 and \$90,000 in 2022-23 to develop a system within the GoWild online portal for applications for registration certificates by dealers and purchasers of ATVs, UTVs, off-highway motorcycles, and snowmobiles. GoWild is DNR's online system for purchasing fishing and hunting licenses and authorizations as well as recreational vehicle registrations and trail passes. Typically, recreational vehicle dealers register and title recreational vehicles on behalf of the purchaser through the mail. Act 58 provides funding to create an internet-based system. DNR indicates that this would better secure customer data and would eliminate delays that may arise from a mail-based system. DNR intends to use the one-time funding to enter a contract with a developer to create the system.

**7. RECREATIONAL VEHICLE REGISTRATION FEE RETENTION**

Authorize DNR to deposit issuance fees collected on recreational vehicle registrations,

renewals, and transfers purchased through the GoWild online system into an existing dedicated appropriation for handling fees. Recreational vehicle users may purchase registrations, renewals, and transfers through the GoWild system, through mail, or from authorized private sector agents. Under current law, private sector agents may retain a portion of the registration fee to cover issuance and handling costs. When registrations are sold through the GoWild system, registration fees are deposited into the conservation fund and DNR must pay issuance and handling fees through general program operations appropriations. Act 58 authorizes DNR to deposit a portion of the license fee into a dedicated appropriation to pay issuance and handling fees. Although the provision affects how certain fees are deposited in DNR accounts, the provision does not affect registration fee levels for vehicle registrants, fees retained by issuing agents, or overall DNR revenues or expenditures.

[Act 58 Sections: 55, 158 thru 163, 172 thru 174, and 397 thru 399]

**8. RECREATIONAL VEHICLE FUEL TAX TRANSFER [LFB**

SEG	\$1,477,600
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Papers 455, 456, and 457]

Estimate trail aids appropriations budgeted under DNR based on the motor fuel tax transfers from the transportation fund as shown in the following table. Additionally, estimate supplemental snowmobile trail aids by \$24,800 SEG in 2021-22 and \$16,200 in 2022-23. Snowmobile supplemental trail aids are based on the number of nonresident annual snowmobile trail passes sold in the prior fiscal year multiplied by \$47.

**Motor Fuel Tax Transfer and Trail Aids Estimates -- Act 58**

	Base	2021-22		2022-23	
		Change	Total	Change	Total
Snowmobile	\$4,909,200	\$318,200	\$5,227,400	\$422,700	\$5,331,900
Supplemental Snowmobile Aids	966,100	24,800	990,900	16,200	982,300
ATVs	1,874,200	19,100	1,893,300	35,500	1,909,700
UTVs	<u>534,400</u>	<u>242,800</u>	<u>777,200</u>	<u>398,300</u>	<u>932,700</u>
Total	\$8,283,900	\$604,900	\$8,888,800	\$872,700	\$9,156,600

**Waste, Remediation, and Air**

**1. PFAS-CONTAINING FIREFIGHTING FOAM DISPOSAL [LFB Paper 463]**

Provide \$1,000,000 from the environmental management account of the environmental fund in 2021-22 in the Joint Finance Committee's supplemental SEG appropriation for collecting and disposing of PFAS-containing firefighting foam. [See "Program Supplements."] Additionally, create a continuing appropriation in DNR for disposal of PFAS-containing firefighting foam.

Funding could be released by the Committee through a request under s. 13.10 of the statutes.

In 2020, DNR and the PFAS Action Committee estimated that the total amount of PFAS-containing firefighting foam held by all 825 fire departments in the state is between 63,200 gallons and 96,300 gallons. Of those amounts, DNR estimates that approximately 23,700 to 44,700 gallons are expired and in need of disposal, and these foams are located at just over half of fire departments in the state. The funding is intended to cover the disposal costs of foams currently possessed by fire departments.

[Act 58 Section: 54]

**2. BONDING FOR GREAT LAKES CONTAMINATED SEDIMENT REMOVAL [LFB Paper 465]**

BR	\$4,000,000
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Increase bonding authority by \$4,000,000 for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries. Since 2007, DNR has been authorized \$36 million in contaminated sediment bonding authority, including \$4 million provided by 2019 Act 9. Of these amounts, DNR has expended \$27.2 million as of September 30, 2020, on nine projects in which the state was responsible for cleanup, or a viable responsible party could not be identified. Funding under the provision would support a portion of approximately \$37.25 million in additional state funding obligations identified for remediation in the Milwaukee Estuary and St. Louis River (Douglas County) Areas of Concern (AOC). DNR reports most of the \$8.8 million remaining in existing bonding authority is also being designated for these areas.

Debt service for contaminated sediment bonding is supported by environmental management SEG. Act 58 budgets this debt service at \$2.3 million in 2021-22 and \$2.0 million in 2022-23.

[Act 58 Section: 100]

**3. TIPPING FEE EXEMPTION FOR WASTE-TO-ENERGY FACILITIES [LFB Paper 466]**

SEG-REV	- \$544,200
PR-REV	- \$400

Create an exemption from solid waste disposal fees (tipping fees) for facilities that incinerate solid waste for the purpose of energy recovery, often known as "waste-to-energy facilities." Specify that the exemption applies to facilities that: (a) are licensed as a municipal solid waste combustor; (b) under their approved plan of operation, must report the weight of material entering facility, the weight of material rejected by facility and where it was sent, and the weight of residue and where it was sent; and (c) are in compliance with their approved plan of operation. Facilities meeting the requirements have an exemption from tipping fees for residual waste sent to landfills in the state, but not more than 30% of the total weight of material accepted by the facility. The exemption does not apply to ash generated by the facility.

By statute, "qualified materials recovery facilities" that process postconsumer waste or construction and demolition waste for recycling are exempt from all state statutory tipping fees for certain residual non-recyclable waste, subject to certain limits. The fee exemption totals \$12.847

per ton, including tipping fees for recycling (\$7 per ton), environmental repair (\$5.70 per ton), groundwater (\$0.10 per ton), well compensation (\$0.04 per ton), and the state Solid Waste Facility Siting Board (\$0.007 per ton). Act 58 exempts residual waste from waste-to-energy facilities from the tipping fees listed. Act 58 also changes the name of qualified materials recovery facilities to "qualified facilities."

It is expected that two facilities, one each in La Crosse and Barron Counties, qualify for the exemption. DNR estimates a reduction in tipping fees of \$272,100 annually for the environmental fund. An additional \$200 annually in reduced program revenues is estimated for the Solid Waste Facility Siting Board.

[Act 58 Sections: 368 thru 387]

## Water Quality

- 1. WELL COMPENSATION GRANT PROGRAM** [LFB Paper 470] 

SEG	\$2,000,000
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Provide \$1,000,000 environmental management SEG each year in one-time additional funding for well compensation and well abandonment grants. DNR's well compensation grant program provides funding to eligible landowners or renters to replace, reconstruct, or treat contaminated private water supplies that serve a residence or provide water to livestock. Total program funding is \$1,200,000 environmental management SEG in each year of the 2021-23 biennium.

- 2. WELL INSPECTOR POSITION** [LFB Paper 471] 

	Funding	Positions
PR	- \$220,600	- 1.00
SEG	<u>130,800</u>	<u>1.00</u>
Total	- \$89,800	0.00

Delete 1.0 air management position and funding of \$74,700 PR annually, as well as \$35,600 PR for groundwater management. Provide 1.0 well inspector and funding of \$56,100 in 2021-22 and \$74,700 in 2022-23 from environmental management SEG. DNR indicates that it intends to use the position to conduct 250 to 300 additional inspections per year of newly constructed or installed private water wells in the state.

- 3. URBAN NONPOINT SOURCE BONDING** [LFB Paper 474] 

BR	\$4,000,000
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Provide \$4,000,000 in SEG-supported general obligation bonding for the urban nonpoint source and storm water management (UNPS) and municipal flood control and riparian restoration (MFC) programs. The UNPS program supports projects that manage storm water runoff in urban settings. The MFC program supports flood-control and flood-proofing projects in urban settings, including property acquisition and structure removal. Grants generally support cost-sharing of up to 50%. Principal and interest payments on these bonds are supported by the nonpoint account of

the environmental fund and are budgeted at \$3.1 million in 2021-22 and \$3.2 million in 2022-23.

[Act 58 Section: 99]

#### **4. DAM SAFETY BONDING**

BR	\$10,000,000
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Provide \$10,000,000 in GPR-supported general obligation bonding authority for dam safety grants. Specify that, beginning in 2021-22, the maximum dam safety grant be \$1,000,000, and require the state to offer a cost-share match of 50% for the first \$1,000,000 in project costs, and 25% cost-share for the next \$2,000,000 in costs, for a total of up to \$1,000,000 in state cost-share for a project cost of \$3,000,000.

DNR administers the dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns, public inland lake protection and rehabilitation districts, and other dam owners for the repair, reconstruction, or removal of dams. To qualify for a grant, a dam must be inspected and be under a DNR directive to repair or remove the dam.

[Act 58 Sections: 103 and 175]

#### **5. RURAL NONPOINT SOURCE BONDING**

BR	\$6,500,000
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Provide \$6,500,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. Bond proceeds support the targeted runoff management (TRM) program and provide the required 70% state cost-share for the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff. Bonding authority also may be disbursed as grants under a separate program to address runoff only from animal feeding operations that have been issued a notice of discharge or notice of intent to issue a notice of discharge for impermissible runoff to state waters. Principal and interest payments on these bonds are supported by nonpoint SEG and budgeted at \$2.3 million in 2021-22 and \$2.6 million in 2022-23.

[Act 58 Section: 98]

#### **6. NONPOINT SOURCE GRANTS**

SEG	\$200,000
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Provide \$100,000 nonpoint SEG each year on an ongoing basis for nonpoint source grants. These funds are allocated by DNR to support nonstructural practices required of TRM projects. Additionally, some funds are allocated under a companion program to cost-share the installation of pollution abatement practices at animal feeding operations that have been issued a notice of discharge for impermissible manure runoff.

#### **7. NONPOINT CONTRACTS [LFB Paper 475]**

SEG	\$1,000,000
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Provide an additional \$500,000 nonpoint SEG each year on a one-time basis for nonpoint

source contracts. Total funding for nonpoint contracts during the 2021-23 biennium equals \$767,600, including \$267,600 in base funding.

Contracts support informational, educational, training, or research projects that assist implementation of state nonpoint source water pollution abatement programs. Most contracts have historically funded projects of UW-Extension and other UW System institutions. Recent contracts have supported the Natural Resources Education program at UW-Extension, the Center for Land Use Education (CLUE) at UW-Stevens Point, nutrient management planning software development and maintenance, best management practices tracking system development and maintenance, and nonpoint runoff research.

**8. WATERWAY AND WETLAND PERMITTING DATABASE**

SEG	\$440,000
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Provide \$220,000 each year in one-time funding from environmental management SEG to support development of a new waterway and wetland permit database.

**9. WETLAND MITIGATION PROGRAM STAFF**

	Funding	Positions
PR	\$143,800	0.00

Provide \$62,800 in 2021-22 and \$81,000 in 2022-23 with 1.0 two-year project position to support administration of the Department's wetland mitigation program. Further, delete 0.5 vacant PR position from the Division of Environmental Management appropriation for solid and hazardous waste disposal administration, and delete 0.5 vacant PR position from the Division of Internal Services appropriation for geographic information systems general operations. The program collects fees of \$60,000 to \$85,000 per acre to support creation, restoration, and conservation of wetlands. Fees are intended to offset negative impacts of development approved under wetland permits, and are held in trust to compensate individuals conducting mitigation projects near a permitted site.

**10. CLAM FALLS DAM REPAIR**

SEG	\$2,000,000
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Create a biennial appropriation and provide \$2,000,000 conservation fund SEG in 2021-22 to make a grant to Polk County for repairs to the dam on the Clam River near the Town of Clam Falls. Repeal the appropriation on June 30, 2023.

[Act 58 Sections: 43, 44, and 9432(5)]

**11. BEAVER DAM LAKE RESTORATION**

SEG	\$220,200
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Create a biennial appropriation and provide \$220,200 conservation fund SEG in 2021-22 to make a grant to the Beaver Dam Lake Improvement Association for restoration of shoreline along Beaver Dam Lake at Puckagee Springs Creek. Repeal the appropriation on June 30, 2023.

[Act 58 Sections: 41, 42, and 9432(1)]

**12. SOUTHEASTERN WISCONSIN FOX RIVER COMMISSION**

SEG	\$200,000
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Create a biennial appropriation and provide \$200,000 conservation fund SEG in 2021-22 to make a grant to the Southeastern Wisconsin Fox River Commission for strategic planning and to pursue grant funding opportunities. Repeal the appropriation on June 30, 2023.

[Act 58 Sections: 47, 48, and 9432(6)]

**13. NEKOOSA STORM WATER PROJECT**

SEG	\$200,000
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Create a biennial appropriation and provide \$200,000 environmental management SEG in 2021-22 to make a grant to the City of Nekoosa, Wood County, for a storm water management project. Repeal the appropriation on June 30, 2023.

[Act 58 Sections: 49, 50, and 9432(4)]

**14. DEAD PIKE LAKE RESTORATION**

SEG	\$125,000
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Create a biennial appropriation and provide \$125,000 conservation fund SEG in 2021-22 to make a grant to the Town of Manitowish Waters, Vilas County, for installation of a water control structure. Repeal the appropriation on June 30, 2023.

[Act 58 Sections: 45, 46, and 9432(2)]

**15. CLEAN WATER FUND PROGRAM OPERATIONS**

Convert clean water fund program operations from a continuing appropriation to an all-moneys-received appropriation funded through the deposit of a portion of federal clean water capitalization grants. The clean water fund administers financial assistance through a revolving loan fund. The state receives federal capitalization grants and is required to match 20% through state sources. While the state is required to hold federal revolving funds in perpetuity, the state may use a portion of federal grants and program funds to pay for administrative activities. Federal law establishes the maximum annual allowance for state administrative activities.

[Act 58 Section: 53]

**16. CREATE WETLANDS AND WATERWAYS SUBPROGRAM**

Create a wetlands and waterways budgetary subprogram in the state's budget and accounting systems to reflect DNR's creation of the Bureau of Wetlands and Waterways in September, 2019, and transfer the amounts in the following table from the watershed management subprogram to the new subprogram. The transfer delineates staffing and funding for waterway, wetland, and shoreland permitting, policy development, and statewide coordination and implementation from other watershed management activities. Watershed management programs are housed within the Division of External Services, and include: (a) runoff management, including watershed analysis

and planning, statewide coordination and implementation of watershed policy, regulation of concentrated animal feeding operations (CAFOs), and nonpoint source water pollution abatement coordination and grant making; (b) dam safety and floodplain management, including mapping and zoning, statewide coordination, dam inspections and engineering plan reviews, and emergency response activities; and (c) waterway and wetland activities described previously. The watershed management subprogram has an annual adjusted base budget of \$17.5 million with 148.31 positions. The transfer results in no net change in funding or positions and no shift in funding or positions between appropriations.

**Wetlands and Waterways Subprogram Summary**

	<u>Amount</u>	<u>Fund</u>	<u>Positions</u>
General Program Operations			
State Funds	\$3,670,800	GPR	34.78
Federal Funds	1,063,400	FED	7.22
Service Funds	458,800	PR-S	5.00
Water Regulation and Zoning - Fees	1,538,200	PR	13.00
Water Resources Management - Lakes, Rivers, and Invasive Species (Conservation Fund)	875,900	SEG	7.50
Water Regulation and Zoning - Dam Safety and Wetland Mapping (Conservation Fund)	<u>727,100</u>	SEG	<u>6.00</u>
Total Transferred	\$8,334,200		73.50

## PROGRAM SUPPLEMENTS

Budget Summary					FTE Position Summary	
Fund	2020-21	<u>Act 58</u>		2021-23 Change Over		
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount	%
GPR	\$7,141,000	\$29,780,400	\$235,095,500	\$250,593,900	1,754.6%	There are no authorized positions for program supplements.
PR	0	13,351,800	5,351,800	18,703,600	N.A.	
SEG	0	1,000,000	1,500,000	2,500,000	N.A.	
TOTAL	\$7,141,000	\$44,132,200	\$241,947,300	\$271,797,500	1,903.1%	

### Budget Change Items

- 1. DISCRETIONARY MERIT COMPENSATION BASE BUDGET DELETION** GPR - \$4,600,000

Reduce the appropriation for discretionary merit compensation by \$2,300,000 annually, which deletes base funding for the program.

- 2. CAPITOL EXECUTIVE RESIDENCE MAINTENANCE BASE BUDGET DELETION** GPR - \$9,017,800

Reduce the appropriation for maintenance of the State Capitol and executive residence by \$4,508,900 annually, which deletes base funding for the program.

- 3. JOINT COMMITTEE ON FINANCE APPROPRIATION FOR AGENCY SUPPLEMENTS [LFB Papers 463 and 552]**
- |       |               |
|-------|---------------|
| GPR   | \$264,211,700 |
| PR    | 18,703,600    |
| SEG   | 2,500,000     |
| Total | \$285,415,300 |

Provide the amounts identified in the table below to the Joint Committee on Finance supplemental appropriations.

### Act 58 Supplemental Appropriations

<u>Agency</u>	<u>Purpose</u>	<u>Funding Amount</u>		<u>Fund Source</u>
		<u>2021-22</u>	<u>2022-23</u>	
Public Instruction	School Safety Mapping	\$2,000,000	\$0	GPR
UW System	Freshwater Collaborative	2,500,000	2,500,000	GPR
UW System	UW-Extension Cooperative County Specialists	1,000,000	1,000,000	GPR
UW System	Foster Youth Programs	250,000	500,000	GPR

<u>Agency</u>	<u>Purpose</u>	<u>Funding Amount</u>		<u>Fund Source</u>
		<u>2021-22</u>	<u>2022-23</u>	
UW System	UW-Madison Nelson Institute Collaborative Studies with Federal Department of Defense	250,000	0	GPR
UW System	Water-Related Collaborative Studies with Federal Department of Defense	250,000	0	GPR
Higher Educational Aids Board	Nurse Educators	0	5,000,000	GPR
Natural Resources	Law Enforcement Integrated Records Management System	62,300	0	GPR
Natural Resources	PFAS-Containing Firefighting Foam Collection/Disposal	1,000,000	0	SEG
DATCP	Meat Processor Grants	200,000	200,000	GPR
DATCP	Wisconsin Initiative for Agricultural Exports	558,400	558,400	GPR
Safety & Professional Services	eSLA Upgrades	3,000,000	2,000,000	PR
Military Affairs	Statewide Interoperable Radio Network (WISCOM)	0	6,000,000	GPR
Military Affairs	Urban Search and Rescue Task Force	500,000	0	GPR
Military Affairs	GIS Grants for Next Generation 911	0	1,500,000	SEG
Justice	Grants for Body Cameras	\$2,000,000	\$0	GPR
Justice	Community Orientated Police Housing Grants	1,000,000	0	GPR
Health Services	FoodShare Employment and Training Program	0	4,027,400	GPR
Health Services	Regional Crisis Response Grants	10,000,000	0	GPR
Health Services	Medication-Assisted Treatment	500,000	1,000,000	GPR
Health Services	Methamphetamine Treatment Training	150,000	300,000	GPR
Health Services	Substance Abuse Treatment Platform	0	300,000	GPR
Health Services	DHS Facility Overtime Supplement	5,827,600	5,827,600	GPR
Health Services	DHS Facility Overtime Supplement	3,351,800	3,351,800	PR
Children and Families	Subsidized Guardianship	2,400,000	5,200,000	GPR
Shared Revenue and Tax Relief Administration	Personal Property Tax Exemption Tribal Grants	0	202,350,000	GPR
		<u>7,000,000</u>	<u>0</u>	PR
	Total	\$43,800,100	\$241,615,200	Total
		29,448,300	234,763,400	GPR
		13,351,800	5,351,800	PR
		1,000,000	1,500,000	SEG

In addition to the reserved funding, unreserved amounts of \$133,600 GPR are provided annually.

## PUBLIC DEFENDER

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	%		2021-22	2022-23	Over 2020-21	%
				Amount	%				Number	%
GPR	\$107,943,600	\$112,005,500	\$112,008,200	\$8,126,500	3.8%	609.85	614.85	614.85	5.00	0.8%
PR	<u>1,452,400</u>	<u>1,489,900</u>	<u>1,491,700</u>	<u>76,800</u>	2.6	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$109,396,000</b>	<b>\$113,495,400</b>	<b>\$113,499,900</b>	<b>\$8,203,300</b>	<b>3.7%</b>	<b>614.85</b>	<b>619.85</b>	<b>619.85</b>	<b>5.00</b>	<b>0.8%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$5,127,400
PR	<u>76,800</u>
<b>Total</b>	<b>\$5,204,200</b>

Provide adjustments to the base totaling -\$77,500 GPR and \$37,500 PR in 2021-22 and -\$12,300 GPR and \$39,300 PR in 2022-23.

Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$61,000 GPR and \$1,400 PR annually); (b) overtime (\$219,700 GPR and \$2,900 PR annually); (c) full funding of lease and directed moves costs (-\$236,200 GPR and \$33,200 PR in 2021-22 and -\$171,000 GPR and \$35,000 PR in 2022-23); and (d) provide \$2,608,600 GPR annually for the State Public Defender to support the annualized costs for 2020-21 attorney pay progression made in accordance with 2021 Act 7 (enacted on March 1, 2021).

**2. PAY PROGRESSION [LFB Paper 270]**

GPR	\$1,321,000
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Provide \$434,200 in 2021-22 and \$886,800 in 2022-23 to support pay progression plan for assistant state public defender (ASPD) attorneys to increase retention of experienced counsel. Adopt a non-statutory provision for the 2021-23 biennium to exempt the State Public Defender from the requirement that pay progression be provided beginning with the first pay period after July 1. Funding is intended to provide for a half step increase starting January 1, 2022 and 2023.

The ASPD 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 (\$54,434 as of January 3, 2021) and the highest annual salary (\$131,456 as of January 3, 2021). The value of one hourly salary step equals \$4,534 annually. Notwithstanding the creation of a 17 hourly salary step pay progression plan, the State Public Defender is authorized to: (a) deny annual salary increases to individual ASPDs; and (b) increase the salary of individual ASPDs by up to 10% per year.

[Act 58 Section: 9101(4)]

**3. VIDEO EVIDENCE: WORKLOAD STAFFING [LFB Paper 485]**

	Funding	Positions
GPR	\$186,100	5.00

Provide a net increase of \$94,100 in 2021-22 and \$82,100 in 2022-23 and 10.0 positions for the resources to receive and review video evidence such as police body worn cameras. Positions would include: (a) 3.5 attorneys; (b) 1.0 paralegal; and (c) 0.5 client service specialist. Funding would include \$332,900 in 2021-22, \$410,400 in 2022-23 and 5.0 positions in each year and reductions to the appropriation for private bar and investigator reimbursement to reflect cost reductions generated by the additional trial attorney positions (-\$238,800 in 2021-22 and -\$318,400 in 2022-23).

**4. VIDEO EVIDENCE: SERVER STORAGE [LFB Paper 485]**

GPR	\$1,367,000
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Provide \$683,500 annually to account for the increased data storage costs of video evidence such as police body worn cameras.

**5. EARLY AMORTIZATION PAYOFF [LFB Paper 486]**

GPR	\$81,400
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Provide \$507,200 in 2021-22 to pay off the amortized principal on improvements to office spaced leased for the State Public Defender in Madison. In conjunction with the consolidating multiple Madison area locations into a single location, interior improvements to the leased space were undertaken, and financed over a five-year period beginning in January, 2020. The Act will repay the financed improvements approximately three years in advance. Include provision. In addition, reduce funding for the State Public Defenders Office by \$210,000 in 2021-22 and \$215,800 in 2022-23 associated with current lease payments for remodeling costs.

**6. INTERPRETER FUNDING**

GPR	\$43,600
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Provide \$21,800 annually to support payments for interpreters. Base funding for interpreters within the program operations appropriation is \$87,100. In recent years, the SPD has reallocated funding from trial representation and appellate representation to support the costs of interpreters. In 2019-20, the SPD incurred \$99,500 in interpreter costs.

**7. PILOT CHIPS EXTENSION**

Extend 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, 2021, through the end of 2022-23. Under 2017 Act 253, the State Public Defender was required to establish a pilot program in Brown, Outagamie, Racine, Kenosha, and Winnebago counties to provide counsel to nonpetitioning parents in CHIPS proceedings. The act specified that the pilot program does not apply to a proceeding commenced after June 30, 2021.

[Act 58 Sections: 192, 193, and 194]

## PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$6,795,070,900	\$7,019,968,700	\$7,223,378,800	\$653,205,700	4.8%	252.47	252.47	252.47	0.00	0.0%
FED	882,354,500	882,343,400	882,343,400	- 22,200	0.0	313.84	313.84	313.84	0.00	0.0
PR	47,535,500	53,374,700	53,361,600	11,665,300	12.3	76.69	76.69	76.69	0.00	0.0
SEG	61,938,800	66,151,700	70,664,100	12,938,200	10.4	0.00	0.00	0.00	0.00	N.A.
<b>TOTAL</b>	<b>\$7,786,899,700</b>	<b>\$8,021,838,500</b>	<b>\$8,229,747,900</b>	<b>\$677,787,000</b>	<b>4.4%</b>	<b>643.00</b>	<b>643.00</b>	<b>643.00</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Items

### General School Aids and Revenue Limits

#### 1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 496]

Provide \$6,435,128,000 in 2021-22 and \$6,674,625,900 in 2022-23 for general and categorical school aids. Compared to the 2020-21 base level funding of \$6,295,280,100, school aids would increase by \$139,847,900 (2.2%) in 2021-22 and \$379,345,800 (6.0%) in 2022-23. These proposed funding levels would represent annual changes to the prior year of 2.2% in 2021-22 and 3.7% in 2022-23.

Using the traditional definition of state support of K-12 education (the sum of state general and categorical school aids, the school levy and first dollar credits, and the general program operations appropriation for the program for the deaf and hard of hearing and the center for the blind and visually impaired), total funding would increase from the base amount of \$7,397,208,500 in 2020-21 to \$7,538,002,400 in 2021-22 and \$7,777,500,300 in 2022-23. These funding levels would represent annual changes to the prior year of 1.9% in 2021- 22 and 3.2% in 2022-23.

Using the traditional definition of partial school revenues (the sum of state school aids and property taxes levied for school districts), it is estimated that state support of partial school revenues would increase from 65.2% in 2020-21 to approximately 66.55% in 2021-22 and 68.0% in 2022-23. A summary of the funding amounts for state support under Act 58 is presented in Table 1.

**TABLE 1****State Support for K-12 Education**

<u>State Funding</u>	2020-21	<u>Act 58</u>	
	<u>Base Year</u>	<u>2021-22</u>	<u>2022-23</u>
General School Aids	\$4,920,420,000	\$5,030,420,000	\$5,218,420,000
Categorical Aids	1,374,860,100	1,404,708,000	1,456,205,900
School Levy Tax Credit	940,000,000	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>11,928,400</u>	<u>12,874,400</u>	<u>12,874,400</u>
Total	\$7,397,208,500	\$7,538,002,400	\$7,777,500,300
Change to Prior Year:			
	Amount	\$140,793,900	\$239,497,900
	Percent	1.9%	3.2%
Change to Base:			
	Amount	\$140,793,900	\$380,291,800
	Percent	1.9%	5.1%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Act 58 funding levels for each general and categorical school aid program as compared to the 2020-21 base funding level. The provisions relating to individual school aid programs are summarized in the items that follow.

**TABLE 2****State Support for K-12 Education by Fund Source**

<u>State Funding</u>	2020-21	<u>Act 58</u>	
	<u>Base Year</u>	<u>2021-23</u>	<u>2022-23</u>
<b>GPR</b>			
General School Aids	\$4,920,420,000	\$5,030,420,000	\$5,218,420,000
Categorical Aids	1,317,068,400	1,345,216,300	1,393,714,200
School Levy Tax Credit	940,000,000	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>11,928,400</u>	<u>12,874,400</u>	<u>12,874,400</u>
GPR Subtotal	\$7,339,416,800	\$7,478,510,700	\$7,715,008,600
<b>PR</b>			
Categorical Aids	\$1,507,500	\$1,507,500	\$1,507,500
<b>SEG</b>			
Categorical Aids	<u>\$56,284,200</u>	<u>\$57,984,200</u>	<u>\$60,984,200</u>
Total State Support - All Funds	\$7,397,208,500	\$7,538,002,400	\$7,777,500,300

**TABLE 3**

**General and Categorical School Aid by Funding Source  
2020-21 Base Year Compared to Act 58**

Agency	Type and Purpose of Aid	2020-21 Base Year	Act 58		2021-23 Change to Base Year Doubled	
			2021-22	2022-23	Amount	Percent
	<b>General Aid</b>					
DPI	General School Aids	\$4,903,590,000	\$5,013,590,000*	\$5,201,590,000	\$408,000,000	4.2%
	High Poverty Aid	<u>16,830,000</u>	<u>16,830,000</u>	<u>16,830,000</u>	<u>0</u>	0.0
	Total General Aid	\$4,920,420,000	\$5,030,420,000	\$5,218,420,000	\$408,000,000	4.1%
	<b>Categorical Aid--GPR Funded</b>					
DPI	Per Pupil Aid	\$616,973,000	\$608,756,800	\$607,527,300	-\$17,661,900	-1.4%
	Supplemental Per Pupil Aid	2,500,000	0	0	-5,000,000	-100.0
	Special Education	450,276,200	468,091,800	517,890,000	85,429,400	9.5
	High-Cost Special Education Aid	9,353,800	11,106,000	11,439,200	3,837,600	20.5
	Spec. Ed. Transitions Incentive Grants	3,600,000	3,600,000	3,600,000	0	0.0
	Transition Readiness Investment Grant	1,500,000	1,500,000	1,500,000	0	0.0
	Achievement Gap Reduction	109,184,500	109,184,500	109,184,500	0	0.0
	SAGE--Debt Service	133,700	133,700	133,700	0	0.0
	Sparsity Aid	24,813,900	27,962,400	27,983,800	6,318,400	12.7
	Pupil Transportation	24,000,000	24,000,000	24,000,000	0	0.0
	High-Cost Transportation Aid	13,500,000	19,856,200	19,856,200	12,712,400	47.1
	Bilingual-Bicultural Aid	8,589,800	8,589,800	8,589,800	0	0.0
	Tuition Payments	8,242,900	8,242,900	8,242,900	0	0.0
	Mental Health Collaboration Grants	6,500,000	10,000,000	10,000,000	7,000,000	53.8
	Aid for School Mental Health Programs	6,000,000	12,000,000	12,000,000	12,000,000	100.0
	Peer-to-Peer Suicide Prevention Grants	250,000	250,000	250,000	0	0.0
	Head Start Supplement	6,264,100	6,264,100	6,264,100	0	0.0
	Educator Effectiveness Grants	5,746,000	5,746,000	5,746,000	0	0.0
	School Lunch	4,218,100	4,218,100	4,218,100	0	0.0
	County Children with Disabilities Educ. Boards	4,067,300	4,067,300	4,067,300	0	0.0
	School Breakfast	2,510,500	2,510,500	2,510,500	0	0.0
	Peer Review and Mentoring	1,606,700	1,606,700	1,606,700	0	0.0
	Rural School Teacher Talent Pilot Program	1,500,000	1,500,000	1,500,000	0	0.0
	MPS Summer School Grant Program	1,400,000	1,400,000	1,400,000	0	0.0
	Four-Year-Old Kindergarten Grants	1,350,000	1,350,000	1,350,000	0	0.0
	School Day Milk	1,000,000	1,000,000	1,000,000	0	0.0
	Robotics League Participation Grants	500,000	500,000	500,000	0	0.0
	Aid for Transportation--Open Enrollment	454,200	454,200	454,200	0	0.0
	Gifted and Talented	237,200	474,400	474,400	474,400	100.0
	Supplemental Aid	100,000	100,000	100,000	0	0.0
DOA	Debt Service--Tech. Infrastructure Bonding	<u>696,500</u>	<u>750,900</u>	<u>325,500</u>	<u>-316,600</u>	-22.7
	Total Categorical Aid--GPR Funded	\$1,317,068,400	\$1,345,216,300	\$1,393,714,200	\$104,793,700	4.0%
	<b>Categorical Aid--PR Funded</b>					
DPI	AODA	\$1,284,700	\$1,284,700	\$1,284,700	\$0	0.0%
	Tribal Language Revitalization Grants	<u>222,800</u>	<u>222,800</u>	<u>222,800</u>	<u>0</u>	0.0
	Total Categorical Aid--PR Funded	\$1,507,500	\$1,507,500	\$1,507,500	\$0	0.0%
	<b>Categorical Aid--SEG Funded</b>					
DPI	School Library Aids	\$40,300,000	\$42,000,000	\$45,000,000	\$6,400,000	7.9%
DOA	Educ. Telecommunications Access Support	<u>15,984,200</u>	<u>15,984,200</u>	<u>15,984,200</u>	<u>0</u>	0.0
	Total Categorical Aid--SEG Funded	\$56,284,200	\$57,984,200	\$60,984,200	\$6,400,000	5.7%
	Total Categorical Aid--All Funds	\$1,374,860,100	\$1,404,708,000	\$1,456,205,900	\$111,193,700	4.0%
	Total School Aid--All Funds	\$6,295,280,100	\$6,435,128,000	\$6,674,625,900	\$519,193,700	4.1%

\*Reflects the total amount of funding to be distributed through the formula for the 2021-22 school year; does not include the \$75 million in funding appropriated in 2021-22 to buy back the current law delayed aid payment.

**2. GENERAL SCHOOL AID BASE FUNDING INCREASE [LFB Paper 496]**

GPR	\$408,000,000
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Provide \$110,000,000 in 2021-22 and \$298,000,000 in 2022-23 for general school aids. Base level funding is \$4,903,590,000. The general school aids appropriation funds equalization, integration, and special adjustment aid. This funding represents an increase of 2.2% in 2021-22 and 3.7% in 2022-23 compared to the prior year.

**3. BUYBACK OF CURRENT LAW GENERAL SCHOOL AID PAYMENT DELAY [LFB Paper 497]**

GPR	\$75,000,000
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Provide \$75,000,000 in 2021-22 for general school aids and, beginning in the 2021-22 school year, delete the current law provisions under which the state annually pays that amount of aid on a delayed basis on the fourth Monday in July of the following school year. Require DPI to treat the general aid appropriation as if there were no buyback so as to set the secondary guarantee to distribute the correct amount of funding for 2021-22 through the general aid formula.

Under current law, equalization aid is distributed to districts according to the following payment schedule: 15% on the third Monday in September; 25% on the first Monday in December; 25% on the fourth Monday in March; and 35% on the third Monday in June. Total aid entitlements on each of the four dates are reduced by the percentage that generates the \$75 million amount for the school year, which is paid in the following July.

[Act 58 Sections: 356 and 9134(2)]

**4. INDEPENDENT CHARTER SCHOOL AID REDUCTION**

GPR Effect of Change to Aid Reductions	\$166,700,000
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Beginning in the 2021-22 school year, delete the general school aids reduction associated with the payments to independent charter schools authorized by the City of Milwaukee, UW-Milwaukee, and UW-Parkside. Reduce GPR lapses by \$82,800,000 in 2021-22 and \$83,900,000 in 2022-23. Under this provision, net general school aids received by school districts would increase correspondingly.

Under current law, DPI pays the operators of these charter schools a statutorily-determined per pupil amount (\$9,165 in 2020-21) from a separate, GPR sum sufficient appropriation established for these payments. The cost of the payments for pupils attending these schools is offset by a lapse from the general school aids appropriation to the general fund in an amount equal to the estimated payments. DPI is required to proportionately reduce the general school aids for which each school district is eligible by an amount totaling the charter lapse (a 1.6% reduction in aid in 2020-21).

[Act 58 Sections: 352 thru 354 and 9334(2)]

## Categorical Aids

**1. SPECIAL EDUCATION [LFB Paper 505]**

GPR	\$85,429,400
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Provide \$17,815,600 in 2021-22 and \$67,613,800 in 2022-23. Base level funding is \$450,276,200, which DPI estimates will reimburse approximately 28.2% of eligible costs in 2020-21. It is estimated that this funding would maintain the current proration rate of 28.2% in 2021-22 and increase the proration rate to 30.0% in 2022-23.

**2. HIGH COST SPECIAL EDUCATION AID [LFB Paper 505]**

GPR	\$3,837,600
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Provide \$1,752,200 in 2021-22 and \$2,085,400 in 2022-23. It is estimated that this funding would increase the proration rate to 40% in each year.

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 state special education categorical aid, federal Individual with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient, payments are prorated.

**3. COUNTY CHILDREN WITH DISABILITIES EDUCATION BOARD AID**

Specify that county children with disabilities education boards (CCDEBs) would be eligible to receive state aid on behalf of pupils with disabilities who are attending a school district under the full-time open enrollment program but are solely enrolled in a special education program provided by the CCDEB in the same manner as they receive state aid on behalf of pupils attending school in their district of residence who are solely enrolled in the CCDEB. Under current law, aid is calculated by determining the percentage of a district's shared costs that it would receive from state general aids if its membership included each pupil residing in the district who is fully enrolled in a CCDEB and the district's shared costs were increased by the costs of the CCDEB program for all pupils participating in the CCDEB program who are residents of the school district, and multiplying the costs of the CCDEB program by that percentage.

Additionally, specify that costs of the CCDEB program for pupils with disabilities who are attending a school district under the full-time open enrollment program but are solely enrolled in a special education program provided by the CCDEB would be excluded from the calculation of a school district's base revenue per member, in the same manner as for pupils attending school in their district of residence who are solely enrolled the CCDEB.

Fiscally independent CCDEBs, which fund the local share of their educational programs through the county property tax levy, receive state aid. The state provides aid for pupils enrolled solely in CCDEB-operated programs and for costs incurred by CCDEBs for pupils jointly enrolled in school district and CCDEB programs. There are three fiscally independent CCDEBs in the state,

located in Brown, Calumet, and Walworth counties.

These provisions would have the effect of modifying current law so that for pupils who open enroll into another school district in order to attend a CCDEB, state aid for the CCDEB and the effect of the pupil's enrollment on the school district would be calculated as if the pupil was enrolled in their district of attendance.

[Act 58 Sections: 355 and 361]

**4. PER PUPIL AID [LFB Paper 496]**

GPR	- \$17,661,900
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Reduce funding by \$8,216,200 in 2021-22 and by \$9,445,700 in 2022-23 as the result of a sum sufficient reestimate of estimated per pupil aid payments.

Each school district receives a statutorily-specified, flat per pupil aid payment, outside of revenue limits, from the sum sufficient appropriation for per pupil aid. Under current law this payment is \$742 per pupil in 2020-21 and each year thereafter. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment.

**5. SUPPLEMENTAL PER PUPIL AID [LFB Paper 506]**

GPR	- \$5,000,000
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Delete \$2,500,000 annually and the appropriation and program statutes for supplemental per pupil aid.

As passed by the Legislature in the 2019-21 budget bill, supplemental per pupil aid was intended to provide additional per pupil aid to higher-value districts. As vetoed by the Governor, a school district is eligible for this aid and DPI must pay each eligible school district an amount. DPI distributes this aid by dividing the amount appropriated by the statewide current-year three year average enrollment under revenue limits and distributing the aid to all districts on a per pupil basis. In 2020-21, districts will receive an estimated \$3 per pupil from this appropriation.

[Act 58 Sections: 32 and 351]

**6. SCHOOL MENTAL HEALTH AID [LFB Paper 507]**

GPR	\$12,000,000
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Provide \$6,000,000 annually above base level funding of \$6,000,000. Under current law, the program reimburses eligible districts and schools for expenditures on social worker services 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 schools participating in a choice program that increased their expenditures on social workers from one year to the next.

**7. SCHOOL-BASED MENTAL HEALTH SERVICES COLLABORATION GRANT [LFB Paper 507]**

GPR	\$7,000,000
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Provide \$3,500,000 annually above base level funding of \$6,500,000 for grants to school districts and independent charter schools for collaboration with community partners to provide mental health services to pupils.

In 2019-20, 106 grants were awarded to recipients including 97 individual school districts, eight consortia representing an additional 23 districts, and one independent charter school.

**8. SPARSITY AID [LFB Paper 509]**

GPR	\$6,318,400
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Provide \$3,148,500 in 2021-22 and \$3,169,900 in 2022-23 above base level funding of \$24,813,900.

Modify the program beginning in 2021-22 by creating an additional tier of aid eligibility. Specify that a district would be eligible for aid of \$100 per pupil with an enrollment of between 745 and 1,000 pupils and a population density of fewer than 10 pupils per square mile.

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. If funding is insufficient, payments are prorated. In 2020-21, 145 school districts qualified for aid, and aid payments were prorated at 99%. It is estimated that an additional 36 districts would have qualified for aid in 2020-21 had the expanded eligibility provision been in place in that year.

[Act 58 Sections: 342m thru 347m]

**9. HIGH COST TRANSPORTATION AID [LFB Paper 511]**

GPR	\$12,712,400
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Provide \$6,356,200 annually for high cost transportation aid. Modify the program by lowering the aid threshold from 145% of statewide average transportation costs to 140% of statewide average transportation costs beginning in the 2021-22 school year. It is estimated that the funding provided would reimburse 100% of eligible costs.

Under current law, districts qualify for aid if they meet the following eligibility requirements: (a) a transportation cost per member greater than 145% 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 2019-20, 136 districts were eligible for aid under the program, and payments to those districts were prorated at 79.3%. Twenty-two districts had been eligible in the previous year but did not meet the eligibility

requirements in the current year, and received payments equal to 36.5% of the maximum amount for which they were eligible (50% of their prior year payment).

[Act 58 Section: 360]

**10. PUPIL TRANSPORTATION AID**

Increase the reimbursement rate for pupils transported over 12 miles to and from school in the regular school year from \$365 to \$375 beginning in the 2021-22 school year. It is estimated that the current funding level would fully fund payments at the increased rate.

Additionally, delete a current law provision requiring DPI to prorate summer school transportation payments if a pupil attends less than 30 days during the summer session, beginning in the 2021-22 school year.

<u>Mileage</u>	<u>Current Law</u>		<u>Act 58</u>	
	<u>School Year</u>	<u>Summer School</u>	<u>School Year</u>	<u>Summer School</u>
0-2 miles (hazardous area)	\$15	--	\$15	---
2-5 miles	35	\$10	35	\$10
5-8 miles	55	20	55	20
8-12 miles	110	20	110	20
Over 12 miles	365	20	375	20

[Act 58 Sections: 357, 358, and 9334(1)]

**11. GIFTED AND TALENTED GRANTS**

GPR	\$474,400
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Provide an increase of \$237,200 annually for gifted and talented grants.

Under current law, grants may be awarded to provide gifted and talented pupils with any services and activities not ordinarily provided in a regular school program to allow such pupils to fully develop their capabilities. Under the program, grants may be awarded to nonprofit organizations, cooperative educational service agencies, institutions within the UW System, and school districts. Base level funding is \$237,200 annually.

**12. SCHOOL LIBRARY AIDS ESTIMATE**

SEG	\$6,400,000
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Estimate school library aids by \$1,700,000 in 2021-22 and \$4,700,000 in 2022-23. Base level funding is \$40,300,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

## Choice, Charter, and Open Enrollment

### 1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM FUNDING

GPR	-\$16,429,000
GPR Effect of Aid	
Reductions	<u>25,419,200</u>
Net GPR	\$8,990,200

Reduce funding from the base by \$10,522,300 in 2021-22 and \$5,906,700 in 2022-23 for the Milwaukee private school choice program. Reestimate aid reduction by \$9,020,500 in 2021-22 and \$16,398,700 in 2022-23.

As a result of these changes, the total cost of the program would equal an estimated \$239,801,000 in 2021-22 and \$244,416,600 in 2022-23. The aid reduction would be equal to -\$23,020,900 in 2021-22 and -\$15,642,700 in 2022-23, for a net GPR cost of \$216,780,100 in 2021-22 and \$228,773,900 in 2022-23. It is estimated that pupil participation will total 28,100 in 2021-22 and 28,400 in 2022-23.

Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated \$36 in 2021-22 and a further \$63 in 2022-23 under Act 58 for per pupil payments of \$8,336 for K-8 pupils and \$8,982 for 9-12 pupils in 2021-22 and \$8,399 for K-8 pupils and \$9,045 for 9-12 pupils in 2022-23.

### 2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM FUNDING

GPR	\$50,325,700
GPR Effect of Aid	
Reductions	<u>-55,656,600</u>
Total	-\$5,330,900

Provide \$15,421,300 in 2021-22 and \$34,904,400 in 2022-23 relative to base level funding for the statewide and Racine private school choice programs. Reestimate aid reductions by -\$17,721,300 in 2021-22 and -\$37,935,300 in 2022-23.

As a result of these changes, the total cost of the program would equal an estimated \$152,933,900 in 2021-22 and \$172,417,000 in 2022-23. The aid reduction would be equal to -\$144,223,100 in 2021-22 and -\$164,437,100 in 2022-23, for a net GPR cost of \$8,710,900 in 2021-22 and \$7,979,900. It is estimated that pupil participation will total 18,000 in the two programs in 2021-22 and 20,170 in 2022-23.

Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated \$36 in 2021-22 and a further \$63 in 2022-23 under Act 58 for per pupil payments of \$8,336 for K-8 pupils and \$8,982 for 9-12 pupils in 2021-22 and \$8,399 for K-8 pupils and \$9,045 for 9-12 pupils in 2022-23.

### 3. SPECIAL NEEDS SCHOLARSHIP PROGRAM FUNDING

GPR	\$32,157,600
GPR Effect of Aid	
Reductions	<u>-32,157,600</u>
Total	\$0

Provide \$8,615,700 in 2021-22 and \$23,541,900 in 2022-23 relative to base level funding for the special needs scholarship program. The cost of the program is fully offset by aid reductions to participating pupils' school districts of residence.

As a result of these changes, the total cost of the program, and the associated aid reductions, would equal an estimated \$25,700,600 in 2021-22 and \$40,626,800 in 2022-23. It is estimated that pupil participation will total 1,970 in 2021-22 and 3,100 in 2022-23.

Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated \$36 in 2021-22 and a further \$63 in 2022-23 under Act 58 for per pupil payments of \$13,013 in 2021-22 and \$13,076 in 2022-23.

**4. INDEPENDENT CHARTER SCHOOL PROGRAM FUNDING**

GPR	\$2,744,100
GPR Effect of Aid	
Reductions	<u>-2,744,100</u>
Total	\$0

Provide \$399,500 in 2021-22 and \$1,549,600 in 2022-23 as a reestimate of sum sufficient funding in the main appropriation for the independent charter school program. Base level funding is \$82,755,000.

The main appropriation for the program currently funds payments to charter schools that the City of Milwaukee, UW-Milwaukee, UW-Parkside, and the Lac Courte Oreilles Ojibwa Community College contract to operate. Under the act, it is estimated that 9,000 pupils in 2021-22 and 9,050 pupils in 2022-23 will attend schools funded from this appropriation and that, based on the relevant provisions in the act, the per pupil payment under the program for non-tribal charters would increase from \$9,165 in 2020-21 to \$9,201 in 2021-22 and \$9,264 in 2022-23. These would be payment increases of \$36 in 2021-22 and a further \$63 in 2022-23.

Provide \$139,700 in 2021-22 and \$655,300 in 2022-23 as a reestimate of sum sufficient funding in the appropriation for independent charter schools authorized by the Office of Educational Opportunity (OEO) in the UW System. Base level funding is \$4,045,400.

Under the act, it is estimated that 450 pupils in 2021-22 and 500 pupils in 2022-23 will attend schools funded from this appropriation. DPI pays the operators of these charter schools the same per pupil payment as other non-tribal independent charter schools.

By law, DPI is required to proportionally reduce the general aid for which each school district is eligible by an amount totaling the estimated payments to schools authorized by the City of Milwaukee, UW-Milwaukee, and UW-Parkside. Under revenue limits, districts may levy property taxes to make up for the amount of revenue lost due to these aid reductions. These pupils are not counted by any district for revenue limit and general aid purposes. In 2020-21, a 1.6% reduction was made in the general aid received by school districts statewide. This provision is deleted in a separate item summarized under Public Instruction -- General School Aids and Revenue Limits.

Pupils that attend charter schools authorized by the OEO or the Lac Courte Oreilles Ojibwa Community 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.

As a result of these changes, the total cost of payments under the independent charter school program would equal an estimated \$87,339,600 in 2021-22 and \$89,005,300 in 2022-23.

## Administrative and Other Funding

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	\$916,600
FED	- 22,200
PR	<u>821,800</u>
Total	\$1,716,200

Adjust the base budget by \$458,300 GPR, -\$11,100 FED, and \$410,900 PR annually for: (a) turnover reduction (-\$616,800 GPR and -\$724,900 FED annually); (b) full funding of continuing position salaries and fringe benefits (\$741,400 GPR, \$700,000 FED, and \$396,800 PR annually); (c) overtime (\$274,000 GPR, \$41,900 FED, and \$13,900 PR annually); (d) night and weekend differential pay (\$55,300 GPR, \$400 FED, and \$200 PR annually); and (e) lease and directed moves costs (\$4,400 GPR and -\$28,500 FED annually).

### 2. PUPIL ASSESSMENT

GPR	- \$4,000,000
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Reduce funding by \$2,000,000 annually from annual base level funding of \$18,558,400 to reflect the current DPI estimate of moneys required for contract payments to vendors.

### 3. WISELEARN

GPR	- \$350,000
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Reduce funding for WISELearn by \$150,000 in 2021-22 and \$200,000 in 2022-23. Base level funding for WISELearn is \$1,359,000.

Under current law, DPI is required to develop and maintain an online resource, called WISELearn, to provide educational resources for parents, teachers, and pupils; offer online learning opportunities; provide regional technical support centers; provide professional development for teachers; and enable video conferencing.

### 4. FUEL AND UTILITIES ESTIMATE

GPR	- \$239,100
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Reduce funding by \$118,900 in 2021-22 and \$120,200 in 2022-23 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is equal to \$548,500 annually.

### 5. DEBT SERVICE ESTIMATE [LFB Paper 102]

GPR	- \$165,300
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Modify funding by -\$6,400 in 2021-22 and -\$158,900 in 2022-23 as an estimate of debt service payments for the state residential schools. Annual base level funding is \$1,020,000.

### 6. WISCONSIN READING CORPS

GPR	\$1,600,000
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Provide \$300,000 in 2021-22 and \$1,300,000 in 2022-23 for the Wisconsin Reading Corps, an AmeriCorps program that provides one-on-one literacy tutoring. Current base level funding is \$700,000 annually.

**7. AGENCY BUDGET REDUCTION**

GPR	- \$1,465,200
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Reduce funding by \$270,000 annually in the appropriation for general program operations, \$450,000 annually in the appropriation for the longitudinal data system, and \$12,600 annually in the appropriation for renewable energy costs.

**8. SCHOOL SAFETY MAPPING**

Provide \$2,000,000 GPR in the Joint Committee on Finance supplemental appropriation in 2021-22 for school safety mapping for release upon request and approval by the Committee. The fiscal effect of this item is shown under "Program Supplements."

**9. PROGRAM REVENUE ESTIMATES**

PR	\$1,843,500
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Estimate program revenue by \$5,428,300 in 2021-22 and \$5,415,200 in 2022-23. The reestimate includes \$958,600 annually in the appropriation for personnel licensure to reflect projected teacher license fee revenue; -\$30,300 in 2021-22 and -\$43,400 in 2022-23 in the appropriation for general educational development and high school graduation equivalency to reflect projected GED/HSED credential fee revenue; and \$4,500,000 annually in the appropriation for transfers from other state agencies for assistance to school districts.

**10. PUBLIC LIBRARY AID**

SEG	\$6,500,000
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Provide \$2,500,000 in 2021-22 and \$4,000,000 in 2022-23 above base level funding of \$16,013,100 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.

**11. LIBRARY SERVICE CONTRACTS**

SEG	\$38,200
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Provide \$12,900 in 2021-22 and \$25,300 in 2022-23 above base level funding of \$1,342,400 to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information.

DPI contracts with four service providers: (a) the Milwaukee Public Library; (b) the University of Wisconsin-Madison; (c) the Wisconsin Talking Book and Braille Library; and (d) the Cooperative Children's Book Center. DPI indicated in its agency request document 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.

## PUBLIC SERVICE COMMISSION

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
FED	\$2,834,700	\$2,980,100	\$2,980,100	\$290,800	5.1%	11.75	11.75	11.75	0.00	0.0%
PR	21,071,800	20,694,800	20,694,800	- 754,000	- 1.8	139.00	139.00	139.00	0.00	0.0
SEG	<u>28,518,000</u>	<u>8,520,500</u>	<u>8,520,500</u>	<u>- 39,995,000</u>	<u>- 70.1</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$52,424,500</b>	<b>\$32,195,400</b>	<b>\$32,195,400</b>	<b>- \$40,458,200</b>	<b>- 38.6%</b>	<b>154.75</b>	<b>154.75</b>	<b>154.75</b>	<b>0.00</b>	<b>0.0%</b>
BR		\$125,000,000								

### Budget Change Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Provide adjustments to the agency base budget for the following:  
 (a) reductions for staff turnover (-\$377,000 PR each year); (b) full funding

PR	- \$154,000
FED	290,800
SEG	<u>- 43,995,000</u>
<b>Total</b>	<b>- \$43,858,200</b>

of continuing position salaries and fringe benefits (\$298,200 PR, \$133,700 FED, and -\$5,100 SEG each year); (c) reclassifications and semi-automatic pay progression (\$19,500 PR each year); (d) full funding of lease and directed moves costs (-\$17,700 PR, \$11,700 FED, and \$7,600 SEG each year); and (e) removal of noncontinuing elements from the base (-\$22,000,000 USF SEG each year).

#### 2. BROADBAND EXPANSION GRANTS [LFB Paper 525]

BR	\$125,000,000
SEG	4,000,000

Authorize the issuance of \$125,000,000 in general fund-supported general obligation bonds for broadband expansion grants, and estimate year-end transfers of unencumbered amounts in universal service fund (USF) appropriations at \$2,000,000 SEG each year. Total funding provided for broadband expansion grants equals \$129,000,000 over the 2021-23 biennium.

Specify that the Legislature finds and determines that: (a) provision of broadband internet access is essential to the welfare of the citizens of this state and the economic development of this state, and therefore the provision of internet access is a governmental function and statewide responsibility of statewide dimension; and (b) sufficient private capital has been and continues to be unavailable to fulfill the need for further development of broadband internet access in underserved and unserved areas of this state. Further, specify that it is in the public interest, and it

is the public policy of this state, to assist internet service providers in providing access to high-speed internet to all residents of Wisconsin. Specify that the Building Commission may authorize the issuance of bonds for broadband expansion projects approved by the Public Service Commission. Specify that if, for any reason, bond funding provided for a broadband expansion grant is not used for that purpose, the state shall retain an ownership interest in the project equal to the amount of the state's grant.

Created in 2013, the broadband expansion grant program supports projects that increase broadband access and capacity in underserved areas of the state. Since its inception through 2020-21, the program has awarded \$78 million in primarily FED and USF SEG grants to 279 projects. In the 2019-21 biennium, funding of \$44 million for broadband expansion grants was transferred to the USF on a one-time basis from federal e-rate funds under 2019 Act 9. Additional amounts of \$6.5 million were provided from year-end unencumbered amounts, or "sweeps," transferred from other USF appropriations, and \$5.4 million was awarded from the state's allocation from the federal Coronavirus Relief Fund. Although Act 58 removes one-time funding of \$44,000,000 SEG as a standard budget adjustment, the statutes provide a minimum of \$2,000,000 each year in ongoing funding for broadband expansion grants from USF sweeps and, if necessary, USF assessments on telecommunications providers. The estimate accounts for this minimum amount of annual funding.

[Act 58 Sections: 5, 115, 116, and 364]

**3. INTERVENOR COMPENSATION FOR CITIZENS UTILITY BOARD [LFB Paper 536]**

PR	- \$600,000
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Delete \$300,000 each year from the intervenor compensation appropriation associated with the now-repealed grant to the Citizens Utility Board. In lieu of a grant from the intervenor compensation appropriation, 2021 Wisconsin Act 24 created a process to provide up to \$900,000 each year directly from utilities to the Citizens Utility Board.

# REVENUE

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Over 2020-21
GPR	\$191,127,100	\$187,306,000	\$187,294,800	-\$7,653,400	-2.0%	953.08	950.15	950.15	-2.93	-0.3%
PR	21,513,300	21,297,600	21,370,300	-358,700	-0.8	136.50	135.40	135.40	-1.10	-0.8
SEG	<u>15,660,200</u>	<u>30,891,000</u>	<u>29,302,500</u>	<u>28,873,100</u>	92.2	<u>92.45</u>	<u>92.45</u>	<u>92.45</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$228,300,600</b>	<b>\$239,494,600</b>	<b>\$237,967,600</b>	<b>\$20,861,000</b>	<b>4.6%</b>	<b>1,182.03</b>	<b>1,178.00</b>	<b>1,178.00</b>	<b>-4.03</b>	<b>-0.3%</b>

## Budget Change Items

### Departmentwide

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

Provide adjustments to the base budget for: (a) turnover reduction (-\$2,396,000 GPR and -\$167,700 SEG annually); (b) removal of noncontinuing elements from the base (-\$49,000 GPR and -\$578,900 PR in 2021-22 and -\$65,300 GPR and -\$738,800 PR in 2022-23 and -1.00 GPR and -10.00 PR positions annually); (c) full funding of continuing position salaries and fringe benefits (\$2,385,100 GPR, \$298,400 PR, and \$470,400 SEG annually); (d) reclassifications and semiautomatic pay progression (\$27,200 PR and \$12,000 SEG in 2021-22 and \$99,600 PR and \$29,300 SEG in 2022-23); (e) full funding of lease and directed moves costs (-\$96,800 GPR and -\$2,300 PR in 2021-22 and -\$91,700 GPR and -\$2,000 PR in 2022-23); and (f) minor transfers within the same alpha appropriation.

	Funding	Positions
GPR-REV	-\$4,031,700	
PR-REV	-5,100,000	
GPR	-\$324,600	-1.00
PR	-598,400	-10.00
SEG	<u>646,700</u>	<u>0.00</u>
<b>Total</b>	<b>-\$276,300</b>	<b>-11.00</b>

Eight of the PR positions removed under standard budget adjustments are project positions provided in 2017 Act 59 (the 2017-19 biennial budget) to increase debt collection activity for the statewide debt collection (SDC) program. The positions include seven debt collection agents, including one lead worker, and one support staff. Debts collected by the Department of Revenue (DOR) are remitted to the respective state agency or governmental entity. Additionally, fees are imposed on debtors and collected by the Department to offset its administrative expenses for this program. At the end of each fiscal year, any fee revenue exceeding DOR's administrative costs transfers to the general fund. It is estimated that eliminating these eight positions will: (a) reduce fees collected by DOR by \$2,200,000 PR-REV in 2021-22 and \$2,900,000 PR-REV in 2022-23;

(b) reduce program expenditures by \$454,200 PR in 2021-22 and \$614,100 PR in 2022-23; and  
 (c) reduce the year end transfer to the general fund by an estimated \$1,745,800 GPR-REV in 2021-22 and \$2,285,900 GPR-REV in 2022-23. A loss of approximately \$14 million in annual debts collected and remitted to agency partners is estimated as a result of eliminating these positions.

Additionally, the two other expiring PR project positions removed under standard budget adjustments are estimated to reduce the amount of unclaimed property returned to owners by between \$5 million and \$10 million, annually. Under Article X, Section 2 of the Wisconsin Constitution, the clear proceeds of all fines and forfeitures (including unclaimed and escheated property) are deposited in the Common School Fund. Therefore, the expected decrease in unclaimed property being returned to its owners will result in a corresponding increase in revenue to the Common School Fund, likely beginning in fiscal year 2022-23. It should be noted that these two positions were first authorized under the 2005-07 biennial budget bill and have been extended or otherwise reauthorized under each subsequent budget bill.

**2. STATEWIDE DEBT COLLECTION POSITIONS [LFB Paper 540]**

		<b>Funding Positions</b>	
GPR-REV	\$4,031,700		
PR-REV	5,100,000		
PR	\$1,068,300	8.00	

Provide \$454,200 in 2021-22 and \$614,100 in 2022-23 and 8.00 FTE permanent positions annually to DOR's collection of taxes -- debt collection appropriation, to assist in the collection of debts owed to state and local governments.

The 8.00 project positions provided for the SDC program under 2017 Act 59 are scheduled to expire on September 30, 2021. The 8.00 permanent FTE positions will replace the expiring project positions. Authorization and funding for the permanent positions will begin on October 1, 2021.

Providing these eight permanent positions is estimated to recover the following revenues, which would have otherwise been foregone with the expiration of the project positions under standard budget adjustments described above: (a) \$2,200,000 PR-REV in 2021-22 and \$2,900,000 PR-REV in 2022-23 from additional fees collected by DOR; and (b) \$1,745,800 GPR-REV in 2021-22 and \$2,285,900 GPR-REV in 2022-23 from an increased year end transfer to the general fund. Additionally, the authorization of these permanent positions will ensure the collection and remittance of an estimated \$14 million in annual debts that would have been foregone as a result of eliminating these positions.

**3. UNCLAIMED PROPERTY PROGRAM POSITIONS [LFB Paper 541]**

		<b>Funding</b>	<b>Positions</b>
PR	\$249,400		2.00

Provide \$124,700 annually associated with 2.0 permanent positions for the unclaimed property program. These permanent positions replace the permanent project positions that expired on June 30, 2021. Funding for the positions is from unclaimed property program revenue.

#### 4. APPROPRIATION REDUCTION

GPR-REV	\$1,080,000
GPR	- \$7,328,800
PR	<u>- 1,080,000</u>
Total	- \$8,408,800

Delete \$3,664,400 GPR and \$540,000 PR annually. Increase GPR-REV by \$540,000 annually to reflect reduced expenditure authority in the PR appropriations. The reductions, by appropriation, are shown below:

Fund			Annual
<u>Source</u>	<u>Appropriation</u>	<u>Base</u>	<u>Reduction</u>
GPR	Collection of taxes -- general program operations	\$70,337,600	-\$2,764,400
GPR	State and local finance -- general program operations	8,467,200	-90,000
GPR	Administrative services and space rental -- general program operations	32,625,700	-810,000
PR	Collection of taxes -- collections by the department	1,261,800	-90,000
PR	Collection of taxes -- business tax registration	1,799,000	-90,000
PR	Collection of taxes -- administration of county sales and use taxes	3,193,900	-270,000
PR	Collection of taxes -- debt collection	3,053,100	-90,000

#### 5. ELIMINATE VACANT POSITIONS

GPR	- 1.93
PR	- 1.10

Delete 1.93 GPR and 1.10 PR positions that have been vacant for 24 months or longer. The reductions, by appropriation, are shown below:

Fund			Annual
<u>Source</u>	<u>Appropriation</u>	<u>Base</u>	<u>Reduction</u>
GPR	Collection of taxes -- general program operations	698.58	-0.93
GPR	Administrative services and space rental -- general program operations	160.75	-1.00
PR	Collection of taxes -- administration of local professional football stadium district taxes	1.00	-1.00
PR	Collection of taxes -- administration of resort tax	0.25	-0.10

#### 6. MULTISTATE SSTP MEMBERSHIP FEES

PR	\$2,000
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Increase funding by \$1,000 annually for DOR's collections under multistate Streamlined Sales Tax Project (SSTP) sum sufficient appropriation to pay the fees necessary to participate in the Governing Board of the SSTP. With the adjustment, the estimated cost of membership fees will increase from base funding of \$40,000 to \$41,000 annually.

## Lottery Administration

### 1. LOTTERY SALES PROJECTIONS [LFB Paper 545]

Project sales of \$815.6 million in each year of the 2021-23 biennium. Projected lottery sales provide the basis for estimating the lottery and gaming property tax credit in the next biennium. In addition, the projected sales directly affect appropriations for retailer compensation and lottery

vendor fees. The projected sales are based on sales models utilized by DOR to estimate both lotto (on-line) and instant ticket games. The following table shows these projections, as well as 2019-20 actual lottery sales and estimated sales in 2020-21.

**Act 58**  
**Lottery Sales Projections**  
**(\$ in millions)**

<u>Game Type</u>	<u>Actual 2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Percent Change from 2020-21</u>	<u>2022-23</u>	<u>Percent Change from 2021-22</u>
Scratch	\$513.0	\$645.8	\$562.9	-12.8%	\$562.9	0.0%
Pull-tab	0.8	0.4	0.4	0.0	0.4	0.0
Lotto	<u>211.7</u>	<u>260.8</u>	<u>252.3</u>	-3.3	<u>252.3</u>	0.0
Total	\$725.5	\$907.0	\$815.6	-10.1%	\$815.6	0.0%

The 2020-21 sales projections are higher than from those estimated in October, 2020, when the amount available for the 2020(21) lottery property tax credit was certified. The higher projected revenues in 2020-21 are due to a delay in the planned expansion of Powerball to additional international markets, which would have prevented the state's continued participation in the Powerball game under existing state law. As a result, the October, 2020, projections included no Powerball draws or revenue for the last quarter of 2020-21 and thereafter. The state participated in the Powerball game for the entire 2020-21 year and the sales projections now include a full year of Powerball draws. Further, 2021 Wisconsin Act 6 modified the definition of "multijurisdictional" for the purposes of the lottery, which allows the state to continue participating in Powerball draws following any future expansion to additional international markets.

**2. LOTTERY FUND CONDITION STATEMENT [LFB Paper #545]**

The total revenue available for tax relief, minus a statutory reserve (2% of gross revenue) and the amount appropriated for the lottery and gaming credit late applications payments, determines the amount available for the lottery and gaming tax credit. The following fund condition statement provides information on operating revenues, appropriated amounts for expenditures, estimates of interest earnings and gaming-related revenue, and the amounts available for tax relief credits under the bill. The bill would appropriate \$342,222,000 in 2021-22 and \$277,781,600 in 2022-23 for both the lottery and gaming credit and late lottery and gaming credit applications.

	Projected <u>2021-22</u>	Projected <u>2022-23</u>
Fiscal Year Opening Balance	\$82,200,400	\$16,316,000
<b>Operating Revenues</b>		
Total Ticket Sales	\$815,610,000	\$815,610,000
Retailer Fees and Miscellaneous	<u>192,200</u>	<u>192,200</u>
Gross Revenues	\$815,802,200	\$815,802,200
<b>Expenditures (SEG)</b>		
Prizes	\$510,560,800	\$510,560,800
General Program Operations	20,203,400	20,203,400
Retailer Compensation	5,258,700	5,305,000
Vendor Fees	2,589,100	937,000
Gaming Law Enforcement	466,100	475,600
Lottery Credit Administration	316,900	316,900
Program Reserves	<u>149,600</u>	<u>301,900</u>
Total SEG Expenditures	\$539,544,600	\$538,100,600
<b>Expenditures (GPR)</b>		
Retailer Compensation	52,046,700	51,999,600
Vendor Fees	<u>20,828,300</u>	<u>20,875,400</u>
Total GPR Expenditures	\$72,875,000	\$72,875,000
Net SEG Proceeds	\$276,257,600	\$277,701,600
Interest Earnings	\$80,000	\$80,000
Total Available for Tax Relief *	\$358,538,000	\$294,097,600
<b>Appropriations For Tax Relief</b>		
Lottery and Gaming Credit	\$341,556,400	\$277,116,000
Late Lottery and Gaming Credit Applications	<u>665,600</u>	<u>665,600</u>
Total Appropriations for Tax Relief	\$342,222,000	\$277,781,600
Gross Closing Balance	\$16,316,000	\$16,316,000
Reserve (2% of Gross Revenues)	<u>\$16,316,000</u>	<u>\$16,316,000</u>
Net Closing Balance	\$0	\$0

\*Opening balance, net SEG proceeds, and interest earnings.

**3. LOTTERY ADMINISTRATION FUNDING CHANGES [LFB Paper #545]**

GPR	-\$14,136,600
SEG	<u>14,136,600</u>
Total	\$0

Provide \$7,068,300 SEG annually for lottery program operations. SEG funding for lottery program operations would total \$20,203,400 annually. Make a corresponding reduction of \$7,068,300 GPR annually to remove all GPR funding from lottery program operations.

**4. LOTTERY RETAILER COMPENSATION AND VENDOR FEES [LFB Paper 545]**

GPR	\$14,136,600
SEG	<u>14,089,800</u>
Total	\$28,226,400

Provide \$4,066,000 GPR in 2021-22 and \$4,018,900 GPR in 2022-23 for retailer compensation and \$3,002,300 GPR in 2021-22 and \$3,049,400 GPR in 2022-23 for vendor fees associated with increases in estimated lottery sales. Further, provide \$5,258,700 SEG in 2021-22 and \$5,305,000 SEG in 2022-23 for retailer compensation and \$2,589,100 SEG in 2021-22 and \$937,000 SEG in 2022-23 for vendor fees. GPR funding for retailer compensation and vendor fees is provided from two separate annual appropriations. If GPR funding is insufficient to pay the full costs of annual retailer compensation and vendor fees, two separate SEG sum sufficient appropriations for these purposes are also available to cover those costs.

Basic retailer compensation is established by statute at 5.5% of the retail price of lotto lottery tickets and 6.25% of the retail price of instant tickets sold by the retailer. In addition, the retailer performance program provides an amount of up to 1% of gross lottery sales as incentive payments to retailers. Vendor fees are paid under a major procurement contract for the provision of data processing services to both the lotto and instant lottery games.

## SAFETY AND PROFESSIONAL SERVICES

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
FED	\$520,400	\$533,000	\$533,000	\$25,200	2.4%	1.70	1.70	1.70	0.00	0.0%
PR	<u>57,420,200</u>	<u>59,409,900</u>	<u>59,733,000</u>	<u>4,302,500</u>	3.7	<u>239.44</u>	<u>244.44</u>	<u>240.44</u>	<u>1.00</u>	0.4
<b>TOTAL</b>	<b>\$57,940,600</b>	<b>\$59,942,900</b>	<b>\$60,266,000</b>	<b>\$4,327,700</b>	<b>3.7%</b>	<b>241.14</b>	<b>246.14</b>	<b>242.14</b>	<b>1.00</b>	<b>0.4%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

	Funding	Positions
FED	\$25,200	0.00
PR	<u>- 2,659,000</u>	<u>- 4.00</u>
<b>Total</b>	<b>- \$2,633,800</b>	<b>- 4.00</b>

Reduce funding by \$1,217,600 (\$12,600 FED and -\$1,230,200 PR) in 2021-22 and by \$1,416,200 (\$12,600 FED and -\$1,428,800 PR) and delete 4.0 PR positions, beginning in 2022-23, to reflect the net effect of the following standard budget adjustments: (a) turnover reduction (-\$468,500 PR annually); (b) removal of non-continuing elements (-\$840,000 PR in 2021-22 and -\$1,038,600 PR and -4.0 PR positions, beginning in 2022-23); (c) full funding of continuing salaries and fringe benefits (\$12,600 FED and \$46,400 PR annually); and (d) changes in lease costs (\$31,900 PR annually).

**2. PROFESSIONAL LICENSING AND REGULATION STAFF [LFB Paper 550]**

	Funding	Positions
PR	\$620,700	5.00

Provide the following positions and funding for professional licensing and regulation staff: (a) 2.0 project health license and permit program associate positions and \$88,900 in 2021-22 and \$113,200 in 2022-23 for the Division of Professional Credential Processing (DPCP); (b) 1.0 permanent license and permit program associate position and \$44,300 in 2021-22 and \$56,400 in 2022-23 for the Business, Trades, and Manufactured Homes section in DPCP; (c) 1.0 permanent operations program associate position and \$42,600 in 2021-22 and \$56,700 in 2022-23 for the Division of Industry Services (DIS); and (d) 1.0 permanent fire suppression systems consultant position and \$93,700 in 2021-22 and \$124,900 in 2022-23 for DIS.

**3. ELECTRONIC SAFETY AND LICENSING APPLICATION [LFB Paper 552]**

Provide \$3,000,000 in 2021-22 and \$2,000,000 in 2022-23 in the Joint Committee on

Finance PR program supplements appropriation to fund phase three of DSPTS' ongoing modernization of the Electronic Safety and Licensing Application (eSLA) in the 2021-23 biennium. The fiscal effect of this item is shown under "Program Supplements."

The eSLA project is intended to upgrade DSPTS systems for credential processing, including making credential information publicly accessible, as well as allow for online submittal of license applications, building plans, and other transactions with the Department. Phase one of the information technology modernization project was supported by \$4.4 million approved by the Joint Committee on Finance in April, 2018. Phase one included development of a replacement for the "regulated objects" system, a 20-year-old software application used for commercial building inspection permits, plan reviews, and building and trades credentialing. Phase two replaced trades credentialing capabilities not completed in phase one, including such functions as issuing a new license or renewing an existing license. 2019 Act 9 provided \$5,025,000 in one-time funding for phase two deployment and software licensing. Phase three will include a migration of business and medical profession credentials into the eSLA system.

**4. INFORMATION TECHNOLOGY ENHANCEMENTS [LFB Paper 552]**

PR	\$483,000
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Provide \$266,500 in 2021-22 and \$216,500 in 2022-23, including \$200,000 in ongoing funding for information technology projects. Intended projects may include: (a) a document management system; (b) IT consulting services from Gartner Consulting for developing and implementing IT projects; (c) replacement and upgrades to approximately 50 computers per year; (d) IT system changes to provide and maintain state email addresses for Board members; and (e) replacement of the Contact Center Anywhere call center software.

**5. INSPECTION CONTRACT ACCOUNTING [LFB Paper 553]**

PR	\$1,130,000
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Provide \$565,000 in each of 2021-22 and 2022-23 under the DSPTS safety and buildings appropriation for contractual services done on behalf of the Department. DSPTS is one of several state agencies that have at times since the 1990s 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. DSPTS indicates 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 are presented as accounting notes rather than transactions under legislatively created appropriations. Additional expenditure authority under the provision would allow the agency to incorporate revenues and expenditures of contractual activities into current appropriations, in accordance with statutory requirements.

**6. PRESCRIPTION DRUG MONITORING PROGRAM**

PR	\$500,000
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Provide \$250,000 in 2021-22 and 2022-23 in one-time funding to make technological changes to the prescription drug monitoring program (PDMP). Provide funding in two appropriations: the agency's appropriation for general program operations of professional

regulation and administrative services (\$125,000 annually) and the appropriation that funds the operations of the Medical Examining Board, its affiliated boards, costs associated with the Interstate Licensure Compact, and the operations of the PDMP (\$125,000 annually).

DSPS is currently working with prescribers and the current technology vendor for the PDMP (Wisconsin Interactive Network, LLC) to determine ways to enable more prescribers to use the full range of PDMP tools and patient information without barriers. One goal is to expand integration with prescribers' electronic health record systems, to increase the number of prescribers with "one-click access" to their patients' history of controlled substance prescriptions.

**7. LIMITED-TERM EMPLOYEE STAFF**

PR	\$200,000
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Provide \$100,000 annually for DSPS limited-term employee (LTE) costs. Funding is provided in the following appropriations: (a) \$48,500 for health and business professional regulation; (b) \$42,200 for safety and buildings operations; and (c) \$9,300 for operations of the Medical Examining Board, its affiliated credentialing boards, and the prescription drug monitoring program. Currently, DSPS utilizes LTEs for multiple program areas, including the customer service call center, health professions credentialing team, building plan review and permit support, and legal services.

**8. YOUTH VOLUNTEER FIREFIGHTING TRAINING GRANTS**

PR	\$100,000
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Provide \$50,000 each year in one-time funding from the DSPS safety and buildings operations appropriation for the development and implementation of a youth volunteer firefighter training grant program. The program will issue grants for youth firefighter training pilot programs in volunteer fire departments to increase recruitment and improve retention of volunteer firefighters. The program will aim to recruit diverse 17- and 18-year-old students. DSPS intends to offer funding for up to five programs around the state, and DSPS staff will provide technical assistance and oversight for the programs.

**9. MILITARY TRAINING FOR CIVILIAN CAREERS**

PR	\$100,000
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Provide \$50,000 each year in one-time funding for the development of a program by which military training and credentials may be creditable or transferrable to credentials for certain civilian jobs. The program will involve identifying occupations for which military service provides training or experience substantially related to that required of credentialed civilians. Participating educational or training organizations will adjust existing training programs or create military-specific programs to allow service members or veterans to gain any needed additional training for civilian credentials. Funding consists of \$25,000 annually from each of the DSPS primary operations appropriations for: (a) health and business professional regulation; and (b) safety and buildings operations.

**10. FIRE DEPARTMENT DUES DISTRIBUTION ESTIMATE**

PR	\$3,830,000
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[LFB Paper 554]

Provide \$1,670,000 in 2021-22 and \$2,160,000 in 2022-23 to estimate fire dues distributions at \$24,230,000 in 2021-22 and \$24,720,000 in 2022-23. The state fire department dues program primarily funds local governments that maintain eligible fire departments. The program is funded by an amount equal to 2% of the fire insurance premiums collected from fire insurance companies in the state. A portion of revenues also support state fire prevention and fire protection programs under DSPTS and the Wisconsin Technical College System.

**11. UNCLASSIFIED POSITION REALLOCATIONS**

Reallocate base funding (\$986,500 annually) and position authority for 7.0 unclassified positions that are currently budgeted for the agency's professional regulation and administrative services general program operations to other appropriations, beginning in 2021-22, as follows: (a) \$442,200 and 3.15 positions for the general program operations of the Medical Examining Board and related Boards, the interstate medical licensure compact, and the prescription drug monitoring program; (b) \$367,300 and 2.50 positions for safety and building administrative services; (c) \$139,900 and 1.10 positions for safety and building operations; (d) \$22,300 and 0.15 position for examinations general program operations; and (e) \$14,800 and 0.10 position for proprietary school programs.

These funding and position adjustments are intended to more accurately reflect the current allocation of work conducted by these positions.

**12. EMAIL COMMUNICATION WITH CREDENTIAL HOLDERS AND APPLICANTS**

PR	-\$2,200
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Require credential applicants and credential holders to provide DSPTS with a current electronic mail address at the time of application or renewal that may be used to receive electronic communications from DSPTS. Require any credential applicant or credential holder who changes his or her electronic mail address or whose current electronic mail address becomes inactive to notify DSPTS of the change within 30 days of the change in writing or in accordance with other notification procedures approved by DSPTS.

Exempt from this requirement applicants who do not have reasonable access to the internet, specifying that they may maintain paper communication with the Department. Specify that email may not be substituted for the service of any process, notice, or demand by mail.

Reduce funding by \$1,100 annually to reflect anticipated savings from maintaining electronic mail addresses with credential holders and applicants.

[Act 58 Sections: 402 and 403]

# SECRETARY OF STATE

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
PR	\$283,000	\$281,400	\$281,400	-\$3,200	-0.6%	2.00	2.00	2.00	0.00	0.0%

## Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

PR	-\$3,200
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Provide an adjustment of -\$1,600 annually to the Secretary of State's program fees appropriation for full funding of continuing position salaries and fringe benefits.

## SHARED REVENUE AND TAX RELIEF

<b>Budget Summary by Funding Source</b>					
	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled	
		2021-22	2022-23	Amount	Percent
<b>Direct Aid Payments</b>					
Expenditure Restraint	\$59,311,700	\$59,311,700	\$59,311,700	\$0	0.0%
County and Municipal Aid	691,518,700	698,622,000	709,651,000	25,235,600	1.8
Public Utility Distribution	78,500,000	82,297,500	87,458,400	12,755,900	8.1
State Aid; Tax Exempt Property	98,047,100	98,047,100	98,047,100	0	0.0
State Aid; Personal Property Tax Exemption	74,730,100	74,206,800	74,206,800	-1,046,600	-0.7
State Aid; Video Service Provider Fee	5,000,000	10,008,200	10,008,200	10,016,400	100.2
Interest Payments on Overassessments of Manufacturing Property	10,000	10,000	10,000	0	0.0
Payments for Municipal Services	18,584,200	18,584,200	18,584,200	0	0.0
<b>Property Tax Credits</b>					
Homestead Tax Credit	71,000,000	60,000,000	58,000,000	-24,000,000	-16.9
Pre-2010 Farmland Preservation Credit	350,000	330,000	290,000	-80,000	-11.4
Farmland Preservation Per-Acre Credit	17,100,000	16,800,000	16,800,000	-600,000	-1.8
School Levy Tax Credit	940,000,000	940,000,000	940,000,000	0	0.0
First Dollar Credit	150,000,000	148,137,900	148,500,000	-3,362,100	-1.1
<b>Other Credits</b>					
Claim of Right Credit	120,000	132,000	132,000	24,000	10.0
Jobs Tax Credit	2,900,000	2,500,000	1,200,000	-2,100,000	-36.2
Business Development Credit	19,100,000	12,900,000	14,700,000	-10,600,000	-27.7
Enterprise Zone Jobs Credit	81,700,000	87,900,000	70,100,000	-5,400,000	-3.3
EITM Zone Credit	211,954,900	29,060,000	8,325,000	-386,524,800	-91.2
Research Credit	9,000,000	17,600,000	27,600,000	27,200,000	151.1
Veterans and Surviving Spouses Property Tax Credit	36,000,000	41,000,000	42,000,000	11,000,000	15.3
Cigarette and Tobacco Products Tax Refunds	31,700,000	30,200,000	29,700,000	-3,500,000	-5.5
Earned Income Tax Credit	26,200,000	22,400,000	23,400,000	-6,600,000	-12.6
<b>Forestry Mill Rate</b>					
Forestry Mill Rate -- GPR Transfer to Conservation Fund	<u>102,590,300</u>	<u>109,691,500</u>	<u>114,052,900</u>	<u>18,563,800</u>	9.0
GPR Total	\$2,725,417,000	\$2,559,738,900	\$2,552,077,300	-\$339,017,800	-6.2%
<b>Other Credits</b>					
Earned Income Tax Credit; Temporary Assistance for Needy Families	<u>\$69,700,000</u>	<u>\$63,600,000</u>	<u>\$66,600,000</u>	<u>-\$9,200,000</u>	-6.6%
PR Total	\$69,700,000	\$63,600,000	\$66,600,000	-\$9,200,000	-6.6%
<b>Direct Aid Payments</b>					
County and Municipal Aid; Police and Fire Protection Fund	\$52,557,000	\$45,453,800	\$34,424,800	-\$25,235,400	-24.0
<b>Property Tax Credits</b>					
Lottery and Gaming Credit	256,578,900	341,556,400	277,116,000	105,514,600	20.6%
Lottery and Gaming Credit; Late Applications	<u>311,500</u>	<u>665,600</u>	<u>665,600</u>	<u>708,200</u>	113.7
SEG Total	\$309,447,400	\$387,675,800	\$312,206,400	\$80,987,400	13.1%
TOTAL	\$3,104,564,400	\$3,011,014,700	\$2,930,883,700	-\$267,230,400	-8.6%

## Direct Aid Payments

**1. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION REVENUE ESTIMATE [LFB Paper 102]**

GPR	-\$1,552,600
SEG	<u>1,552,800</u>
Total	\$200

Decrease funding by \$776,300 GPR annually and increase funding by \$776,400 SEG annually in the appropriations for the county and municipal aid program. The SEG adjustment reflects the estimated increase in revenue collected in the police and fire protection fund, which is the source for a portion of county and municipal aid program payments. Revenues deposited to the police and fire protection fund are from a fee imposed on each active retail voice communications service connection with an assigned telephone number at a rate of \$0.75 per month. The GPR reductions reflect a corresponding adjustment to the sum sufficient appropriation to offset the estimated annual increase in police and fire protection fund (SEG) revenue. With these adjustments, estimated current law GPR payments for the county and municipal aid program would be \$692,295,500 annually. Under current law, estimated payments from the police and fire protection fund would be \$53,333,400 annually (these estimated amounts would be reduced under a separate recommendation, as shown below, that would use police and fire protection fund SEG funding for the Department of Military Affairs Next Generation 911 project implementation).

**2. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION FUNDING FOR NEXT GENERATION 911 [LFB Paper 416]**

GPR	\$26,788,200
SEG	<u>-26,788,200</u>
Total	\$0

Provide an increase in funding of \$7,879,600 GPR in 2021-22 and \$18,908,600 GPR in 2022-23 and make a corresponding decrease in funding of \$7,879,600 SEG in 2021-22 and \$18,908,600 SEG in 2022-23 in the appropriations that fund the county and municipal aid program. These funding changes reflect an increase in funding from the police and fire protection fund for Department of Military Affairs Next Generation 911 activities (see "Military Affairs"). County and municipal aid is paid from sum sufficient GPR and police and fire protection fund SEG appropriations. The changes to GPR reflect corresponding adjustments to the county and municipal aid sum sufficient appropriation to offset the change in SEG funding from the police and fire protection fund.

**3. PUBLIC UTILITY AID -- SUM SUFFICIENT ESTIMATE [LFB Paper 102]**

GPR	\$12,755,900
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Provide \$3,797,500 in 2021-22 and \$8,958,400 in 2022-23 to the sum sufficient utility aid distribution account to reflect estimated payment amounts in the biennium. With these adjustments, base level funding of \$78,500,000 would increase to \$82,297,500 in 2021-22 and \$87,458,400 in 2022-23. The public utility aid distribution account is used to make aid payments to counties and municipalities containing certain types of public utility property that are exempt from local property taxation.

**4. STATE AID FOR EXEMPT PERSONAL PROPERTY [LFB Paper 102]**

GPR	- \$1,046,600
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Decrease funding by \$523,300 annually to reflect a decrease in estimated payments due to the expected closure of tax incremental financing (TIF) districts. With these adjustments, base level funding of \$74,730,100 would decrease to \$74,206,800 in both years of the biennium. The appropriation provides aid payments to local governments for exempt personal property classified as non-manufacturing machinery, tools, and patterns. Under 2017 Act 59, payments to taxing jurisdictions will remain at the 2019-20 level for each year thereafter with only those entities receiving a payment in 2018-19 continuing to receive a payment. However, when a TIF district closes, the payment that had been made to the district is not redistributed among other overlying taxing jurisdictions.

**5. VIDEO SERVICE PROVIDER FEE [LFB Paper 556]**

GPR	\$10,016,400
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Increase funding by \$5,008,200 annually, for a total of \$10,008,200, to hold municipalities harmless for the required reduction to video service provider fees, effective January 1, 2021. Under 2019 Act 9, for two consecutive years, municipalities were required to reduce by 0.5% per year the fee percentage that each municipality can assess on its video service providers' gross receipts. The first payment was made in July, 2020, to compensate municipalities for the first 0.5% required rate reduction. Effective January 1, 2021, this percentage is capped at the percentage applied on December 31, 2018, less 1.0%. The state aid payment, which is made from an annual, sum certain appropriation, was created to compensate municipalities for the reduction in fee revenues associated with the required rate reductions.

**6. PERSONAL PROPERTY TAX**

Create a sum certain GPR appropriation, with \$0 appropriated in each year, to be used to make aid payments to taxing jurisdictions in the event that the Legislature eliminates the personal property tax under Chapter 70 of the statutes effective with January, 2022, assessments from taxation during the 2021-22 legislative session. Provide \$202,350,000 GPR in 2022-23, on a one-time basis, associated with the reduction in local property taxes associated with the elimination of personal property from property taxation in the 2021-22 legislative session, to the biennial Joint Finance Committee supplemental appropriation in 2022-23 (see "Program Supplements" for fiscal effect). Require the Joint Finance Committee to supplement the sum certain GPR appropriation in 2022-23 for the purpose of making payments to local taxing jurisdictions equal to the amount of revenue not collected due to the elimination of personal property from taxation during the 2021-22 legislative session.

[Act 58 Sections: 93 and 9125(1)]

## Property Tax Credits

**1. FIRST DOLLAR CREDIT ESTIMATE [LFB Paper 102]**

GPR	- \$3,362,100
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Decrease funding by \$1,862,100 in 2021-22 and \$1,500,000 in 2022-23 to reflect the \$148,137,900 actual amount of property tax year 2020(21) credits be paid in 2021-22 and the estimated credits to be paid in 2022-23 for property tax year 2021(22). The 2020(21) credits are to be distributed in July, 2021, based on the \$7,100 credit base established by the Department of Revenue in November, 2020, and an estimate of the eligible parcels on which the credit was claimed. The current law funding level for the first dollar credit is \$150 million.

**2. FARMLAND PRESERVATION CREDIT ESTIMATE [LFB Paper 102]**

GPR	- \$680,000
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Decrease funding by \$320,000 in 2021-22 and \$360,000 in 2022-23 to estimate 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 estimates, farmland preservation tax credits are estimated at \$17,130,000 in 2021-22 and \$17,090,000 in 2022-23.

**3. LOTTERY AND GAMING CREDIT ESTIMATE [LFB Paper 545]**

SEG	\$105,514,600
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Increase funding by \$84,977,500 SEG in 2021-22 and \$20,537,100 SEG in 2022-23 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for property tax credit distribution. With these adjustments, estimated total funding for the credit would increase from an adjusted base level of \$256,578,900 to \$341,556,400 SEG in 2021-22 and \$277,116,000 SEG in 2022-23. The estimated cost of the credit for 2020-21 is \$237.4 million.

**4. LOTTERY AND GAMING CREDIT: LATE APPLICATIONS [LFB Paper 102]**

SEG	\$708,200
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Increase funding by \$354,100 annually 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. As a result, funding for tax credit distributions for late applications would increase from an adjusted base level of \$311,500 to \$665,600 annually.

## Property Taxation

### 1. PROPERTY EXEMPTION FOR A CHURCH OR RELIGIOUS ASSOCIATION

Create a property tax exemption for any parcel of vacant land owned by a church or religious association that is no more than 0.8 acres and located in a first class city. The parcel must be less than a quarter mile from the shoreline of Lake Michigan, and be adjacent or contiguous to a city incorporated in 1951 with a 2018 estimated population exceeding 9,000 (St. Francis). Specify that the property is first exempt from taxation in property tax year 2022(23).

[Act 58 Sections: 238x and 9337(3a)]

## Forestry Mill Rate

### 1. FORESTRY MILL RATE -- GPR TRANSFER TO CONSERVATION FUND [LFB Paper 102]

GPR	\$18,563,800
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Increase funding by \$7,101,200 in 2021-22 and \$11,462,600 in 2022-23 for the annual transfer to the conservation fund from the sum sufficient appropriation to reflect projected changes in statewide equalized values. Funds equal to the amount calculated by multiplying the value of all taxable property in the state, as determined by DOR, by a rate of 0.1697 mills (0.01697%) are transferred from the general fund to the conservation fund annually. This transfer occurs due to the repeal of the state forestry mill tax as of property taxes levied in 2017, payable in 2018. With these adjustments, base level funding of \$102,590,300 would increase to \$109,691,500 in 2021-22 and \$114,052,900 in 2022-23. Additional information on this program, as it relates to the Department of Natural Resources is included under a separate item (see "Natural Resources -- Forestry and Parks").

## Other Credits

Descriptions of budget provisions related to the homestead tax credit, earned income tax credit, enterprise zone tax credits, veterans property tax credit, other tax credits, and cigarette and tobacco products tax refunds are provided under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

## STATE FAIR PARK

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$2,438,000	\$2,072,800	\$1,667,500	-\$1,135,700	- 23.3%	0.00	0.00	0.00	0.00	N.A.
PR	<u>21,958,200</u>	<u>21,035,200</u>	<u>20,944,600</u>	<u>- 1,936,600</u>	- 4.4	<u>47.00</u>	<u>47.00</u>	<u>47.00</u>	<u>0.00</u>	0.0%
<b>TOTAL</b>	<b>\$24,396,200</b>	<b>\$23,108,000</b>	<b>\$22,612,100</b>	<b>-\$3,072,300</b>	<b>- 6.3%</b>	<b>47.00</b>	<b>47.00</b>	<b>47.00</b>	<b>0.00</b>	<b>0.0%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

PR	\$603,200
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Provide adjustments to the agency base budget for the following: (a) overtime (\$189,000 annually); and (b) full funding of continuing position salaries and fringe benefits (\$112,600 annually).

**2. DEBT SERVICE ESTIMATES [LFB Paper 102]**

GPR	- \$1,135,700
PR	<u>- 2,539,800</u>
<b>Total</b>	<b>- \$3,675,500</b>

Delete \$365,200 GPR and \$1,224,600 PR in 2021-22, and \$770,500 GPR and \$1,315,200 PR in 2022-23, to estimate principal and interest payments on outstanding bonds for State Fair Park facilities.

GPR debt service is associated with bonds issued to fund primarily agricultural and other exhibition facilities at State Fair Park, as well as various land acquisitions, certain infrastructure projects, and the Tommy G. Thompson Youth Center. Total GPR debt service payments for State Fair Park are budgeted at \$2.1 million in 2021-22 and \$1.7 million in 2022-23. State Fair Park's PR-supported debt service is primarily associated with the Milwaukee Mile racetrack and grandstand, the Wisconsin Exposition Center, and other general facilities improvements. PR-supported debt service is budgeted at \$2.0 million in each of 2021-22 and 2022-23.

## STATE TREASURER

Budget Summary						FTE Position Summary				
Fund	2020-21	<u>Act 58</u>		2021-23 Change Over		2020-21	<u>Act 58</u>		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Number
PR	\$120,100	\$126,800	\$126,800	\$13,400	5.6%	1.00	1.00	1.00	0.00	0.0%

### Budget Change Item

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

PR	\$13,400
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Provide adjustments to the base totaling \$6,700 PR annually for full funding of continuing position salaries and fringe benefits.

## SUPREME COURT

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$18,010,700	\$17,371,100	\$17,376,700	-\$1,273,600	- 3.5%	115.50	115.50	115.50	0.00	0.0%
FED	979,000	992,300	992,300	26,600	1.4	5.00	5.00	5.00	0.00	0.0
PR	13,457,300	14,394,500	14,401,700	1,881,600	7.0	110.75	110.75	110.75	0.00	0.0
SEG	836,500	596,500	596,600	- 479,900	- 28.7	5.00	1.60	1.60	- 3.40	- 68.0
<b>TOTAL</b>	<b>\$33,283,500</b>	<b>\$33,354,400</b>	<b>\$33,367,300</b>	<b>\$154,700</b>	<b>0.2%</b>	<b>236.25</b>	<b>232.85</b>	<b>232.85</b>	<b>- 3.40</b>	<b>- 1.4%</b>

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

Provide \$160,700 in 2021-22 and -\$376,900 in 2022-23 and -7.0 positions annually for standard budget adjustments associated with: (a) full finding of continuing position salaries and fringe benefits (-\$497,200 GPR, \$1,347,200 PR, \$13,300 FED and -\$60,600 SEG annually); (b) full funding of lease and directed move costs (-\$142,400 GPR, -\$410,100 PR, and -\$39,500 SEG in 2021-22 and -\$136,800 GPR, -\$402,700 PR, and -\$39,400 SEG in 2022-23; and (c) removal of non-continuing elements from the base (-\$50,000 PR in 2021-22 and -\$600,700 PR in 2022-23, and -7.0 PR project positions annually).

	Funding	Positions
GPR	-\$1,273,600	0.00
PR	1,230,900	- 7.00
FED	26,600	0.00
SEG	- 200,100	0.00
<b>Total</b>	<b>-\$216,200</b>	<b>- 7.00</b>

**2. ELIMINATE MEDICAL MEDIATION PANEL POSITIONS**

Provide adjustments of -\$139,900 and -3.4 positions annually to eliminate vacant positions and associated salary and fringe benefits funding from the Medical Mediation Panel. The Medical Mediation Panel manages the mediation system, which permits any person who has a tort or breach of contract claim for bodily injury or death based on professional services rendered or omitted by a health care provider to file a request for mediation funds, financed from filing fees and fees charged to health care providers. The Medical Mediation Panel office will continue to operate under the Medical Mediation Director (0.6 FTE) and Medical Mediation Assistant (0.6 FTE).

	Funding	Positions
SEG	-\$279,800	- 3.40

**3. CONSOLIDATED COURT AUTOMATION PROGRAMS POSITION AUTHORITY**

	<b>Funding</b>	<b>Positions</b>
PR	\$650,700	7.00

Provide \$50,100 in 2021-22, \$600,600 in 2022-23, and 7.0 positions annually for the Consolidated Court Automation Programs (CCAP). In May, 2020, the Director of State Courts Office requested the creation of 20.0 PR positions for CCAP under s. 16.505. On June 2, 2020, the Joint Committee on Finance approved the creation of 13.0 permanent positions and 7.0 two-year project positions. This item converts the 7.0 project positions to permanent operating systems technical support positions. [Note that the 7.0 project positions are deleted under standard budget adjustments.]

**4. JUDGE AND JUSTICE SALARY INCREASES**

Provide funding in compensation reserves for the purpose of increasing judge and justice salaries by 3% in 2021-22 (effective January, 2022) and by 4% in 2022-23 (effective January, 2023). These increases are in addition to general wage adjustments provided to state employees (2% effective January, 2022, and 2% effective January, 2023). Thus, wage increases for judge and justice salaries would be 5% in 2021-22 and 6% in 2022-23. [For additional information, see "Budget Management and Compensation Reserves."]

## TOURISM

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$5,350,700	\$6,758,100	\$6,758,100	\$2,814,800	26.3%	32.00	32.00	32.00	0.00	0.0%
FED	773,600	778,000	778,100	8,800	0.6	1.00	1.00	1.00	0.00	0.0
PR	9,408,400	9,412,200	9,412,200	7,600	0.0	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>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
Total	\$17,136,200	\$18,551,800	\$18,551,800	\$2,831,200	8.3%	34.00	34.00	34.00	0.00	0.0%

### Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

Provide adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits (\$257,200 GPR, \$3,800 PR, and \$4,400 FED annually); (b) full funding of lease and directed moves costs (\$14,600 GPR annually); and (c) removal of noncontinuing elements from the base (-3.00 GPR positions annually).

	Funding	Positions
GPR	\$543,600	- 3.00
PR	7,600	0.00
FED	<u>8,800</u>	<u>0.00</u>
Total	\$560,000	- 3.00

**2. MARKET EXPANSION FUNDS [LFB Paper 580]**

GPR	\$1,563,600
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Provide \$781,800 each year in ongoing funding for Tourism's general marketing of Wisconsin as a travel destination. 2019 Act 9 provided \$781,800 each year of the 2019-21 biennium in the Joint Committee on Finance's supplemental GPR appropriation for Tourism to request under s. 13.10 of the statutes. In September, 2019, the Committee transferred the amounts to Tourism on a one-time basis during the biennium. 2021 Act 58 provides this amount as base funding under Tourism's biennial GPR marketing appropriation. Under Act 58, \$13,289,500 is appropriated each year for marketing, including \$2,571,000 GPR, \$9,127,100 tribal gaming PR, and \$1,591,400 transportation SEG.

During the 2019-21 biennium, Tourism utilized additional funding to begin expansion into three new markets: Cedar Rapids and Davenport, Iowa, and Grand Rapids, Michigan. In March, 2021, Tourism also indicated an intent to expand to Rochester and Duluth, Minnesota; Des Moines, Iowa; Rockford, Illinois; and Wausau. The Department's typical targeted markets have included Chicago, Minneapolis/St. Paul, and St. Louis, in addition to in-state areas. Tourism also would

continue to utilize marketing funds for travel research, advertising campaign testing, marketing planning, media planning, and advertising production.

**3. OFFICE OF OUTDOOR RECREATION** [LFB Paper 582]

	<b>Funding</b>	<b>Positions</b>
GPR	\$707,600	3.00

Provide \$353,800 annually in one-time funding with 3.0 two-year project positions for the Office of Outdoor Recreation. 2019 Act 9 provided 3.0 GPR project positions and one-time funding in the 2019-21 biennium for the creation and operation of the Office of Outdoor Recreation to promote Wisconsin's outdoor recreational opportunities and to connect businesses in the outdoor recreation industry. These original positions and funding expired on June 30, 2021. The provision extends staffing and funding for the Office of Outdoor Recreation through June 30, 2023.

## TRANSPORTATION

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$116,095,500	\$102,108,700	\$90,806,300	-\$39,276,000	- 16.9%	0.00	0.00	0.00	0.00	N.A.
FED	889,342,500	901,814,200	917,872,900	41,002,100	2.3	825.82	825.82	825.82	0.00	0.0%
PR	10,873,500	11,153,300	11,153,300	559,600	2.6	18.00	18.00	18.00	0.00	0.0
SEG	2,044,908,600	2,108,821,800	2,014,687,100	33,691,700	0.8	2,395.29	2,390.09	2,390.09	- 5.20	- 0.2
SEG-L	115,325,600	115,325,600	115,325,600	0	0.0	0.00	0.00	0.00	0.00	N.A.
SEG-S	<u>123,859,400</u>	<u>114,764,600</u>	<u>112,764,600</u>	<u>- 20,189,600</u>	<u>- 8.2</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$3,300,405,100	\$3,353,988,200	\$3,262,609,800	\$15,787,800	0.2%	3,244.11	3,238.91	3,238.91	- 5.20	- 0.2%
BR		\$223,558,200								

### Budget Change Items

### Transportation Finance

#### 1. FUND CONDITION STATEMENT [LFB Paper 585]

The following table shows the estimated 2021-23 transportation fund condition statement under Act 58. Revenues reflect estimates of collections under existing tax, fee, and transfer rates as well as changes that would occur under the Act.

The "General Fund Transfer" amounts reflect the annual statutory transfers made from the general fund to the transportation fund. These amounts include the estimate of the current law transfer of 0.25% of general fund taxes as well as the estimate of the increased general fund transfers under Act 58 (see later item). These amounts are also based on estimated tax revenues as published in figure 20.005(1) of Act 58. Department of Transportation (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.

<b>Revenues</b>	<u>2021-22</u>	<u>2022-23</u>
Unappropriated Balance, July 1	\$35,554,300	\$2,266,900
<b>Revenues</b>		
Motor Fuel Tax	\$1,025,431,900	\$1,046,468,800
Registration and Title Fees		
Registration Revenues	693,856,100	697,884,300
Title Revenues	219,189,900	226,227,300
Miscellaneous Motor Vehicle Fees	25,887,700	25,970,500
Less Revenue Bond Debt Service	-220,762,600	-215,893,800
General Fund Transfer	178,869,600	97,289,300
Petroleum Inspection Fee One-Cent Deposit	38,500,000	39,350,000
Petroleum Inspection Fund Unencumbered Balance	15,088,900	15,985,800
Petroleum Inspection Fund Ongoing Transfer	6,258,500	6,258,500
Driver's License Fees	40,743,100	41,511,000
Railroad Property Taxes	44,124,200	44,675,700
Aeronautical Fees and Taxes	9,828,100	10,685,100
Miscellaneous Departmental Revenues	29,347,000	31,203,700
Investment Earnings	<u>3,000,000</u>	<u>3,000,000</u>
Total Annual Revenues	\$2,109,362,400	\$2,070,616,200
 Total Available	 \$2,144,916,700	 \$2,072,883,100

**Appropriations and Reserves**

DOT Appropriations	\$2,108,395,200	\$2,014,260,500
Compensation and Other Fund Reserves	10,000,000	12,000,000
Less Estimated Lapses	-3,000,000	-3,000,000
Other Agency Appropriations	<u>27,254,600</u>	<u>27,816,400</u>
Net Appropriations and Reserves	\$2,142,649,800	\$2,051,076,900
 Unappropriated Balance, June 30	 \$2,266,900	 \$21,806,200

**2. GENERAL FUND TRANSFERS TO TRANSPORTATION FUND**

GPR-Transfer	\$187,968,800
SEG-REV	187,968,800

Make the following changes: (a) increase the estimated current law 0.25% transfer of general fund taxes to the transportation fund compared to 2020-21 to reflect estimates of annual general fund tax revenues in the biennium by \$622,400 in 2021-22 and \$4,549,600 in 2022-23; (b) create a non-statutory provision that would transfer from the general fund to the transportation fund \$134,152,200 in 2021-22; and (c) increase the current law, annual transfer to the transportation fund of 0.25% of general fund taxes for each year in the general fund condition statement as enacted in the biennial budget, to 0.5% on a one-time basis in 2022-23, which is estimated to increase the amount transferred in 2022-23 by \$48,644,600. In total, these changes would result in an increase to the estimated transfer of general fund taxes to the transportation fund of \$187,968,800 in the biennium compared to the 2020-21 base year.

[Act 58 Sections: 16 and 9201(3m)]

### 3. 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 following table indicates the estimated amounts to be transferred from the general fund and the petroleum inspection fund in the 2021-23 biennium, as well as the amounts to be transferred in the current biennium. Use of other funds under Act 58 are estimated to total \$319.8 million.

The current law 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 each biennial budget. In 2021-22, on a one-time basis, an additional \$134,152,200 would be transferred. For 2022-23 the transfer percentage would equal 0.5%. Under Act 58, annual transfers of 0.25% of general fund taxes to the transportation fund would continue after the 2021-23 biennium.

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 petroleum inspection fund to the transportation fund, except for an amount equal to not less than 5% of the gross revenues of the petroleum inspection fund during the fiscal year in which the transfer is made. Under Act 58, there would be no change in law related to these two transfers from the petroleum inspection fund. The annual PIF unencumbered balance transfer is estimated at \$15,088,900 in 2021-22 and \$15,985,800 in 2022-23. The larger estimated transfer amount in 2019-21 reflects the large unencumbered balance available in the initial year of the transfer. In 2019-20, the initial transfer of the unencumbered PIF balance resulted in a \$61.3 million transfer to the transportation fund. These transfers are in addition to the ongoing statutory transfer from the petroleum inspection fund to the transportation fund of \$6,258,500 annually.

#### Use of Other Funds for Transportation Purposes -- Act 58 Biennial Comparison

	<u>2019-21</u>	<u>2021-23</u>	<u>Biennial Change</u>	<u>% Change</u>
<i>General Fund</i>				
Current Law Transfer	\$87,396,100	\$93,362,100	\$5,966,000	6.8%
One-Time Transfer in 2021-22	0	134,152,200	134,152,200	N/A
One-Time Transfer in 2022-23	<u>0</u>	<u>48,644,600</u>	<u>48,644,600</u>	<u>N/A</u>
Subtotal	\$87,396,100	\$276,158,900	\$188,762,800	216.0%
<i>Petroleum Inspection Fund</i>				
Annual Transfer Unencumbered Balance	\$74,068,100	\$31,074,700	-\$42,993,400	-58.0%
Ongoing Appropriation Transfer	<u>12,517,000</u>	<u>12,517,000</u>	<u>0</u>	<u>0.0</u>
Subtotal	\$86,585,100	\$43,591,700	-\$42,993,400	-49.7%
Total	\$173,981,200	\$319,750,600	\$145,769,400	83.8%

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 to the transportation fund of one cent of the two-cent petroleum inspection fee.

#### 4. ALLOCATION OF FEDERAL HIGHWAY AID

Estimate federal highway formula aid at \$803,443,100 in 2021-22 and \$819,501,800 in 2022-23, which represents increases of \$12,469,800 in 2021-22 and \$28,528,500 in 2022-23, relative to the 2020-21 appropriation adjusted base. The actual amount of the state's federal highway aid in 2021-23 will be determined on an annual basis under federal transportation appropriations acts of Congress. The estimate reflects uncertainty regarding the amount of federal transportation aid that will be appropriated by the federal government and made available to the state in the biennium. In addition, the federal surface transportation authorization act (the FAST Act) was set to expire on September 30, 2020 (state fiscal year 2020-21), but was extended for one additional year, through September 30, 2021, as part of a federal continuing resolution.

The following table shows the change to the appropriation base under Act 58 and the resulting distribution of federal highway formula aid. As shown in the table, Act 58 would primarily increase federal highway aid to the state highway rehabilitation program and major highway development program, while decreasing the amount of federal funds allocated to the southeast Wisconsin freeway megaprojects program, with minor adjustments to other appropriation allocations.

Appropriation	Base	Change to Base		Act 58	
		2021-22	2022-23	2021-22	2022-23
State Highway Rehabilitation	\$453,626,100	\$13,371,300	\$29,430,000	\$466,997,400	\$483,056,100
Major Highway Development	171,671,600	10,505,200	12,505,200	182,176,800	184,176,800
Local Transportation Facility Improvement Assistance	72,279,800	3,000	3,000	72,282,800	72,282,800
Southeast Freeway Megaprojects	27,386,300	-11,386,300	-13,386,300	16,000,000	14,000,000
Local Bridge Improvement	24,460,900	14,500	14,500	24,475,400	24,475,400
Departmental Mgmt. and Ops.	15,461,800	63,300	63,300	15,525,100	15,525,100
Congestion Mitigation/Air Quality Improvement	10,719,000	0	0	10,719,000	10,719,000
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Administration and Planning	3,803,300	-49,700	-49,700	3,753,300	3,753,300
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Highway System Mgmt. and Ops.	1,223,700	-51,500	-51,500	1,172,200	1,172,200
<b>Total</b>	<b>\$790,973,300</b>	<b>\$12,469,800</b>	<b>\$28,528,500</b>	<b>\$803,443,100</b>	<b>\$819,501,800</b>

#### 5. MOTOR VEHICLE FUEL SUPPLIER ADMINISTRATIVE ALLOWANCE

SEG-REV	- \$9,200,000
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Increase from 0.675% to 1.35% the administrative allowance that a licensed motor vehicle fuel supplier may deduct when remitting the fuel tax on gasoline to the Department of Revenue. Under current law, licensed motor vehicle fuel suppliers may deduct an allowance of 0.675% when remitting the fuel tax on gasoline to DOT. Of the 0.675% allowance, 0.625% must be passed on to the wholesale distributor by the supplier when the distributor pays the gasoline tax to the supplier. The allowance does not pertain to diesel fuel or the petroleum inspection fee. Specify that a licensed motor vehicle fuel supplier may deduct an allowance of 1.35% when remitting the fuel tax on gasoline to the Department and, of the 1.35% allowance, 1.25% would be required to be passed on to the wholesale distributor by the supplier when the distributor pays the gasoline tax

to the supplier. Specify that the provision would become effective on the first day of the third month beginning after publication of the bill. Assuming an October 1, 2021, effective date, decrease estimated transportation fund revenue by \$3,800,000 SEG-REV in 2021-22 and by \$5,400,000 SEG-REV in 2022-23.

[Act 58 Sections: 279 and 9437(1)]

## 6. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2019-21 biennium, and in 2021-23 under Act 58, by type of bond and program or project. Act 58 does not authorize any general fund-supported, general obligation bonding for transportation purposes in the 2021-23 biennium. 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 bond proceeds become the ultimate financing source for these projects.

	<u>2019-21</u>	<u>Act 58 2021-23</u>
<b>Transportation Fund-Supported, General Obligation Bonds</b>		
Southeast Wisconsin Freeway Megaprojects	\$95,000,000	\$40,000,000
Freight Rail Preservation	30,000,000	20,000,000
Harbor Assistance	32,000,000	15,300,000
Design-Build Projects	0	20,000,000
Major Interstate Bridges	27,000,000	0
High-Cost Bridge	<u>-10,000,000</u>	<u>0</u>
Subtotal	\$174,000,000	\$95,300,000
<b>Transportation Revenue Bonds</b>		
Major Highway Development*	\$142,254,600	\$128,258,200
Administrative Facilities**	<u>0</u>	<u>0</u>
Subtotal	\$142,254,600	\$128,258,200
<b>GPR-Supported, General Obligation Bonds</b>		
Passenger Rail Development	<u>\$10,000,000</u>	<u>\$0</u>
Total	\$326,254,600	\$223,558,200

\* Act 58 allocates \$20,765,000 in existing revenue bond proceeds for the major highway development program.

\*\* The 2019-21 budget allocated \$9.1 million in existing revenue bond proceeds for the administrative facilities program. Act 58 allocates \$13.0 million in existing revenue bond proceeds for the administrative facilities program.

## 7. TRANSPORTATION REVENUE BOND AUTHORIZATION

BR	\$128,258,200
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Authorize \$128,258,200 in transportation revenue bonds for major highway development projects. Require DOT to use up to \$20,765,000 of existing revenue bond authority for major highway development projects, and up to \$13,000,000 of existing revenue bond authority to fund administrative facility projects. [Estimated reductions to transportation fund revenue would be

\$1,025,200 in 2021-22 and \$7,580,900 in 2022-23, associated with the debt service due from the partial issuance of these bonds in the biennium (shown in a separate item).]

[Act 58 Sections: 323 and 9144(2) and (3)]

**8. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY**

This item summarizes the transportation fund-supported and general fund-supported debt service on transportation-related bonds under current law and Act 58.

*Transportation Fund-Supported.* Estimated transportation fund-supported debt service on previously authorized bonds and the bonds authorized in the biennium would total \$367,996,900 in 2021-22 and \$381,284,000 in 2022-23. Estimates of existing transportation fund-supported debt service on bonds issued for transportation purposes are shown in separate entries. The following table provides information on the estimates of transportation fund-supported debt service levels for each year of the 2019-21 biennium, as well as for each year of 2021-23 under Act 58.

**Gross Transportation Fund Revenue\***  
**(Excluding Federal Aid, Bond Revenue, and Transfers from Other Funds)**  
**and Transportation Fund-Supported Debt Service**  
**(\$ in Millions)**

<u>Fiscal Year</u>	<u>Transportation Fund Debt Service</u>	<u>Gross Transportation Fund Revenue</u>	<u>Debt Service as % of Revenue</u>
2019-20	\$371.1	\$2,006.2	18.5%
2020-21	361.8	2,099.4	17.2
2021-22	368.0	2,129.9	17.3
2022-23	381.3	2,167.0	17.6

\*Revenue is shown before the payment of revenue bond debt service.

Note: Debt service and revenue amounts shown for 2019-20 are actual. Amounts for 2020-21 reflect a May, 2021, re-estimate. Amounts for 2021-22 and 2022-23 are estimated and reflect existing debt service and debt service on bonds authorized under Act 58.

*General Fund-Supported.* General fund-supported debt is not included in the above calculation of transportation fund-supported debt service as a percentage of transportation revenue. The estimate of existing general fund-supported debt service on bonds issued for transportation purposes (\$102.1 million in 2021-22 and \$90.8 million in 2022-23) is shown in a separate entry.

**9. TRANSPORTATION REVENUE BOND DEBT SERVICE ESTIMATE [LFB Papers 606 and 630]** SEG-REV - \$45,778,800

Decrease estimated transportation fund revenue by \$25,323,900 in 2021-22 and by \$20,454,900 in 2022-23 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds.

Of these amounts, revenue reductions of \$943,900 in 2021-22 and \$6,978,100 in 2022-23 relate to the revenue bonds that would be authorized or issued under the bill for the major highway development program and revenue reductions of \$81,300 in 2021-22 and \$602,800 in 2022-23 relate to the revenue bonds that would be authorized and issued in the biennium for DOT administrative facilities purposes. Revenue bond debt service is primarily paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, these debt service payments are considered a negative adjustment to revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2020-21 is estimated at \$195,438,800, an amount that is projected to increase to an estimated \$220,762,700 in 2021-22 and \$215,893,700 in 2022-23.

**10. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE ESTIMATE -- SOUTHEAST WISCONSIN FREEWAY AND HIGH-COST BRIDGE PROJECTS** [LFB Papers 102, 607, and 608] SEG - \$9,842,200

Make the following changes to decrease funding by \$9,043,800 in 2021-22 and \$798,400 in 2022-23 to fund the estimated transportation fund-supported, general obligation bond debt service associated with bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge projects: (a) decreases of \$9,043,800 in 2021-22 and \$2,903,400 in 2022-23 associated with a estimate of existing debt service; (b) an increase of \$1,052,500 in 2022-23 associated with the partial issuance of \$40.0 million in bonds in the southeast Wisconsin freeway megaprojects program for the I-94 East-West project; and (c) an increase of \$1,052,500 in 2022-23 associated with the partial issuance of \$20.0 million in bonds for design-build projects (see "State Highway Program"). Base funding for these appropriations is \$95,411,300, and would decrease to \$86,367,500 in 2021-22 and \$94,612,900 in 2022-23 under this estimate.

**11. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE ESTIMATE -- CONTINGENT HIGHWAY BONDS** [LFB Paper 102] SEG - \$3,998,200

Decrease funding by \$1,933,400 in 2021-22 and \$2,064,800 in 2022-23 to fund the estimated transportation fund-supported, general obligation bond debt service associated with existing bonds authorized for state highway rehabilitation and major highway development projects. No new bonds would be authorized associated with this bonding purpose under the bill. Base funding for this appropriation is \$14,310,000, and would decrease to \$12,376,600 in 2021-22 and \$12,245,200 in 2022-23 under this estimate.

**12. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE ESTIMATE -- OTHER PROJECTS** [LFB Papers 102, 596, and 597] SEG - \$13,332,200

Make the following changes to decrease funding by \$11,687,200 in 2021-22 and by \$1,645,000 in 2022-23 to fund the estimated transportation fund-supported, general obligation

bond debt service associated with bonds authorized for state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities: (a) decreases of \$11,687,200 in 2021-22 and \$2,573,900 in 2022-23 associated with a estimate of existing debt service; (b) an increase of \$526,300 in 2022-23 associated with the partial issuance of \$20.0 million in bonds in the freight rail preservation program; and (c) an increase of \$402,600 in 2022-23 associated with the partial issuance of \$15.3 million in bonds for the harbor assistance program (see "Local Transportation Assistance"). Combined base funding for these appropriations is \$60,177,000, and would decrease to \$48,489,800 in 2021-22 and \$58,532,000 in 2022-23 under this estimate.

**13. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE ESTIMATE [LFB Paper 102]** GPR - \$39,276,000

Decrease funding by \$13,986,800 in 2021-22 and by \$25,289,200 in 2022-23 to fund the estimated debt service associated with existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. No new general fund-supported, general obligation bonds are authorized under Act 58. Base funding for these appropriations are \$116,095,500 and would decrease to \$102,108,700 in 2021-22 and \$90,806,300 in 2022-23.

### Local Transportation Aid

**1. GENERAL TRANSPORTATION AIDS [LFB Paper 590]** SEG \$19,095,300

Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by \$611,000 in 2021-22 and \$3,067,300 in 2022-23 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for counties. The calendar year distribution for counties is currently equal to \$122,203,200. This would provide a calendar year distribution amount for counties equal to \$124,647,300 for 2022 and \$127,140,200 for 2023 and thereafter.

b. *Municipal Aid.* Increase funding by \$3,835,100 in 2021-22 and \$11,581,900 in 2022-23 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for municipalities. The calendar year distribution level for municipalities is currently equal to \$383,503,200. This would provide a calendar year distribution amount for municipalities equal to \$391,173,300 for 2022 and \$398,996,800 for 2023 and thereafter. Increase the mileage aid rate by 2.0% each year (from its current level of \$2,628 per mile) to \$2,681 per mile for calendar year 2022 and \$2,734 per mile for calendar year 2023 and thereafter.

There are two basic formulas by which general transportation aid is distributed: (a) share of costs aid; and (b) mileage aid. Counties receive only share of costs aid, while municipalities

(including towns) receive payments based on either share of costs aid or mileage aid, whichever is greater. Share of costs aid amounts are computed by multiplying each community's six-year average highway-related costs (2014 through 2019 for 2021 payments) by a statewide average cost-sharing percentage. Mileage aid (mostly received by towns) is computed by multiplying the number of miles of road or street under the jurisdiction of each municipality by a specified mileage rate.

Delete the statutory references to prior calendar year funding amounts for counties and municipalities, as well as the prior year mileage aid rate amounts for municipalities.

[Act 58 Sections: 327, 331, and 332]

## **2. GENERAL TRANSPORTATION AID FORMULA ADJUSTMENT FOR TOWNS WITH LOW EQUALIZED VALUES**

For a town with an equalized value in the previous year in the bottom quartile of equalized values of towns in the state for that year, increase the current law 85% cost cap under the general transportation aid (GTA) formula to 98%, so that no such town in the bottom quartile may receive a GTA distribution greater than 98% of its 3-year average costs. Specify that equalized values would be those determined by the Department of Revenue under current law. Given that this adjustment to the cost threshold would occur within the aid formula, any funds needed to cover up to 98% of cost for affected towns would be drawn from municipalities on the share of cost component of the formula. The proposal would reduce funding otherwise available to those municipalities on the share-of-cost component of the GTA formula (primarily villages and cities). Had this provision been in effect in 2021, it would have made \$550,000 less available for these municipalities.

[Act 58 Sections: 328 and 329]

## **3. GENERAL TRANSPORTATION AID LIMITATION ADJUSTMENT APPROPRIATION**

SEG	\$2,000,000
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Provide \$1,000,000 SEG annually to a new, annual appropriation to make general transportation aid (GTA) adjustment payments to towns receiving mileage aid whose costs are affected by the timing of when reimbursement payments are reported as revenue. Specify that if the amount of GTA paid to a town is limited by either the 85% cost cap or 98% cost cap (as provided in the prior item), to an amount less than the amount calculated under the mileage aid formula, and DOT determines that the limitation was caused by the timing of a reimbursement (typically a disaster damage aid payment or a local road improvement project payment) for an expenditure made by the town, the Department would be required to make an additional aid payment to the town from the appropriation in an amount that DOT determines will compensate the town for the diminished payments. Provide that if the moneys appropriated are not sufficient to fully compensate towns qualifying for adjustment payments, the Department may prorate the payments among qualifying towns.

[Act 58 Sections: 57 and 330]

**4. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 591]**

SEG	- \$41,341,600
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Reduce funding by \$10,335,400 in 2021-22 and \$31,006,200 in 2022-23 to reflect a one-time 50% funding reduction in calendar year 2022 aid for Tier A-1 (Milwaukee) and Tier A-2 (Madison) systems. Funding would be reduced by \$8,184,700 in 2021-22 and \$24,554,200 in 2022-23 for Tier A-1; and (b) \$2,150,700 in 2021-22 and \$6,452,000 in 2022-23 for Tier A-2.

Specify that base funding for mass transit operating assistance would remain at \$112,952,300 annually (the 2020-21 funding amount) to begin the 2023-25 biennium. Delete the statutory references to prior calendar year funding amounts for Tier A-1 and Tier A-2 of mass transit systems. Set the statutory calendar year distribution amounts at \$32,738,900 in 2022 and \$65,477,800 in 2023 and thereafter for Tier A-1, \$8,602,700 in 2022 and \$17,205,400 in 2023 and thereafter for Tier A-2.

[Act 58 Sections: 324, 325, and 9144(1)]

**5. TRANSPORTATION EMPLOYMENT AND MOBILITY [LFB Paper 593]**

SEG	\$500,000
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Provide \$250,000 SEG annually to the Department's transportation employment and mobility continuing appropriation. This would increase funding from \$582,600 in base funding to \$832,600 annually. The additional funding provide to DOT would increase funding available to the WETAP program to \$1,297,400, when combined with \$464,800 GPR provided annually to the Department of Workforce Development (DWD).

**6. PARATRANSIT AIDS**

SEG	\$228,700
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Provide \$75,600 in 2021-22 and \$153,100 in 2022-23 for a 2.5% increase to funding for paratransit aid in each year of the 2021-23 biennium. This would increase funding from \$3,025,000 in base funding to \$3,100,600 in 2021-22 and \$3,178,100 in 2022-23.

Under current law, DOT is required to provide paratransit aid to assist eligible urban mass transit operating assistance recipients with the provision of paratransit service required under the Americans with Disabilities Act. In awarding the paratransit grants to eligible urban mass transit systems, the Department must: (a) maximize the level of paratransit service provided by those systems; and (b) give priority to eligible applicants for the maintenance of paratransit service provided on July 1, 2011.

**7. SENIORS AND INDIVIDUALS WITH DISABILITIES SPECIALIZED ASSISTANCE PROGRAM**

SEG	\$69,200
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Provide \$22,900 in 2021-22 and \$46,300 in 2022-23 for a 2.5% increase to funding for the seniors and individuals with disabilities specialized assistance program in each year of the 2021-23 biennium. This would increase funding from \$912,700 in base funding to \$935,600 in 2021-22

and \$959,000 in 2022-23. State specialized assistance funding supplements federal section 5310 funding (enhanced mobility of seniors and individuals with disabilities program) to aid eligible applicants in Wisconsin's rural and small urban areas with transit capital and operating projects that serve seniors and individuals with disabilities.

## **Local Transportation Assistance**

**1. LOCAL SUPPLEMENTAL GRANT PROGRAM [LFB Paper 595]**

SEG	\$100,000,000
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Provide \$100,000,000 on a one-time basis in 2021-22 to fund local government project costs that would be eligible for program funding under the current law local roads improvement discretionary component. Modify and renumber an existing continuing GPR appropriation created in 2019 Act 9 that provided a one-time supplement of \$90.0 million to the local roads improvement program in 2019-20 to instead provide SEG funding for the newly-created local supplemental grant program. Require the Department to solicit and provide grants until all appropriated funds have been expended. Maintain existing program provisions from the 2019-20 GPR-funded program, including matching requirements and the percentage of total allocation that is awarded for county trunk highway improvements, town road improvements, and municipal street improvements. The following would be allocated as follows: (a) \$35,559,100 for county projects; (b) \$25,386,000 for municipal projects; and (c) \$39,054,900 for town projects. A required local project cost match of 10% of total project cost would apply to projects submitted for funding. DOT would be required to solicit project applications for this funding until the funds appropriated have been expended.

[Act 58 Sections: 58, 333, and 334]

**2. HIGH-COST LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM -- SOUTHERN BRIDGE PROJECT IN BROWN COUNTY**

Require DOT to include a request in their 2023-25 agency budget request to fund the "Southern Bridge" project crossing the Fox River in Brown County. Define the "Southern Bridge" to be the segment of County Highway GV from County Highway D to State Highway 57 in Brown County.

[Act 58 Sections: 281 and 9144(4)]

**3. HARBOR ASSISTANCE PROGRAM [LFB Paper 596]**

BR	\$15,300,000
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Authorize \$15,300,000 in transportation fund-supported, general obligation bonds for the harbor assistance program in the 2021-23 biennium, which provides grants for capital improvements to harbors on the Great Lakes or the Mississippi River system. The amount

authorized would be \$16,700,000 less than the \$32,000,000 in bonding authority provided in the 2019-21 biennium (which also included a \$13,200,000 SEG increase), although a provision of the 2019-21 biennial budget earmarked up to \$29.0 million of that program funding for Marinette Marine. As a result, \$16,200,000 in the program funding was generally available for projects in the 2019-21 biennium. Base program funding of \$651,000 SEG annually also exists to help fund project costs (\$493,800 annually) and administrative costs (\$157,200 annually).

Estimated transportation fund-supported, general obligation bond debt service associated with the partial issuance of these bonds, which would increase by \$402,600 SEG in 2022-23, is shown under a separate item (see "Transportation Finance").

[Act 58 Section: 106]

**4. FREIGHT RAIL PRESERVATION PROGRAM** [LFB Paper 

BR	\$20,000,000
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 597]

Authorize \$20,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program in the 2021-23 biennium. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds authorized would be \$10,000,000 less than the \$30,000,000 in bond authority provided under the 2019-21 biennial budget. Estimated transportation fund-supported, general obligation bond debt service associated with the partial issuance of these bonds, which would increase by \$526,300 SEG in 2022-23, is shown under a separate item (see "Transportation Finance").

[Act 58 Section: 107]

## State Highway Program

### 1. STATE HIGHWAY PROGRAM SUMMARY

The following tables compare total funding for state highway improvement programs in 2020-21 and under Act 58 for those programs in the 2021-23 biennium. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2020-21 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2020-21.

**State Highway Improvement Program --  
Act 58 Comparison**

Fund Source	2020-21 Base Plus Bonds	Act 58*		Change to Base Plus Bonds Doubled	
		2021-22	2022-23	Amount	% Change
SEG	\$596,156,600	\$590,939,500	\$589,295,400	-\$12,078,300	-1.0%
FED	652,684,000	665,174,200	681,232,900	41,039,100	3.1
Bonds	147,127,300	95,129,100	93,129,100	-105,996,600	-36.0
Existing Rev. Bonds	<u>15,460,000</u>	<u>10,382,500</u>	<u>10,382,500</u>	<u>-10,155,000</u>	-32.8
<b>Total</b>	<b>\$1,411,427,900</b>	<b>\$1,361,625,300</b>	<b>\$1,374,039,900</b>	<b>-\$87,190,600</b>	<b>-3.1%</b>

\*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

The following tables compare total funding for state highway improvement programs in the 2019-21 biennium with the amounts provided under Act 58, including standard budget adjustments. The tables show total biennial program resources by funding type and the percentage change to the composition of program funding.

**State Highway Improvement Program Summary --  
2019-21 to 2021-23 Act 58 Comparison**

Fund Source	2019-21	2021-23 Act 58*	Biennial Change in Resources	% Change
SEG	\$1,156,378,400	\$1,180,234,900	\$23,856,500	2.1%
FED	1,303,860,600	1,346,407,100	42,546,500	3.3
Bonds	254,254,600	188,258,200	-65,996,400	-26.0
Existing Rev. Bonds	<u>30,920,000</u>	<u>20,765,000</u>	<u>-10,155,000</u>	-32.8
<b>Total</b>	<b>\$2,745,413,600</b>	<b>\$2,735,665,200</b>	<b>-\$9,748,400</b>	<b>-0.4%</b>

\*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**State Highway Improvement Program Component Summary --  
2019-21 to 2021-23 Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21</u>	<u>2021-23 Act 58*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
<b>State Highway Rehabilitation</b>				
SEG	\$1,040,836,000	\$1,118,011,700	\$77,175,700	7.4%
FED	896,977,600	950,053,500	53,075,900	5.9
Gen Ob. Bonds (SEG)	<u>0</u>	<u>0</u>	<u>0</u>	0.0
Subtotal	\$1,937,813,600	\$2,068,065,200	\$130,251,600	6.7%
<b>Major Highway Development</b>				
SEG	\$52,223,200	\$50,223,200	-\$2,000,000	-3.8%
FED	338,802,200	366,353,600	27,551,400	8.1
Trans. Revenue Bonds	142,254,600	128,258,200	-13,996,400	-9.8
Existing Bond Proceeds	<u>30,920,000</u>	<u>20,765,000</u>	<u>-10,155,000</u>	-32.8
Subtotal	\$564,200,000	\$565,600,000	\$1,400,000	0.2%
<b>SE Wis. Freeway Megaprojects</b>				
SEG	\$63,319,200	\$12,000,000	-\$51,319,200	-81.0%
FED	68,080,800	30,000,000	-38,080,800	-55.9
Gen. Ob. Bonds (SEG)	<u>95,000,000</u>	<u>40,000,000</u>	<u>-55,000,000</u>	-57.9
Subtotal	\$226,400,000	\$82,000,000	-\$144,400,000	-63.8%
<b>Design-Build Projects</b>				
Gen Ob. Bonds (SEG)	\$0	\$20,000,000	\$20,000,000	N.A
<b>Major Interstate Bridge Construction</b>				
Gen Ob. Bonds (SEG)	\$27,000,000	\$0	-\$27,000,000	-100.0%
<b>High-Cost Bridge</b>				
Gen Ob. Bonds (SEG)	-\$10,000,000	\$0	\$10,000,000	N.A
Total	\$2,745,413,600	\$2,735,665,200	-\$9,748,400	-0.4%

\*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**2. STATE HIGHWAY REHABILITATION PROGRAM [LFB  
Paper 605]**

SEG	\$56,803,700
FED	<u>43,743,900</u>
Total	\$100,547,600

Make the following changes to the state highway rehabilitation program's funding in order to provide a 2021-23 funding level of \$2,068,065,200 in the biennium (as shown in the tables below). This provides increases in base level funding of: (a) \$31,223,900 SEG in 2021-22 and \$25,579,800 SEG in 2022-23; and (b) \$13,842,600 FED in 2021-22 and \$29,901,300 FED in 2022-23. [Standard budget adjustment reductions of \$13,471,600 SEG annually and \$353,300 FED annually are reported in a separate item (see "Departmentwide"). In addition, the state highway rehabilitation program would have reductions of \$5,300 SEG annually and \$118,000 FED annually due to a minor departmental reorganization approved by the Joint Committee on Finance. These items are reflected in separate provisions.]

**State Highway Rehabilitation Program --  
Base Funding to Act 58 Comparison**

<u>Fund</u>	<u>2020-21 Adjusted Base Plus Bonds*</u>	<u>Act 58**</u>	
		<u>2021-22</u>	<u>2022-23</u>
SEG	\$544,080,900	\$561,827,900	\$556,183,800
FED	453,626,100	466,997,400	483,056,100
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$997,707,000	\$1,028,825,300	\$1,039,239,900

\* Includes \$2,684,900 SEG and \$2,372,600 FED associated with adjustments to the 2020-21 base funding amount.

\*\* Amounts shown comprise all state highway rehabilitation recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

**State Highway Rehabilitation Program Funding --  
2019-21 to 2021-23 Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21 Biennium</u>		
	<u>2019-20</u>	<u>2020-21</u>	<u>Biennial Total</u>
SEG	\$499,440,000	\$541,396,000	\$1,040,836,000
FED	<u>445,724,100</u>	<u>451,253,500</u>	<u>896,977,600</u>
Total	\$945,164,100	\$992,649,500	\$1,937,813,600

<u>Fund Source</u>	<u>Act 58 - 2021-23*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$561,827,900	\$556,183,800	\$1,118,011,700
FED	466,997,400	483,056,100	950,053,500
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,028,825,300	\$1,039,239,900	\$2,068,065,200

% Change in Resources 6.7%

\*Includes \$2,684,900 SEG and \$2,372,600 FED associated with adjustments to the 2020-21 base funding amount, standard budget adjustments, and a minor departmental reorganization.

**3. STATE HIGHWAY REHABILITATION PROGRAM -- I-94 AND MOORLAND ROAD INTERCHANGE IN WAUKESHA COUNTY**

Require the Department to allocate \$1,750,000 SEG for the construction of geometric improvements to improve the safety of the interchange of I-94 and Moorland Road in Waukesha County in the 2021-23 biennium. List this allocation as allowable use funds from the state highway rehabilitation SEG appropriation.

[Act 58 Sections: 59 and 9144(5)]

**4. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 606]**

SEG	\$1,342,400
FED	23,284,200
SEG-S	<u>- 24,151,400</u>
Total	\$475,200

Make the following changes to the major highway development program's funding in order to provide a 2021-23 funding level of \$565,600,000: (a) an increase of \$671,200 SEG annually; (b) increases of \$10,642,100 FED in 2021-22 and \$12,642,100 FED in 2022-23; and (c) decreases of \$11,075,700 SEG-S (revenue bond proceeds) in 2021-22 and \$13,075,700 SEG-S in 2022-23

In addition, require the Department to utilize \$20,765,000 in existing transportation revenue bond authority for these purposes. [Change in transportation revenue bond authority is shown in "Transportation Finance".] Estimated reductions to transportation fund revenue of \$943,900 SEG-REV in 2021-22 and \$6,978,200 SEG-REV in 2022-23 associated with the partial issuance of the revenue bonds under this provision are included in a separate item (see "Transportation Finance"). [Standard budget adjustment reductions of \$868,700 SEG annually and \$136,900 FED annually are reflected in a separate item (see "Departmentwide").]

The following tables compare the base year (2020-21) and 2019-21 biennium's major highway development program funding with the 2021-23 biennial funding level under Act 58.

**Major Highway Development Program --  
Base Funding to 2021-23 Act 58 Comparison**

<u>Fund</u>	2020-21 Adjusted <u>Base Plus Bonds*</u>	<u>Act 58**</u>	
		<u>2021-22</u>	<u>2022-23</u>
SEG	\$25,309,100	\$25,111,600	\$25,111,600
FED	171,671,600	182,176,800	184,176,800
Revenue Bonds (SEG-S)	71,127,300	65,129,100	63,129,200
Existing Bond Proceeds (SEG-S)	<u>15,460,000</u>	<u>10,382,500</u>	<u>10,382,500</u>
Total	\$283,568,000	\$282,800,000	\$282,800,000

\* Includes \$197,500 SEG and \$570,500 FED associated with adjustments to the 2020-21 base funding amount.

\*\* Amounts shown comprise all major highway development recommendation items, including adjustments to the base and standard budget adjustments.

**Major Highway Development Program Funding --  
2019-21 to 2021-23 Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21 Biennium</u>		<u>Biennial Total</u>
	<u>2019-20</u>	<u>2020-21</u>	
SEG	\$27,111,600	\$25,111,600	\$52,223,200
FED	167,701,100	171,101,100	338,802,200
Revenue Bonds (SEG-S)	71,127,300	71,127,300	142,254,600
Existing Bond Proceeds (SEG-S)	<u>15,460,000</u>	<u>15,460,000</u>	<u>30,920,000</u>
Total	\$281,400,000	\$282,800,000	\$564,200,000

<u>Fund Source</u>	<u>Act 58 - 2021-23*</u>		<u>Biennial Total</u>
	<u>2021-22</u>	<u>2022-23</u>	
SEG	\$25,111,600	\$25,111,600	\$50,223,200
FED	182,176,800	184,176,800	366,353,600
Revenue Bonds (SEG-S)	65,129,100	63,129,100	128,258,200
Existing Bond Proceeds (SEG-S)	<u>10,382,500</u>	<u>10,382,500</u>	<u>20,765,000</u>
Total	\$282,800,000	\$282,800,000	\$565,600,000

% Change in Resources 0.2%

\*Includes \$197,500 SEG and \$570,500 FED associated with adjustments to the 2020-21 base funding amount, and standard budget adjustments.

Estimated project completion schedules for major highway development projects receiving funding and under Act 58, are shown in the following table. Anticipated completion dates indicate when the mainline is open to traffic provided by DOT in the February, 2021, report to the Transportation Projects Commission (TPC), which may be different than the final year of expenditure.

**Anticipated Major Highway Development Project Completion Dates  
Under Funding Included in Act 58 (\$565.6 Million in 2021-23)**

<u>Highway</u>	<u>Project Segment</u>	<u>Counties</u>	<u>Completion Year</u>	<u>Completion Delay</u>
STH 23	STH 67 to USH 41	Sheboygan & Fond du Lac	2022	No Delay
STH 15	STH 76 to New London	Outagamie	2024	No Delay
I-39/90	Illinois State Line to USH 12/18	Dane & Rock	2021	No Delay
STH 50	I-41/94 to 43 <sup>rd</sup> Avenue	Kenosha	2023	No Delay
I-43*	Silver Spring Drive to STH 60	Milwaukee & Ozaukee	2025	No Delay
I-41*	STH 96 to Brown CTH F	Outagamie & Brown	**	**
I-39/90/94***	Bridges over Wisconsin River	Columbia	2026	No Delay
USH 51***	I-39/90 to USH 12/18	Dane	**	**

\* Enumerated in the 2019-21 biennial budget act.

\*\* The final design, cost, and completion date has yet to be determined. DOT indicated the project cost estimate and schedule will be identified in the August, 2021, TPC report.

\*\*\* Approved by the TPC in their December, 2020, meeting, and do not require enumeration to begin construction because they were approved as high-cost projects that do not meet the statutory capacity expansion thresholds.

[Act 58 Sections: 323 and 9144(3)]

**5. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS**  
[LFB Paper 607]

SEG	- \$40,479,400
FED	- 24,505,400
BR	<u>40,000,000</u>
Total	- \$24,984,800

Make the following changes to the southeast Wisconsin freeway megaprojects program's funding in order to provide a 2021-23 funding level of \$82,000,000: (a) reductions of \$22,239,700 SEG and \$11,252,700 FED in 2021-22; (b) reductions of \$18,239,700 SEG and \$13,252,700 FED in 2022-23; and (c) authorization of \$40,000,000 in transportation fund-supported, general obligation bonds for the I-94 East-West corridor reconstruction project, which is enumerated as a southeast Wisconsin freeway megaproject under Act 58 (shown in a separate item).

Specify that the I-94 East-West corridor reconstruction project would be an allowable use of bond proceeds from the existing transportation fund-supported southeast Wisconsin megaprojects general obligation bonding authorization. Estimated debt service associated with the partial issuance of these bonds in the biennium of \$1,052,500 SEG in 2022-23 under this provision is included in a separate item (see "Transportation Finance"). [Standard budget adjustment reductions of \$526,900 SEG annually and \$133,600 FED annually are reflected in a separate item (see "Departmentwide").]

The following tables compare the base year (2020-21) and 2019-21 biennium's southeast Wisconsin freeway megaprojects program funding with the 2021-23 biennial funding level under Act 58.

**Southeast Wisconsin Freeway Megaproject Program --  
Base Funding to Act 58 Comparison**

<u>Fund</u>	2020-21 Adjusted <u>Base Plus Bonds*</u>	<u>Act 58**</u>	
		<u>2021-22</u>	<u>2022-23</u>
SEG	\$26,766,600	\$4,000,000	\$8,000,000
FED	27,386,300	16,000,000	14,000,000
Gen. Ob. Bonds (SEG)	<u>62,500,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Total	\$116,652,900	\$40,000,000	\$42,000,000

\* Includes \$107,000 SEG and \$310,600 FED associated with adjustments to the 2020-21 base funding amount and standard budget adjustments.

\*\* Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base and standard budget adjustments.

**Southeast Wisconsin Freeway Megaprojects Program Funding --  
2019-21 to 2021-23 Act 58 Comparison**

<u>Fund Source</u>	<u>2019-21 Biennium</u>		
	<u>2019-20</u>	<u>2020-21</u>	<u>Biennial Total</u>
SEG	\$36,659,600	\$26,659,600	\$63,319,200
FED	41,005,100	27,075,700	68,080,800
Gen. Ob. Bonds (SEG)	<u>32,500,000</u>	<u>62,500,000</u>	<u>95,000,000</u>
Total	\$110,164,700	\$116,235,300	\$226,400,000

<u>Fund Source</u>	<u>Act 58 - 2021-23*</u>		
	<u>2021-22</u>	<u>2022-23</u>	<u>Biennial Total</u>
SEG	\$4,000,000	\$8,000,000	\$12,000,000
FED	16,000,000	14,000,000	30,000,000
Gen. Ob. Bonds (SEG)	<u>20,000,000</u>	<u>20,000,000</u>	<u>40,000,000</u>
Total	\$40,000,000	\$42,000,000	\$82,000,000

% Change in Resources -63.8%

\*Includes \$107,000 SEG and \$310,600 FED annually associated with adjustment to the 2020-21 base funding amount, and standard budget adjustments.

[Act 58 Sections: 104 and 320]

**6. ENUMERATION OF I-94 EAST-WEST CORRIDOR PROJECT IN MILWAUKEE COUNTY AS A SOUTHEAST WISCONSIN FREEWAY MEGAPROJECT [LFB Paper 607]**

Enumerate the I-94 East-West corridor reconstruction project from 70th Street to 16th Street in Milwaukee County as a southeast Wisconsin freeway megaproject. Define the project as "all freeways, including related interchange ramps, roadways, and shoulders, encompassing I-94 in Milwaukee County from 70<sup>th</sup> Street to 16<sup>th</sup> Street, and all adjacent frontage roads and collector road systems." Statutory enumeration is required before southeast Wisconsin freeway megaprojects may begin construction.

The 3.5-mile project would reconstruct I-94 in Milwaukee County between the project boundaries, expand the existing roadway from six to eight lanes (four in each direction), reconstruct or redevelop affected interchanges, and complete related local road construction as a part of the project. The project's September, 2016, federal record of decision indicated that the total, inflation-adjusted cost was estimated at \$1.1 billion. That record of decision was rescinded by the Federal Highway Administration at DOT's request. Subsequently, as part of the 2019-21 biennial budget, \$20.0 million was provided to DOT to reinitiate work on the project, including work necessary to receive a new federal record of decision.

Authorize \$40.0 million in transportation fund-supported, general obligation bonds in the 2021-23 biennium under the southeast Wisconsin freeway megaprojects program to be used on the I-94 East-West project (see separate recommended item). If enumerated and funded, DOT indicates that construction could begin in the 2023-25 biennium.

[Act 58 Sections: 104, 282 thru 285, 287, and 320]

**7. STATE HIGHWAY DESIGN-BUILD PROJECTS [LFB Paper 608]**

BR	\$20,000,000
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Authorize \$20,000,000 in transportation fund-supported, general obligation bonds for state highway improvement program projects utilizing the design-build method in the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs. Create a new bonding authorization for this purpose and modify an existing SEG debt service appropriation to include the debt service on these bonds as an allowable expenditure. Specify that projects in the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs could be funded from this bonding authority.

Estimated debt service associated with the partial issuance of these bonds in the biennium of \$1,052,500 SEG in 2022-23 is included under a separate item (see "Transportation Finance").

[Act 58 Sections: 60, 105, 286, 321, and 322]

**8. ALTERNATIVE HIGHWAY PROJECT DELIVERY METHODS AND PROGRAM**

Make the following changes to the current law alternative highway project delivery methods

program.

Design-Build Projects. Require the Department to administer a pilot program under which not more than six contracts are awarded for design-build projects. Specify that DOT may not expend more than \$250,000,000 for six design-build contracts designated as follows: (a) one low bid design-build contract for a project with an estimated value of not more than \$25,000,000; (b) one best value design-build contract for a project with an estimated value of not more than \$75,000,000; (c) one fixed price variable scope design-build contract with an estimated value of not more than \$75,000,000; and (d) three contracts designated by the director with a total estimated value of not more than \$125,000,000. The Department may enter into a low bid design-build contract, best value design-build contract or a fixed price variable scope design-build contract under this subdivision.

Technical Review Committee. Specify that the DOT Secretary appoint five individuals to a technical review committee to evaluate design-build proposals, and specify procedures and requirements related to the committee. Provide that the committee consist of the following: (a) an employee of the Department representing a regional office of the Department; (b) two employees of the Department representing the division of the Department responsible for transportation project development; (c) one person representing a state association of architectural, engineering, or design companies; and (d) one person representing a state association of transportation construction companies.

Request for Qualifications and Request for Proposals. Restore provisions related to request for qualifications including prohibiting DOT from including a level of experience requirement in requests for qualifications that unreasonably restricts competition and restoring requirements relating to contractors' duration and extent of contracting activities in the state, and related standards for professional standing. Restore the requirements related to request for proposals that specify the percentage of design-build work that would be required to be performed directly by the prime, design-build contractor.

Reports. Require DOT to submit a report to the Joint Committee on Finance and standing committees of the Legislature for transportation matters, no more than 6 months following the completion of a design-build project, detailing the project, the decision to designate the project as a design-build project, the type of contract, and recommendations for statutory changes, if any. Require the applicable standing committees to schedule a hearing on the report not more than 30 days following distribution of the report. These provisions would not apply to projects completed after December 31, 2025.

Require DOT to submit a report to the Joint Committee on Finance and standing committees of the Legislature for transportation matters no later than December 31, 2026, summarizing observations of the process utilized for alternative highway project delivery methods and describing the effectiveness of contracting procedures, including discussion on: (a) scope of work; (b) history of projects selected; (c) evaluation criteria; (d) selection process; (e) contract administration; (f) work progression; and (g) time and cost comparisons between the traditional contracting method and alternative delivery methods, claims, and changes. No later than six months after receipt of the report, require the Joint Committee on Finance to make a determination on whether the alternative project delivery program was successful and whether the program

should be made permanent.

Additional Provisions. Restore provisions related to: (a) the submission of cost proposals by contractors; (b) awarding contracts; (c) requirements that responsive design-build bidders be paid a stipulated fee; (d) an appeals process; (e) limiting the Department's emergency rulemaking authority to certain components of the design-build process; and (f) various program definitions.

[Act 58 Sections: 10, 288 thru 319, 326, and 9144(6) and (7)]

**9. STATE HIGHWAY SYSTEM - SALT FUNDING** [LFB Paper 609] 

SEG	\$8,766,300
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Increase funding by \$3,362,900 in 2021-22 and \$5,403,400 in 2022-23 to fund the increased costs of salt needed to maintain state highways. The funding would be provided to the state highway system management and operations SEG appropriation to allow DOT to make large-scale purchases of deicing salt and provide the salt to counties for use on state highways. Routine maintenance on the state trunk highway system is typically contracted for with counties under a separate appropriation, with counties being reimbursed by DOT.

**10. HOAN BRIDGE FENCING** [LFB Paper 610] 

SEG	\$1,022,300
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Provide \$1,022,300 in 2021-22 to install fencing improvements on the Hoan Bridge in Milwaukee County to provide additional safety on the bridge. The Hoan Bridge is a nearly two-mile bridge that connects I-794 in downtown Milwaukee with the lake freeway. This funding would be provided from the state highway system management and operations appropriation.

## Motor Vehicles

**1. DRIVING SKILLS TEST WAIVER** [LFB Paper 618] 

	Funding	Positions
SEG	-\$631,900	- 6.20

Decrease funding by \$210,600 in 2021-22 and by \$421,300 in 2022-23 and delete 6.20 FTE positions associated with the reduced workload related to the DOT pilot program that provides waivers to certain individuals from taking the driving skills test currently required to attain a Wisconsin driver license.

In response to the COVID-19 pandemic, the Department instituted a pilot program to grant waivers to the driving skills test. The Department indicates that from May 11, 2020, through October 10, 2020, a total of 28,570 drivers received such a waiver. DOT requested and the Governor recommended making this pilot program permanent, accompanied with associated reductions to appropriation and position authority because of the Department's reduced workload needed to administer driving skills test. The Joint Finance version of the bill included these

changes, but the Legislature removed the provisions to make the pilot program permanent while retaining the associated reductions to funding and position authority.

## State Patrol

### 1. **BODY-WORN CAMERAS** [LFB Paper 625]

SEG	\$700,000
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Provide \$700,000 SEG in 2021-22 to fund the purchase of body-worn cameras and store camera data for State Patrol. Because funding would be provided in 2021-22, there would be no increase to base level funding for the State Patrol's operations appropriation.

Currently, State Patrol officers use only dashboard cameras and are not equipped with body-worn cameras. In a 2020 survey on the use of body-worn and in-vehicle cameras conducted by the Department of Justice (DOJ), State Patrol indicated that costs associated with purchasing the devices and recording and preserving data has prevented the agency from fully implementing body-worn cameras. Under 2019 Act 108, law enforcement agencies utilizing body-worn cameras must retain recordings for a minimum of 120 days, with some exceptions requiring longer retention, such as data used in an investigation, case, or complaint and the encounter resulted in the death or physical injury to an individual, or an encounter that included the use of force by an officer. In the 2020 DOJ survey, it was reported that 63.1% of Wisconsin law enforcement agencies indicate they utilize body-worn cameras.

### 2. **REPLACEMENT OF PERSONAL PROTECTIVE EQUIPMENT** [LFB Paper 625]

SEG	\$387,500
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Provide \$387,500 SEG in 2021-22 to replace personal protective gear for State Patrol officers. This amount is equal to half of the total amount DOT indicated would be necessary to purchase the intended replacement equipment on a one-time basis rather than financing the purchases through a master lease. Because funding would be provided in 2021-22, there would be no increase to base level funding for the State Patrol's operations appropriation.

In the 2017-19 biennial budget, a GPR annual appropriation was created for the purchasing state traffic patrol equipment, including tactical vests, helmets, and in-vehicle video camera equipment. At that time, this appropriation was provided one-time funding of \$3,550,000 GPR in 2017-18, of which \$800,000 was for the purchase of 500 tactical vests and helmets to protect against high-caliber, high-velocity bullets as well as some armor-piercing rounds. Since 2017-18, no additional funding has been provided for these purposes in that appropriation.

## Departmentwide

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

SEG	-\$47,577,000
SEG-S	41,800
FED	- 1,520,600
PR	<u>559,600</u>
Total	-\$48,496,200

Make adjustments to the agency base budget for: turnover reduction (-\$6,432,000 SEG annually and -\$2,004,300 FED annually); (b) removal of non-continuing elements from the base (-\$2,500,000 SEG annually) associated with the one-time funding for supplemental transportation aid to towns; (c) full funding of continuing position salaries and fringe benefits (-\$18,744,000 SEG, \$20,900 SEG-S, \$334,900 FED, and \$87,600 PR annually), primarily in the state highway program; (d) overtime (\$3,322,500 SEG, \$893,500 FED, and \$192,200 PR annually); (e) night and weekend differential pay (\$298,800 SEG and \$15,600 FED annually); and (f) full funding of lease and directed moves costs (\$266,200 SEG annually).

### 2. DOT ADMINISTRATIVE FACILITIES [LFB Paper 630]

SEG-S	\$3,920,000
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Provide \$1,960,000 annually to fund DOT administrative facility projects. This request would increase base level funding of \$4,540,000 to \$6,500,000 annually for DOT facility capital projects. Require the Department to utilize \$13,000,000 in existing transportation revenue bond authority to fund DOT administrative facilities. Estimated reductions to transportation fund revenue of \$81,300 SEG-REV in 2021-22 and \$602,800 SEG-REV in 2022-23 associated with the partial issuance of the revenue bonds under this provision are included in a separate item (see "Transportation Finance").

The Department indicates that nine capital projects totaling \$13,000,000 are scheduled to start in 2021-22: (a) miscellaneous small projects (\$5,023,000); (b) four Division of State Patrol towers in locations to be determined (\$3,956,000); (c) three projects at Truax Field, including HVAC upgrades (\$1,500,000) and parking lot (\$600,000) and roof replacements (\$500,000); and (d) bathroom upgrades at a Division of State Patrol academy dorm (\$1,421,000). Estimated reductions to transportation fund revenue, associated with the debt service for the partial issuance of these bonds, of \$81,300 in 2021-22 and \$602,800 in 2022-23, is shown in a separate item (See "Transportation Finance").

[Act 58 Section: 9144(2)]

### 3. INTERNAL REORGANIZATION OF POSITIONS AND FUNDS

SEG	-\$21,200
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Decrease funding by \$10,600 SEG annually due to a minor departmental reorganization in order to align agency resources with the Department's needs. DOT completed an internal reorganization in 2019 to focus on strategic and long-range policy planning. As part of that reorganization, four positions and funding were transferred to various divisions within the department. The bill would align appropriations with the corresponding position changes under

the reorganization.

**4. HUMAN RESOURCES POSITION ADJUSTMENTS [LFB Paper 130]**

Positions	
SEG	1.00

Provide 1.00 FTE, to be transferred from the Department of Administration (DOA). The existing position at DOA is not performing personnel management functions. This transfer is part of a statewide human resources position realignment that affects DOA, Department of Health Services, and Department of Workforce Development in addition to DOT. For additional information, see "Administration -- Personnel Management". Specify that the incumbent employee occupying the position also be transferred. In addition, specify that an incumbent employee transferred under the provision would retain the same rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be required to serve a probationary period.

# UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	%		2021-22	2022-23	Over 2020-21	%
				Amount	%				Number	%
GPR	\$1,187,586,000	\$1,189,086,000	\$1,193,309,300	\$7,223,300	0.3%	17,814.49	17,814.49	17,814.49	0.00	0.0%
FED	1,608,037,500	1,608,037,500	1,608,037,500	0	0.0	4,878.23	4,878.23	4,878.23	0.00	0.0
PR	3,649,855,100	3,643,452,200	3,648,721,700	- 7,536,300	- 0.1	12,878.54	12,878.54	12,878.54	0.00	0.0
SEG	<u>23,456,200</u>	<u>23,516,200</u>	<u>23,516,200</u>	<u>120,000</u>	0.3	<u>99.99</u>	<u>99.99</u>	<u>99.99</u>	<u>0.00</u>	0.0
TOTAL	\$6,468,934,800	\$6,464,091,900	\$6,473,584,700	- \$193,000	0.0%	35,671.25	35,671.25	35,671.25	0.00	0.0%

## Budget Change Items

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

GPR	\$16,604,400
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Modify the base budget by \$8,302,200 annually for: (a) full funding of continuing position salaries and fringe benefits (\$8,157,600 annually) and (b) full funding of lease and directed moves costs (\$144,600 annually).

**2. FRESHWATER COLLABORATIVE [LFB Paper 639]**

Provide \$2,500,000 GPR in 2021-22 and \$2,500,000 GPR in 2022-23 in the Joint Finance Committee supplemental appropriation for release to the UW System upon request and approval by the Committee. Create a new, continuing appropriation under the UW System for the freshwater collaborative where funding would be transferred upon release by the Committee. The fiscal effect of this item is shown under "Program Supplements."

[Act 58 Section: 33]

**3. ESTIMATE DEBT SERVICE [LFB Paper 102]**

GPR	- \$9,381,100
PR	<u>- 7,536,300</u>
Total	- \$16,917,400

Delete \$6,802,200 GPR and \$6,402,900 PR in 2021-22 and \$2,578,900 GPR and \$1,133,400 PR in 2022-23 to estimate debt service costs.

**4. NURSE EDUCATORS [LFB Paper 640]**

See "Higher Educational Aids Board."

**5. UW-EXTENSION COOPERATIVE COUNTY AGRICULTURE AGENTS [LFB Paper 641]**

Provide \$1,000,000 GPR in 2021-22 and \$1,000,000 GPR in 2022-23 in the Joint Finance Committee supplemental appropriation for release to the UW System upon request and approval by the Committee for UW-Extension Cooperative county agriculture agents. The fiscal effect of this item is shown under "Program Supplements."

**6. FOSTER YOUTH PROGRAMS [LFB Paper 642]**

Provide \$250,000 GPR in 2021-22 and \$500,000 GPR in 2022-23 in the Joint Finance Committee appropriation for release to the UW System upon request and approval by the Committee for foster youth programs. The fiscal effect of this item is shown under "Program Supplements."

**7. PHYSICIAN AND DENTAL LOAN PROGRAM**

SEG	\$120,000
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Provide \$60,000 annually over annual base level funding of \$250,000 SEG and \$488,700 PR from the critical access hospital assessment fund for the physician and dentist and health care provider loan assistance programs. Specify that dentists who agree to practice in one or more eligible practice areas or dental health shortage areas in Wisconsin and who agree to practice in a rural area are eligible for loan repayment of up to \$100,000 by the UW Board of Regents under the physician and dentist loan assistance program and subject to current loan repayment terms that apply to physicians practicing in rural areas under that program. Specify that this would first apply to dentists whose applications for the physician and dentist loan assistance program are received on the effective date of the bill.

Currently, under the physician and dentist loan assistance program, the UW Board of Regents may repay up to \$50,000 in education loans on behalf of a physician or dentist who agrees to practice in one or more eligible practice areas or dental health shortage areas in this state. For physicians who additionally agree to practice in a rural area, the UW Board of Regents may make loan repayments of up to \$100,000. Under the bill, dentists who additionally agree to practice in a rural area would also be eligible for loan repayments of up to \$100,000.

[Act 58 Sections: 176, 177, and 9347(1)]

**8. COLLABORATION WITH FEDERAL DEPARTMENT OF DEFENSE**

Provide \$500,000 GPR in 2021-22 in one-time funding in the Joint Finance Committee supplemental appropriation for release to the UW System upon request and approval by the Committee. It is the intent of this item that \$250,000 of this funding be used to support collaborative efforts between the UW-Madison Nelson Institute for Environmental Studies and the federal Department of Defense (DOD) relating to environmental and natural resources, and \$250,000 to support collaborative efforts with the federal DOD, relating to water-related activities. The fiscal effect of this item is shown under "Program Supplements."

## VETERANS AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$2,755,600	\$2,853,700	\$1,992,100	-\$665,400	- 12.1%	0.00	0.00	0.00	0.00	N.A.
FED	2,996,900	2,980,000	2,980,000	- 33,800	- 0.6	16.50	16.50	16.50	0.00	0.0%
PR	115,767,100	124,367,800	115,425,500	8,259,100	3.6	1,146.74	1,119.81	1,119.81	- 26.93	- 2.3
SEG	<u>20,517,500</u>	<u>19,838,100</u>	<u>19,738,500</u>	<u>- 1,458,400</u>	<u>- 3.6</u>	<u>106.12</u>	<u>106.12</u>	<u>106.12</u>	<u>0.00</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$142,037,100</b>	<b>\$150,039,600</b>	<b>\$140,136,100</b>	<b>\$6,101,500</b>	<b>2.1%</b>	<b>1,269.36</b>	<b>1,242.43</b>	<b>1,242.43</b>	<b>- 26.93</b>	<b>- 2.1%</b>

### Budget Change Items

#### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

Reduce funding by \$665,500 (-\$1,000 GPR, -\$16,900 FED, -\$494,000 PR, and -\$153,600 SEG) in 2021-22 and by \$647,900 (-\$1,000 GPR, -\$16,900 FED, -\$494,000 PR, and -\$136,000 SEG) in 2022-23 to reflect the following standard budget adjustments: (a) turnover (-\$1,085,300 PR and -\$189,700 SEG annually); (b) full funding of continuing position salaries and fringe benefits (-\$1,000 GPR -\$16,900 FED, -\$2,923,100 PR, and \$306,500 SEG annually); (c) overtime (\$1,090,300 PR annually); (d) night and weekend differential pay (\$2,186,600 PR annually); (e) full funding of lease and directed move costs (\$237,500 PR and -\$270,400 SEG in 2021-22 and \$237,500 PR and -\$252,800 SEG in 2022-23); and (f) and minor transfers within appropriations (\$0 annually).

GPR	-\$2,000
FED	- 33,800
PR	- 988,000
SEG	<u>- 289,600</u>
<b>Total</b>	<b>- \$1,313,400</b>

#### 2. VETERANS TRUST FUND -- GPR SUPPLEMENT [LFB Paper 102]

Estimate that \$14,676,200 in 2021-22 and \$15,276,200 in 2022-23 will be transferred from the general fund to the veterans trust fund (VTF) to support estimates of SEG-supported expenditures from the VTF in the 2021-23 biennium. Base funding for the transfer is \$15,800,000. The fiscal effect of this item is summarized under "Miscellaneous Appropriations."

The following table shows the estimated VTF fund condition statement under Act 58.

**Veterans Trust Fund  
Act 58**

	<u>2021-22</u>	<u>2022-23</u>
Opening Balance	\$842,600	\$439,000
Revenue		
Veterans Programs	\$450,000	\$450,000
GPR Transfer	<u>14,676,200</u>	<u>15,276,200</u>
Total Available	\$15,968,800	\$16,165,200
Expenditures		
DVA Appropriations	\$19,908,400	\$19,791,800
Pay Plan Reserves	321,500	649,300
Lapses from DVA Appropriations	<u>-3,822,100</u>	<u>-3,916,700</u>
Net Expenditures	\$16,407,800	\$16,524,400
Year End Balance	\$439,000	\$359,200

**3. VETERANS OUTREACH AND RECOVERY [LFB Paper 650]**

SEG	\$200,000
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Provide \$100,000 annually for the veterans outreach and recovery program (VORP) and require DVA to expend at least \$100,000 annually under the program to promote suicide prevention and awareness by providing outreach, mental health services, and support to individuals who are members of a traditionally underserved population, including minority groups and individuals who reside in rural areas of the state. Authorize DHS to enter contracts to provide services for this purpose.

Transfer \$548,600 SEG annually and 5.0 SEG positions, beginning in 2021-22, from the DVA appropriation for the administration of loans and aids and \$141,200 SEG annually and 1.75 SEG positions, beginning in 2021-22, from the appropriation for the veterans assistance program, to the VORP appropriation (total of \$689,800 SEG and 6.75 SEG positions, beginning in 2021-22). These transfers would not change total funding and positions available for the program, but would consolidate funding and positions that had been allocated to the program from other appropriations in the VORP program appropriation. With this consolidation, and the \$100,000 annual increase for suicide prevention and awareness, total funding in the VORP appropriation under Act 58 is \$1,571,900 annually.

VORP provides outreach, treatment and support to veterans who have mental health conditions. The program employs outreach specialists to contact veterans to provide direct assistance and referral to social service programs.

[Act 58 Section: 182]

**4. VETERANS SERVICE OFFICE GRANTS**

SEG	\$152,400
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Provide \$76,200 annually to increase, from \$761,000 to \$837,200, annual funding for DVA to award as grants to support county veterans service officers (CVSOs).

Increase the statutory annual grant amounts, relative to current grants, as follows: (a) for counties with a population of less than 20,000, from \$8,500 to \$9,350; (b) for counties with a population of 20,000 to 45,499, from \$10,000 to \$11,000; (c) for a county with a population of 45,500 to 74,999, from \$11,500 to \$12,650; and (d) for a county with a population of 75,000 or more, from \$13,000 to \$14,300. Increase from \$500 to \$550 the maximum annual grant amount DVA pays to eligible counties with a part-time CVSO.

Increase from \$15,000 to \$16,500 the maximum annual grant amount DVA pays to eligible governing bodies of federally-recognized American Indian tribes and bands that employ tribal veteran's service officers (TVSOs) that provide veterans services to tribal members. Maintain base funding for these grants (\$61,200 PR from Indian gaming revenue and \$48,800 SEG annually).

The cost of maintaining county veterans services offices is primarily a county and tribal responsibility. CVSOs and TVSOs advise veterans of benefits to which they may be entitled, and assist in resolving complaints regarding veterans services.

[Act 58 Sections: 184 thru 186]

**5. CHIPPEWA FALLS STATE VETERANS HOME OPERATIONS**

PR	\$800,000
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Provide \$400,000 annually to fund increases in the cost of the Department's contract with Health Dimensions Group to operate the Wisconsin Veterans Home at Chippewa Falls. Unlike the other two state veterans homes that are staffed by state employees, DVA contracts for the staffing and other functions to operate the state veterans home at Chippewa Falls. In 2019-20, DVA paid \$7.6 million to the vendor under the terms of the contract. The Department recently extended the contract for an additional three years.

**6. VETERANS HOME AT KING -- TRANSFER BASE FUNDING TO UNALLOTTED RESERVE**

Transfer \$10,000,000 PR annually in base funding budgeted for permanent position salaries (\$5,000,000), fringe benefits (\$2,510,500) and supplies and services (\$2,489,500) for the Veterans Home at King to unallotted reserve to reflect anticipated reductions in costs due to declining resident populations. This expenditure authority would remain available to the Department should it be needed if resident populations increase from the current census.

Total base funding budgeted for the operation of the veterans home at King is \$77,992,700 PR, which includes \$42,396,900 for permanent position salaries, \$20,671,200 for fringe benefits, \$12,706,300 for supplies and services, and \$2,218,300 for other budget categories.

**7. UNION GROVE ASSISTED LIVING FACILITY  
BUDGET AUTHORITY AND POSITIONS**

	<b>Funding</b>	<b>Positions</b>
PR	- \$5,842,600	- 26.93

Reduce funding by \$2,921,300 annually and delete 26.93 positions, beginning in 2021-22, to eliminate funding and position authority for the assisted living facility at the Union Grove state veterans home. DVA closed the 40-bed Union Grove assisted living facility in 2019-20 due to decreased demand and operating losses.

**8. DEBT SERVICE [LFB Paper 102]**

GPR	- \$663,400
PR	4,289,700
SEG	- 5,200
Total	\$3,621,100

Provide \$1,712,800 (\$99,100 GPR, \$1,616,000 PR, and -\$2,300 SEG) in 2021-22 and \$1,908,300 (-\$762,500 GPR, \$2,673,700 PR, and -\$2,900 SEG) in 2022-23 to reflect estimates of debt service costs on authorized bonds.

**9. CEMETERY STAFFING CONSOLIDATION**

Transfer \$355,500 and 2.0 positions that currently assist in the administration of the veterans memorial cemeteries but are funded from an appropriation that supports the administration of loans and aids, to a current appropriation that funds the administration and operation of the cemeteries, beginning in 2021-22.

**10. VETERANS SERVICE ORGANIZATION GRANTS**

Increase the maximum grant amount DVA may award to an organization under the veterans service organization grant program, from \$100,000 annually to \$175,000 annually. Specify that this statutory change would first apply to applications for a grant assistance received by the Department of Veterans Affairs after July 1, 2021. Base funding for the grant program is \$348,000. This item would not increase this amount, as base funding is anticipated to be sufficient for any increase in grant expenditures resulting from the change to the maximum grant.

[Act 58 Sections: 181 and 9348(1)]

**11. GRANT FOR AN ORGANIZATION PROMOTING U.S.S. WISCONSIN**

Authorize DVA to award a one-time grant in 2021-22 from the GPR appropriation for Wisconsin Veterans Museum operations in an amount not to exceed \$16,540 to a private nonprofit organization or a nonstock corporation that is a nonprofit corporation whose sole purpose is to promote and support recognition of the Columbia-class submarine U.S.S. Wisconsin.

[Act 58 Section: 9148(1)]

**12. STATE VETERANS HOMES APPROPRIATION FOR NATURAL DISASTER OR PUBLIC EMERGENCY MITIGATION**

PR	\$10,000,000
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Provide \$10,000,000 in 2021-22 in a new, continuing appropriation for emergency mitigation for costs that are incurred by the state veterans homes in response to, or in preparation for, a natural disaster or a public emergency. Specify that the Department may transfer moneys from the state veterans homes institutional operations appropriation in an amount not to exceed \$10,000,000 to the emergency mitigation appropriation. Specify that the Department may expend moneys from the emergency mitigation appropriation only after all funds allocated by the federal government to veterans homes for purposes of responding to the emergency have been exhausted.

[Act 58 Sections: 76, 77, and 183]

**13. VETERANS BENEFIT PROGRAM FUNDING [LFB Paper 650]**

SEG	-\$1,516,000
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Reduce funding for DVA veterans benefit programs as follows: (a) \$549,700 in 2021-22 and \$666,300 in 2022-23 in the veterans tuition reimbursement program; and (b) \$150,000 annually in the assistance to needy veterans program. With these reductions, total funding under Act 58 is \$603,400 SEG in 2021-22 and \$486,800 SEG in 2022-23 for the veterans tuition reimbursement program and \$820,000 SEG annually for the assistance to needy veterans program. These amounts exceed the annual expenditures for the programs for the past several years.

# WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary					FTE Position Summary	
	2020-21 Adjusted Base	<u>Act 58</u>		2021-23 Change Over <u>Base Year Doubled</u>		As a corporation, there are no state positions for the Wisconsin Economic Development Corporation.
Fund		2021-22	2022-23	Amount	%	
GPR	\$12,550,700	\$8,250,700	\$6,650,700	-\$10,200,000	-40.6%	
SEG	<u>29,000,000</u>	<u>33,300,000</u>	<u>34,900,000</u>	<u>10,200,000</u>	17.6	
TOTAL	\$41,550,700	\$41,550,700	\$41,550,700	\$0	0.0%	

## Budget Change Items

### 1. ESTIMATE WEDC GPR AND SEG APPROPRIATION LEVELS [LFB Papers 102 and 657]

GPR	-\$10,200,000
SEG	<u>10,200,000</u>
Total	\$0

Increase estimated funding for the Wisconsin Economic Development Corporation's (WEDC) operations and programs by \$4,300,000 SEG and \$5,900,000 SEG in 2022-23 and decrease GPR funding by corresponding amounts. Under current law, the primary source of WEDC's funding is from the segregated economic development fund. The revenue source for the economic development fund is the economic development surcharge imposed upon C corporations and tax-option corporations. In addition, WEDC receives a GPR appropriation that is capped at \$16,512,500, annually. Funding is also provided from the environmental fund for brownfield site assessment grants. Estimated funding provided for WEDC's existing state appropriations would be \$41,550,700 all funds in 2021-22 and 2022-23, as shown in the table below.

	<u>2021-22</u>	<u>2022-23</u>	<u>Biennium</u>
Operations and programs - SEG	\$32,300,000	\$33,900,000	\$66,200,000
Operations and programs - GPR	8,250,700	6,650,700	14,901,400
Brownfield Site Assessment - SEG	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>
 All Funds Total	 \$41,550,700	 \$41,550,700	 \$83,101,400

### 2. COOPERATIVE FEASIBILITY GRANTS [LFB Paper 655]

Require WEDC to award up to \$200,000 during each year of the 2021-23 biennium to award grants for cooperative feasibility studies from its state appropriations for operations and programs. Require WEDC to consult with the Cooperative Network when making awards. The Cooperative

Network is a trade association for cooperatives in Minnesota and Wisconsin that provides educational resources, regulatory advocacy, and public awareness campaigns to assist cooperative businesses.

[Act 58 Section: 9149(1)]

### **3. TALENT ATTRACTION AND RETENTION INITIATIVES [LFB Paper 658]**

Require WEDC to expend at least \$3,000,000 from its existing state appropriations for operations and programs during the 2021-23 biennium for talent attraction and retention initiatives under s. 238.155.

[Act 58 Section: 9149(2)]

### **4. TAX CREDIT ESTIMATES AND MODIFICATIONS**

Estimate expenditures for, and make certain modifications to, tax credit programs that are administered, in part, by WEDC, which are described in "General Fund Taxes -- Refundable Tax Credits and Other Payments."

# WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary						FTE Position Summary				
Fund	2020-21	Act 58		2021-23 Change Over		2020-21	Act 58		2022-23	
	Adjusted Base	2021-22	2022-23	Base Year Doubled	Amount		%	2021-22	2022-23	Over 2020-21
GPR	\$532,359,900	\$565,837,300	\$579,837,300	\$80,954,800	7.6%	23.25	23.25	23.25	0.00	0.0%
FED	33,094,300	33,272,100	33,272,100	355,600	0.5	26.75	26.75	26.75	0.00	0.0
PR	<u>4,645,700</u>	<u>4,705,300</u>	<u>4,705,300</u>	<u>119,200</u>	1.3	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$570,099,900</b>	<b>\$603,814,700</b>	<b>\$617,814,700</b>	<b>\$81,429,600</b>	<b>7.1%</b>	<b>55.00</b>	<b>55.00</b>	<b>55.00</b>	<b>0.00</b>	<b>0.0%</b>

## Budget Change Items

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	-\$45,200
FED	355,600
PR	<u>19,200</u>
<b>Total</b>	<b>\$329,600</b>

Adjust the base budget by -\$45,200 GPR, \$355,600 FED, and \$19,200 PR for: (a) full funding of continuing position salaries and fringe benefits (-\$14,300 GPR, \$170,900 FED, and \$8,100 PR annually); and (b) lease and directed moves costs (-\$8,300 GPR, \$6,900 FED, and \$1,500 PR annually).

### 2. PROPERTY TAX RELIEF AID

GPR	\$72,000,000
-----	--------------

Provide an increase of \$29,000,000 in 2021-22 and \$43,000,000 in 2022-23 for property tax relief aid for technical colleges. Base level funding is equal to \$406,000,000 annually.

Specify that the distribution of the additional funding would be calculated by multiplying the proportion of base level funding received by each college times the increased amounts in each year. Property tax relief aids are under revenue limits and this additional funding would decrease property taxes.

[Act 58 Sections: 34, 178, and 179]

### 3. GENERAL AID [LFB Paper 660]

GPR	\$4,500,000
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Provide an increase of \$2,250,000 annually in the appropriation for state general aid for technical colleges. This additional funding would be allocated under current law that specifies that 70% of the funding in the appropriation is distributed under the partially equalizing general aid formula and 30% is distributed under the formula established for outcomes-based funding. Base level funding is \$101,034,900 annually.

**4. GRANTS TO DISTRICT BOARDS**

GPR	\$4,500,000
-----	-------------

Provide \$2,250,000 GPR for grants for district boards. The System Board has the authority to distribute funds from this appropriation according to guidelines developed by the Board. Base level funding is equal to \$21,874,200 GPR annually.

**5. FIRE FIGHTER CERTIFICATION SOFTWARE**

PR	\$100,000
----	-----------

Provide \$50,000 annually for fire schools-state operations to acquire software to support WTCS firefighter certification testing activities. The new software would replace current software that is no longer supported by its developer. The program revenue for this acquisition would be drawn from the 2% fire dues program.

## WORKFORCE DEVELOPMENT

Budget Summary						FTE Position Summary				
Fund	2020-21 Adjusted Base	Act 58		2021-23 Change Over Base Year Doubled		2020-21	Act 58		2022-23 Over 2020-21	
		2021-22	2022-23	Amount	%		2021-22	2022-23	Number	%
GPR	\$53,865,800	\$54,147,300	\$54,356,900	\$772,600	0.7%	150.82	151.03	151.03	0.21	0.1%
FED	206,065,400	212,057,100	204,487,200	4,413,500	1.1	1,265.18	1,178.97	1,173.97	- 91.21	- 7.2
PR	78,519,600	77,654,300	77,654,300	- 1,730,600	- 1.1	218.25	212.65	212.65	- 5.60	- 2.6
SEG	25,938,600	26,134,300	26,134,300	391,400	0.8	72.80	72.80	72.80	0.00	0.0
<b>TOTAL</b>	<b>\$364,389,400</b>	<b>\$369,993,000</b>	<b>\$362,632,700</b>	<b>\$3,846,900</b>	<b>0.5%</b>	<b>1,707.05</b>	<b>1,615.45</b>	<b>1,610.45</b>	<b>- 96.60</b>	<b>- 5.7%</b>

### Budget Change Items

### Departmentwide and Worker's Compensation

**1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]**

Adjust the agency's base budget by \$265,100 GPR, -\$619,900 PR, and \$195,700 SEG annually, and \$1,920,800 FED and -90.00 FED positions in 2021-22, and -\$1,035,700 FED and -95.00 positions in 2022-23. The adjustments are for: (a) turnover reduction (-\$329,400 GPR, -\$2,422,300 FED, -\$618,000 PR, -\$128,800 SEG annually); (b) removal of noncontinuing elements from the base (-\$2,611,900 FED and -90.00 FED positions in 2021-22 and -\$5,568,400 FED and -95.00 FED positions beginning in 2022-23); (c) full funding of continuing position salaries and fringe benefits (\$286,300 GPR, \$7,145,000 FED, \$266,300 PR, and \$322,600 SEG annually); (d) overtime (\$153,800 PR annually); (e) full funding of lease and directed moves costs (\$308,200 GPR, -\$190,000 FED, -\$422,000 PR, and \$1,900 SEG annually); and (f) minor transfers within the same alpha appropriation.

	Funding	Positions
GPR	\$530,200	0.00
FED	885,100	- 95.00
PR	- 1,239,800	0.00
SEG	<u>391,400</u>	<u>0.00</u>
Total	\$566,900	- 95.00

Minor transfers include: (a) within DWD's vocational rehabilitation GPR general program operations appropriation, transfer \$20,000 annually from state Title 1-B aids to state program aids; (b) within DWD's vocational rehabilitation FED program aids appropriation, reallocate \$600,000 annually from aids to individuals and organizations to special purpose funding; and (c) within DWD's worker's compensation contracts SEG appropriation, transfer all monies from the operations subprogram to the worker's compensation subprogram.

**2. INCREASE VOCATIONAL REHABILITATION RESOURCES [LFB Paper 665]**

	<b>Funding</b>	<b>Positions</b>
GPR	\$242,400	0.21
FED	<u>895,700</u>	<u>0.79</u>
Total	\$1,138,100	1.00

Provide \$16,400 GPR and \$60,600 FED in 2021-22, and \$226,000 GPR and \$835,100 FED in 2022-23, and 0.21 GPR position and 0.79 FED position annually for the vocational rehabilitation program. The vocational rehabilitation program is a federal-state program to assist individuals with disabilities in obtaining, maintaining, and improving employment opportunities. Under current law, the Division of Vocational Rehabilitation's primary funding source is Title 1-B federal funds, which requires a match of 21.3% state funds to 78.7% federal funds.

The Department expects the additional 1.0 position would provide counseling and referral services for individuals already employed or considering employment at subminimum wage levels, and assist with coordination of supported employment services for persons with significant disabilities.

**3. HUMAN RESOURCES SHARED SERVICES POSITION ADJUSTMENT [LFB Paper 130]**

	<b>Positions</b>
PR	- 0.60

Delete 0.60 position and reallocate \$52,000 annually from salary and fringe benefits to supplies and services within the Department's administrative services appropriation, to pay assessments to the Department of Administration (DOA) for services provided. Specify that an incumbent employee transferred to DOA under the provision would retain their employee rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be required to serve a probationary period.

Under 2017 Wisconsin Act 59, human resources positions and functions were transferred from most executive branch agencies to the Division of Personnel Management in DOA. The provision would transfer to DOA a 0.6 position that continues to perform personnel management functions in DWD. [See "Administration -- Personnel Management."]

[Act 58 Section: 9150(1)]

**4. FEDERAL APPROPRIATION ESTIMATES**

FED	\$2,440,300
-----	-------------

Adjust funding by \$3,914,100 in 2021-22 and -\$1,473,800 in 2022-23 to align federal expenditure authority with the amount of revenue that DWD estimates will be deposited into appropriations. The adjustments are as follows: (a) -\$8,000,000 each year for workforce investment and assistance; and (b) \$11,914,100 in 2021-22 and \$6,526,200 in 2022-23 for unemployment administration.

## **Employment and Training**

### **1. YOUTH APPRENTICESHIP [LFB Paper 672]**

Transfer \$1,000,000 annually from DWD's existing appropriation for early college credit program tuition reimbursement to local youth apprenticeship grants, and increase the maximum grant award from \$900 to \$1,100 for each youth apprentice served by the program. Also, convert DWD's local youth apprenticeship grants appropriation from annual to continuing.

The youth apprenticeship grants program is a matching grant program for local consortia of employers, school districts, technical colleges, and labor organizations who administer apprenticeship programs consisting of both classroom- and work-based instruction for high school juniors and seniors. Under this provision, base funding for youth apprenticeship grants increases to \$6,000,000 annually.

Under the early college credit program, a public high school pupil can enroll in an institution of higher education to take one or more nonsectarian courses. DWD is required to pay to DPI a portion of the costs of tuition for a pupil attending an institution of higher education under this program on behalf of the school board.

[Act 58 Sections: 66 and 337]

### **2. TRANSFER FUNDING FROM EARLY COLLEGE CREDIT PROGRAM TO APPRENTICESHIP COMPLETION AWARDS [LFB Paper 672]**

Reallocate \$275,000 GPR annually to DWD's appropriation for the Apprenticeship Completion Award Program (ACAP) from the Department's existing appropriation for early college credit program tuition reimbursement. This increases funding from \$225,000 to \$500,000 GPR annually for ACAP. The Department's ACAP program partially reimburses eligible apprentices, sponsors, and employers for certain costs of related apprenticeship instruction.

### **3. HIRE HEROES [LFB Paper 673]**

Eliminate the seven-year limit on when veterans may submit an application to the Hire Heroes program, so that a veteran may submit an application to the program at any time after the date of discharge from military service. Hire Heroes is a program intended to help veterans with high barriers to employment by subsidizing local businesses that hire and train veterans in job skills needed for long-term sustainable employment. The statutes currently require DWD to allocate up to \$400,000 each year in available federal funding from the Department's Workforce Innovation and Opportunity Act appropriation for Hire Heroes.

[Act 58 Section: 339]

## Equal Rights and Employment Regulation

### 1. CHILD WORK PERMIT SYSTEM [LFB Paper 676]

Reallocate \$96,200 PR and 3.0 positions annually from DWD's child work permit system appropriation to the Department's equal rights FED appropriation. Both appropriations fund the program operations of DWD's Equal Rights Division.

	Funding	Positions
FED	\$192,400	3.00
PR	<u>- 490,800</u>	<u>- 5.00</u>
Total	- \$298,400	- 2.00

In addition, delete 2.0 positions and \$149,200 PR annually and direct DWD to reallocate incumbents to two vacant positions in the Department's GPR general operations appropriation. Under Act 58, DWD's appropriation for the child work permit system is appropriated \$140,200 PR annually with 1.0 position.

## Unemployment Insurance

### 1. TRANSFER TO THE UNEMPLOYMENT INSURANCE TRUST FUND

GPR-Transfer \$120,000,000
----------------------------

Transfer \$60,000,000 in each of 2021-22 and 2022-23 from the general fund to the unemployment insurance (UI) trust fund for the purpose of making UI benefit payments. In general, the state UI trust fund is supported by taxes from certain contributing employers. UI tax rate schedules that apply in a given calendar year depend upon the balance in the state's UI trust fund on the prior June 30. These schedules provide for lower employer contributions for years in which the fund's balance is relatively high. The April, 2021, UI Financial Outlook prepared for the Legislature and the Governor by DWD estimated that the balance of the UI trust fund would decrease from a high of approximately \$2.0 billion as of January 1, 2020, to just under \$900 million on June 30, 2021, due to higher benefit payments made throughout 2020 and 2021 during the novel coronavirus pandemic. As a result, DWD estimated that a higher-rate schedule (Schedule B) would be in effect at least for calendar year 2022. The UI Financial Outlook report estimated that triggering Schedule B for 2022 and 2023 would increase UI tax revenue by approximately \$60 million annually over Schedule D, which is the most favorable schedule for employers, and which has been in effect since 2018.

In addition to the general fund transfers under Act 58, 2021 Wisconsin Act 59 took effect July 10, 2021, and requires Schedule D to remain in effect for the 2022 and 2023 calendar years. The net result of Acts 58 and 59 are that contributory employers would not pay increased UI taxes under a different schedule in 2022 and 2023, while the UI trust fund would receive the same amount of increased revenue anticipated under a higher contribution schedule during those years.

[Act 58 Section: 9250(1)]



## **REPORTS AND STUDIES**



## REPORTS AND STUDIES

Date Due	Nature	Prepared By	Reported To
Annually	<b>Report on Services Provided.</b> As a condition of receiving a grant for a mental health facility from the Building Commission, the organization must agree to report annually on the services provided with the resources funded by the grant, including the number of individuals diverted from state-operated mental health institutes. [Act 58 Section: 3]	Organization that receives the grant	Legislature
Annually	<b>Report on Services Provided.</b> As a condition of receiving a psychiatric bed grant from the Building Commission, the organization must agree to report annually on the services provided with the resources funded by the grant, including the number of individuals diverted from the Winnebago Mental Health Institute. [Act 58 Section: 9104(13)]	Organization that receives the grant	Legislature
During 2022-23	<b>Study Truax Field Micro Grid System.</b> Conduct a study to determine whether construction of a electrical micro grid system at Truax Field is feasible, to include the Joint Force Headquarters, the State Emergency Operations Center, and the Joint Operations Center. [Act 58 Section: 9131(2)]	Department of Military Affairs	Department of Military Affairs
No more than six months following the completion of a design-build project that is completed before January 1, 2026	<b>Design-Build Projects.</b> Require a report, no more than six months following the completion of a design-build project, the decision to designate the project as a design-build project, the type of contract, and recommendations for statutory changes, if any. [Act 58 Section: 297]	Department of Transportation	Joint Committee on Finance; standing committees of the Legislature for transportation matters
December 31, 2026	<b>Alternative Highway Project Delivery Methods and Process.</b> Require a report summarizing observations of the process utilized for alternative highway project delivery methods and describing the effectiveness of contracting procedures, including discussion on: (a) scope of work; (b) history of project selected; (c) evaluation criteria; (d) selection process; (e) contract administration; (f) work progression; and (g) time and cost comparisons between the traditional contracting method and alternative delivery methods, claims, and changes. [Act 58 Section: 319]	Department of Transportation	Joint Committee on Finance; standing committees of the Legislature for transportation matters



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# LEGISLATIVE FISCAL BUREAU

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