



# Overview of State Agency Major Request Items

2017-19 Wisconsin  
State Budget

Legislative Fiscal Bureau  
December, 2016



# **Summary of 2017-19 Budget Requests**

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**Legislative Fiscal Bureau**

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Madison, Wisconsin**



## INTRODUCTION

This document has been prepared by the Legislative Fiscal Bureau to provide an overview of the 2017-19 budget requests which state agencies have submitted for inclusion in the executive budget document. Its purpose is to highlight the major changes which have been requested and, thus, is not a comprehensive summary of each proposed modification. The document generally contains only those items with a fiscal effect in excess of \$250,000 or which represent a significant policy change. For the Department of Transportation, all items of that agency's request are summarized in the document. The document reflects budget requests that were submitted as of November 30, 2016.

Immediately following this introduction is a Table of Contents, Key to Abbreviations, and User's Guide. In addition, four summary tables are presented. The tables reflect comparative 2017-19 funding and position requests with current levels.

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

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



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## KEY TO ABBREVIATIONS

### Revenues

BR	Bond revenues which are available from the contracting of public debt (general obligation bonding) or from the contracting of debt which is to be repaid from project revenues and does not constitute debt of the state (revenue bonding).
GPR-Earned	Departmental revenues which are collected by individual state agencies and deposited in the general fund.
REV	Revenue.

### Appropriations

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

### Other

2015 Wisconsin Act 55	The 2015-17 biennial budget act.
FY	Fiscal year. For example, the state's 2017-18 fiscal year will begin July 1, 2017, and end June 30, 2018.
CY	Calendar year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to less than 1,040 hours per appointment in a 12-month period.
2016-17 Adjusted Base	The total 2016-17 authorized funding level for an agency or program. The adjusted base equals 2016-17 appropriations and any supplements. It is this base that serves as the beginning point for calculating budget changes for 2017-19.
2016-17 Base Year Doubled	The 2016-17 base multiplied by two. This produces the biennial base level against which 2017-19 budget levels may be compared.

## USER'S GUIDE

The following explanation of entries is keyed to the accompanying sample entry (page 3).

- ① Name of agency.
- ② Listed in this column are the funding sources for the amounts shown in Columns 3 through 5, both dollar amounts and positions. (Only the funding sources which are included in the agency's budget are shown.)
- ③ Figures in these columns represent the agency's adjusted budget base. The adjusted budget base equals appropriated levels for 2016-17 (the second year of the 2015-17 biennium) and any authorized supplements or position changes. The 2016-17 adjusted budget base represents the beginning level for all agency requests for calculating budget changes for 2017-19.
- ④ Figures in these columns represent, by fiscal year, the agency budget and FTE position requests, by fund source.
- ⑤ These columns indicate the increase or decrease, by amount and percentage, of 2017-19 requested amounts over the 2016-17 adjusted base year doubled (to provide a two-year to two-year comparison). For positions, the increase or decrease is based on the 2018-19 requested level compared to the 2016-17 authorized level.
- ⑥ Indicates the start of the summary of major fiscal or programmatic agency request items. In general, only items with a net fiscal effect in excess of \$250,000, or statutory language requests resulting in significant policy changes (with or without a fiscal effect) have been included. For some agencies only a table is included as there are no major request items.
- ⑦ Title of the request item.
- ⑧ The box, which follows the title, highlights the funding and position change to the agency's base as a result of the item. For every item which has a fiscal and/or position change, a box with that information will be presented.
- ⑨ Brief narrative explaining the request item.
- ⑩ 2015 Act 201 Plan. Under Act 201, executive branch agencies are required to submit plans to: (a) maintain state operations appropriations for 2017-19 at the base level; and (b) reduce base level state operations appropriations for 2017-19 by 5%. The plans, as submitted, are shown here.

# KICKAPOO RESERVE MANAGEMENT BOARD

1

Budget Summary						FTE Position Summary				
2	3	4		5		3	4		5	
		Request	Request	2017-19 Change Over Base Year Doubled	2018-19 Over 2016-17		Request	Request	Number	%
Fund	2016-17 Adjusted Base	2017-18	2018-19	Amount	%	2016-17	2017-18	2018-19	Number	%
PR	\$223,500	\$285,100	\$300,500	\$138,600	31.0%	1.25	2.25	2.25	1.00	80.0%
SEG	695,200	733,000	733,000	75,600	5.4	2.75	2.75	2.75	0.00	0.0
<b>TOTAL</b>	<b>\$918,700</b>	<b>\$1,018,100</b>	<b>\$1,033,500</b>	<b>\$214,200</b>	<b>11.7%</b>	<b>4.00</b>	<b>5.00</b>	<b>5.00</b>	<b>1.00</b>	<b>25.0%</b>

## Major Request Items

### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base budget for the following:

PR	\$23,800
SEG	75,600
<b>Total</b>	<b>\$99,400</b>

(a) full funding of continuing position salaries and fringe benefits (\$11,200 PR and \$35,400 SEG annually); (b) overtime costs (\$700 PR and \$2,300 SEG annually); and (c) night and weekend differential pay (\$100 SEG annually).

### 2. FORESTER POSITION

Request \$49,700 in 2017-18 and \$65,100 in 2018-19 with

	Funding	Positions
PR	\$114,800	1.00

1.0 forester position. The position would address invasive species prevention and eradication, and assist with timing of timber harvests at the Kickapoo Valley Reserve, which consists of approximately 8,600 acres of mostly forest and grassland. The position would be funded with program revenues, received primarily from timber harvests, agricultural lease payments and educational programming.

### 2015 Act 201 Plan

	Fund	Amount	
		2017-18	2018-19
<b>5% Budget Reduction Plan</b>			
1. Reduce program advertising.	PR	-\$7,900	-\$7,900
2. Delay replacement of officer equipment and radio upgrades.	PR	-3,300	-3,300
3. Delay contracts for building maintenance.	SEG	-20,800	-20,800
Total		-\$32,000	-\$32,000
	PR	(-\$11,200)	(-\$11,200)
	SEG	(-\$20,800)	(-\$20,800)

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

<u>Agency</u>	2016-17 <u>Adjusted Base</u>	<u>Request</u>		<u>2017-19 Change Over Base Year Doubled</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>Amount</u>	<u>Percent</u>
Administration	\$1,334,822,200	\$934,917,500	\$982,428,400	- \$752,298,500	- 28.2%
Agriculture, Trade and Consumer Protection	98,010,000	96,016,300	96,113,400	- 3,890,300	- 2.0
Board for People with Developmental Disabilities	1,401,000	1,467,500	1,469,500	135,000	4.8
Board of Commissioners of Public Lands	1,636,200	1,678,000	1,680,200	85,800	2.6
Board on Aging and Long-Term Care	3,154,500	3,207,300	3,206,500	104,800	1.7
Building Commission	33,132,400	33,132,400	33,132,400	0	0.0
Child Abuse and Neglect Prevention Board	3,041,200	3,358,300	3,359,100	635,000	10.4
Children and Families	1,287,312,700	1,303,955,000	1,302,002,000	31,331,600	1.2
Circuit Courts	97,703,000	101,795,600	101,795,600	8,185,200	4.2
Corrections	1,218,756,800	1,257,177,500	1,292,596,500	112,260,400	4.6
Court of Appeals	10,706,500	11,150,300	11,172,500	909,800	4.2
District Attorneys	48,383,400	56,938,800	60,791,100	20,963,100	21.7
Educational Communications Board	19,415,500	19,191,200	19,822,400	182,600	0.5
Elections Commission	5,069,400	4,866,300	4,433,100	- 839,400	- 8.3
Employee Trust Funds	45,306,100	46,132,800	46,441,600	1,962,200	2.2
Employment Relations Commission	1,536,900	1,529,000	1,529,900	- 14,900	- 0.5
Environmental Improvement Fund	26,630,900	26,630,900	26,630,900	0	0.0
Ethics Commission	1,425,800	1,337,800	1,333,100	- 180,700	- 6.3
Financial Institutions	18,809,300	18,546,500	18,806,400	- 265,700	- 0.7
Fox River Navigational System Authority	125,400	125,400	125,400	0	0.0
Governor	3,976,500	3,922,900	3,922,900	- 107,200	- 1.3
Health Services	11,593,550,100	11,861,550,000	12,501,481,800	1,175,931,600	5.1
Higher Educational Aids Board	140,990,200	139,576,700	139,580,200	- 2,823,500	- 1.0
Historical Society	23,579,900	26,805,000	28,553,400	8,198,600	17.4
Insurance	110,666,700	110,842,500	110,873,500	382,600	0.2
Investment Board	53,499,600	53,499,600	53,499,600	0	0.0
Judicial Commission	301,900	303,500	304,100	3,800	0.6
Judicial Council	111,400	114,400	114,600	6,200	2.8
Justice	128,058,500	135,476,900	136,641,000	16,000,900	6.2
Kickapoo Reserve Management Board	918,700	1,018,100	1,033,500	214,200	11.7
Labor and Industry Review Commission	3,177,100	3,555,900	3,585,500	787,200	12.4
Legislature	77,201,100	76,460,900	76,520,300	- 1,421,000	- 0.9
Lieutenant Governor	287,100	296,200	296,200	18,200	3.2
Lower Wisconsin State Riverway Board	227,400	224,300	224,300	- 6,200	- 1.4
Medical College of Wisconsin	10,423,000	10,423,000	10,423,000	0	0.0
Military Affairs	106,737,200	109,524,600	109,576,600	5,626,800	2.6
Miscellaneous Appropriations	125,172,600	126,760,300	132,391,700	8,806,800	3.5
Natural Resources	562,214,000	550,816,500	550,514,500	- 23,097,000	- 2.1
Program Supplements	33,373,400	10,841,000	10,841,000	- 45,064,800	- 67.5
Public Defender	85,968,500	90,643,300	97,422,900	16,129,200	9.4

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

<u>Agency</u>	2016-17 <u>Adjusted Base</u>	<u>Request</u>		2017-19 Change Over <u>Base Year Doubled</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>Amount</u>	<u>Percent</u>
Public Instruction	\$6,891,032,100	\$6,970,158,600	\$7,359,011,700	\$547,106,100	4.0%
Public Service Commission	27,478,400	27,005,400	26,992,400	- 959,000	- 1.7
Revenue	212,081,500	212,955,400	212,603,500	1,395,900	0.3
Safety and Professional Services	51,409,700	51,401,700	51,527,800	110,100	0.1
Secretary of State	268,400	270,700	270,700	4,600	0.9
Shared Revenue and Tax Relief	2,516,679,100	2,517,161,600	2,511,252,700	- 4,943,900	- 0.1
State Fair Park Board	23,955,500	26,858,900	26,933,900	5,881,800	12.3
State Treasurer	173,300	163,500	163,500	- 19,600	- 5.7
Supreme Court	29,511,200	31,713,700	31,775,800	4,467,100	7.6
Tourism	17,242,000	16,981,700	17,029,300	- 473,000	- 1.4
Transportation	2,802,762,300	3,043,170,700	3,084,392,900	522,039,000	9.3
University of Wisconsin System	6,097,451,600	6,191,909,900	6,213,409,900	210,416,600	1.7
Veterans Affairs	142,705,900	142,509,300	142,970,900	68,400	0.0
Wisconsin Economic Development Corporation	35,250,700	35,250,700	35,250,700	0	0.0
Wisconsin Technical College System	558,204,900	565,891,400	570,912,900	20,394,500	1.8
Workforce Development	<u>362,603,200</u>	<u>347,768,200</u>	<u>347,349,800</u>	<u>- 30,088,400</u>	- 4.1
TOTAL	\$37,085,623,900	\$37,416,981,400	\$38,608,519,000	\$1,854,252,600	2.5%

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

<u>Agency</u>	<u>2016-17</u>	<u>Request</u>		<u>2018-19 Over 2016-17</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>Number</u>	<u>%</u>
Administration	1,022.38	1,062.38	1,078.38	56.00	5.5%
Agriculture, Trade and Consumer Protection	647.79	646.05	644.79	- 3.00	- 0.5
Board for People with Developmental Disabilities	7.00	7.00	7.00	0.00	0.0
Board of Commissioners of Public Lands	9.50	9.50	9.50	0.00	0.0
Board on Aging and Long-Term Care	40.50	40.50	40.50	0.00	0.0
Child Abuse and Neglect Prevention Board	6.00	6.00	6.00	0.00	0.0
Children and Families	798.01	796.01	795.01	- 3.00	- 0.4
Circuit Courts	527.00	527.00	527.00	0.00	0.0
Corrections	10,101.32	10,170.47	10,206.42	105.10	1.0
Court of Appeals	75.50	75.50	75.50	0.00	0.0
District Attorneys	427.75	527.65	526.65	98.90	23.1
Educational Communications Board	55.18	55.18	55.18	0.00	0.0
Elections Commission	31.75	32.00	32.00	0.25	0.8
Employee Trust Funds	267.20	269.20	269.20	2.00	0.7
Employment Relations Commission	9.01	9.01	9.01	0.00	0.0
Ethics Commission	8.00	8.00	8.00	0.00	0.0
Financial Institutions	139.54	139.54	139.54	0.00	0.0
Governor	37.25	37.25	37.25	0.00	0.0
Health Services	6,134.65	6,134.65	6,133.05	- 1.60	< - 0.1
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.0
Historical Society	129.04	132.04	131.04	2.00	1.5
Insurance	151.50	151.50	151.50	0.00	0.0
Investment Board	173.35	173.35	173.35	0.00	0.0
Judicial Commission	2.00	2.00	2.00	0.00	0.0
Judicial Council	1.00	1.00	1.00	0.00	0.0
Justice	699.34	698.35	694.35	- 4.99	- 0.7
Kickapoo Reserve Management Board	4.00	5.00	5.00	1.00	25.0
Labor and Industry Review Commission	26.50	27.50	27.50	1.00	3.8
Legislature	777.97	777.97	777.97	0.00	0.0
Lieutenant Governor	4.00	4.00	4.00	0.00	0.0
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	0.00	0.0
Military Affairs	471.10	497.10	497.10	26.00	5.5
Natural Resources	2,549.10	2,544.10	2,541.10	- 8.00	- 0.3
Public Defender	614.85	614.85	614.85	0.00	0.0
Public Instruction	647.00	649.00	648.00	1.00	0.2

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

<u>Agency</u>	<u>2016-17</u>	<u>Request</u>		<u>2018-19 Over 2016-17</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>Number</u>	<u>%</u>
Public Service Commission	152.25	152.25	152.25	0.00	0.0%
Revenue	1,202.28	1,165.28	1,164.28	- 38.00	- 3.2
Safety and Professional Services	247.14	247.14	247.14	0.00	0.0
Secretary of State	2.00	2.00	2.00	0.00	0.0
State Fair Park Board	48.00	48.00	48.00	0.00	0.0
State Treasurer	1.00	1.00	1.00	0.00	0.0
Supreme Court	221.75	221.75	221.75	0.00	0.0
Tourism	35.00	34.00	34.00	- 1.00	- 2.9
Transportation	3,497.79	3,496.79	3,496.79	- 1.00	< - 0.1
University of Wisconsin System	35,400.86	35,337.69	35,337.69	- 63.17	- 0.2
Veterans Affairs	1,294.20	1,294.20	1,286.20	- 8.00	- 0.6
Wisconsin Technical College System	61.50	61.50	61.50	0.00	0.0
Workforce Development	<u>1,639.55</u>	<u>1,639.55</u>	<u>1,631.55</u>	<u>- 8.00</u>	- 0.5
<b>TOTAL</b>	<b>70,411.40</b>	<b>70,543.80</b>	<b>70,564.89</b>	<b>153.49</b>	<b>0.2%</b>

**Full-Time Equivalent Positions by Funding Source**

<u>Fund</u>	<u>2016-17</u>	<u>Request</u>		<u>2018-19 Over 2016-17</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>Number</u>	<u>%</u>
GPR	35,453.72	35,391.20	35,446.53	- 7.19	< -0.1%
FED	10,542.47	10,556.48	10,514.88	- 27.59	- 0.3
PR	19,283.49	19,462.40	19,471.76	188.27	1.0
SEG	<u>5,131.72</u>	<u>5,133.72</u>	<u>5,131.72</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>70,411.40</b>	<b>70,543.80</b>	<b>70,564.89</b>	<b>153.49</b>	<b>0.2%</b>

**TABLE 3****Summary of General Fund Appropriations Requests by Agency**

<u>Agency</u>	2016-17 <u>Adjusted Base</u>	<u>Request</u>		2017-19 Change Over <u>Base Year Doubled</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>Amount</u>	<u>Percent</u>
Administration	\$787,155,300	\$385,568,600	\$432,405,700	-\$756,336,300	- 48.0%
Agriculture, Trade and Consumer Protection	27,046,700	26,684,000	26,720,100	- 689,300	- 1.3
Board for People with Developmental Disabilities	47,900	42,600	43,400	- 9,800	- 10.2
Board on Aging and Long-Term Care	1,366,700	1,360,100	1,360,200	- 13,100	- 0.5
Building Commission	30,646,100	30,646,100	30,646,100	0	0.0
Child Abuse and Neglect Prevention Board	995,000	995,000	995,000	0	0.0
Children and Families	459,297,700	466,365,800	468,027,300	15,797,700	1.7
Circuit Courts	97,470,300	101,562,900	101,562,900	8,185,200	4.2
Corrections	1,098,346,600	1,142,568,200	1,176,209,200	122,084,200	5.6
Court of Appeals	10,706,500	11,150,300	11,172,500	909,800	4.2
District Attorneys	44,883,100	53,986,600	58,106,800	22,327,200	24.9
Educational Communications Board	6,541,100	7,142,900	7,146,100	1,206,800	9.2
Elections Commission	2,046,500	1,971,200	4,431,300	2,309,500	56.4
Employee Trust Funds	154,300	96,500	68,800	- 143,300	- 46.4
Employment Relations Commission	1,383,600	1,375,700	1,376,600	- 14,900	-0.5
Environmental Improvement Fund	18,630,900	18,630,900	18,630,900	0	0.0
Ethics Commission	874,000	838,700	841,100	- 68,200	- 3.9
Governor	3,976,500	3,922,900	3,922,900	- 107,200	- 1.3
Health Services	3,778,440,900	3,898,103,900	4,114,250,200	455,472,300	6.0
Higher Educational Aids Board	137,782,700	137,786,900	137,790,400	11,900	< 0.1
Historical Society	15,190,200	18,424,400	20,218,800	8,262,800	27.2
Judicial Commission	301,900	303,500	304,100	3,800	0.6
Justice	52,143,100	55,469,500	55,469,500	6,652,800	6.4
Labor and Industry Review Commission	265,500	242,900	243,400	- 44,700	- 8.4
Legislature	75,110,100	74,237,700	74,292,000	- 1,690,500	- 1.1
Lieutenant Governor	287,100	296,200	296,200	18,200	3.2
Medical College of Wisconsin	10,175,500	10,175,500	10,175,500	0	0.0
Military Affairs	26,789,900	27,530,100	27,535,300	1,485,600	2.8
Miscellaneous Appropriations	93,726,300	95,314,000	100,945,400	8,806,800	4.7
Natural Resources	110,721,900	109,949,900	109,980,200	- 1,513,700	- 0.7
Program Supplements	33,018,400	10,841,000	10,841,000	- 44,354,800	- 67.2
Public Defender	84,620,300	89,265,100	96,044,000	16,068,500	9.5
Public Instruction	5,911,086,500	5,972,317,800	6,357,969,500	508,114,300	4.3
Revenue	110,151,500	107,973,100	107,567,200	- 4,762,700	- 2.2
Shared Revenue and Tax Relief	2,233,080,600	2,231,840,100	2,225,419,100	- 8,902,000	- 0.2
State Fair Park Board	3,293,000	3,293,000	3,293,000	0	0.0
Supreme Court	15,627,400	17,195,200	17,232,600	3,173,000	10.2
Tourism	5,264,100	5,024,100	5,071,700	- 432,400	- 4.1
Transportation	109,442,200	109,442,200	109,442,200	0	0.0
University of Wisconsin System	1,056,970,200	1,067,470,200	1,088,970,200	42,500,000	2.0
Veterans Affairs	1,944,600	1,944,600	1,944,600	0	0.0
Wisconsin Economic Development Corporation	12,474,700	12,474,700	12,474,700	0	0.0
Wisconsin Technical College System	519,642,500	527,313,500	532,319,100	20,347,600	2.0
Workforce Development	<u>43,814,500</u>	<u>43,542,700</u>	<u>43,542,700</u>	<u>- 543,600</u>	- 0.6
<b>TOTAL</b>	<b>\$17,032,934,400</b>	<b>\$16,882,680,800</b>	<b>\$17,607,299,500</b>	<b>\$424,111,500</b>	<b>1.2%</b>

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

<u>Agency</u>	<u>2016-17</u>	<u>Request</u>		<u>2018-19 Over 2016-17</u>	
		<u>2017-18</u>	<u>2018-19</u>	<u>Number</u>	<u>%</u>
Administration	63.92	63.92	63.92	0.00	0.0%
Agriculture, Trade and Consumer Protection	207.60	207.60	207.60	0.00	0.0
Board on Aging and Long-Term Care	18.18	18.18	18.18	0.00	0.0
Children and Families	231.92	231.92	231.92	0.00	0.0
Circuit Courts	527.00	527.00	527.00	0.00	0.0
Corrections	9,564.77	9,640.67	9,676.62	111.85	1.2
Court of Appeals	75.50	75.50	75.50	0.00	0.0
District Attorneys	383.95	497.65	497.65	113.70	29.6
Educational Communications Board	26.94	32.94	32.94	6.00	22.3
Elections Commission	9.75	10.00	32.00	22.25	228.2
Employment Relations Commission	9.01	9.01	9.01	0.00	0.0
Ethics Commission	4.55	4.55	4.55	0.00	0.0
Governor	37.25	37.25	37.25	0.00	0.0
Health Services	2,536.63	2,529.65	2,527.03	- 9.60	- 0.4
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.0
Historical Society	93.65	95.65	95.65	2.00	2.1
Judicial Commission	2.00	2.00	2.00	0.00	0.0
Justice	394.18	394.18	394.18	0.00	0.0
Labor and Industry Review Commission	1.30	1.30	1.30	0.00	0.0
Legislature	758.17	758.17	758.17	0.00	0.0
Lieutenant Governor	4.00	4.00	4.00	0.00	0.0
Military Affairs	81.08	83.08	83.08	2.00	2.5
Natural Resources	230.02	230.02	230.02	0.00	0.0
Public Defender	609.85	609.85	609.85	0.00	0.0
Public Instruction	250.47	253.47	253.47	3.00	1.2
Revenue	968.53	933.53	933.53	- 35.00	- 3.6
Supreme Court	115.50	115.50	115.50	0.00	0.0
Tourism	30.00	29.00	29.00	- 1.00	- 3.3
University of Wisconsin System	18,035.88	17,813.49	17,813.49	- 222.39	- 1.2
Wisconsin Technical College System	23.25	23.25	23.25	0.00	0.0
Workforce Development	<u>148.87</u>	<u>148.87</u>	<u>148.87</u>	<u>0.00</u>	0.0
TOTAL	35,453.72	35,391.20	35,446.53	- 7.19	< - 0.1%



## **State Agency 2017-19 Budget Request Summaries**



## ADMINISTRATION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$787,155,300	\$385,568,600	\$432,405,700	-\$756,336,300	- 48.0%	63.92	63.92	63.92	0.00	0.0%
FED	140,746,600	140,756,000	140,760,300	23,100	0.0	60.75	60.75	60.75	0.00	0.0
PR	349,186,000	351,766,000	352,509,700	5,903,700	0.8	881.96	921.96	938.96	57.00	6.5
SEG	<u>57,734,300</u>	<u>56,826,900</u>	<u>56,752,700</u>	<u>- 1,889,000</u>	- 1.6	<u>15.75</u>	<u>15.75</u>	<u>14.75</u>	<u>- 1.00</u>	- 6.3
<b>TOTAL</b>	<b>\$1,334,822,200</b>	<b>\$934,917,500</b>	<b>\$982,428,400</b>	<b>-\$752,298,500</b>	<b>- 28.2%</b>	<b>1,022.38</b>	<b>1,062.38</b>	<b>1,078.38</b>	<b>56.00</b>	<b>5.5%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request standard budget adjustments to the base totaling -\$43,700 GPR, \$9,400 FED, -\$74,800 PR, and \$92,600 SEG in 2017-18 and -\$27,700 GPR, \$13,700 FED, \$642,000 PR, and \$94,300 SEG in 2018-19. Adjustments are for: (a) turnover reduction (-\$1,323,300 PR annually); (b) full funding of continuing position salaries and fringe benefits (-\$74,500 GPR, \$1,000 FED, \$145,400 PR, and \$89,200 SEG annually); (c) reclassifications and semiautomatic pay progression (\$26,500 PR in 2017-18 and \$32,900 PR in 2018-19); (d) overtime (\$537,800 PR annually); (e) night and weekend differential pay (\$28,000 PR annually); and (f) full funding of lease and directed moves costs (\$30,800 GPR, \$8,400 FED, \$510,800 PR, and \$3,400 SEG in 2017-18 and \$46,800 GPR, \$12,700 FED, \$1,221,200 PR, and \$5,100 SEG in 2018-19).

GPR	-\$71,400
FED	23,100
PR	567,200
SEG	<u>186,900</u>
Total	\$705,800

#### 2. APPROPRIATION OBLIGATION BONDS DEBT SERVICE REESTIMATE -- PENSION BONDS

Request a reduction of \$382,960,200 in 2017-18 and a reduction of \$355,140,300 in 2018-19 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 must equal the maximum possible payment that could be made in each succeeding year. Because a large principal payment scheduled in 2017-18 has been restructured, GPR appropriations in 2017-18 and 2018-19 would be reduced from the base level funding (\$662,930,000). In 2016-17, there was a corresponding lapse associated with this funding, which would be reduced as well under this request.

GPR	-\$738,100,500
GPR-Lapse	<u>- 738,100,500</u>
Net GPR	\$0

**3. APPROPRIATION OBLIGATION BONDS DEBT SERVICE REESTIMATE -- TOBACCO BONDS**

GPR	- \$18,164,400
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Request a reduction of \$18,582,800 in 2017-18 and an increase of \$418,400 in 2018-19 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 must equal the maximum possible payment that could be made in each succeeding year. Compared to the base level funding (\$107,423,500), smaller payments are scheduled in 2017-18 and 2018-19, and a larger payment is scheduled in 2019-20. Therefore, the GPR appropriation in 2017-18 would be decreased and the GPR appropriation in 2018-19 would be increased, for a net reduction from the biennium's base level funding.

**4. FUNDING FOR OPERATION OF NEW STATE FACILITIES**

PR	\$6,890,100
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Request \$3,703,600 in 2017-18 and \$3,186,500 in 2018-19 to begin managing three state facilities: the recently purchased Femrite Data Center, the new State Archive Preservation Facility, and the new Hill Farms State Office Building complex. Expenditure authority would be provided to DOA's appropriation for facility operations and maintenance (\$3,047,600 in 2017-18 and \$2,530,500 in 2018-19) and its appropriation for parking expenses (\$656,000 annually). Program revenue for each respective appropriation associated with operating the facilities will be generated from rent charged to state agencies who occupy space in state-owned facilities, and monthly employee parking charges and other parking fees (including payments by other users of parking such as visitors).

**5. ONE-TIME LEASE AND DIRECTED MOVE COSTS**

PR	\$2,140,000
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Request \$2,140,000 in 2018-19 to DOA's appropriation for facility operations and management to move 10 state agencies to the new Hill Farms State Office Building complex and move six other agencies into existing space in other state-owned facilities. Program revenue for the appropriation is generated from rent charged to state agencies who occupy space in state-owned facilities.

**6. DATA CENTER LEASE COST SAVINGS**

PR	- \$1,577,900
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Request -\$813,300 in 2017-18 and -\$764,600 in 2018-19 to DOA's appropriation for information technology services to state agencies associated with reduced costs for DOA's Division of Enterprise Technology (DET) to occupy space in the Femrite Data Center. The state assumed ownership of the facility after purchasing it in June, 2016. The request for reduced funding reflects estimates by DOA of how much lower rent charges to DET will be for occupying state-owned space than the charges DET paid when the facility was privately leased.

**7. COSTS TO DECOMMISSION FACILITIES**

PR	\$1,079,600
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Request \$1,079,600 in 2018-19 to DOA's appropriation for facility operations and maintenance associated with costs incurred for the older Hill Farms State Transportation Building, which will remain a state-owned property until ownership transfers to a private owner. The Department indicates that the requested expenditure authority is an estimate of costs that could be incurred and is based on four months of operating costs for the older Hill Farms buildings.

**8. HEARINGS AND APPEALS MOVE COSTS**

PR	\$490,700
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Request \$490,700 in 2018-19 to fund costs associated with the move of the Division of Hearings and Appeals to the Hill Farms State Office Building in 2018 and to provide for increased costs associated with new technology. Funding would include \$366,500 in one-time financing and \$124,200 supplies and services. Funding would cover moving costs associated with photocopiers, special equipment, office furniture or fixtures not identified by the Department of Facilities Management (DFM) as a moveable item, and any special finishing or infrastructure projects. Projects included in the latter categories include conference room accessories, wall finishing upgrades such full height walls, and information technology enhancements such as upgrades in voice/data wiring above the DFM standard, voice over internet protocol phones, and fittings and equipment for telepresence rooms in order to conduct hearings.

**9. INFORMATION TECHNOLOGY PERMANENT POSITIONS CONVERTED FROM CONTRACTOR STAFF**

	Funding	Positions
PR	-\$4,167,000	54.00

Request -\$470,700 and 37.0 positions in 2017-18 and -\$3,696,300 and 54.0 positions in 2018-19 to convert existing information technology (IT) contractor staff to permanent state positions. Funding reductions represent the net estimated savings associated with reduced supplies and services expenditures for contractual services and increased expenses for permanent position salaries and fringe benefits (as well as other material expenses associated with creating permanent staff). Expenditure authority modifications and position authority would be provided to the following DOA appropriations for IT services: (a) the enterprise resource planning system (-\$216,400 and 15.0 positions in 2017-18 and -\$2,830,600 and 15.0 positions in 2018-19); and (b) printing, mail, communication, and IT services to state agencies and veterans services (-\$254,300 and 22.0 positions in 2017-18 and -\$865,700 and 39.0 positions in 2018-19). The enterprise resource planning system is the state's system for managing human resources, payroll, finance, budgeting, and procurement.

Expenditure authority modifications by type of expense would be provided as follows: (a) permanent position salaries (\$564,000 in 2017-18 and \$1,183,500 in 2018-19 for the enterprise resource planning system and \$905,800 in 2017-18 and \$2,392,100 in 2018-19 for IT services to state agencies); (b) fringe benefits (\$223,100 in 2017-18 and \$468,200 in 2018-19 for the enterprise resource planning system and \$385,300 in 2017-18 and \$946,300 in 2018-19 for IT

services to state agencies); (c) supplies and services (net reductions of -\$1,003,500 in 2017-18 and -\$4,482,300 in 2018-19 for the enterprise resource planning system and -\$1,545,400 in 2017-18 and -\$5,233,800 in 2018-19 for IT services to state agencies); and (d) one-time financing for a partial payment of contractor costs as DOA completes the hiring process for contractors to be employed as permanent state staff (\$1,029,700 in 2018-19 for IT services to state agencies).

#### **10. CONSOLIDATE TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT PROGRAM APPROPRIATIONS**

Request the following expenditure authority transfers between appropriations of the technology for educational achievement (TEACH) program: (a) telecommunications access for school districts (\$9,105,100 SEG annually); (b) telecommunications access for private and technical colleges and libraries (-\$5,016,000 SEG annually); (c) telecommunications access for private schools (-\$694,300 SEG annually); (d) telecommunications access for state schools for the blind and visually impaired and deaf and hard of hearing (-\$82,500 SEG annually); and (e) telecommunications access for juvenile correctional facilities (-\$86,300 SEG annually). Funding for the program is from the segregated Universal Service Fund. The Department requests that expenditure authority for telecommunications access for all educational entities be combined into a single appropriation to fully expend appropriated funds available "for TEACH and other information technology programs benefitting educational entities." Under current law, separate appropriations exist for each of the above types of educational entities and funding may not be transferred between appropriations without legislative approval.

#### **11. LAND INFORMATION PROGRAM SEPARATE APPROPRIATIONS FOR STATE AND LOCAL EXPENDITURES**

Request an expenditure authority transfer of \$6,945,300 SEG annually from DOA's appropriation for the land information program to a newly created appropriation for land information program local assistance, to establish separate land information program appropriations for local assistance and state operations. The land information program under DOA provides funding in the form of grants to counties for the modernization of local land records. Revenue for the program is generated from register of deeds real estate document recording fees.

Under the proposal, the remaining funding for the existing appropriation would total \$761,600 SEG in 2017-18 and \$761,900 SEG in 2018-19 (including standard budget adjustments) for land information program state operations. Position authority would continue at 3.35 SEG positions annually. Funding for state operations would provide for the following purposes: (a) \$242,500 SEG annually for permanent position salaries; (b) \$95,900 SEG annually for fringe benefits; and (c) \$423,200 SEG in 2017-18 and \$423,500 SEG in 2018-19 for supplies and services.

**12. INCREASE PROCUREMENT THRESHOLDS FOR GOVERNOR'S APPROVAL OF WAIVERS FROM \$25,000 TO \$250,000**

Request that the Secretary of DOA be provided authority to issue a sole source (noncompetitive negotiation) waiver or general waiver of certain procurement bidding requirements without approval by the Governor if the cost of the purchase is estimated at \$250,000 or less. Approval by the Governor would continue to be required for purchases estimated to exceed \$250,000.

The statutory threshold for a purchase requiring the solicitation of bids is \$25,000. If the Secretary or his or her designee determines that the use of competitive sealed proposals would be advantageous to the state, and the estimated cost of the purchase exceeds \$25,000, the Department or delegated agency may invite competitive sealed proposals. Competitive sealed proposals are not required if the estimated cost does not exceed \$50,000.

Under current law, if the Secretary of DOA determines that it is in the best interest of the state, with the approval of the Governor, he or she may waive statutory bidding requirements and may purchase supplies, material, equipment, or contractual services, other than printing and stationery, from a private source (which in this case is known as a "sole source"). If the cost is expected to exceed \$25,000, DOA must first publish a Class 2 notice or post a notice on the Internet describing the purchase to be made, stating the intent to make the purchase from a private source without soliciting bids or competitive sealed proposals, and stating the date on which the contract or purchase order will be awarded. The date of the award must be at least seven days after the date of the last insertion or date of posting on the Internet.

Also under current law, if the Governor determines that it is in the best interest of the state, he or she may issue a general waiver of procurement requirements permitting the purchase of specified materials, supplies, equipment or contractual services, except printing and stationery, from a private source. The State Procurement Manual defines a general waiver as a waiver submitted for approval to the State Bureau of Procurement to purchase similar materials or services on a recurring basis for a period not to exceed one year. The Governor may impose any necessary or appropriate condition or restriction on the waiver.

**13. ELIMINATE DIESEL TRUCK IDLING REDUCTION GRANT PROGRAM**

	<b>Funding</b>	<b>Positions</b>
SEG	- \$2,075,900	- 1.00

Request reductions of \$1,000,000 in 2017-18 and \$1,075,900 and 1.0 position in 2018-19 associated with elimination of the diesel truck idling reduction grant program and associated funding and position authority, effective June 30, 2017, for grant funds and June 30, 2018, for program administration. Under current law, the program is scheduled to sunset on June 30, 2020, for grant funds and June 30, 2021, for program administration. Funding for the program is provided from the petroleum inspection fund.

## 2015 Act 201 Plans

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
1. Increase expenditure authority for self-funded portal, modify the appropriation from annual to continuing appropriation type, and create 1.0 position to administer the portal contract.	PR	\$58,200	\$74,800
2. Increase expenditure authority for materials and services to state agencies and certain districts associated with 1.0 financial management position.	PR	52,300	52,300
3. Increase expenditure authority for the Division of Facilities Development to administer certain prevailing wage law requirements, including expenses for 1.0 position to be transferred from Department of Workforce Development.	PR	124,700	118,700
4. Convert information technology contractor positions to 15.0 permanent positions for savings.	PR	-216,400	-2,830,600
5. Convert information technology contractor positions to 39.0 permanent positions for savings and reduce lease expenditures.	PR	-1,037,400	-1,570,000
6. Increase expenditure authority for the Division of Hearings and Appeals associated with a move to the new Hill Farms State Office Building.	PR	0	490,700
7. Increase funding for various state facility management initiatives and expenses, including operation of new facilities, decommissioning of old facilities, and moving expenses.	PR	3,047,600	5,750,100
8. Increase expenditure authority for parking enforcement and security services at the new Hill Farms State Office Buildings.	PR	656,000	656,000
9. Eliminate the diesel truck idling reduction grant program and 1.0 administrative position.	SEG	0	-75,900
10. Separate land information program local assistance expenditure authority from state operations expenditure authority.	SEG	-6,945,300	-6,945,300
11. Reduce expenditures for telecommunications access to state schools for the blind and visually impaired and deaf and hard of hearing (consolidate telecommunications access appropriations).	SEG	-82,500	-82,500

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
12. Reduce expenditures for telecommunications access to juvenile correctional facilities (consolidate telecommunications access appropriations).	SEG	-\$86,300	-\$86,300
		_____	_____
Total		-\$4,429,100	-\$4,448,000
	PR	(\$2,685,000)	(\$2,742,000)
	SEG	(-\$7,114,100)	(-\$7,190,000)

**5% Budget Reduction Plan**

1. Provide relocation assistance services through the Division of Legal Services and eliminate 1.0 position.	GPR	-\$88,000	-\$88,000
2. Eliminate expenditure authority for Midwest Interstate Low-Level Radioactive Waste Compact membership and dues.	PR	-4,100	-4,100
4. Reduce supplies and services expenditures for processing services.	PR	-20,000	-20,000
5. Reduce expenditures for services to nonstate governmental units; entity contract.	PR	-76,910	0
6. Increase expenditure authority for self-funded portal, modify the appropriation from annual to continuing appropriation type, and create 1.0 position to administer the portal contract.	PR	58,200	74,800
7. Reduce supplies and services expenditures for relay service for the hearing impaired.	PR	-1,144,970	-1,144,970
8. Reduce expenditures for information technology and communications services to nonstate entities.	PR	-5,000,000	-5,000,000
9. Increase expenditure authority for materials and services to state agencies and certain districts associated with 1.0 financial management position.	PR	52,300	52,300
10. Reduce expenditures for passenger vehicles by increasing vehicle replacement threshold; sell one or more aircraft.	PR	-998,460	-998,460
11. Reduce requested funding for Division of Facilities Development prevailing wage law administration and 0.75 position by changing thresholds for approval by various entities for building projects and architecture and engineering contracts; change order and enumeration of certain construction projects.	PR	114,400	108,400
12. Convert information technology contractor positions to 15.0 permanent positions for savings.	PR	-216,400	-2,830,600
13. Reduce postage expenditures.	PR	-826,845	-826,845

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
14. Reduce supplies and services expenditures for financial services.	PR	-\$450,000	-\$450,000
15. Convert information technology contractor positions to 39.0 permanent positions for savings and reduce lease expenditures.	PR	-1,037,400	-1,570,000
16. Eliminate funding for programming at the University of Wisconsin-Green Bay developed jointly with the Oneida Tribe.	PR	-247,500	-247,500
17. Eliminate expenditure authority for interagency assistance; justice information systems.	PR	-326,700	-326,700
18. Eliminate 1.0 attorney position in the Division of Legal Services.	PR	-70,104	-70,104
19. Reduce supplies and services expenditures for collective bargaining grievance arbitrations.	PR	-40,600	-40,600
20. Reduce property claim costs through work with agencies to use best practices, trend data, and incentives to anticipate, prevent, and mitigate losses.	PR	-502,365	-502,365
21. Reduce liability claim costs through work with agencies to use best practices, trend data, and incentives to anticipate, prevent, and mitigate losses.	PR	-278,150	-278,150
22. Reduce worker's compensation claim costs through work with agencies to use best practices, trend data, and incentives to anticipate, prevent, and mitigate losses.	PR	-989,795	-989,795
23. Reduce the risk management administration unallotted reserve associated with excess insurance costs.	PR	-557,505	-557,505
24. Eliminate expenditure authority for administration of the Governor's Wisconsin Educational Technology Conference.	PR	-150,200	-150,200
25. Reduce expenditures for State Use Board general program operations.	PR	-6,620	0
26. Eliminate the requirement that the Division of Hearings and Appeals have a court reporter at every hearing, eliminate 4.0 positions, and implement electronic recording of hearings.	PR	-555,000	-64,300
27. Eliminate 1.0 state locksmith position under the Division of Capitol Police.	PR	-30,000	-30,000
28. Increase expenditure authority for various state facility management initiatives and reduce expenditures by eliminating the mandated use of electric energy derived from renewable resources.	PR	2,747,600	5,450,100
29. Increase expenditure authority for operation of the new Hill Farms State Office Buildings.	PR	656,000	656,000

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
30. Reduce supplies and services expenditures for Indian gaming general program operations.	PR	-\$35,761	-\$17,891
31. Eliminate expenditure authority for VendorNet fund administration.	SEG	-84,700	-84,700
32. Eliminate the diesel truck idling reduction grant program and 1.0 administrative position.	SEG	0	-75,900
33. Separate land information program local assistance expenditure authority from state operations expenditure authority.	SEG	-6,945,300	-6,945,300
34. Reduce supplies and services expenditures for the environmental improvement program through more efficient programming and use of technology and electronic communications.	SEG	-79,270	-79,270
35. Reduce supplies and services expenditures for utility public benefits general program operations.	SEG	-481,545	-481,545
36. Reduce expenditures for telecommunications access to state schools for the blind and visually impaired and deaf and hard of hearing (consolidate telecommunications access appropriations)*.	SEG	0	-82,500
37. Reduce expenditures for telecommunications access to juvenile correctional facilities (consolidate telecommunications access appropriations).	SEG	-86,300	-86,300
Total		-\$17,702,000	-\$17,702,000
	GPR	(-\$88,000)	(-\$88,000)
	PR	(-\$9,936,885)	(-\$9,778,485)
	SEG	(-\$7,677,115)	(-\$7,835,515)

\*The proposed 5% reduction budget for telecommunications access to state schools for the blind and visually impaired and deaf and hard of hearing in 2017-18 is reduced by \$82,500 to \$0; however, the change was not reflected in the agency's listing of changes shown above.

## AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$27,046,700	\$26,684,000	\$26,720,100	-\$689,300	- 1.3%	207.60	207.60	207.60	0.00	0.0%
FED	11,983,000	10,551,900	10,556,900	- 2,857,200	- 11.9	84.77	84.77	84.77	0.00	0.0
PR	26,241,700	26,805,600	26,839,600	1,161,800	2.2	223.02	221.28	220.02	- 3.00	- 1.3
SEG	<u>32,738,600</u>	<u>31,974,800</u>	<u>31,996,800</u>	<u>- 1,505,600</u>	- 2.3	<u>132.40</u>	<u>132.40</u>	<u>132.40</u>	<u>0.00</u>	0.0
TOTAL	\$98,010,000	\$96,016,300	\$96,113,400	-\$3,890,300	- 2.0%	647.79	646.05	644.79	- 3.00	- 0.5%
BR		\$7,000,000								

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base budget for the following: (a) removal of non-continuing elements from the agency base (-\$68,000 PR in 2017-18 and -\$200,800 PR in 2018-19, with -3.0 positions, and -\$675,000 SEG annually); (b) full funding of salaries and fringe benefits for continuing positions (-\$381,300 GPR, \$232,500 PR, -\$184,100 FED, and -\$188,300 SEG annually); (c) reductions for staff turnover (-\$160,700 GPR, -\$140,700 PR, and -\$72,400 FED annually); (d) full funding of lease and directed moves costs (\$162,500 GPR in 2017-18 and \$198,300 GPR in 2018-19, -\$96,800 PR in 2017-18 and -\$80,000 PR in 2018-19, -\$5,000 FED in 2017-18, and \$51,900 SEG in 2017-18 and \$73,900 SEG in 2018-19); (e) reclassifications and semiautomatic pay progressions (\$16,800 GPR in 2017-18 and \$17,100 GPR in 2018-19, \$59,600 PR annually, \$6,700 FED annually, and \$43,600 SEG annually); and (f) minor transfers within the same appropriation (from the food safety general program operations appropriation, transfer \$22,800 GPR and 0.25 position to meat and poultry inspection).

	Funding	Positions
GPR	-\$689,300	0.00
PR	- 142,800	- 3.00
FED	- 504,600	0.00
SEG	<u>- 1,513,600</u>	<u>0.00</u>
Total	-\$2,850,300	- 3.00

Non-continuing elements include: (a) \$675,000 environmental fund SEG annually from the nonpoint account, associated with one-time appropriations in 2015-17 for grants for county land and water conservation staff; (b) 2.0 PR expiring project positions for responding to foreign animal disease outbreaks, most notably avian influenza; and (c) 1.0 PR expiring project position for regulatory activities under the Veterinary Examining Board.

BR	\$7,000,000
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**2. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY**

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

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

PR	\$650,000
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Request \$300,000 in 2017-18 and \$350,000 in 2018-19 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. The request would support anticipated increases in costs during the 2017-19 biennium. Total requested expenditures for computer system equipment, staff and services are approximately \$2.8 million each year in 2017-19.

**4. LABORATORY EQUIPMENT AND SERVICE CHARGES**

PR	\$700,000
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Request \$300,000 in 2017-18 and \$400,000 in 2018-19 for the DATCP Bureau of Laboratory Services (BLS) primarily for increased costs for maintenance contracts and replacement of laboratory equipment. BLS analyzes samples gathered during inspections and regulatory actions under the food safety and agrichemical management programs. The Bureau charges these programs for its services, with the charges reflected as expenditures to the food safety and agrichemical management programs and as revenues to the laboratory. Total requested expenditure authority for general laboratory services is approximately \$3.18 million in 2017-18 and \$3.29 million in 2018-19.

**5. FEDERAL REVENUE REESTIMATES**

FED	-\$2,398,000
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Request reductions to reflect estimated federal funding to be received by the Department in 2017-19. Reductions would be allocated among the following program areas:

<u>Appropriation</u>	<u>Annual Reduction</u>
Trade and consumer protection (Petroleum tank regulation)	-\$140,000
Animal health services	-200,000
Agricultural development (Business development)	-50,000
Agricultural development (Farm assistance)	-457,000
Agricultural resource management (U.S. Env. Protection Agency aids)	-32,000
Agricultural resource management (U.S. Dept. of Agriculture aids)	-220,000
Central administrative services	<u>-100,000</u>
Total	-\$1,199,000

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
1. Reduce expenditures in various appropriations.	PR	-\$604,000	-\$604,000
2. Increase expenditure authority for information technology and laboratory services, as submitted in the agency request.	PR	600,000	600,000
3. Increase funding for working lands programs, as submitted in the agency request.	SEG	<u>4,000</u>	<u>4,000</u>
Total		\$0	\$0
	PR	(-\$4,000)	(-\$4,000)
	SEG	(\$4,000)	(\$4,000)
<b>5% Budget Reduction Plan</b>			
1. Eliminate the grain inspection program and all 15.0 positions currently authorized.	PR	-1,082,300	-1,082,300
2. Reduce fruit and vegetable inspection program expenditure authority and eliminate 6.9 positions of 9.9 currently authorized.	PR	-811,000	-811,000
3. Eliminate stray voltage program funding and all 5.0 authorized positions.	PR	-576,500	-576,500
4. Eliminate 1.0 position and associated funding for farm-to-school program administration.	GPR	-86,200	-86,200
5. Reduce funding in various appropriations and eliminate the following positions: (a) 3.1 GPR, including 1.5 for agricultural development operations and 1.6 in DATCP central administration; (b) 2.0 agricultural management SEG for agricultural chemical programs; and (c) 1.0 PR from telemarketer registration program fees.	GPR	-225,400	-225,400
	PR	-971,500	-971,500
	SEG	-138,600	-138,600

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
6. Increase expenditure authority for information technology and laboratory services, as submitted in the agency request.	PR	\$600,000	\$600,000
7. Increase funding for working lands programs, as submitted in the agency request.	SEG	<u>4,000</u>	<u>4,000</u>
Total		-\$3,287,500	-\$3,287,500
	GPR	(-\$311,600)	(-\$311,600)
	PR	(-\$2,841,300)	(-\$2,841,300)
	SEG	(-\$134,600)	(-\$134,600)

# BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary						FTE Position Summary				
Fund	2016-17	Request		2017-19 Change Over		2016-17	Request		2018-19	
	Adjusted Base	2017-18	2018-19	Base Year Doubled	%		2017-18	2018-19	Number	%
GPR	\$47,900	\$42,600	\$43,400	- \$9,800	- 10.2%	0.00	0.00	0.00	0.00	0.0%
FED	<u>1,353,100</u>	<u>1,424,900</u>	<u>1,426,100</u>	<u>144,800</u>	5.4	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$1,401,000</b>	<b>\$1,467,500</b>	<b>\$1,469,500</b>	<b>\$135,000</b>	<b>4.8%</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>0.00</b>	<b>0.0%</b>

## Major Request Item

### 1. STANDARD BUDGET ADJUSTMENTS

GPR	- \$9,800
FED	<u>144,800</u>
<b>Total</b>	<b>\$135,000</b>

Request \$66,500 (-\$5,300 GPR and \$71,800 FED) in 2017-18 and \$68,500 (-\$4,500 GPR and \$73,000 FED) in 2018-19 to fund the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$64,500 FED annually); and (b) full funding of lease payments and directed moves costs (-\$5,300 GPR and \$7,300 FED in 2017-18 and -\$4,500 GPR and \$8,500 FED in 2018-19).

### 2015 Act 201 Plan

#### 5% Budget Reduction Plan

Fund same rent and overhead costs with the agency's federal core grant, rather than GPR, reducing the amount of funding available to support programmatic services.

<u>Fund</u>	<u>Amount</u>	
	<u>2017-18</u>	<u>2018-19</u>
GPR	-\$2,400	-\$2,400

## BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
FED	\$52,700	\$52,700	\$52,700	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
PR	<u>1,583,500</u>	<u>1,625,300</u>	<u>1,627,500</u>	<u>85,800</u>	2.7	<u>9.50</u>	<u>9.50</u>	<u>9.50</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$1,636,200</b>	<b>\$1,678,000</b>	<b>\$1,680,200</b>	<b>\$85,800</b>	<b>2.6%</b>	9.50	9.50	9.50	0.00	0.0%

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

PR	\$85,800
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Request an increase of \$41,800 in 2017-18, and \$44,000 in 2018-19 for adjustments to the base budget as follows: \$39,400 annually for full funding of continuing salaries and fringe benefits; and \$2,400 PR in 2017-18 and \$4,600 in 2018-19 for full funding of lease costs and directed moves.

#### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
Reduce land sales, resulting in fewer appraisals, surveys, and closing costs.	PR	-\$79,200	-\$79,200

## BOARD ON AGING AND LONG-TERM CARE

Budget Summary						FTE Position Summary				
Fund	2016-17	Request		2017-19 Change Over		2016-17	Request		2018-19	
	Adjusted Base	2017-18	2018-19	Base Year Doubled	%		2017-18	2018-19	Number	%
GPR	\$1,366,700	\$1,360,100	\$1,360,200	-\$13,100	-0.5%	18.18	18.18	18.18	0.00	0.0%
PR	<u>1,787,800</u>	<u>1,847,200</u>	<u>1,846,300</u>	<u>117,900</u>	3.3	<u>22.32</u>	<u>22.32</u>	<u>22.32</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$3,154,500</b>	<b>\$3,207,300</b>	<b>\$3,206,500</b>	<b>\$104,800</b>	<b>1.7%</b>	<b>40.50</b>	<b>40.50</b>	<b>40.50</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$13,100
FED	<u>117,900</u>
<b>Total</b>	<b>\$104,800</b>

Request \$52,800 (-\$6,600 GPR and \$59,400 PR) in 2017-18 and \$52,000 (-\$6,500 GPR and \$58,500 PR) in 2018-19 to fund the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$16,900 GPR and \$30,400 PR annually); and (b) full funding of lease payments and directed moves costs (-\$23,500 GPR and \$29,000 PR in 2017-18 and -\$23,400 GPR and \$28,100 PR in 2018-19).

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
Reductions in one-on-one in-person casework, a reduced schedule of on-site facility and Family Care monitoring, and fewer scheduled group trainings and presentations.	GPR	-\$68,300	-\$68,300
	PR	-89,400	-89,400
		<hr/>	<hr/>
<b>Total</b>		<b>-\$157,700</b>	<b>-\$157,700</b>

## BUILDING COMMISSION

Budget Summary						FTE Position Summary
Fund	2016-17	Request		2017-19 Change Over		
	Adjusted Base	2017-18	2018-19	Base Year Doubled Amount	%	
GPR	\$30,646,100	\$30,646,100	\$30,646,100	\$0	0.0%	There are no authorized positions for the Building Commission.
PR	1,462,100	1,462,100	1,462,100	0	0.0	
SEG	<u>1,024,200</u>	<u>1,024,200</u>	<u>1,024,200</u>	<u>0</u>	0.0	
TOTAL	\$33,132,400	\$33,132,400	\$33,132,400	\$0	0.0%	

Debt service (principal and interest payments) modifications for the 2017-19 biennium are generally not included in individual state agency budget requests. Any modifications will be included in the Governor's 2017-19 budget recommendations.

## CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary						FTE Position Summary				
Fund	2016-17	Request		2017-19 Change Over		2016-17	Request		2018-19	
	Adjusted Base	2017-18	2018-19	Base Year Doubled	%		2017-18	2018-19	Over 2016-17	%
GPR	\$995,000	\$995,000	\$995,000	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
FED	632,700	647,700	647,700	30,000	2.4	1.00	1.00	1.00	0.00	0.0
PR	1,398,500	1,700,600	1,701,400	605,000	21.6	5.00	5.00	5.00	0.00	0.0
SEG	15,000	15,000	15,000	0	0.0	0.00	0.00	0.00	0.00	0.0
<b>TOTAL</b>	<b>\$3,041,200</b>	<b>\$3,358,300</b>	<b>\$3,359,100</b>	<b>\$635,000</b>	<b>10.4%</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

FED	\$30,000
PR	<u>205,000</u>
<b>Total</b>	<b>\$235,000</b>

Request adjustments to the base budget for: (a) full funding of continuing position salaries and fringe benefits (\$15,000 FED and \$104,000 PR annually); and (b) full funding of lease and directed moves costs (-\$1,900 PR in 2017-18 and -\$1,100 PR in 2018-19).

#### 2. ADMINISTRATIVE ATTACHMENT TO THE DEPARTMENT OF ADMINISTRATION

Request statutory language modification to transfer administrative attachment of the Child Abuse and Neglect Prevention Board from the Department of Children and Families to the Department of Administration.

### 2015 Act 201 Plans

	Fund	Amount	
		2017-18	2018-19
<b>Base Level Plan</b>			
Remove standard budget adjustments for salary and lease.	PR	-\$102,100	-\$102,100

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Eliminate LTE salary.	PR	-\$2,200	-\$2,200
2. Reduce supplies and services for technical support and training grantees.	PR	-17,300	-17,300
3. Reduction from fees for administrative services.	PR	<u>-7,900</u>	<u>-7,900</u>
Total		-\$27,400	-\$27,400

## CHILDREN AND FAMILIES

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$459,297,700	\$466,365,800	\$468,027,300	\$15,797,700	1.7%	231.92	231.92	231.92	0.00	0.0%
FED	707,936,400	716,313,300	713,542,000	13,982,500	1.0	375.27	377.98	376.98	1.71	0.5
PR	110,803,900	112,001,200	111,158,000	1,551,400	0.7	190.82	186.11	186.11	- 4.71	- 2.5
SEG	<u>9,274,700</u>	<u>9,274,700</u>	<u>9,274,700</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$1,287,312,700</b>	<b>\$1,303,955,000</b>	<b>\$1,302,002,000</b>	<b>\$31,331,600</b>	<b>1.2%</b>	<b>798.01</b>	<b>796.01</b>	<b>795.01</b>	<b>- 3.00</b>	<b>- 0.4%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget of -\$430,200 in 2017-18 and -\$610,600 in 2018-19 for: (a) turnover reduction (-\$290,600 GPR, -\$472,100 FED, and -\$305,900 PR annually); (b) removal of non-continuing items (-\$79,900 FED and -2.00 FED positions in 2017-18 and -\$260,300 FED and -3.00 FED positions in 2018-19); (c) full funding of continuing position salaries and fringe benefits (-\$426,200 GPR, \$498,400 FED, and -\$259,300 PR annually); (d) overtime (\$737,800 GPR, \$20,700 FED, and \$4,200 PR annually); and (e) night and weekend differential pay (\$130,100 GPR, \$11,300 FED, and \$1,300 PR annually).

	Funding	Positions
GPR	\$302,200	0.00
FED	- 223,600	- 3.00
PR	<u>- 1,119,400</u>	<u>0.00</u>
<b>Total</b>	<b>- \$1,040,800</b>	<b>- 3.00</b>

#### 2. FEDERAL AND PROGRAM REVENUE REESTIMATES

Request increases of \$8,053,100 (\$5,807,500 FED and \$2,245,600 PR) in 2017-18 and \$3,121,400 (\$1,719,000 FED and \$1,402,400 PR) in 2018-19 to reflect the reestimates in the following table:

FED	\$7,526,500
PR	<u>3,648,000</u>
<b>Total</b>	<b>\$11,174,500</b>

### Program and Federal Revenue Re-estimates

	<u>2017-18</u>	<u>2018-19</u>
Abstinence Grant Funding (FED)	\$641,900	\$641,900
Chafee Education and Training Vouchers Funding (FED)	42,000	42,000
Chafee Foster Care Independence Program Funding (FED)	112,000	112,000
Child Abuse Prevention and Treatment Act (CAPTA) Funding (FED)	495,700	495,700
CAPTA Training and Technical Assistance Funding (FED)	-155,700	-155,700
Child Support Noncustodial Parent Employment Demonstration (FED)	-205,100	-400,000
Community Services Block Grant Funding (FED)	733,500	733,500
Domestic Abuse Funding (FED)	182,700	182,700
Home Visiting Funding (FED)	1,973,200	1,973,200
Race to the Top Funding (FED)	-3,481,000	-7,184,900
Refugee Assistance Funding (FED)	-181,700	-181,700
State Foster Care and Adoption Assistance (FED)	427,700	427,700
Title IV-B, Part 1 (FED)	217,900	217,900
Title IV-B, Part 2 (FED)	85,800	-103,900
Title IV-E (FED)	4,757,600	4,757,600
Noncustodial Parent Access and Visitation Program Funding (FED)	161,000	161,000
Domestic Abuse Grants (PR)	-33,200	-33,200
Fee Collections (PR)	1,965,500	1,537,600
Income Augmentation Funds for SAFE Milwaukee (PR)	100,000	-300,000
Social Services Block Grant Operations Funding (PR)	221,300	221,300
Social Services Block Grant Aids (PR)	<u>-8,000</u>	<u>-23,300</u>
FED Total	\$5,807,500	\$1,719,000
PR Total	<u>2,245,600</u>	<u>1,402,400</u>
Total	\$8,053,100	\$3,121,400

### 3. DIVISION OF MILWAUKEE CHILD PROTECTIVE SERVICES REESTIMATE

GPR	\$1,414,400
FED	<u>859,000</u>
Total	<u>\$2,273,400</u>

Request an increase of \$1,136,700 (\$826,600 GPR and \$310,100 FED) in 2017-18 and \$1,136,700 (\$587,800 GPR and \$548,900 FED) in 2018-19 to reflect the net effect of re-estimates of aids expenditures for activities administered by the Division of Milwaukee Child Protective Services. The request is comprised of the following components:

- a. Projected changes in caseload and service expenditures (\$613,500 GPR and -\$79,900 FED in 2017-18 and \$613,300 GPR and -\$79,700 FED in 2018-19);
- b. Increases in aids contracts (\$548,100 GPR and \$55,000 FED annually); and
- c. Changes to federal Title IV-E claiming rates (-\$335,000 GPR and \$335,000 FED in 2017-18 and -\$573,600 GPR and \$573,600 FED in 2018-19).

The federal funding is available under Title IV-E of the Social Security Act.

**4. FOSTER CARE, ADOPTION ASSISTANCE, AND SUBSIDIZED GUARDIANSHIP**

GPR	\$1,679,500
FED	8,584,300
Total	\$10,263,800

Request an increase of \$3,992,700 (\$221,200 GPR and \$3,771,500 FED) in 2017-18 and \$6,271,100 (\$1,458,300 GPR and \$4,812,800 FED) in 2018-19 to reestimate state adoption, foster care, and subsidized guardianship expenditures and federal claiming rates. The federal funding is available under Title IV-E of the Social Security Act. Basic maintenance payments would remain unchanged at the following levels.

	<u>Monthly Amount</u>	<u>Maximum Clothing Allowance</u>
Level One	\$232	\$0
Levels Two and Above		
Under Age 5	\$384	\$225
Ages 5 through 11	420	263
Ages 12 through 14	478	300
Ages 15 and Over	499	300

**5. SERVICES FOR CHILD VICTIMS OF SEX TRAFFICKING**

GPR	\$12,409,600
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Request increases of \$5,873,200 in 2017-18 and \$6,536,400 in 2018-19 to reestimate the costs of out-of-home placements, services, and treatment under 2015 Act 367 for children and youth who have been or are at risk of alleged sex trafficking.

**6. EMERGENCY ASSISTANCE**

FED	- \$2,800,000
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Request a reduction of \$1,400,000 annually to reestimate the costs of providing assistance to needy persons in cases of fire, flood, natural disaster, energy crisis, homelessness, and impending homelessness under the emergency assistance program.

**7. KINSHIP CARE**

FED	\$861,300
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Request increases of \$321,900 in 2017-18 and \$539,400 in 2018-19 in order to fully fund kinship care benefits. The monthly rate would remain unchanged at \$232.

**8. CARETAKER SUPPLEMENT**

FED	- \$1,809,600
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Request an annual reduction of \$904,800 to reestimate program costs for the caretaker supplement for children of recipients of supplemental security income (SSI), administered by the Department of Health Services. In addition to state and federal SSI benefits, SSI recipients with dependent children receive a caretaker supplement of \$250 per month for the first child and \$150 per month for each additional child.

## 9. OTHER TANF PROGRAMS

Request base funding for the following programs supported with TANF funds:

<u>TANF-Related Programs</u>	<u>Annual Funding</u>
W-2 Benefits	\$83,000,000
W-2 Agency Contracts	58,336,500
Transitional Jobs/Transform Milwaukee Jobs	7,000,000
Direct Child Care Subsidies	280,719,700
Quality Care for Quality Kids	15,492,700
Local Fraud Aids	605,500
GED Test Assistance	115,000
Legal Services	500,000
Adult Literacy	41,600
Grants to Boys & Girls Clubs	1,175,000
Grant to Wisconsin Community Services	400,000
Fostering Futures	360,300
Children First	1,140,000
Child Welfare Safety Services	5,392,700
Child Welfare Prevention Services	1,389,600
Social Services Block Grant Transfer	14,653,500
Earned Income Tax Credit	<u>69,700,000</u>
Total	\$540,022,100

### 2015 Act 201 Plans

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
1. Realignment of funding to reflect needs and organizational structure of the department	GPR	-4,000	-4,000
	PR	-217,300	-217,300
2. Adjust spending authority to reflect reestimate of available program revenue.	PR	<u>221,300</u>	<u>221,300</u>
Total		\$0	\$0
	GPR	(-\$4,000)	(-\$4,000)
	PR	(\$4,000)	(\$4,000)
<b>5% Budget Reduction Plan</b>			
1. Reduce funding for general program operations for children and family services, resulting in loss of federal matching funds under Title IV-E of the Social Security Act.	GPR	-300,000	-300,000

	Fund	Amount	
		2017-18	2018-19
2. Reduce 5.0 FTE positions to investigate child abuse and neglect in Milwaukee County.	GPR	-\$500,000	-\$500,000
3. Reduce funding received from counties for the automated child welfare information system (eWiSACWIS), resulting in loss of federal Title IV-E matching funds of \$123,000.	PR	-50,000	-50,000
4. Reduce budget authority to reflect available funding to support the eWiSACWIS child welfare information system.	PR	-200,000	-200,000
5. Reduce funding for general program operations, resulting in loss of \$1.0 million in federal matching funds for child support and potential delay of replacing the statewide child support data system (KIDS).	GPR	-515,300	-515,300
6. Reduce funding for drug screening, testing, and treatment by to align with expected costs of the program.	GPR	-50,000	-50,000
7. Reduce funding available to replace KIDS child support data system.	PR	-826,400	-826,400
8. Reduce budget authority for worker's compensation for work program participants to reflect actual payments.	PR	-300,000	-300,000
9. Reduce budget authority to reflect actual collections from child care licensing and certification fees.	PR	-250,000	-250,000
10. Reduce funding for child support operations from interest earnings from child support trust fund.	SEG	-1,800	-1,800
11. Reduce spending for child support operations from unclaimed child support.	SEG	-5,000	-5,000
12. Reduce general administration funding for senior management activities within the Department.	GPR	-100,000	-100,000
13. Reduce program revenue funding for information technology projects, such as those supporting Wisconsin Works and child care programs.	PR	-1,868,100	-1,868,100
14. Realign funding and positions to reflect needs of the Department.	GPR PR	-4,000 -217,300	-4,000 -217,300
15. Adjust spending authority to reflect reestimate of available program revenue.	PR	<u>221,300</u>	<u>221,300</u>
Total	GPR PR SEG	-\$4,966,600 (-\$1,469,300) (-\$3,490,500) (-\$6,800)	-\$4,966,600 (-\$1,469,300) (-\$3,490,500) (-\$6,800)

## CIRCUIT COURTS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$97,470,300	\$101,562,900	\$101,562,900	\$8,185,200	4.2%	527.00	527.00	527.00	0.00	0.0%
PR	<u>232,700</u>	<u>232,700</u>	<u>232,700</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$97,703,000</b>	<b>\$101,795,600</b>	<b>\$101,795,600</b>	<b>\$8,185,200</b>	<b>4.2%</b>	<b>527.00</b>	<b>527.00</b>	<b>527.00</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	\$8,185,200
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Request \$4,092,600 annually for full funding of salary and fringe benefits associated with standard budget adjustments.

## CORRECTIONS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$1,098,346,600	\$1,142,568,200	\$1,176,209,200	\$122,084,200	5.6%	9,564.77	9,640.67	9,676.62	111.85	1.2%
FED	2,589,900	2,589,900	2,589,900	0	0.0	0.00	529.80	0.00	0.00	0.0
PR	117,820,300	112,019,400	113,797,400	- 9,823,800	- 4.2	536.55	0.00	529.80	- 6.75	- 1.3
<b>TOTAL</b>	<b>\$1,218,756,800</b>	<b>\$1,257,177,500</b>	<b>\$1,292,596,500</b>	<b>\$112,260,400</b>	<b>4.6%</b>	<b>10,101.32</b>	<b>10,170.47</b>	<b>10,206.42</b>	<b>105.10</b>	<b>1.0%</b>

### Major Request Items

### Departmentwide

#### 1. STANDARD BUDGET ADJUSTMENTS

Request -\$4,581,800 GPR -3.0 GPR positions, and -\$598,400 PR in 2017-18, and -\$4,616,600 GPR and -3.0 GPR positions, and -\$598,400 PR in 2018-19 annually for the following adjustments to the base budget: (a) turnover reduction (-\$10,999,800 GPR, and -\$416,300 PR annually); (b) removal of non-continuing items (-\$129,600 GPR in 2017-18 and -\$164,400 GPR in 2018-19 and -3.0 GPR positions annually); (c) full funding of salaries and fringe benefits (-\$56,044,800 GPR and -\$2,576,500 PR annually); and (d) night and weekend differential (\$7,650,800 GPR and \$304,300 PR annually). In addition, request overtime of \$54,941,600 GPR and \$2,090,100 PR annually. It should be noted that in the calculation of full funding of salaries and fringe benefits, costs associated with overtime and night and weekend differential are removed. Thus, those amounts represent the Department's estimated total cost for overtime and night and weekend differential.

	Funding	Positions
GPR	- \$9,198,400	- 3.00
PR	<u>- 1,196,800</u>	<u>0.00</u>
Total	- \$10,395,200	- 3.00

#### 2. RENT

Request \$5,159,900 GPR and -\$66,200 PR in 2017-18 and \$5,997,800 GPR and -\$55,500 PR in 2018-19 for rental costs on a departmentwide basis. The request would be divided as follows: (a) Division of Management Services (\$112,000 GPR and \$2,900 PR in 2017-18 and \$226,800 GPR and \$16,000 PR in 2018-19); (b) Division of Adult Institutions (-\$83,200 PR in 2017-18 and -\$77,000 PR in 2018-19); (c) Division of Community Corrections (\$5,094,400 GPR and \$1,400 PR in 2017-18 and \$5,815,400 GPR and \$2,800 PR in

GPR	\$11,157,700
PR	<u>- 121,700</u>
Total	\$11,036,000

2018-19); (d) Secretary's Office (\$100 GPR annually); (e) Parole Commission (-\$45,100 GPR in 2017-18 and -\$43,600 GPR in 2018-19) and (f) Division of Juvenile Corrections (-\$1,500 GPR and \$12,700 PR in 2017-18 and -\$900 GPR and \$2,700 PR in 2018-19).

**3. RISK MANAGEMENT**

GPR	\$4,369,000
PR	<u>250,400</u>
Total	\$4,619,400

Request \$2,184,500 GPR and \$125,200 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.

**4. CONTRACT BED FUNDING**

GPR	\$40,012,600
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Request \$8,630,500 in 2017-18 and \$31,382,100 in 2018-19 related to prison contract beds. The Department projects a total need of 1,239 contract prison beds in 2017-18 and 2,447 contract beds in 2018-19. Included in the number of contract beds are approximately 500 beds the Division of Community Corrections would use for extended supervision sanctions. Base funding for the contract bed appropriation is currently \$18,360,500 GPR.

**5. FUNDING FOR DIVISION OF HEARINGS AND APPEALS CHARGES**

GPR	\$4,600,000
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Request \$2,300,000 annually to offset increased expenditures as a result of a provision under 2015 Act 55, which eliminated funding for DOA's hearing and appeals operations appropriation and instead charged agencies for hearings and appeals services.

**6. INFORMATION TECHNOLOGY EXPENSES**

GPR	\$3,393,800
PR	<u>558,400</u>
Total	\$3,952,200

Request \$1,696,900 GPR and \$279,200 PR annually associated with increased charges related to information technology services provided through the Department of Administration's State Transforming Agency Resources (STAR) network.

**7. PROGRAM REVENUE REESTIMATES**

PR	-\$5,186,900
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Request -\$3,561,200 in 2017-18 and -\$1,625,700 in 2018-19 associated with the funding adjustments identified in the table below. The table identifies the program revenue appropriations that would be affected by this item, by program area, the base funding amounts for these appropriations, the funding changes that would be made to these appropriations under this item and other items in Corrections' request, and the total funding that would be budgeted for these purposes under the Department's request.

Purpose	2017-18				2018-19			
	2016-17 Base	Funding Adjustment	Other Agency Budget Requests	Total	Funding Adjustment	Other Agency Budget Requests	Total	
Sex Offender Management	\$819,000	\$90,100	\$0	\$909,100	\$90,100	\$0	\$909,100	
Probation, Parole, Ext. Supervision	11,401,800	-4,721,900	-1,349,600	5,330,300	-4,721,900	-1,349,600	5,330,300	
General Operations	4,342,000	1,100,000	33,800	5,475,800	1,100,000	33,800	5,475,800	
Telephone Company Commissions	1,104,600	300,000	0	1,404,600	300,000	0	1,404,600	
Administration of Restitution	774,800	79,600	-5,400	849,000	79,600	-4,400	850,000	
Correctional Farms	11,808,200	-2,400,000	-51,600	9,356,600	-3,100,000	-51,100	8,657,100	
Prison Industries	18,752,600	1,650,000	31,000	20,433,600	3,800,000	36,600	22,589,200	
Juvenile Correctional Services	31,906,100	-257,400	-1,164,000	30,484,700	-252,400	-1,131,300	30,522,400	
Juvenile Alternate Care Services	6,698,500	580,400	0	7,278,900	1,064,900	0	7,763,400	
Juvenile Community Supervision	4,262,000	18,000	999,500	5,279,500	14,000	944,200	5,264,600	
<b>Total PR Reestimates</b>		<b>-\$3,561,200</b>			<b>-\$1,625,700</b>			

## Adult Corrections

### 1. ADULT CORRECTIONAL FACILITY POPULATIONS

Estimate an average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 23,435 in 2017-18 and 24,677 in 2018-19. From this projection, the following table identifies the adjusted estimated distribution of this population.

	December 2, 2016	Average Daily Population	
	Actual Population	2017-18	2018-19
Institutions*	20,214	20,058	20,093
Centers	2,435	2,655	2,655
Contract Beds**	200	722	1,929
Total	22,849	23,435	24,677

\*Includes inmates placed at the Wisconsin Resource Center, operated by DHS (379 on December 2, 2016, and 386 for 2017-18 and 2018-19).

\*\*Contract bed populations include inmates held in federal facilities and in Wisconsin county jails.

### 2. POPULATION AND INFLATIONARY COST INCREASES

GPR	\$37,290,000
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Request \$16,495,800 in 2017-18 and \$20,794,200 GPR in 2018-19 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) -\$725,500 in 2017-18 and -\$89,400 in 2018-19 for food costs; (b) \$730,500 in 2017-18 and \$765,700 in 2018-19 for variable non-food costs, such as clothing, laundry, inmate

wages, and other supplies; and (c) \$16,490,800 in 2017-18 and \$20,117,900 in 2018-19 for inmate health care. The request for inmate health services assumes that per capita inmate costs will increase from an estimated \$3,104 in 2016-17 to \$3,391 in 2017-18 and \$3,545 in 2018-19. 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, and other community hospitals.

**3. MENTAL HEALTH PROGRAMMING**

	<b>Funding</b>	<b>Positions</b>
GPR	\$4,150,700	21.65

Request \$1,951,200 in 2017-18 and \$2,199,500 in 2018-19 and 21.65 positions annually associated with the following mental health initiatives: (a) \$1,022,200 in 2017-18 and \$1,214,300 in 2018-19 and 16.85 positions annually to convert an existing housing unit in order to create a secured 75-bed residential treatment unit for inmates with serious mental illness at the Oshkosh Correctional Institution (OSCI); (b) \$268,200 in 2017-18 and \$324,400 in 2018-19 and 4.80 positions annually for mental health staffing in restrictive housing units at Waupun, Green Bay and Columbia Correctional Institutions; and (c) \$660,800 annually to expand the Opening Avenues to Reentry Success (OARS) program.

For the OSCI treatment unit, requested staffing would include: 5.25 correctional officers, 1.0 correctional sergeant, 5.6 psychological associates, 2.0 therapists, 1.0 psychologist, 1.0 nurse clinician, and 1.0 social worker. Requested staffing for the restricted housing units would include 2.6 psychological associates at Waupun Correctional Institution, 1.60 psychological associate at Green Bay Correctional Institution, and 0.6 psychological associate at Columbia Correctional Institution.

Since 2011, Corrections has worked with the Department of Health Services to operate the OARS program, which provides programming and services to mentally ill offenders being released from prison. The requested funding would increase the average daily population of program participants from approximately 133 offenders to 173 offenders.

**4. INSTITUTIONAL HEALTH SERVICE UNIT EXPANSIONS**

	<b>Funding</b>	<b>Positions</b>
GPR	\$2,973,400	33.95

Request \$2,973,400 and 33.95 positions in 2018-19 for expansion of the health service units at the Oshkosh and Columbia Correctional Institutions. The request would include \$2,200,200 and 28.95 positions at the Oshkosh Correctional Institution for its new health services unit to be completed in July, 2018. Requested staffing for the Oshkosh unit would include: 5.25 correctional officers, 7.40 nurse clinicians, 9.40 nursing assistants, 3.3 licensed practical nurses, 1.0 medical program assistant, 1.0 program support supervisor, 1.0 social worker, and 0.60 advanced practical nurse. In addition, \$773,200 and 5.0 positions (4.0 nurse clinicians and 1.0 advanced practice nurse) would be utilized for Columbia Correctional Institution to provide on-site treatment to chronically ill and mentally ill inmates in its restrictive housing unit.

**5. FUNDING AND STAFFING FOR AODA PROGRAMMING IN CORRECTIONAL CENTERS**

	<b>Funding</b>	<b>Positions</b>
GPR	\$3,025,400	25.00

Request \$1,368,400 in 2017-18 and \$1,657,000 in 2018-19 for 23.0 social workers, 1.0 corrections program supervisor, and 1.0 treatment specialist as a result of increased prison populations resulting from 2015 Act 371. Act 371 increased penalties for certain OWI offenses. According to the request, the Department estimates approximately 460 additional offenders sentenced to prison in 2017-18 and approximately 1,200 additional offenders sentenced to prison as a result of the legislation: "Due to current prison populations, space does not exist in DOC institutions to house and provide programming for the additional projected population." In order to address the projected population increase, Corrections has also requested increased contact bed funding.

**6. STAFFING FOR NEW UNIT AT ROBERT E. ELLSWORTH CORRECTIONAL CENTER**

	<b>Funding</b>	<b>Positions</b>
GPR	\$2,641,700	3.00

Request \$1,298,700 in 2017-18 and \$1,343,000 in 2018-19 and 3.0 positions annually for a recently opened unit at Robert E. Ellsworth Correctional Center. The unit was opened in May, 2016, to accommodate increased female inmate populations, with the Department utilizing existing resources for security staffing. Requested funding would include: (a) \$1,034,600 annually to fund 18.0 surplus/pool correctional officer positions currently being funded with existing resources; (b) \$195,700 in 2017-18 and \$240,000 in 2018-19 and 3.0 positions annually for a nurse clinician, psychologist, and social worker; and (c) \$68,400 annually for institutional supplies and services.

**7. FUNDING FOR WINDOWS TO WORK AND VOCATIONAL TRAINING**

GPR	\$2,500,000
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Request \$1,250,000 annually to expand the Department's vocational training programs, including technical college training and its Windows to Work job services program in partnership with the Department of Workforce Development. According to the request, funding would be utilized to expand training programs with technical colleges in computer numerical control/machining technologies and industrial maintenance at Racine Correctional Institution, Thompson Correctional Center, Oregon Correctional Center, McNaughton Correctional Center, Kenosha Correctional Center, Sanger B. Powers Correctional Center, and John C. Burke Correctional Center. In addition, the requested funding would be utilized to expand offender eligibility and participation in the Windows to Work program.

**8. REPAIR AND MAINTENANCE FUNDING FOR INSTITUTIONS**

GPR	\$1,015,200
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Request \$412,900 in 2017-18 and \$602,300 in 2018-19 for institutional repair and maintenance funding. The requested funding was calculated based on the Department of Administration's projected construction cost index for the biennium. Base funding is \$4,282,800 annually.

**9. WASTEWATER TREATMENT PLANT IMPROVEMENTS**

GPR	\$1,194,400
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Request \$597,200 annually for state payments for improvements to the wastewater treatment facilities serving Jackson and New Lisbon Correctional Institutions.

**10. CHANGE STATUTORY LANGUAGE FOR NEW PRISON INDUSTRY APPROVAL**

Request deletion of statutory language requiring the Co-Chairs of the Joint Committee on Finance to hold a public hearing related to Corrections establishing a new prison industry.

Under current law, prior to establishing a prison industry, Corrections must provide written notification of its proposal to the Co-Chairs, and the Co-Chairs must hold a public hearing before the Joint Committee on Finance concerning the proposal. Under the request, Corrections would be required to provide written notification of its proposal to the Joint Committee on Finance, without the requirement of a public hearing.

**Community Corrections**

**1. FUNDING AND STAFFING FOR GPS TRACKING**

	<b>Funding</b>	<b>Positions</b>
GPR	\$2,707,000	4.00
PR	<u>119,100</u>	<u>0.00</u>
Total	\$2,826,100	4.00

Request \$1,129,700 GPR and 2.0 GPR positions and \$51,200 PR in 2017-18 and \$1,577,300 GPR and 4.0 GPR positions and \$67,900 PR in 2018-19 associated with the Department's GPS monitoring program. Requested funding would include: (a) \$108,600 GPR in 2017-18 and \$222,900 GPR in 2018-19 to support new communications operator positions (2.0 FTE in 2017-18 and 4.0 FTE in 2018-19); and (b) \$1,021,100 GPR and \$51,200 PR in 2017-18 and \$1,354,400 GPR and \$67,900 PR in 2018-19 for equipment costs. According to the Department, there were 1,310 offenders on GPS tracking in June, 2016. The Department estimates the GPS tracking population to be 1,717 offenders in 2017-18 and 1,920 offenders in 2018-19.

**2. FUNDING FOR PROBATION, PAROLE AND EXTENDED SUPERVISION COSTS**

GPR	\$2,802,200
PR	<u>- 2,802,200</u>
Total	\$0

Request \$1,401,100 GPR and -\$1,401,100 PR annually related to anticipated revenue shortfalls related to 2015 Act 355, which required restitution payments be paid in full prior to Corrections collecting supervision fees to partially reimburse the Department for supervision costs.

## Juvenile Corrections

### 1. JUVENILE POPULATION ESTIMATES

Under the Department's request, the juvenile correctional facility average daily population (ADP) is estimated to be 253 annually as shown in the table below. The juvenile facilities include Lincoln Hills School (LHS) (males), Copper Lake School (CLS) (females), the Mendota Juvenile Treatment Center (MJTC), and the Grow Academy, an agriculture science-based experiential education program held at a facility in Oregon, Wisconsin.

<u>Facilities</u>	<u>Oct-16 Actual Population</u>	<u>Average Daily Population</u>	
		<u>2017-18</u>	<u>2018-19</u>
Lincoln Hills School	146	178	178
Copper Lake School	17	20	20
Mendota Juvenile Treatment Center	29	29	29
Grow Academy	<u>8</u>	<u>8</u>	<u>8</u>
Total Juvenile Correctional Facility	200	236	236
Division of Adult Institutions Transfers Pending Statutory Language Change		18	18
Total		253	253

### 2. STATUTORY DAILY RATES

Request the following statutory daily rates to be established for juvenile correctional services provided or purchased by the Department that would be charged to counties and paid through counties' youth aids allocations, or paid by the state through the serious juvenile offender appropriation.

	<u>Statutory Rates</u>	<u>Request</u>	
	<u>7-1-16 thru 6/30/2017</u>	<u>7-1-17 thru 6/30/2018</u>	<u>7-1-18 thru 6/30/2019</u>
Juvenile Correctional Facilities*	\$292	\$326	\$331

\*Includes: (a) transfers from a juvenile detention facility to the Mendota Juvenile Treatment Center; approximately 18 transfers from adult institutions if the age was raised to 18; and (c) certain expenditures being transferred from GPR to PR.

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. Specific rates for corrective sanctions and aftercare supervision were deleted under the 2015 Act 55 and combined into the juvenile community supervision program effective July 1, 2017. These rates will be established under a passive review by the Joint Committee on Finance.

### 3. SERIOUS JUVENILE OFFENDER FUNDING

GPR	\$3,686,900
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Request \$1,196,700 in 2017-18 and \$2,490,200 in 2018-19 related to provide juvenile institution care, alternate care, and community supervision for serious juvenile offenders (SJO). Increased costs are associated with the increase in statutory daily rates. The estimated average daily population (ADP) for the SJO population would be 166 in 2017-18 and 165 in 2018-19. Base funding for the program is \$14,933,400 GPR annually. The following ADPs for the SJO appropriation, are projected for the 2017-19 biennium:

#### Average Daily Population

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>	
	<u>2017-18</u>	<u>2018-19</u>
Juvenile Corrections Facilities	47	53
Community Supervision Program	<u>119</u>	<u>112</u>
Total ADP	166	165
Alternate Care <sup>1</sup>	65	64

\* Corrective sanctions and aftercare supervision made part of the community supervision program beginning 7/1/16.

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

### 4. PREA COMPLIANCE - LINCOLN HILLS

	<b>Funding</b>	<b>Positions</b>
GPR	\$2,372,800	18.25
PR	<u>- 1,063,400</u>	<u>- 10.00</u>
Total	\$1,309,400	8.25

Request \$1,109,100 GPR and -\$455,700 PR in 2017-18, and \$1,263,700 GPR, and -\$607,700 PR in 2018-19 with 18.25 GPR and -10.0 PR positions annually to improve total staff ratio at LHS as directed by the Federal Prison Rape Elimination Act (PREA). In addition, the request would shift 10.0 PR positions funded from the daily rate to GPR. The position request includes 11.0 FTE Youth Counselors (YC) and 7.25 FTE Youth Counselor – Advanced (YCA) positions. The Act requires that all secure juvenile facilities maintain a security staff-to-juvenile ratio of 1:8 during resident waking hours and 1:16 during resident sleeping hours, except during limited and discrete exigent circumstances, which must be fully documented for audit purposes. Lincoln Hills School currently averages a ratio of 1:12 during waking hours and 1:26 during sleeping hours.

**5. JUVENILE MEDICATION ADMINISTRATION**

	<b>Funding</b>	<b>Positions</b>
GPR	\$1,389,800	9.00
PR	<u>- 1,230,400</u>	<u>0.00</u>
Total	\$159,400	9.00

Request \$620,800 GPR and -\$527,300 PR in 2017-18, and \$769,000 GPR and -\$703,100 PR in 2018-19 with 9.0 GPR positions annually to provide for the safe and effective administration of controlled medications to Division of Juvenile Corrections youths by trained medical personnel. Staffing would include 4.0 registered nurses and 5.0 licensed practical nurses.

According to Corrections, medication administration involves knowledge of medication and an understanding of how medications interact with a patient’s health status that only a licensed health care professional can provide. The requested health care professionals would travel to the location of the patient, assess a patient for the ability to take the medication, administer medication, and provide any necessary follow up care such as evaluating medication effectiveness or side effects.

**6. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE**

PR	- \$392,300
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Request -\$229,500 in 2017-18 and -\$162,800 in 2018-19 related to payments to the Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center. The Department contracts with DHS for 29 mental health beds for juveniles.

**7. MENTAL HEALTH SERVICES AT COPPER LAKE**

	<b>Funding</b>	<b>Positions</b>
PR	\$556,600	3.25

Request \$256,100 in 2017-18 and \$300,500 in 2018-19 with 3.25 positions annually to support the provision and enhancement of mental health services for girls at CLS. The requested positions would be distributed as:

a. 1.75 FTE Youth Counselors (YC) as patrol staff for the 3rd shift in order to provide additional services to girls who have been traumatized and abused and have difficulty with sleeplessness.

b. 0.5 FTE Youth Counselors – Advanced as additional lead workers for the 1st and 2nd shifts and to increase attention that the girls need to help complete goals or case work and to focus on their individual, identified needs. The YC – Advanced would be in addition to 3.0 YC – Advanced currently on staff for this initiative. This group of security staff would be trained in Trauma Informed Care practices in order to provide improved cognitive processing and a safer environment for girls.

c. 1.0 Psychologist Associate to enhance current individual and group work and family counseling time. The additional psychologist is intended to enable girls to have increased access to programming and coordinate therapy with unit social workers and treatment specialists.

d. An agency (contract) psychiatrist to provide in-person treatment one day per week and to coordinate with CLS psychologists when prescribing medication. This position is intended to increase access to psychiatry at CLS Ida B. Wells cottage to two days per week.

**8. HOUSING MINORS SUBJECT TO A CRIMINAL PENALTY IN JUVENILE CORRECTIONAL FACILITIES**

Request a statutory change to allow the Department to place persons who have not attained the age of 18 years sentenced to the Wisconsin State Prisons at a juvenile correctional facility. This request would give the Department additional options for appropriately housing sentenced minors between the ages of 16 (the current statutory age for a juvenile) and 18. Corrections estimates that approximately 18 juveniles annually would be eligible for transfer. Monies for housing juveniles convicted as adults in juvenile facilities would come from the Department of Adult Institutions contract beds appropriation. The proposed modification would first apply in the 2017-19 biennium.

The proposed statutory modification is also intended to assist the Department in meeting the requirement of the Federal Prison Rape Elimination Act, which requires that incarcerated persons subject to a criminal penalty under age 18 must be housed separately from sentenced adults age 18 and older.

**2015 Act 201 Plan**

	<u>Fund</u>	<u>Amount of Reduction</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
Reduce state funding for services for Community Corrections and require counties to support utilized services. (No corresponding PR increase is requested.)	GPR	\$54,710,700	\$54,710,700

## COURT OF APPEALS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$10,706,500	\$11,150,300	\$11,172,500	\$909,800	4.2%	75.50	75.50	75.50	0.00	0.0%

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	\$909,800
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Request \$443,800 in 2017-18 and \$466,000 in 2018-19 for standard budget adjustments, including: (a) \$511,200 annually for salary and fringe benefits; and (b) -\$67,400 in 2017-18 and -\$45,200 in 2018-19 for full funding of lease and directed moves costs.

## DISTRICT ATTORNEYS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%			2017-18	2018-19	Number
GPR	\$44,883,100	\$53,986,600	\$58,106,800	\$22,327,200	24.9%	383.95	497.65	497.65	113.70	29.6%
PR	<u>3,500,300</u>	<u>2,952,200</u>	<u>2,684,300</u>	<u>- 1,364,100</u>	- 19.5	<u>43.80</u>	<u>30.00</u>	<u>29.00</u>	<u>- 14.80</u>	- 33.8
<b>TOTAL</b>	<b>\$48,383,400</b>	<b>\$56,938,800</b>	<b>\$60,791,100</b>	<b>\$20,963,100</b>	<b>21.7%</b>	<b>427.75</b>	<b>527.65</b>	<b>526.65</b>	<b>98.90</b>	<b>23.1%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling -\$1,074,100 GPR, -\$168,400 PR, and -6.8 PR positions in 2017-18, and -\$1,074,100 GPR, -\$309,700 PR, and -7.8 PR positions in 2018-19. Adjustments are for: (a) turnover reduction (-\$200,700 GPR annually); (b) removal of non-continuing elements from the base (-\$322,800 PR and -6.8 PR positions in 2017-18 and -\$464,100 PR and -7.8 PR positions in 2018-19); (c) full funding of continuing position salaries and fringe benefits (-\$968,300 GPR and \$154,400 PR annually); and (d) night and weekend differential pay (\$94,900 GPR annually).

	Funding	Positions
GPR	-\$2,148,200	0.00
PR	<u>- 478,100</u>	<u>- 7.80</u>
Total	-\$2,626,300	- 7.80

#### 2. STANDARD BUDGET ADJUSTMENT - PAY PROGRESSION

GPR	\$7,961,900
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Request \$2,370,800 in 2017-18 and \$5,591,100 in 2018-19 to support pay progression for assistant district attorneys (ADAs) and deputy district attorneys (DDAs). Requested amounts would be provided to the District Attorneys salary adjustments annual GPR appropriation, which supports annual pay progression awards for ADAs and DDAs. Base funding for the salary adjustments appropriation is \$556,900.

Under 2011 Act 238 and 2013 Act 20, ADAs and DDAs are compensated pursuant to a merit-based pay progression plan which consists of 17 hourly salary steps, with each step equal to one seventeenth of the difference between a prosecutor's lowest possible annual salary (\$49,254) and the highest possible annual salary (\$119,018). [Note that in addition to this salary range, deputy district attorneys may receive, on merit, an additional \$2.75 per hour (\$5,720 annually) because they hold a supervisory or managerial position.] Under the pay progression plan, on an annual basis, a supervising DA may increase the hourly salary of an assistant DA or deputy DA who has served as an ADA or DDA for a continuous period of 12 months or more by

an hourly salary step, or part thereof, on the first pay period that immediately occurs on or after July 1<sup>st</sup>. Notwithstanding the creation of a 17 hourly salary step pay progression plan, 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.

**3. FIFTH WEEK OF VACATION AS CASH**

GPR	\$277,800
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Request \$138,900 annually to fund costs associated with fifth weekend of vacation as cash payments. Under current law, certain long-term employees may elect to receive a cash payment in lieu of fifth week of paid vacation.

**4. ADDITIONAL GPR PROSECUTOR POSITIONS**

	Funding	Positions
GPR	\$16,235,700	113.70
PR	<u>- 886,000</u>	<u>- 7.00</u>
Total	\$15,349,700	106.70

Request \$7,667,900 GPR and -\$379,700 PR in 2017-18, \$8,567,800 GPR and -\$506,300 PR in 2018-19, and 113.7 GPR positions and -7.0 PR annually, to provide the following additional prosecutors to District Attorney offices across the state. [Note that the requested GPR funding for new positions includes funding for pay progression in 2018-19.]

*a. New State Prosecutor Positions.* Request \$6,680,300 GPR in 2017-18 and \$7,348,300 GPR in 2018-19, and 96.3 GPR-funded positions annually, to provide additional ADAs requested by the following offices.

<u>County</u>	<u>Requested GPR ADA Positions</u>	<u>Current Prosecutor Position Authority*</u>	<u>Resulting Prosecutor Position Authority</u>
Ashland	1.00	2.00	3.00
Barron	1.00	3.00	4.00
Bayfield	1.00	1.00	2.00
Brown	4.00	14.00	18.00
Chippewa	1.00	5.00	6.00
Dane	11.00	29.85	40.85
Dodge	2.00	4.00	6.00
Douglas	2.00	3.50	5.50
Dunn	2.00	3.00	5.00
Eau Claire	2.00	9.00	11.00
Fond du Lac	4.00	8.00	12.00
Forest	1.00	1.00	2.00
Green	0.50	2.00	2.50
Jackson	1.00	2.00	3.00
Kenosha	2.00	16.00	18.00
La Crosse	5.00	8.00	13.00
Lincoln	1.00	2.00	3.00
Manitowoc	2.00	5.00	7.00
Marathon	2.00	11.00	13.00
Marinette	2.00	2.60	4.60
Marquette	0.50	1.00	1.50
Monroe	3.00	3.00	6.00

<u>County</u>	<u>Requested GPR ADA Positions</u>	<u>Current Prosecutor Position Authority*</u>	<u>Resulting Prosecutor Position Authority</u>
Outagamie	8.80	10.00	18.80
Ozaukee	2.00	3.00	5.00
Polk	2.00	3.00	5.00
Portage	2.00	4.00	6.00
Price	0.50	1.00	1.50
Racine	5.00	18.00	23.00
Rock	2.00	14.00	16.00
Shawano/Menominee	1.00	3.00	4.00
Sheboygan	4.00	7.50	11.50
St. Croix	1.00	6.00	7.00
Taylor	1.00	1.00	2.00
Walworth	1.00	5.00	6.00
Washington	1.00	5.00	6.00
Waukesha	7.00	16.50	23.50
Winnebago	3.00	10.00	13.00
Wood	<u>4.00</u>	<u>4.00</u>	<u>8.00</u>
Total	96.30	246.95	343.25

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

*b. Convert PR-Funded ADA Position Authority.* Request \$679,700 GPR and -\$379,700 PR in 2017-18, \$880,800 GPR and -\$506,300 PR in 2018-19, and 12.0 GPR positions and -7.0 PR positions annually, to convert funding for certain prosecutor positions from program revenue to general purpose revenue. [Note that the requested GPR funding and position authority does not match the requested reduction of PR funding and position authority because: (a) 4.0 PR positions requested for conversion are requested for removal as a non-continuing element in the District Attorneys' standard budget adjustment (see "Item 1 -- Standard Budget Adjustments"); and (b) 1.0 PR position requested for conversion is not included in the District Attorneys' base budget because the position authority for the position ends December 31, 2016.] The 12.0 requested GPR positions would include 3.0 ADA positions in Fond du Lac County and 9.0 ADA positions in Milwaukee County. The request indicates that federal and county grant funding currently supporting the positions may not be available during the 2017-19 biennium.

*c. Increase Existing Part-Time ADA Position Authority:* Request \$307,900 GPR in 2017-18 and \$338,700 GPR in 2018-19, and 5.4 GPR-funded positions annually, to increase part-time prosecutor positions in the following counties.

<u>County</u>	<u>Additional ADA Position Authority Requested</u>	<u>Current Prosecutor Position Authority*</u>	<u>Resulting Prosecutor Position Authority</u>
Adams	0.80	1.20	2.00
Burnett**	0.75	1.25	2.00
Columbia	0.75	4.75	5.50
Dane	0.65	29.85	30.50
Douglas	0.50	3.50	4.00
Iowa	0.25	1.75	2.00
Jefferson	0.70	5.30	6.00
Marathon	0.50	11.00	11.50
Pierce	<u>0.50</u>	<u>2.50</u>	<u>3.00</u>
Total	5.40	61.10	66.50

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

\*\*Note that one 0.5 ADA splits time between Burnett and Washburn Counties. Burnett County is requesting authority for a full-time ADA.

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Eliminate 26.6 attorney positions.	GPR	-\$1,844,200	-\$1,844,200
2. Remove base funding for pay progression.	GPR	<u>-556,900</u>	<u>-556,900</u>
Total		-\$2,401,100	-\$2,401,100

## EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$6,541,100	\$7,142,900	\$7,146,100	\$1,206,800	9.2%	26.94	32.94	32.94	6.00	22.3%
FED	1,171,800	0	0	- 2,343,600	- 100.0	0.00	0.00	0.00	0.00	0.0
PR	<u>11,702,600</u>	<u>12,048,300</u>	<u>12,676,300</u>	<u>1,319,400</u>	5.6	<u>28.24</u>	<u>22.24</u>	<u>22.24</u>	<u>- 6.00</u>	- 21.2
<b>TOTAL</b>	<u>\$19,415,500</u>	<u>\$19,191,200</u>	<u>\$19,822,400</u>	<u>\$182,600</u>	0.5%	<u>55.18</u>	<u>55.18</u>	<u>55.18</u>	<u>0.00</u>	0.0%

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	- \$93,200
PR	<u>- 322,300</u>
Total	- \$415,500

Request a reduction of \$48,200 GPR and \$162,800 PR in 2017-18 and \$45,000 GPR and \$159,500 in 2018-19 for: (a) full funding of continuing salaries and fringe benefits (-\$125,400 GPR and -\$182,400 PR annually); (b) overtime (\$63,500 GPR and \$10,400 PR annually); (c) night and weekend pay differential (\$7,500 GPR and \$2,900 PR annually); and (d) full funding of lease and directed moves costs (\$6,200 GPR and \$6,300 PR in 2017-18 and \$9,400 GPR and \$9,600 PR in 2018-19).

#### 2. K-12 EDUCATIONAL SERVICES DIVISION FUNDING AND POSITIONS

	Funding	Positions
GPR	\$1,300,000	6.00
PR	<u>- 885,600</u>	<u>- 6.00</u>
Total	\$414,400	0.00

Request \$650,000 GPR annually and 6.0 FTE positions beginning in 2017-18 to provide funding and positions for the K-12 educational services division. Under 2015 Act 55, the primary appropriation that supported ECB's K-12 educational services division was repealed, funding of \$1,073,400 GPR annually was eliminated, and 6.2 positions were deleted. The K-12 educational services division, commonly known as the Wisconsin Media Lab, produces and distributes instructional media for use by Wisconsin teachers and students.

Act 55 increased ECB's program revenue (PR) expenditure authority and authorized additional PR positions to offset the reductions in GPR and authorized GPR positions. As the PR expenditure authority and positions would be unnecessary if the requested GPR funding and positions were provided, ECB requests a reduction in PR expenditure authority of \$442,800 annually and 6.0 positions beginning in 2017-18.

**3. INCREASE GIFTS AND GRANTS**

PR	\$2,527,300
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Request an increase in expenditure authority of \$951,300 in 2017-18 and \$1,576,000 in 2018-19 to fund projected increases in expenses charged to the gifts and grants appropriation. Base year expenditure authority for this appropriation is \$11,555,000.

**4. REESTIMATE FEDERAL REVENUES**

FED	- \$2,343,600
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Request a reduction in the federal aid appropriation from \$1,171,800 annually to \$0 annually. This reestimate is based on actual receipts in fiscal year 2016.

**2015 Act 201 Plan**

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Eliminate at least 2.0 FTE positions in administration and engineering. ECB indicates that eliminating such positions would adversely affect its ability to operate its broadcast network. ECB may also be unable to reimburse DOA for services provided.	GPR	-\$143,100	-\$143,100
2. Reduce air conditioning at transmitter sites. May lead to increases in repair costs and network failure.	GPR	-43,300	-43,300
3. This appropriation funds the operation of a National Weather Service transmitter owned by the state. ECB indicates that a reduction to this appropriation would lead to transmitter failure.	GPR	-800	-800
4. Eliminate at least 8.0 FTE positions and reduce expenditures for supplies and equipment. ECB indicates that this will lead to more regular network failures and reduce their ability to raise private funds.	PR	-580,800	-580,800
5. Reduce maintenance of state-owned National Weather Service transmitters. Such a reduction would also reduce ECB's ability to respond to a large scale failure at a site.	PR	-6,700	-6,700
Total		-\$774,700	-\$774,700
	GPR	(-\$187,200)	(-\$187,200)
	PR	(-\$587,500)	(-\$587,500)

## ELECTIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$2,046,500	\$1,971,200	\$4,431,300	\$2,309,500	56.4%	9.75	10.00	32.00	22.25	228.2%
FED	3,015,100	2,893,300	0	- 3,136,900	- 52.0	22.00	22.00	0.00	- 22.00	- 100.0
PR	7,700	1,700	1,700	- 12,000	- 77.9	0.00	0.00	0.00	0.00	0.0
SEG	100	100	100	0	0.0	0.00	0.00	0.00	0.00	0.0
<b>TOTAL</b>	<b>\$5,069,400</b>	<b>\$4,866,300</b>	<b>\$4,433,100</b>	<b>- \$839,400</b>	<b>- 8.3%</b>	<b>31.75</b>	<b>32.00</b>	<b>32.00</b>	<b>0.25</b>	<b>0.8%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request standard budget adjustments to the base totaling -\$104,400 GPR and -\$1,459,700 FED and -22.0 FED positions in 2017-18 and -\$86,400 GPR and -\$3,015,100 FED and -22.0 FED positions in 2018-19. Adjustments are for: (a) removal of non-continuing elements from the base (-\$1,376,100 FED and -22.0 FED positions in 2017-18 and -\$2,959,300 FED and -22.0 FED positions in 2018-19); (b) full funding of continuing position salaries and fringe benefits (-\$121,300 GPR and -\$55,800 FED annually); (c) reclassifications and semi-automatic pay progression (\$34,500 GPR annually); and (d) full funding of lease and directed moves costs (-\$17,600 GPR and -\$27,800 FED in 2017-18 and \$400 GPR in 2018-19).

	Funding	Positions
GPR	- \$190,800	0.00
FED	<u>- 4,474,800</u>	<u>- 22.00</u>
Total	- \$4,665,600	- 22.00

#### 2. STATE FUNDING AND POSITIONS TO REPLACE DEPLETED FEDERAL FUNDS FOR ELECTIONS ADMINISTRATION

Request \$1,337,900 FED and 22.0 FED positions in 2017-18 to the Commission's federal aid for election administration appropriation and \$2,442,100 GPR and 22.0 GPR positions in 2018-19 to the Commission's general program operations appropriation for the agency to continue providing services that have been supported from federal Help America Vote Act of 2002 (HAVA) funds. The Commission anticipates HAVA funding will be depleted by June 30, 2018.

	Funding	Positions
GPR	\$2,442,100	22.00
FED	<u>1,337,900</u>	<u>0.00</u>
Total	\$3,780,000	22.00

Expenditure and position authority is requested to: (a) extend the expiration date of 22.0 FED positions for an additional year, from June 30, 2017, to June 30, 2018 (\$1,337,900 FED and 22.0 FED positions in 2017-18); (b) create 22.0 GPR positions in 2018-19 and provide state

funding for the positions (\$1,337,900 GPR and 22.0 GPR positions in 2018-19); (c) provide state funding for existing information technology contract staff who maintain, operate, enhance, and modify systems such as the agency's statewide voter registration system, voter information website, canvass reporting system, election data collection system, website for purchasing voter data, and web-based application for tracking accessibility audits of polling places (\$725,900 GPR in 2018-19); (d) renew the purchase of customer relationship management software required for state and local elections officials to access the statewide voter registration system (estimated at \$300,000 GPR in 2018-19); (e) conduct statutorily required voter list maintenance in 2019, following the 2018 general election, by printing and mailing postcards to registered voters who have not voted in four years (\$30,000 GPR in 2018-19); and (f) continue conducting polling place accessibility audits (\$48,300 GPR in 2018-19).

### 2015 Act 201 Plans

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
1. Increase public information officer to full-time.	GPR	\$29,100	\$29,100
2. Reduce or eliminate investigations expenditures.	GPR	-23,100	-25,000
3. Reduce materials and services expenditures to align with available revenue.	PR	<u>-6,000</u>	<u>-4,100</u>
Total		\$0	\$0
	GPR	(\$6,000)	(\$4,100)
	PR	(-\$6,000)	(-\$4,100)
<b>5% Budget Reduction Plan</b>			
1. Eliminate investigations expenditures.	GPR	-\$25,000	-\$25,000
2. Reduce voter identification training expenditures.	GPR	-71,600	-71,700
3. Reduce materials and services expenditures to align with available revenue.	PR	-6,000	-6,000
4. Reduce elections administration expenditures.	SEG	<u>-100</u>	<u>0</u>
Total		-\$102,700	-\$102,700
	GPR	(-\$96,600)	(-\$96,700)
	PR	(-\$6,000)	(-\$6,000)

## EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%			2017-18	2018-19	Number
GPR	\$154,300	\$96,500	\$68,800	-\$143,300	-46.4%	0.00	0.00	0.00	0.00	0.0%
SEG	<u>45,151,800</u>	<u>46,036,300</u>	<u>46,372,800</u>	<u>2,105,500</u>	2.3	<u>267.20</u>	<u>269.20</u>	<u>269.20</u>	<u>2.00</u>	0.7
<b>TOTAL</b>	<b>\$45,306,100</b>	<b>\$46,132,800</b>	<b>\$46,441,600</b>	<b>\$1,962,200</b>	<b>2.2%</b>	<b>267.20</b>	<b>269.20</b>	<b>269.20</b>	<b>2.00</b>	<b>0.7%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
SEG	\$911,500	- 3.00

Request adjustments to the base budget totaling \$485,600 and -3.0 positions in 2017-18, and \$425,900 and -3.0 positions in 2018-19. Adjustments are for: (a) turnover reduction (-\$488,000 annually); (b) removal of non-continuing elements from the base (-\$12,600 and -3.0 positions in 2017-18 and -\$150,700 and -3.0 positions in 2018-19); (c) full funding of continuing position salaries and fringe benefits (\$783,400 annually); (d) overtime (\$45,700 annually); (e) night and weekend differential (\$72,500 annually); and (f) full funding of lease and directed moves costs (\$84,600 in 2017-18, and \$163,000 in 2018-19).

#### 2. SERVICES TO IMPLEMENT FINANCIAL REPORTING REQUIREMENTS

	Funding	Positions
SEG	\$497,100	2.00

Request \$237,300 and 2.0 positions in 2017-18 and \$259,800 and 2.0 positions in 2018-19 to the agency's appropriation for administration for the implementation of new accounting and financial reporting standards issued by the Governmental Accounting Standards Board (GASB). The Department indicates that funding to implement GASB Statements 74 and 75 would be provided for: (a) 2.0 accountant advanced positions (\$147,300 in 2017-18 and \$169,800 in 2018-19); and (b) contractual services (\$90,000 annually).

#### 3. FUNDING AND POSITIONS FOR SYSTEMS MODERNIZATION PROJECT

	Funding	Positions
SEG	\$337,400	3.00

Request \$161,600 and 3.0 positions in 2017-18 and \$175,800 and 3.0 positions in 2018-19 to the agency's appropriation for administration for continued support of the transformation, integration, and modernization project. Requested position authority is for 2.0 permanent positions and 1.0 four-year project position associated with 3.0 existing four-year project

positions created in May, 2014.

The Department requests that 2.0 existing project positions be converted to permanent trust fund specialist positions upon expiration in May, 2018. The positions would support centralized employer services in general through case management as well as an implementation of system changes planned for January, 2018, relating to enrollment, contribution reporting, employer reporting, and group insurance.

The agency additionally requests 1.0 newly created four-year project position for an accountant to replace a third project position that will expire in May, 2018. The newly created position would support the implementation of system changes planned for 2019. The position would assist with design and testing for employer reporting of service, earnings and contributions, employer insurance invoice processing, Wisconsin Retirement System participant account updates and benefit payments, third-party administrator interfaces, and financial system integration.

**4. MOVING, EQUIPMENT, AND INSTALLATION EXPENSES**

SEG	\$359,500
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Request \$359,500 in 2018-19 to the agency's appropriation for administration for expenses not covered by the Department of Administration to move staff and equipment of the Department of Employee Trust Funds to the newly constructed Hill Farms State Office Building in the summer of 2018. Requested funding is associated with the following one-time moving, equipment purchase, and installation expenses: (a) conference and voice over internet protocol equipment and installation services (\$275,600); (b) moving, purchase, and installation of copiers, multifunction devices, fixtures, furniture, and whiteboards (\$19,900); (c) an emergency evacuation chair, unisex bathroom for customers, and sink addition (\$48,000); and (d) art work, communications, and marketing (\$16,000).

**2015 Act 201 Plan**

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Delay expenditures for legacy systems modernization Project.	SEG	-\$1,583,700	-\$1,583,700
2. Eliminate funding for independent medical evaluations for disability programs.	SEG	-4,900	-4,900
3. Reduce expenditures for health insurance data collection and analysis.	SEG	-368,100	-368,100
4. Reduce funding for Wisconsin Retirement System employer and member training, outreach travel, and other supplies and services.	SEG	<u>-300,800</u>	<u>-300,800</u>
Total		-\$2,257,500	-\$2,257,500

## EMPLOYMENT RELATIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$1,383,600	\$1,375,700	\$1,376,600	-\$14,900	-0.5%	9.01	9.01	9.01	0.00	0.0%
PR	<u>153,300</u>	<u>153,300</u>	<u>153,300</u>	0	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$1,536,900</b>	<b>\$1,529,000</b>	<b>\$1,529,900</b>	<b>-\$14,900</b>	<b>-0.5%</b>	9.01	9.01	9.01	0.00	0.0%

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$14,900
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Request adjustments to the base totaling -\$7,900 in 2017-18 and -\$7,000 in 2018-19. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$8,200 annually); and (b) full funding of lease and directed moves costs (\$300 in 2017-18 and \$1,200 in 2018-19).

#### 2015 Act 201 Plan

		<u>Fund</u>	<u>Amount</u>	
			<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>				
1.	Eliminate 1.0 attorney position.	GPR	-\$69,200	-\$69,200
2.	Reduce court reporter and transcript fee expenditures.	PR	<u>-7,700</u>	<u>-7,700</u>
Total			-\$76,900	-\$76,900

## ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary					FTE Position Summary	
	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.
Fund		2017-18	2018-19	Amount	%	
GPR	\$18,630,900	\$18,630,900	\$18,630,900	\$0	0.0%	
SEG	8,000,000	8,000,000	8,000,000	0	0.0	
TOTAL	\$26,630,900	\$26,630,900	\$26,630,900	\$0	0.0%	
BR		\$8,400,000				

### Major Request Items

#### 1. GENERAL AND REVENUE OBLIGATION BONDING AUTHORITY

BR	\$8,400,000
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Request an increase in general obligation bonding authority of \$8,400,000 for the safe drinking water loan program within the environmental improvement fund, as shown in the table. No new general obligation or revenue obligation bonding authority is requested for the clean water fund program. Revenue obligations are issued to provide financial assistance for municipal wastewater facility projects in the clean water fund program. State revenue bonds are retired primarily through repayments of program loans. General obligation bonds are issued to pay for the 20% state match to the federal capitalization grants for the safe drinking water loan program, and, in the past were used to pay for the 20% state match to the federal grants for the clean water fund program.

#### Environmental Improvement Fund (EIF) Bonding Authority

	<u>Current</u>	<u>Request</u>	<u>Total</u>
Clean water fund program general obligation	\$686,743,200	\$0	\$686,743,200
Safe drinking water loan program general obligation	65,600,000	8,400,000	74,000,000
Subtotal General Obligation Bonding	\$752,343,200	\$8,400,000	\$760,743,200
Clean water fund program revenue obligation	2,526,700,000	0	2,526,700,000
Total Bonding Authority	\$3,279,043,200	\$8,400,000	\$3,287,443,200

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 stormwater 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.

## 2. DEBT SERVICE COSTS

While no change is included for GPR sum-sufficient debt service or EIF general obligation bonds, a reestimate will be included in the Governor's budget. Debt service payments from 2014-15 through the 2016-17 budgeted amounts are shown in the table. Clean water fund program debt service is also paid from a sum-certain SEG appropriation supported by a portion of repayments from municipalities or loans funded from general obligation bonds. The land recycling loan program is funded from repayments of clean water fund loans originally made with federal grants, and does not have a separate general fund debt service cost.

### Environmental Improvement Fund Debt Service Expenditures

	GPR Clean Water Fund <u>Program</u>	SEG Clean Water Fund <u>Program</u>	Safe Drinking Water Loan GPR	<u>Total</u>
2014-15 Actual	\$29,729,100	\$8,000,000	\$4,354,200	\$42,083,300
2015-16 Actual	16,157,600	8,000,000	4,746,400	28,904,000
2016-17 Budgeted	13,257,900	8,000,000	5,373,000	26,630,900

## ETHICS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$874,000	\$838,700	\$841,100	-\$68,200	- 3.9%	4.55	4.55	4.55	0.00	0.0%
PR	<u>551,800</u>	<u>499,100</u>	<u>492,000</u>	<u>- 112,500</u>	<u>- 10.2</u>	<u>3.45</u>	<u>3.45</u>	<u>3.45</u>	<u>0.00</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,425,800</b>	<b>\$1,337,800</b>	<b>\$1,333,100</b>	<b>-\$180,700</b>	<b>- 6.3%</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$68,200
PR	<u>- 98,500</u>
<b>Total</b>	<b>-\$166,700</b>

Request the following adjustments to the agency base budget totaling -\$35,300 GPR and -\$45,700 PR in 2017-18 and -\$32,900 GPR and -\$52,800 PR in 2018-19. Adjustments are for: (a) full funding of salaries and fringe benefits for continuing positions (-\$24,100 GPR and -\$46,900 PR annually); (b) reclassifications and semiautomatic pay progression (\$2,200 GPR in 2017-18 and \$2,900 GPR in 2018-19); and (c) full funding of lease and directed moves costs (-\$13,400 GPR and \$1,200 PR in 2017-18 and -\$11,700 GPR and -\$5,900 PR in 2018-19).

#### 2015 Act 201 Plan

		<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1.	Decrease spending authority for investigations.	GPR	-\$64,400
2.	Decrease spending authority for materials and services.	PR	<u>-7,000</u>
Total			-\$71,400
		GPR	(-\$64,400)
		PR	(-\$7,000)

## FINANCIAL INSTITUTIONS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
PR	\$18,809,300	\$18,546,500	\$18,806,400	-\$265,700	- 0.7%	139.54	139.54	139.54	0.00	0.0%

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

PR	-\$265,700
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Request adjustments to the base budget for: (a) turnover reduction (-\$269,000 PR annually); (b) full funding of continuing position salaries and fringe benefits (\$7,600 PR annually); and (c) full funding of lease and directed moves costs (-\$1,400 PR in 2017-18 and \$258,500 PR in 2018-19).

### 2015 Act 201 Plan

Fund	Amount	
	2017-18	2018-19
<b>5% Budget Reduction Plan</b>		
Savings on vacancies, travel, and other miscellaneous reductions.	PR	-\$940,400

## FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary					FTE Position Summary	
	2016-17 Adjusted Base	<u>Request</u>		2017-19 Change Over <u>Base Year Doubled</u>		There are no state authorized positions for the Fox River Navigational System.
Fund		2017-18	2018-19	Amount	%	
SEG	\$125,400	\$125,400	\$125,400	\$0	0.0%	

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<p><b>5% Budget Reduction Plan</b> Reduce operations, which are funded from the water resources account of the conservation fund.</p>	SEG	-\$6,300	-\$6,300

# GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$3,976,500	\$3,922,900	\$3,922,900	-\$107,200	- 1.3%	37.25	37.25	37.25	0.00	0.0%

## Major Request Item

### 1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$107,200
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Request adjustments to the base budget totaling -\$53,600 annually in the 2017-19 biennium associated with full funding of continuing positions salaries and fringe benefits.

## HEALTH SERVICES

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$3,778,440,900	\$3,898,103,900	\$4,114,250,200	\$455,472,300	6.0%	2,536.63	2,529.65	2,527.03	- 9.60	- 0.4%
FED	5,853,566,700	5,946,997,900	6,292,266,600	532,131,100	4.5	1,230.63	1,228.78	1,227.18	- 3.45	- 0.3
PR	1,181,578,200	1,263,619,800	1,344,385,800	244,849,200	10.4	2,365.39	2,374.22	2,376.84	11.45	0.5
SEG	<u>779,964,300</u>	<u>752,828,400</u>	<u>750,579,200</u>	<u>- 56,521,000</u>	- 3.6	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	\$11,593,550,100	\$11,861,550,000	\$12,501,481,800	\$1,175,931,600	5.1%	6,134.65	6,134.65	6,133.05	- 1.60	0.0%

### Major Request Items

#### Medical Assistance and Related Programs

##### 1. OVERVIEW OF MEDICAL ASSISTANCE FUNDING AND ENROLLMENT

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

The MA program is supported by general purpose revenue (GPR), federal Medicaid matching funds, three segregated funds (the MA trust fund, the hospital assessment trust fund, the critical access hospital assessment trust fund), and various program revenue (PR) sources, such as drug manufacturer rebates.

Table 1 shows, by year and fund source, the total amounts that would be budgeted for MA benefits for the 2017-19 biennium, compared to the base level funding for the program.

**TABLE 1**

**Summary of MA Benefits Funding**

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
<b>2017-18</b>					
Base Funding	\$2,890,530,200	\$5,161,878,800	\$770,931,100	\$779,646,600	\$9,602,986,700
Cost-to-Continue	131,810,800	108,083,300	91,604,100	-27,120,400	304,377,800
Other Items	<u>-320,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-320,300</u>
Total Appropriations	\$3,022,020,700	\$5,269,962,100	\$863,045,200	\$752,526,200	\$9,907,554,200
Percent Change to Base	4.5%	2.1%	11.9%	-3.5%	3.2%
Adjusted Total Budget	\$3,022,020,700	\$5,269,962,100	\$862,535,200	\$590,752,900	\$9,745,270,900
<b>2018-19</b>					
Base Funding	\$2,890,530,200	\$5,161,878,800	\$770,931,100	\$779,646,600	\$9,602,986,700
Cost-to-Continue	337,706,600	448,246,100	157,418,100	-29,369,600	914,001,200
Other Items	<u>-320,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-320,300</u>
Total Appropriations	\$3,227,916,500	\$5,610,124,900	\$928,349,200	\$750,277,000	\$10,516,667,600
Percent Change to 2017-18	6.8%	6.5%	7.6%	-0.3%	6.2%
Adjusted Total Budget	\$3,227,916,500	\$5,610,124,900	\$928,349,200	\$587,867,600	\$10,354,258,200
<b>2017-19 Biennium</b>					
Total Change to Base	\$469,517,400	\$556,329,400	\$249,022,200	-\$56,490,000	\$1,218,379,000
Total Funding	\$6,249,937,200	\$10,880,087,000	\$1,790,884,400	\$1,502,803,200	\$20,423,771,800
Adjusted Total Budget	\$6,249,937,200	\$10,880,087,000	\$1,790,884,400	\$1,178,620,500	\$20,099,529,100

*Adjustment to Eliminate SEG Double-Count.* The program's SEG appropriations for the hospital assessment trust fund and the critical access trust fund are used to fund MA benefits and to make a transfer to the MA trust fund, which also funds MA benefits costs. Since the transferred funds are included both in the SEG appropriations from the hospital funds, as well as in the SEG appropriation from the MA trust fund, the transferred amounts are, in effect, counted twice in the SEG total. In Table 1, the final line shown for each year ("Adjusted Total Budget") makes an adjustment to remove the double-counted SEG funds to more accurately reflect the actual funding that would be available to support MA benefits costs.

*MA Cost-to-Continue.* The MA cost-to-continue item, summarized under Item 2, affects primarily the MA benefits budget, but also modifies another appropriation that does not fund MA benefits costs exclusively - grants to counties to support long-term care services. With the statewide expansion of the Family Care program, the Department's cost-to-continue estimate increases the MA budget for Family Care program costs (\$6,063,300 GPR in 2017-18 and \$10,842,500 GPR in 2018-19), but makes a corresponding decrease to the county grant program to reflect an assumed reduction in county costs in the expansion counties. In the past, the county grant appropriation has not been included among the appropriations that fund MA benefits. Consequently, the Family Care increase is included in the table, but the grant program reduction is excluded. With the non-MA program offset to county grants, the biennial change to all GPR

appropriations under the cost-to-continue item is \$452,611,600, rather than the MA only total of \$469,517,400 shown in the Table 1.

Table 2 shows actual and projected average monthly enrollment by major eligibility group.

**TABLE 2**

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

	Actual	DHS Estimates		
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
<b>Elderly, Blind, Disabled MA</b>				
Elderly*	61,632	61,641	62,886	64,155
Disabled, Non-Elderly Adults	136,357	139,664	144,337	149,670
Disabled Children	<u>32,002</u>	<u>32,837</u>	<u>33,424</u>	<u>34,098</u>
EBD Total	229,991	234,143	240,646	247,923
<b>BadgerCare Plus</b>				
Parents and Caretakers	176,612	170,985	173,149	176,644
Children	469,576	465,421	473,992	485,978
Pregnant Women	21,032	20,420	20,556	20,762
Childless Adults	<u>150,339</u>	<u>145,606</u>	<u>147,613</u>	<u>150,593</u>
BadgerCare Plus Total	817,559	802,433	815,310	833,977
<b>Other Full Benefit MA</b>				
Foster Care/Subsidized Adoption	18,345	19,308	19,874	20,479
Well Woman	705	601	605	612
<b>Limited Benefit Groups</b>				
Family Planning Only	40,693	37,680	37,998	38,380
Medicare Cost Sharing Assistance	21,944	21,859	22,175	22,518
<b>Total Enrollment</b>	1,129,236	1,116,022	1,136,609	1,163,888

\*Some persons in the "Elderly" category may also have a qualifying disability.

Table 3 shows the annual change in the Department's enrollment projections. The 2016-17 column, for instance, shows the projected enrollment change in each category compared to 2015-16 enrollment.

**TABLE 3****Annual Percentage Change in Enrollment from Prior Year**

	<u>DHS Estimates</u>		
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
<b>Elderly, Blind, Disabled MA</b>			
Elderly	0.0%	2.0%	2.0%
Disabled, Non-Elderly Adults	2.4	3.3	3.7
Disabled Children	2.6	1.8	2.0
EBD Total	1.8	2.8	3.0
<b>BadgerCare Plus</b>			
Parents and Caretakers	-3.2%	1.3%	2.0%
Children	-0.9	1.8	2.5
Pregnant Women	-2.9	0.7	1.0
Childless Adults	-3.1	1.4	2.0
BadgerCare Plus Total	-1.9	1.6	2.3
<b>Other Full Benefit MA</b>			
Foster Care/Subsidized Adoption	5.3%	2.9%	3.0%
Well Woman	-14.8	0.8	1.0
<b>Limited Benefit Groups</b>			
Family Planning Only	-7.4%	0.8%	1.0%
Medicare Cost Sharing Assistance	-0.4	1.4	1.5
 Total Enrollment	 -1.2%	 1.8%	 2.4%

Table 4 shows actual and projected SEG revenues to the MA trust fund under the Department's 2017-19 budget request. The Department's cost-to-continue request item is based on the assumption that all revenues in the MA trust fund will be spent on MA benefits in each year, offsetting the GPR budget requirements.

**TABLE 4**

**Actual and Projected Medical Assistance Trust Fund Revenues  
Fiscal Years 2015-16 through 2018-19**

	Preliminary 2015-16	DHS Estimates		
		2016-17	2017-18	2018-19
<b>Provider Assessments</b>				
Hospital Assessment*	\$156,103,400	\$159,346,300	\$160,177,400	\$160,968,200
Nursing Home/ICF-ID Bed Assessment	73,673,800	71,495,900	69,836,500	68,177,200
Ambulatory Surgical Center Assessment	16,616,500	5,000,000	5,000,000	5,000,000
Critical Access Hospital Assessment*	1,697,700	1,759,600	1,595,900	1,441,200
<b>Federal Funds Deposited to MA Trust Fund</b>				
Nursing Home Certified Public Expenditure Program	\$34,409,000	\$27,500,000	\$26,675,000	\$25,874,800
Intergovernmental Transfer from UW System	12,987,100	13,000,000	13,000,000	13,000,000
UW Hospital Certified Public Expenditure Program	4,353,500	5,200,000	5,200,000	5,200,000
<b>Other</b>				
Transfer form Permanent Endowment Fund	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
Interest Earnings**	<u>7,900</u>	<u>-100,000</u>	<u>-100,000</u>	<u>-100,000</u>
<b>Total Revenue</b>	\$349,848,900	\$333,201,800	\$331,384,800	\$329,561,400

\* Deposited in separate trust fund and then transferred to the MA trust fund.

\*\* Negative interest earnings generally reflect negative earnings associated with negative cash balances that occur at times during the year.

**2. MEDICAL ASSISTANCE COST-TO-CONTINUE**

Request \$298,314,500 (\$125,747,500 GPR, \$108,083,300 FED, \$91,604,100 PR, and -\$27,120,400 SEG) in 2017-18 and \$903,158,700 (\$326,864,100 GPR, \$448,246,100 FED, \$157,418,100 PR, and -\$29,369,600 SEG) in 2018-19 to fund projected costs of MA program benefits during the 2017-19 biennium. The requested increase is based on the administration's projections of program caseload growth, changes in the use and cost of providing medical and long-term care services, changes to the state's federal medical assistance percentage (FMAP), and other funding changes over the remainder of 2016-17 and the 2017-19 biennium.

GPR	\$452,611,600
FED	556,329,400
PR	249,022,200
SEG	<u>- 56,490,000</u>
Total	\$1,201,473,200

The biennial GPR increase over the base under this item would be \$452.6 million. However, because the Department projects that 2016-17 GPR spending will be approximately \$103.9 million below the 2016-17 GPR appropriation base, the difference between the 2017-19 projected GPR spending level and projected 2016-17 GPR spending is greater than the cost-to-continue funding request. The following table illustrates this difference by showing the 2016-17

appropriation base, the Department's estimate of 2016-17 spending, and the difference between 2017-19 projected spending between both of these amounts.

**2017-19 Projected GPR Spending Compared to Appropriation  
Base and Projected 2016-17 Spending (\$ in Millions)**

GPR Appropriation Base*	\$2,911.0
Projected 2016-17 GPR Spending	2,807.1
Difference Between Spending and Base (2016-17 Surplus)	103.9
2017-18 GPR Request	\$3,036.7
Above Base Increase	125.7
Above 2016-17 Projected Spending	229.6
2018-19 GPR Request	\$3,237.8
Above Base Increase	326.9
Above 2016-17 Projected Spending	430.7
2017-19 Biennial GPR Funding Request	
Above Base	\$452.6
Above 2016-17 Projected Spending	660.3

\* The GPR appropriation base includes MA benefits appropriations, plus one non-MA appropriation that is affected by the Department's cost-to-continue decision item.

The following table shows the \$452.6 million GPR increase above the 2016-17 base, by the factors contributing to the increase under the Department's request assumptions. Since the amounts shown for each factor are expressed in terms of its effect relative to projected spending in 2016-17 (rather than the higher appropriation base), the first item shows the difference between the appropriation base and 2016-17 spending, doubled for the purpose of the biennial comparison. The remaining factors include the following: (a) increases in fee-for-service and managed care intensity (usage of medical services); (b) caseload growth; (c) increases in "clawback" payments to the federal government under a federal formula to partially finance Medicare Part D; (d) increases in Medicare premiums paid by the MA program on behalf of dually-eligible individuals; (e) intensity increases in the IRIS program; (f) changes to the drug reimbursement methodology; (g) fully funding the cost of services provided by federally-qualified health centers; (h) changes in nursing home utilization; (i) decreased state costs due to an increase to the state's FMAP; and (j) other factors.

**Factors Contributing to Requested 2017-19 GPR Increase  
(\$ in Millions)**

Base Budget over Projected 2016-17 Spending, Doubled	-\$207.7
Fee-for-Service and Managed Care Intensity	260.5
Caseload Growth	204.1
Clawback Increase	133.0
Medicare Premiums	51.8
IRIS Intensity	43.6
Drug Reimbursement Changes	33.1
FQHC Cost Settlements	31.8
Nursing Home Utilization	-23.1
FMAP Increase	-87.0
Other Factors	<u>12.5</u>
Total	\$452.6

The Department's estimates of federal cost sharing for MA services are shown in the following table.

**Federal Medical Assistance Percentage Estimates, By Fiscal Year**

<u>Fiscal Year</u>	<u>Title 19 (Most MA Services)</u>	<u>Title 21 (Children's Health Plan)</u>	<u>MA Supported Well Women Services</u>
2016-17			
State	41.56%	6.09%	29.09%
Federal	58.44%	93.91%	70.91%
2017-18			
State	41.43%	6.00%	29.00%
Federal	58.57%	94.00%	71.00%
2018-19			
State	41.32%	5.92%	28.92%
Federal	58.68%	94.08%	71.08%

The cost-to-continue decision item summarized under this item primarily affects appropriations that are customarily considered part of the MA program budget. However, this item also affects an appropriation for making grants to counties for the local share of legacy waiver costs. The Department anticipates a reduction in legacy waiver participation as a result of the expansion of the Family Care program statewide. The GPR-funded costs associated with the expansion (\$6,063,300 GPR in 2017-18 and \$10,842,500 GPR in 2018-19) are included in the cost-to-continue changes to the MA budget, but are offset by corresponding decreases to the non-MA appropriation for legacy waiver grants. Since Table 1 in the previous item shows only the base budget of the MA program, as well as the requested changes to that budget, it excludes the effect of the offsetting GPR reduction to the legacy waiver grant appropriation.

### 3. SENIORCARE REESTIMATE

GPR	\$4,178,400
FED	3,814,400
PR	<u>46,300,300</u>
Total	\$54,293,100

Request \$17,626,900 (\$752,900 GPR, \$634,500 FED, and \$16,239,500 PR) in 2017-18 and \$36,666,200 (\$3,425,500 GPR, \$3,179,900 FED, and \$30,060,800 PR) in 2018-19 to fund projected increases in the cost of benefits under the SeniorCare program in the 2017-19 biennium. 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 funding increase reflects the Department's 2017-19 assumptions for enrollment, distribution of enrollees among eligibility categories, cost per enrollee, federal matching percentages, and drug rebate revenue estimates. DHS projects that during the three-year period from 2016-17 through 2018-19, SeniorCare enrollment will increase by 2% annually in the lowest two income eligibility categories ("a" and "b" above), by 4% annually in the third highest category ("c" above), and by 10% annually in the spend-down category ("d" above). DHS also projects that the per beneficiary cost will increase by 12% annually in 2016-17 and 2018-19 and by 15.5% in 2017-18. The share of program costs funded with drug rebates is projected to increase slightly from current levels.

The following table summarizes SeniorCare funding under the Department's request, and includes actual and projected expenditures for 2015-16 and 2016-17.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2015-16 Actual Expenditures	\$18,241,800	\$17,180,800	\$63,290,600	\$98,713,200
2016-17 Projected Expenditures	\$18,587,400	\$17,952,100	\$72,082,200	\$108,621,700
2016-17 Appropriation Base	22,051,500	21,535,600	67,358,900	110,946,000
2017-18 Requested Increase	\$752,900	\$634,500	\$16,239,500	\$17,626,900
2017-18 Total Funding	22,804,400	22,170,100	83,598,400	128,572,900
2018-19 Requested Increase	\$3,425,500	\$3,179,900	\$30,060,800	\$36,666,200
2018-19 Total Funding	25,477,000	24,715,500	97,419,700	147,612,200

### 4. SSI AND CARETAKER SUPPLEMENT REESTIMATE

GPR	\$5,214,400
PR	<u>- 6,188,600</u>
Total	-\$974,200

Request a reduction of \$1,769,400 (\$1,324,900 GPR and -\$3,094,300 PR) in 2017-18 and an increase of \$795,200 (\$3,889,500

GPR and -\$3,094,300 PR) in 2018-19 to fund the projected supplemental security income (SSI) state supplement and caretaker supplement payments in the 2017-19 biennium. SSI provides federal and GPR-funded benefits to low-income residents who are elderly, blind, or disabled. Recipients with dependent children may also receive a caretaker supplement payment supported by federal temporary assistance to needy families (TANF) funds transferred as program revenue from the Department of Children and Families (DCF).

*Basic State Supplement.* Request \$1,324,900 GPR in 2017-18 and \$3,889,500 GPR in 2018-19 to fully fund projected costs of state supplemental SSI benefits. In June, 2016, approximately 121,400 individuals received state supplemental SSI benefits payments, including the basic supplement (\$83.78 per month for single individuals). Of these recipients, approximately 25,000 individuals qualified for the exceptional expense benefit (\$95.99 per month for single individuals) which is paid in addition to the basic supplement to individuals 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. Base funding for these payments is \$159,455,400 GPR, which is budgeted in a sum sufficient appropriation. DHS projects payments totaling \$160,780,300 GPR in 2017-18 and \$163,344,900 GPR in 2018-19.

*Caretaker Supplement.* Request a reduction of \$3,094,300 PR annually to reflect estimates of the amounts needed to fully fund projected SSI caretaker supplement benefit payments. DHS provides SSI recipients with a monthly payment of \$250 for the first dependent child and \$150 for each additional dependent child. Base TANF funding for the caretaker supplement is \$30,433,400. DHS projects caretaker supplement benefit payments will total \$27,339,100 PR in each year of the 2017-19 biennium, which is the amount DHS expended for these payments in 2015-16.

## Public Assistance Administration and FoodShare

### 1. INCOME MAINTENANCE CONTRACTS

GPR	- \$3,199,000
FED	<u>27,986,600</u>
Total	\$24,787,600

Request \$12,393,800 (-\$1,599,500 GPR and \$13,993,300 FED) annually to fund income maintenance (IM) contracts for county consortia and tribal government agencies at calendar year 2017 levels throughout the 2017-19 biennium. The DHS request includes: (a) providing \$4,730,100 (\$1,892,000 GPR and \$2,838,100 FED) annually to maintain base funding to support IM functions relating to work requirements for certain able-bodied adults without dependent children (ABAWDs) who receive FoodShare benefits, which was budgeted as one-time funding in Act 55; (b) maintaining \$2,453,700 (\$981,500 GPR and \$1,472,200 FED) in base funding to support IM functions relating to workload resulting from the federal Affordable Care Act (ACA); (c) combining these two supplemental allocations into each IM agency's base allocation, beginning in calendar year 2017; (d) providing \$750,000 (\$300,000 GPR and \$450,000 FED) annually to maintain a contingency due to uncertainty regarding federal matching rates that will apply to IM activities; and (e)

reestimating federal matching funds that will be available to support IM functions to reflect that a 75% matching rate will apply to certain ACA-related IM costs, rather than a 50% matching rate, resulting in an estimated average rate of 60% for all IM functions.

The following table summarizes the funding that would be budgeted for IM contracts in calendar years 2017 through 2019, by source, and the fiscal year change to base funding that would be provided under this item.

**Income Maintenance Calendar Year Allocations  
(2017, 2018, and 2019)**

<u>Category</u>	<u>GPR</u>	<u>FED</u>	<u>Total</u>
Base Allocation	\$11,153,600	\$16,730,300	\$27,883,900
ACA Supplement	981,500	1,472,200	2,453,700
FoodShare ABAWD Supplement	<u>1,892,000</u>	<u>2,838,100</u>	<u>4,730,100</u>
Subtotal*	\$14,027,100	\$21,040,600	\$35,067,700
Federal Claims on County Contributions (Based on 2015 Contributions Totaling \$24,643,100)	\$0	\$36,964,600	\$36,964,600
Contingency due to Uncertainty of Federal Claiming	<u>\$300,000</u>	<u>\$450,000</u>	<u>\$750,000</u>
Total	\$14,327,100	\$58,455,200	\$72,782,300

**Summary of Annual IM Funding Request -- State Fiscal Year Basis  
(2017-18 and 2018-19)**

<u>Category</u>	<u>GPR</u>	<u>FED</u>	<u>Total</u>
Total Funding Requested	\$14,327,100	\$58,455,200	\$72,782,300
Adjusted Base**	<u>15,926,600</u>	<u>44,461,900</u>	<u>60,388,500</u>
Difference (Change to Base)	-\$1,599,500	\$13,993,300	\$12,393,800

\*The ACA and FoodShare ABAWD supplements would be combined with the base allocation, beginning in CY 2017 contracts.

\*\* Act 55 budgeted GPR funding for the FoodShare ABAWD supplement as one-time funding, which is removed as part of the standard budget adjustment (-\$1,892,000 GPR annually).

**2. MA AND FOODSHARE ADMINISTRATION -- CONTRACTS AND OTHER SUPPLIES AND SERVICES**

GPR	\$2,941,600
FED	<u>- 8,008,100</u>
Total	-\$5,066,500

Request a reduction of \$5,466,000 (-\$39,900 GPR and -\$5,426,100 FED) in 2017-18 and an increase of \$399,500 (\$2,981,500 GPR and -\$2,582,000 FED) in 2018-19 to reflect the net effect of funding adjustments to appropriations that support contracted services and general program operations for the Division of Medicaid Services. Factors resulting in these funding adjustments include: (a) rate increases incorporated into current contracts; (b) projects to modify claims and eligibility information systems to implement state policy changes; (c) recent decreases in FoodShare enrollment, which reduces the cost of the electronic benefit transfer (EBT) contract; (d) greater federal matching rates for certain enrollment activities than

was budgeted as part of 2015 Act 55 (the enhanced rates are expected to terminate on December 31, 2018); and (e) increases in contracted services DHS will use to meet new federal requirements.

### **3. FUNERAL AND CEMETERY AIDS**

GPR	- \$1,998,700
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Request a reduction of \$1,066,500 in 2017-18 and a reduction of \$932,200 in 2018-19 to reflect reestimates 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 eligible services they provide to certain deceased individuals who were eligible for medical assistance (MA) 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 funeral expenses exceed \$4,500 or total cemetery expenses exceed \$3,500.

Base funding for the program is \$10,514,700 GPR. DHS estimates that reimbursement payments will total \$9,222,900 in 2016-17, \$9,448,200 in 2017-18 and \$9,582,500 in 2018-19.

### **4. FOODSHARE EMPLOYMENT AND TRAINING PROGRAM**

GPR	\$1,785,700
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Request \$1,785,700 GPR in 2018-19 to fund the FoodShare employment and training (FSET) program in the 2017-19 biennium. The program offers one way FoodShare recipients who are non-exempt able bodied adults without dependents (ABAWDs) can fulfill the work requirements enacted as part of 2013 Wisconsin Act 20.

Due to a three-month delay in statewide implementation and slower than anticipated growth in enrollment after the work requirement went into effect, DHS expects to carry over \$10,532,300 GPR budgeted for the program in the 2015-17 biennium to fund program costs in the 2017-19 biennium. In addition, DHS does not expect to seek the release of \$13,925,300 GPR budgeted in 2016-17 in the Joint Committee on Finance program supplements appropriation to fund program costs in the current year.

As part of this item, DHS requests \$2,195,000 (\$1,646,300 GPR and \$548,700 FED) in 2017-18 and \$2,235,000 (\$1,676,200 GPR and \$558,800 FED) in 2018-19 to fund pay-for-performance incentive payments to encourage employment outcomes and other vendor performance measures.

The following table summarizes, for fiscal years 2016-17 through 2018-19, DHS estimates of total FSET program costs, funding offsets, state funding carried over from previous fiscal years, and the need for additional funding in 2018-19. Comparable actual figures are presented for 2015-16.

	Actual 2015-16	Estimate 2016-17	DHS Request	
			2017-18	2018-19
Total Program Costs	\$41,198,100	\$43,250,000	\$43,900,000	\$44,700,000
Funding Offsets				
100% FED Allocation -- SNAP Education and Training	-\$1,150,000	-\$1,400,000	-\$1,300,000	-\$1,300,000
100% FED Allocation -- "Pledge State" Allocations	-13,092,300	-6,000,000	-4,000,000	-2,000,000
Local Contributions (including 50% FED match)	<u>-2,662,200</u>	<u>-4,307,200</u>	<u>-5,000,000</u>	<u>-5,000,000</u>
Subtotal	\$24,293,600	\$31,542,800	\$33,600,000	\$36,400,000
50% Federal Cost Sharing on Remaining Costs	-\$12,124,700	-\$15,771,400	-\$16,800,000	-\$18,200,000
Pay for Performance (GPR Share)	<u>\$0</u>	<u>\$0</u>	<u>\$1,646,300</u>	<u>\$1,676,200</u>
Total GPR Costs of Program	\$12,168,900	\$15,771,400	\$18,446,300	\$19,876,200
Available Funds				
Base Appropriation	\$13,458,700	\$13,925,300	\$13,925,300	\$13,925,300
Carryover from Previous Year	<u>9,242,500</u>	<u>10,532,300</u>	<u>8,686,200</u>	<u>4,165,200</u>
Subtotal	\$22,701,200	\$24,457,600	\$22,611,500	\$18,090,500
Difference [Amounts Carried Forward to Next Year/ (Shortfall)]	\$10,532,300	\$8,686,200	\$4,165,200	-\$1,785,700

## Care and Treatment Services

### 1. OVERVIEW -- DHS INSTITUTIONS POPULATION PROJECTIONS

The following table shows the Department's estimates of the average daily population for the two years of the 2017-19 biennium at each of the Department's care and treatment facilities. The number of residents at each facility is subdivided according to the funding source used for their care. In general, the care for persons placed in the state centers for individuals with intellectual disabilities and persons committed to one of the mental health institutes under a civil process is funded with program revenues, which is derived from county payments, medical assistance (MA), or private insurance. Care for forensic patients at the mental health institutes, correctional inmates at the Wisconsin Resource Center, and persons committed to the Sand Ridge Secure Treatment Center is funded with GPR.

Facility	2017-18			2018-19		
	GPR	PR	Total	GPR	PR	Total
Mendota MHI	295	22	317	295	22	317
Winnebago MHI	80	124	204	80	130	210
Central Wisconsin Center	0	225	225	0	225	225
Northern Wisconsin Center	0	13	13	0	13	13
Southern Wisconsin Center	0	141	141	0	141	141
Sand Ridge Secure Treatment Center	369	0	369	372	0	372
Wisconsin Resource Center	<u>385</u>	<u>0</u>	<u>385</u>	<u>385</u>	<u>0</u>	<u>385</u>
Total	1,129	525	1,654	1,132	531	1,663

**2. MENTAL HEALTH INSTITUTES FUNDING SPLIT**

	Funding	Positions
GPR	\$5,612,500	- 14.50
PR	<u>- 5,612,500</u>	<u>14.50</u>
Total	\$0	0.00

Request GPR funding increases of \$2,918,400 in 2017-18 and \$2,694,100 in 2018-19 and PR funding decreases of corresponding amounts to adjust funding at the Mendota and Winnebago mental health institutes (MHIs) to reflect the Department's estimate of the percentage of patients whose care is funded with GPR and PR. Adjust the funding split for MHI positions between GPR and PR to reflect the Department's estimates of the projected population split, resulting in a reduction of GPR-funded positions of 11.88 positions in 2017-18 and 14.50 positions in 2018-19 and corresponding increases in PR-funded positions.

The share of MHI costs funded by GPR and PR is based on the composition of the patient population. The state is responsible for the cost of caring for forensic patients, which it funds with GPR. The cost of caring for civilly-committed patients is funded from program revenues paid by counties and third-party payers, including MA for MA-eligible populations. In general, the PR-funded patients are projected to increase as a percentage of the total patient population, resulting in the position shift in this decision item. This, in turn, results in a decrease in the salary and fringe benefits funded with GPR and a corresponding increase in PR funding. However, these funding changes are more than offset by other adjustments to the funding provided for overtime and night and weekend differential salary, resulting in a net increase in GPR funding. The administration's 2017-19 budget instructions to agencies specify that the funding provided for the overtime and night and weekend differential salary standard budget adjustments must equal (with a few exceptions) what the agency received for those decision items in the prior budget. Since this has been the policy for several biennia, the amounts provided are ultimately based on overtime and night and weekend differential expenditures that no longer reflect current GPR- and PR-funded population splits. This discrepancy is, in effect, remedied by the mental health institutes funding split decision item.

**3. CONTRACTED MENTAL HEALTH SERVICES**

GPR	\$3,768,300
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Request \$1,195,500 in 2017-18 and \$2,572,800 in 2018-19 to fund projected increases in the costs of contracts for competency examinations, treatment to restore competency, conditional release, and supervised release services for mental health clients served by DHS facilities. Generally, the Department's estimates for these services are based on the assumption that the per-client costs will increase at 2.3% annually, and that caseloads will increase based on historical trends. Base funding for these contracted services is \$13,641,100.

*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. This item would increase funding for contracted examinations by \$289,800 in 2017-18 and \$456,100 in 2018-19.

*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. This item would increase funding for this contract by \$122,300 in 2017-18 and \$230,600 in 2018-19.

*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. DHS contracts with five organizations, each of which provides services in one of five regions of the state. This item would increase funding for these contracts by \$140,900 in 2017-18 and \$407,600 in 2018-19.

*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. This item would increase funding for these services by \$686,000 in 2017-18 and \$1,391,800 in 2018-19.

*Department of Correction Supervision.* 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. This item would decrease funding for these contracts by \$43,500 in 2017-18 and increase funding by \$86,700 in 2018-19.

The following table shows the Department's estimates for the number of persons served in each program component described above, the average cost per service, and the requested funding by fiscal year. Due to rounding in the average cost per client, the requested funding does not equal the product of the figures shown in the table. Estimates of some of the components of the Department of Corrections contract are not based on a per-client average, so the average cost is not included in the table.

## Contracted Services for Mental Health Clients

	2017-18			2018-19		
	Number	Average Cost	Total	Number	Average Cost	Total
Outpatient Competency Exams	1,603	\$1,360	\$2,180,500	1,688	\$1,390	\$2,346,800
Restoration to Competency	95	14,940	1,426,200	100	15,280	1,534,500
Conditional Release	332	15,160	5,033,100	342	15,510	5,299,800
Supervised Release	57	83,280	4,747,000	64	85,200	5,452,800
Department of Corrections Supervision			1,449,800			1,580,000
Total Funding Requested			\$14,836,600			\$16,213,900
Base Funding			\$13,641,100			\$13,641,100
<b>Difference (Requested Change to Base)</b>			<b>\$1,195,500</b>			<b>\$2,572,800</b>

### 4. NONFOOD SUPPLIES AND SERVICES AT DHS INSTITUTIONS

GPR	\$3,738,100
PR	<u>3,071,000</u>
Total	\$6,809,100

Request increased funding of \$1,615,200 (\$508,400 GPR and \$1,106,800 PR) in 2017-18 and \$5,193,900 (\$3,229,700 GPR and \$1,964,200 PR) in 2018-19 to reflect increased costs of nonfood supplies and services at the Department's treatment and residential facilities (state mental health institutes, the state centers for individuals with intellectual disabilities, the Wisconsin Resource Center, and the Sand Ridge Secure Treatment Center). Nonfood supplies and services include primarily medical services, medical supplies, prescription drugs, clothing, and kitchen supplies. The Department's estimate reflects an assumption that the total population of the facilities, other than the state centers for persons with intellectual disabilities will increase by approximately 0.5% annually, while the cost of prescription drugs and medical services will increase at a rate matching recent experience (ranging from approximately 5% to 30%, depending on the facility), and that other supplies will increase by an inflationary rate of 2.3% annually. The Department's base budget for nonfood supplies and services at its facilities is \$29,122,500 (\$21,036,200 GPR and \$8,086,300 PR).

### 5. FOOD AT DHS INSTITUTIONS

GPR	\$641,500
PR	<u>421,700</u>
Total	\$1,063,200

Request increased funding of \$488,600 (\$297,100 GPR and \$191,500 PR) in 2017-18 and \$574,600 (\$344,400 GPR and \$230,200 PR) in 2018-19 to reflect an estimate of increased food costs for residents at the Department's treatment and residential facilities. The Department's estimate reflects an assumption that the cost of food will increase by 1.5% annually and that the total population of the facilities, other than the state centers for individuals with intellectual disabilities, will increase by approximately 0.5% annually. The Department's base budget for food at its facilities is \$3,738,900 (\$2,458,100 GPR and \$1,280,800 PR).

## Departmentwide and Public Health

### 1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	-\$17,366,400	0.00
FED	- 2,122,000	- 1.60
PR	- 2,148,400	0.00
SEG	<u>- 31,000</u>	<u>0.00</u>
Total	-\$21,667,800	- 1.60

Request a reduction of \$10,796,200 (-\$8,683,200 GPR, -\$1,023,300 FED, -\$1,074,200 PR and -\$15,500 SEG) in 2017-18 and a reduction of \$10,871,600 (-\$8,683,200 GPR, -\$1,098,700 FED, -\$1,074,200 PR, and -\$15,500 SEG) in 2018-19, and a reduction of 1.60 FED positions, beginning in 2018-19, to reflect the following standard budget adjustments: (a) turnover reduction (-\$2,958,800 GPR, -\$2,288,900 PR, and -\$1,643,700 FED annually); (b) removal of noncontinuing elements (-\$3,325,000 GPR and -\$174,500 FED in 2017-18, -\$3,325,000 GPR and -\$249,900 FED in 2018-19, and -1.60 FED positions, beginning in 2018-19); (c) full funding of continuing salaries and fringe benefits (-\$6,258,700 GPR, -\$5,336,100 PR, \$693,500 FED, and -\$15,500 SEG annually); (d) overtime (-\$1,944,200 GPR and -\$4,121,800 PR annually); (e) night and weekend salary funding (\$1,915,100 GPR, \$2,429,000 PR, and \$101,400 FED annually); and (f) minor transfers within appropriations.

### 2. FEDERAL REVENUE REESTIMATES

FED	- \$45,635,600
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Request a reduction of \$22,713,700 in 2017-18 and a reduction of \$22,921,900 in 2018-19 to reflect the net effect of funding adjustments to federal appropriations that are not included in other items requested by DHS.

The following table shows the base funding amount for each appropriation affected by this item, the funding change under this item, the MA funding changes under other items in the agency request, and the total amount that would be budgeted in each appropriation.

## Summary of Adjustments to Selected Federal Appropriations

Appropriation, by Division	2016-17 Base	2017-18			2018-19		
	Funding	Reestimate	Other Items	Total	Reestimate	Other Items	Total
<b>Public Health</b>							
Program Aids	\$93,000,000	-\$5,586,400	\$5,321,700	\$92,735,300	-\$5,586,400	\$5,321,700	\$92,735,300
Project Aids	56,365,500	-16,300,000	5,800,000	45,865,500	-16,300,000	5,800,000	45,865,500
Preventive Health Block Grant -- Operations	1,599,900	40,000	484,100	2,124,000	40,000	484,100	2,124,000
Maternal and Child Health Block Grant -- Operations	4,532,900	191,500	-414,600	4,309,800	191,500	-333,600	4,390,800
Preventive Health Block Grant -- Aids and Local Assistance	843,600	63,600	0	907,200	63,600	0	907,200
<b>Care and Treatment Services</b>							
Project Aids	334,600	4,304,800	0	4,639,400	4,304,800	0	4,639,400
Substance Abuse Block Grant -- Local Assistance	7,503,300	29,700	0	7,533,000	29,700	0	7,533,000
Projects -- Operations	1,015,600	-385,200	22,900	653,300	-509,300	-52,500	453,800
Block Grants -- Local Assistance	2,109,500	-283,000	0	1,826,500	-283,000	0	1,826,500
Community Mental Health Block Grant -- Aids	2,246,300	971,000	0	3,217,300	971,000	0	3,217,300
Substance Abuse Block Grant -- Aids	8,376,200	-666,500	0	7,709,700	-666,500	0	7,709,700
<b>Disability and Elder Services</b>							
Social Services Block Grant -- Local Assistance	21,080,900	-21,600	0	21,059,300	-102,200	0	20,978,700
Social Services Block Grant -- Aids -Family Care	62,000	-62,000	0	0	-62,000	0	0
<b>General Administration</b>							
Income Augmentation Services -- Title IV-E Receipts	6,634,900	-5,216,800	0	1,418,100	-5,216,800		1,418,100
Medicaid State Administration	5,510,800	290,400	-43,700	5,757,500	290,400	-43,700	5,757,500
FoodShare Administration	555,800	269,400	-5,000	820,200	269,400	-5,000	820,200
Office of the Inspector General -- Program Aids	814,200	-31,000	0	783,200	-31,000	0	783,200
Social Services Block Grant-- Operations	<u>1,219,600</u>	<u>-321,600</u>	<u>27,900</u>	<u>925,900</u>	<u>-325,100</u>	<u>27,900</u>	<u>922,400</u>
<b>Total</b>	<b>\$213,805,600</b>	<b>-\$22,713,700</b>	<b>\$11,193,300</b>	<b>\$202,285,200</b>	<b>-\$22,921,900</b>	<b>\$11,198,900</b>	<b>\$202,082,600</b>

### 3. PROGRAM REVENUE FUNDING ADJUSTMENTS

PR	- \$39,105,900
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Request a reduction of \$19,535,700 in 2017-18 and a reduction of \$19,570,200 in 2018-19 to reflect the net effect of funding adjustments to 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, and the total amount that would be budgeted in each appropriation under the agency's request.

## Summary of Adjustments to Selected Program Revenue Appropriations

Appropriation, by Division	2016-17 Base	2017-18			2018-19		
	Funding	Reestimate	Other Items	Total	Reestimate	Other Items	Total
<b>Public Health</b>							
Licensing, Review and Certifying Activities	\$3,900	-\$4,400	\$500	\$0	-\$4,400	\$500	\$0
Congenital Disorders -- Diagnosis, Treatment and Counseling	3,179,500	2,170,500	0	5,350,000	2,170,500	0	5,350,000
Gifts and Grants	21,157,500	-7,880,000	-400	13,277,100	-7,880,000	-400	13,277,100
Congenital Disorders -- Operations	502,000	98,000	0	600,000	63,500	0	565,500
<b>Treatment Facilities</b>							
Repair and Maintenance of Institutions	865,100	100,000	0	965,100	100,000	0	965,100
Gifts and Grants	187,600	-93,800	0	93,800	-93,800	0	93,800
Interagency and Intra-agency Programs	8,708,200	-1,228,400	-24,000	7,455,800	-1,228,400	-24,000	7,455,800
<b>Medicaid Services</b>							
Provider Assessments to Support Audits and Investigations	247,600	96,300	-168,900	175,000	96,300	-168,900	175,000
Third Party Administrator for Children's Long-Term Care	12,165,500	-11,655,500	0	510,000	-11,655,500	0	510,000
Interagency and Intra-agency Local Assistance	1,145,300	-300,000	0	845,300	-300,000	0	845,300
<b>Care and Treatment Services</b>							
Alcohol and Drug Abuse Initiatives	659,900	-209,900	18,000	468,000	-209,900	18,000	468,000
Gifts and Grants	133,700	-58,900	-900	73,900	-58,900	-900	73,900
Interagency and Intra-agency Programs	3,541,400	-608,700	-41,200	2,891,500	-608,700	-41,200	2,891,500
<b>General Administration</b>							
Office of the Inspector General -- Interagency and Intra-agency operations	878,200	39,100	-139,200	778,100	39,100	-39,100	878,200
<b>Total Adjustments</b>		<b>-\$19,535,700</b>			<b>-\$19,570,200</b>		

### 4. AGENCY REORGANIZATION AND POSITION FUNDING

	Funding	Positions
GPR	\$0	4.90
FED	- 370,800	- 2.45
PR	<u>- 402,000</u>	<u>- 2.45</u>
Total	- \$772,800	0.00

Request a reduction of 4.90 positions (-2.45 FED positions and -2.45 PR positions) and a corresponding increase of 4.90 GPR positions, beginning in 2017-18 and annual funding adjustments associated with these positions (\$386,400 GPR, -\$185,400 FED, and -\$201,000 PR) to reflect the net effect of: (a) transferring base funding and positions between appropriations to align the agency's budget with a recent reorganization of the Department; and (b) transferring funding for current positions in the Bureau of Aging and Disability Resources (BADR) to new funding sources, due primarily to the discontinuation of the availability of federal income augmentation revenue to support these positions. Request a funding reduction of \$772,800 GPR in 2017-18 for aging and disability resources centers (ADRCs) in order to offset the GPR cost of the position reallocation.

*Transfer BADR to the Division of Public Health.* 2015 Wisconsin Act 55 included funding and position transfers that anticipated the elimination of the Division of Long-Term Care (DLTC), beginning in 2015-16, and the transfer of all DLTC functions to the Division of Medicaid Services (DMS). In spring, 2016, DHS finalized a reorganization plan that included transferring the staff and programs administered by the Bureau of Aging and Disability

Resources (which includes the Office for the Blind and Visually Impaired, the Office for the Deaf and Hard of Hearing, and the Office on Aging) to the Division of Public Health (DPH), rather than to DMS. DHS requests statutory changes to renumber and modify current DHS appropriations and references to DHS appropriations to reflect the reorganization.

*Reassign Funding for Current DHS Positions.* This item would modify funding sources for several positions in BADR and the Office of Electronic Health Records System Management.

*ADRC Contracts.* This item would reduce funding budgeted for ADRC contracts by \$772,800 GPR in 2017-18 to reflect the availability of funding DHS expects to carry forward from the 2015-17 biennium to fund contracts in the 2017-19 biennium. This one-time reduction is intended to offset, in the 2017-19 biennium, the increased (ongoing) costs of GPR-support for positions in BADR.

## 5. DISEASE AIDS REESTIMATE

GPR	- \$2,446,100
PR	- 371,400
Total	- \$2,817,500

Request a decrease of \$1,509,500 (-\$1,301,400 GPR and -\$208,100 PR) in 2017-18 and a decrease of \$1,308,000 (-\$1,144,700 GPR and -\$163,300 PR) in 2018-19 to reflect DHS estimates of benefit costs provided under the Wisconsin chronic disease program (WCDP) in the 2017-19 biennium.

The WCDP provides coverage of services for enrolled individuals with chronic renal disease, hemophilia, and adult cystic fibrosis. WCDP serves as a payer of last resort for enrollees, and covers costs not already 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, as well as for copayments on prescription medications. The Department receives rebates from drug manufactures for medications dispensed through WCDP, which DHS uses to offset the program's benefit costs.

The following table summarizes the Department's estimates and requested funding change.

### Summary of Disease Aids Cost Estimates

	2017-18			2018-19		
	GPR	PR	Total	GPR	PR	Total
<b>Benefits Costs</b>						
Chronic Renal Disease Program	\$2,561,200	\$0	\$2,561,200	\$2,700,800	\$0	\$2,700,800
Hemophilia Home Care	1,708,400	0	1,708,400	1,759,600	0	1,759,600
Adult Cystic Fibrosis Program	193,900	0	193,900	204,600	0	204,600
Subtotal	\$4,463,500	\$0	\$4,463,500	\$4,665,000	\$0	\$4,665,000
Less Est. Rebate Revenue (PR)	-991,900	991,900	0	-1,036,700	1,036,700	0
Contingency	500,000	0	500,000	500,000	0	500,000
Total	\$3,971,600	\$991,900	\$4,963,500	\$4,128,300	\$1,036,700	\$5,165,000
Base Funding	\$5,273,000	\$1,200,000	\$6,473,000	\$5,273,000	\$1,200,000	\$6,473,000
<b>Change to Base</b>	<b>-\$1,301,400</b>	<b>-\$208,100</b>	<b>-\$1,509,500</b>	<b>-\$1,144,700</b>	<b>-\$163,300</b>	<b>-\$1,308,000</b>

**2015 Act 201 Plan**

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Reduce spending authority to expected expenditure level.	PR	-\$5,800,000	-\$5,604,500
2. Reduce spending authority to projected annual revenue amount.	PR	-5,550,100	-5,550,100
3. Reduce spending authority to historical PR fuel costs for direct care facilities.	PR	-2,452,200	-2,449,300
4. Request 35.5 FTE to convert contract staff to state positions in long term care programs.	GPR	-827,200	-827,200
5. Return Milwaukee Enrollment Services functions to Milwaukee County.	GPR	-8,000,000	-14,850,000
6. Reform SeniorCare to a Medicare Part D wraparound program.	PR	-660,000	-660,000
7. Division of Medicaid Services Reorganization.	GPR	386,400	386,400
8. Division of Medicaid Services Reorganization.	PR	-201,000	-201,000
9. Correction from 2015-17 Veto Error.	GPR	320,300	320,300
10. Food Reestimate.	GPR	297,100	344,400
11. Food Reestimate.	PR	191,500	230,200
12. Variable Nonfood Reestimate.	GPR	508,400	3,229,700
13. Variable Nonfood Reestimate.	PR	1,106,800	1,964,200
14. Program Revenue Reestimate.	PR	-9,750,700	-9,785,200
15. Mental Health Institute Funding Split.	GPR	2,918,400	2,694,100
16. Mental Health Institute Funding Split.	PR	-2,918,400	-2,694,100
17. Dual Employment Earnings Limit.	GPR	-3,600	-3,600
18. Mental Health Commitment Process for Inmates Statutory Language Change.	GPR	-1,200	-1,200
19. Medicaid and Foodshare Administration Reestimate.	GPR	-39,900	2,981,500
20. Administrative Transfers.	PR	<u>-68,600</u>	<u>-68,600</u>
 Total		 (-\$30,544,000)	 (-\$30,544,000)
	GPR	(-\$4,441,300)	(-\$5,725,600)
	PR	(-\$26,102,700)	(-\$24,818,400)

## HIGHER EDUCATIONAL AIDS BOARD

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$137,782,700	\$137,786,900	\$137,790,400	\$11,900	0.0%	10.00	10.00	10.00	0.00	0.0%
FED	1,567,700	150,000	150,000	- 2,835,400	- 90.4	0.00	0.00	0.00	0.00	0.0
PR	1,639,800	1,639,800	1,639,800	0	0.0	0.00	0.00	0.00	0.00	0.0
<b>TOTAL</b>	<b>\$140,990,200</b>	<b>\$139,576,700</b>	<b>\$139,580,200</b>	<b>-\$2,823,500</b>	<b>- 1.0%</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	\$11,900
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Request adjustments to the base budget of \$4,200 in 2017-18 and \$7,700 in 2018-19 for: (a) full funding of continuing position salaries and fringe benefits (\$2,000 annually); and (b) full funding of lease and directed moves costs (\$2,200 in 2017-18 and \$5,700 in 2018-19).

#### 2. REESTIMATE FEDERAL REVENUES

FED	- \$2,835,400
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Request a reduction in the federal aid appropriation of \$1,417,700 annually to reflect the elimination of the federal Leveraging Educational Assistance Partnership (LEAP) and Special Levering Educational Assistance Partnership (SLEAP) programs. Prior to 2011-12, HEAB received funds through these programs which were used to provide grants through the talent incentive grant program.

#### 3. MINORITY TEACHER LOAN

Request that changes made to the minority teacher loan program by 2015 Act 55 be repealed and that prior law be restored.

Under 2015 Act 55, minority students who meet all of the following criteria are eligible to receive loans through the minority teacher loan program: (a) are state residents enrolled at least half-time as sophomores, juniors, or seniors in an institution of higher education located in this state; (b) are enrolled in a program of study leading to a teacher's license in a discipline identified as a teacher shortage area for this state by the U.S. Department of Education; and (c) have a grade point average of at least a 3.0 on a 4.0-scale or the equivalent. Eligible students may receive loans of up to \$10,000 a year for not more than three years with a maximum loan amount

of \$30,000 per student.

Minority teacher loan recipients may have the principal and interest of loans forgiven if the recipient satisfies all of the following: (a) the recipient is employed by a public or private elementary or secondary school in the city of Milwaukee as a full-time teacher in a high-demand area related to the recipient's program of study as described in (b) above; and (b) the recipient receives a rating of proficient or distinguished on the educator effectiveness system or the equivalent in a school that does not use the education effectiveness program. Loan recipients may have 25% of the principal and interest of their loans forgiven for each school year in which the recipient satisfies (a) and (b). Loan recipients who do not have their loans forgiven based on their employment must repay their loans at an annual interest rate of 5%.

Prior to Act 55, minority students were eligible for loans through the minority loan program if they met all of the following requirements: (a) were enrolled at least half-time at a UW institution or a private, nonprofit postsecondary institution in this state; (b) were registered as juniors or seniors or held a bachelor's degree and were registered as special students; (c) were enrolled in programs leading to teacher licensure and were not currently licensed; (d) had a grade point average of at least a 2.5 on a 4.0-scale or the equivalent; and (e) agreed to teach in a school district located in this state in which minority students constitute at least 29% of total enrollment or in a school district participating in the interdistrict pupil transfer (Chapter 220) program. Eligible students could receive loans of up to \$2,500 per year with a maximum cumulative loan amount of \$5,000.

Under prior law, minority teacher loan recipients could have 25% of the principal and interest of loans received through the minority teacher loan program forgiven for each year the recipient taught in a school district located in the state in which minority students constitute at least 29% of total enrollment or in a school district participating in the interdistrict pupil transfer (Chapter 220) program. Loan recipients who did not have their loans forgiven based on their employment repaid their loans at an annual interest rate of 5%.

**2015 Act 201 Plan**

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
HEAB would not hire a programming contractor.	GPR	-\$47,300	-\$47,300
HEAB indicates that this would likely delay the transfer of funds to students and institutions. HEAB would also not be able to create an online application process for one of its programs.			

## HISTORICAL SOCIETY

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$15,190,200	\$18,424,400	\$20,218,800	\$8,262,800	27.2%	93.65	95.65	95.65	2.00	2.1%
FED	1,313,200	1,386,500	1,338,700	98,800	3.8	7.86	8.86	7.86	0.00	0.0
PR	3,288,000	3,241,100	3,242,900	- 92,000	- 1.4	16.25	16.25	16.25	0.00	0.0
SEG	<u>3,788,500</u>	<u>3,753,000</u>	<u>3,753,000</u>	<u>- 71,000</u>	- 0.9	<u>11.28</u>	<u>11.28</u>	<u>11.28</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$23,579,900</b>	<b>\$26,805,000</b>	<b>\$28,553,400</b>	<b>\$8,198,600</b>	<b>17.4%</b>	<b>129.04</b>	<b>132.04</b>	<b>131.04</b>	<b>2.00</b>	<b>1.5%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling \$2,459,800 GPR, \$73,300 FED, -\$46,900 PR, and -\$35,500 SEG and 1.0 FED position in 2017-18 and \$4,124,400 GPR, \$25,500 FED, -\$45,100 PR, and -\$35,500 SEG in 2018-19 for the following: (a) turnover reduction (-\$166,800 GPR annually); (b) removal of noncontinuing elements from the base (\$63,800 FED and 1.0 FED position in 2017-18 and \$15,900 FED in 2018-19); (c) full funding of continuing salaries and fringe benefits (-\$497,800 GPR, \$10,200 FED, -\$65,300 PR, and -\$35,500 SEG annually); (d) reclassifications and semiautomatic pay progression (\$5,200 FED annually); (e) overtime (\$7,300 GPR annually); (f) night and weekend differential pay (\$12,400 GPR annually); and (g) full funding of lease and directed moves costs (\$3,104,700 GPR, -\$5,900 FED, and \$18,400 PR in 2017-18 and \$4,769,300 GPR, -\$5,800 FED, and \$20,200 PR in 2018-19).

	Funding	Positions
GPR	\$6,584,200	0.00
FED	98,800	1.00
PR	- 92,000	0.00
SEG	<u>- 71,000</u>	<u>0.00</u>
<b>Total</b>	<b>\$6,520,000</b>	<b>1.00</b>

#### 2. STATE ARCHIVE PRESERVATION FACILITY MOVE COSTS

GPR	\$1,505,000
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Request \$700,000 in 2017-18 and \$805,000 in 2018-19 for costs associated with moving state-owned collections to the new state archive preservation facility, including historic artifacts and archival records. The facility will be completed in Fall, 2017, and it is estimated that moving the collections will take approximately one year. The cost estimate is based on DOA project planning through the Division of Facilities Development, in consultation with a professional moving consultant and UW-Madison moving services contracts.

**3. STATE ARCHIVE PRESERVATION FACILITY POSITIONS**

	<b>Funding</b>	<b>Positions</b>
GPR	\$173,600	2.00

Request \$74,400 in 2017-18 and \$99,200 in 2018-19 and 2.0 positions beginning in 2017-18 to support new and expanded operations at the new state archive preservation facility, which will be completed in Fall, 2017. The positions would include 1.0 FTE library services assistant (\$24,100 salary and \$11,100 fringe benefits in 2017-18 and \$32,100 salary and \$14,700 fringe benefits in 2018-19), whose responsibilities would include assisting library patrons who request access to the archival materials and tracking and monitoring the materials. The other position would be a 1.0 FTE curator (\$26,900 salary and \$12,300 fringe benefits in 2017-18 and \$35,900 salary and \$16,500 fringe benefits in 2018-19) who would be responsible for overseeing and maintaining historical and archaeological artifact collections.

**2015 Act 201 Plans**

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
Agency indicates that it would use a combination of methods to reach the targeted reductions, including use of existing cash balances in available appropriations and cost reductions.	PR	-\$74,300	-\$86,800
	PR	-207,800	-242,800
	SEG	-75,800	-88,500
	SEG	<u>-416,100</u>	<u>-486,100</u>
Total		-\$774,000	-\$904,200
	PR	(-\$282,100)	(-\$329,600)
	SEG	(-\$491,900)	(-\$574,600)
<b>5% Budget Reduction Plan</b>			
Agency indicates that it would use a combination of methods to reach the targeted reductions, including use of existing cash balances in available appropriations and cost reductions.	PR	-\$162,900	-\$175,400
	PR	-455,700	-490,500
	SEG	-166,200	-178,900
	SEG	<u>-912,600</u>	<u>-982,400</u>
Total		-\$1,697,400	-\$1,827,200
	PR	(-\$618,600)	(-\$665,900)
	SEG	(-\$1,078,800)	(-\$1,161,300)

# INSURANCE

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
FED	\$0	\$601,000	\$601,000	\$1,202,000	N.A.	7.10	7.10	7.10	0.00	0.0%
PR	18,887,400	18,499,700	18,529,500	- 745,600	- 2.0%	131.65	131.65	131.65	0.00	0.0
SEG	<u>91,779,300</u>	<u>91,741,800</u>	<u>91,743,000</u>	<u>- 73,800</u>	0.0	<u>12.75</u>	<u>12.75</u>	<u>12.75</u>	<u>0.00</u>	<u>0.0</u>
<b>TOTAL</b>	<u>\$110,666,700</u>	<u>\$110,842,500</u>	<u>\$110,873,500</u>	<u>\$382,600</u>	0.2%	<u>151.50</u>	<u>151.50</u>	<u>151.50</u>	<u>0.00</u>	<u>0.0%</u>

## Major Request Items

### 1. STANDARD BUDGET ADJUSTMENTS

Request \$149,100 (-\$414,400 PR, -\$37,500 SEG and \$601,000 FED) in 2017-18 and \$182,600 (-\$382,100 (PR, -\$36,300 SEG, and \$601,000 FED) in 2018-19 to reflect the following standard budget adjustments: (a) -\$260,800 PR annually for turnover reduction; (b) -\$222,700 PR, -\$31,800 SEG, and \$601,000 FED annually for full funding of continuing position salaries and fringe benefits; and (c) \$69,100 PR and -\$5,700 SEG in 2017-18 and \$101,400 PR and -\$4,500 SEG in 2018-19 for full funding of lease and directed move costs.

PR	- \$796,500
SEG	- 73,800
FED	<u>1,202,000</u>
Total	<u>\$68,400</u>

### 2. CEASE OPERATIONS OF THE LOCAL GOVERNMENT PROPERTY INSURANCE FUND

Request statutory changes to cease the issuance of new property insurance policies and the renewal of existing policies under the local government property insurance fund program, in order to cease operations of the program. The program makes property insurance available for tax-supported local government property, such as government buildings, schools, libraries, and motor vehicles. Premiums are paid into the fund, which is used for the payment of claims and for administrative costs. There are currently approximately 175 policies through the fund, with a total insured value of \$2.2 billion.

**2015 Act 201 Plan**

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Reduce IT contractors, related IT purchases, travel and training, and other supplies and services.	PR	-\$944,400	-\$944,400
2. Reduce IT contractors, related IT purchases, travel and training, and other supplies and services.	SEG	<u>-173,900</u>	<u>-173,900</u>
 Total		-\$1,118,300	-\$1,118,300
	PR	(-\$944,400)	(-\$944,400)
	SEG	(-\$173,900)	(-\$173,900)

## INVESTMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	<u>Request</u>		2017-19 Change Over Base Year Doubled		2016-17	<u>Request</u>		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%			2017-18	2018-19	Number
PR	\$53,499,600	\$53,499,600	\$53,499,600	\$0	0.0%	173.35	173.35	173.35	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's Executive Director is also authorized to independently create or abolish staff positions for the agency. 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 2015-16 for the Board were \$42,797,400 with 173.35 authorized positions. In June, 2016, the Board approved an operating budget for 2016-17 of \$53,499,600. In the table above, this amount is indicated for the adjusted base in 2016-17. The SWIB budget request also utilizes this amount for 2017-18 and 2018-19. The actual 2017-18 budget is expected to be finalized by the Board in June, 2017, and the 2018-19 budget one year later.

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
Reduce staffing by 10.0 positions annually, including 4.6 investment staff positions.	PR	-\$2,675,000	-\$2,675,000

## JUDICIAL COMMISSION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$301,900	\$303,500	\$304,100	\$3,800	0.6%	2.00	2.00	2.00	0.00	0.0%

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	\$3,800
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Request \$1,600 in 2017-18 and \$2,200 in 2018-19 for standard budget adjustments, including: (a) \$1,500 annually for salary and fringe benefits; and (b) \$100 in 2017-18 and \$700 in 2018-19 for full funding of lease and directed moves costs.

## JUDICIAL COUNCIL

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
PR	\$111,400	\$114,400	\$114,600	\$6,200	2.8%	1.00	1.00	1.00	0.00	0.0%

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

PR	\$6,200
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Request \$3,000 in 2017-18 and \$3,200 in 2018-19 for standard budget adjustments, including: (a) \$3,600 annually for salary and fringe benefits; and (b) -\$600 in 2017-18 and -\$400 in 2018-19 for full funding of lease and directed moves costs.

# JUSTICE

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$52,143,100	\$55,469,500	\$55,469,500	\$6,652,800	6.4%	394.18	394.18	394.18	0.00	0.0%
FED	22,727,600	23,516,800	23,379,000	1,440,600	3.2	43.78	42.93	38.93	- 4.85	- 11.1
PR	52,799,600	56,070,800	57,372,700	7,844,300	7.4	258.63	258.49	258.49	- 0.14	- 0.1
SEG	<u>388,200</u>	<u>419,800</u>	<u>419,800</u>	<u>63,200</u>	8.1	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$128,058,500</b>	<b>\$135,476,900</b>	<b>\$136,641,000</b>	<b>\$16,000,900</b>	<b>6.2%</b>	<b>699.34</b>	<b>698.35</b>	<b>694.35</b>	<b>- 4.99</b>	<b>- 0.7%</b>

## Major Request Items

### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$711,400 GPR, \$1,759,500 PR, \$663,700 FED, -\$21,300 SEG, and -1.0 FED position in 2017-18; and \$711,400 GPR, \$1,461,400 PR, \$525,900 FED, -\$21,300 SEG, and -5.0 FED positions in 2018-19. Adjustments are for: (a) turnover reduction (-\$648,700 GPR and -\$144,000 PR annually); (b) removal of non-continuing elements from the base (-\$80,000 GPR, -\$59,900 PR, -\$15,900 FED, and -1.0 FED position in 2017-18; and -\$80,000 GPR, -\$358,000 PR, -\$153,700 FED, and -5.0 FED positions in 2018-19); (c) full funding of continuing position salaries and fringe benefits (\$1,297,200 GPR, \$1,430,000 PR, \$679,600 FED, and -\$32,300 SEG annually); (d) overtime (\$101,200 GPR, \$533,400 PR, and \$11,000 SEG annually); and (e) full funding of lease and directed move costs (\$41,700 GPR annually).

	Funding	Positions
GPR	\$1,422,800	0.00
PR	3,220,900	0.00
FED	1,189,600	- 5.00
SEG	<u>- 42,600</u>	<u>0.00</u>
<b>Total</b>	<b>\$5,790,700</b>	<b>- 5.00</b>

### 2. PROGRAM REVENUE REESTIMATES

PR	\$2,003,400
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Request \$1,001,700 annually to reflect current revenue projections and program needs for the following program revenue appropriations:

a. \$1,000,000 annually for the crime laboratories; deoxyribonucleic acid (DNA) analysis continuing appropriation. Revenue generated from the crime laboratory and drug law enforcement surcharge (\$13, assessed when a court imposes a sentence, places a person on probation, or imposes a forfeiture for a violation of most state laws and municipal or county ordinances) and the DNA surcharge (\$250 for each felony conviction and \$200 for each misdemeanor conviction) is credited to this appropriation. In 2015-16, the appropriation received \$15,867,700 in revenue. The revenue received by this appropriation is transferred to other

appropriations within DOJ and the District Attorney function to support activities related to drug law enforcement, the state's crime laboratories, investigations, and a statewide DNA evidence prosecutor. In addition, DOJ may utilize this appropriation to support the costs of providing DNA analysis at the state crime laboratories and to reimburse law enforcement agencies for certain costs associated with collecting biological samples and mailing those samples to the state's crime laboratories. Base funding and position authority for the appropriation is \$4,321,200 and 30.0 positions.

b. \$1,800 annually for the grants for substance abuse treatment programs for criminal offenders continuing PR appropriation. The appropriation is utilized to provide minor support to the Department's treatment alternatives and diversion (TAD) grant program. Funding for the appropriation is supported by revenue generated from the drug offender diversion surcharge (DODS) and a portion of the revenue generated from the drug abuse program improvement surcharge (DAPIS). The DODS is a \$10 surcharge imposed for each conviction of a crime against property (Chapter 943 of the statutes). The DAPIS is assessed with certain violations of the Uniform Controlled Substances Act and totals 75% of the fine and penalty surcharge imposed. Base funding for the appropriation is \$5,700. In 2015-16, the appropriation received \$44,700 in revenue.

c. -\$100 annually for the child advocacy center grant program appropriation. The child advocacy center grant program provides annual grants of \$17,000 each to 14 child advocacy centers across Wisconsin (for a total of \$238,000 in grant awards). Funding for the grant program is supported by revenue generated from the justice information system (JIS) surcharge. The JIS surcharge totals \$21.50 and is assessed with a court fee for filing certain court proceedings. Base funding for the grant program is \$238,100.

**3. CONTINUED FUNDING FOR TAD PROGRAM EXPANSION**

GPR	\$4,000,000
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Request \$2,000,000 GPR annually to continue to fund the expansion of the treatment alternatives and diversion (TAD) program enacted under 2015 Act 388. In addition to providing programmatic changes to the TAD program, Act 388 provided DOJ \$2,000,000 PR on a one-time basis for the TAD program in 2016-17. One-time program revenue amounts were derived from a transfer of unencumbered funds from the Department of Health Services' institutional operations and charges program revenue appropriation. Due to the one-time nature of funding for TAD grants provided under Act 388, base funding for the TAD program during the 2017-19 biennium is \$2,000,000 less than the amount appropriated for the TAD program in 2016-17.

Under the TAD program, DOJ 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 and other drugs. In 2016-17, funding appropriated for the TAD program totaled \$2,500,000 GPR and \$3,084,100 PR. Program revenue for the TAD program in 2016-17 was comprised of: (a) \$1,078,400 from the justice information system surcharge; (b) \$5,700 from the drug offender diversion surcharge and the drug abuse program

improvement surcharge; and (c) \$2,000,000 from a one-time transfer of funds from the unencumbered balance of the Department of Health Services' institutional operations and charges PR appropriation.

**4. DIVISION OF CRIMINAL INVESTIGATION PERSONNEL**

GPR	\$1,230,000
PR	1,148,600
FED	220,800
SEG	<u>105,800</u>
Total	\$2,705,200

Request increases to various appropriations within DOJ's law enforcement services program totaling \$1,352,600 annually, comprised of \$615,000 GPR, \$574,300 PR, \$110,400 FED, and \$52,900 SEG, in order to support certain personnel expenses for the Division of Criminal Investigation. More specifically, the Department indicates that the requested funding is for: (a) anticipated night and weekend pay differentials and holiday premium payments that are not funded under standard budget adjustments; (b) funding for new hires and pay adjustments that occurred after the cut-off date for establishing the Department's base budget; and (c) the transfer of position authority for certain special agents and administrative staff between appropriations in order to align the funding of these positions with statutory purposes. The following table identifies the appropriations for which DOJ is requesting a modification.

<u>Fund Source</u>	<u>Appropriation</u>	<u>Base Funding</u>	<u>Requested Annual Modification</u>
GPR	General program operations*	\$21,455,300	\$615,000
PR	Gaming law enforcement; Indian gaming	\$144,800	\$12,400
	Drug law enforcement, crime laboratories, and genetic evidence activities*	8,731,500	442,400
	Interagency and intra-agency assistance	1,477,200	55,100
	Drug enforcement intelligence operations	1,667,500	114,600
	Crime information alerts**	<u>50,000</u>	<u>-50,200</u>
	PR Total	\$12,071,000	\$574,300
FED	Federal aid, state operations **	\$3,156,500	\$110,400
SEG	Gaming law enforcement; lottery revenues	\$388,200	\$52,900
	Total -- All Funds	\$37,215,800	\$1,352,600

\*In addition to the funding modifications, 2.0 special agent positions are inadvertently not transferred from the drug law enforcement, crime laboratories, and genetic evidence activities appropriation to the general program operations appropriation.

\*\* In addition to the funding modifications, 1.0 administrative support position is inadvertently not transferred from the crime information alerts appropriation to the federal aid, state operations appropriation. Further, base funding for the crime information alerts appropriation is less than the requested decrease in funding due to a \$200 increase in base funding under standard budget adjustments.

Under the current 2015-17 state employee compensation plan, permanent classified employees who are not exempt from federal regulations under the Fair Labor Standards Act must be paid an additional \$0.45 per hour for all night hours worked (work hours between 6:00 pm

and 6:00 am) as well as \$0.60 per hour for all weekend hours worked (work hours on Saturday and Sunday). Further, current law provides that classified employees must generally be paid at a time and one-half rate for work performed on holidays.

**5. INTERNET CRIMES AGAINST CHILDREN**

PR	\$1,500,000
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Request \$750,000 annually to support law enforcement activities relating to Internet crimes against children (ICAC). Annual funding would be comprised of \$250,000 for supplies and services and \$500,000 for local assistance, and would be utilized to support overtime costs and training for local and state ICAC task forces. Funding would be provided to DOJ's law enforcement services Internet crimes against children continuing appropriation.

Under 2015 Act 369, the Legislature created the Internet crimes against children appropriation. The appropriation is authorized to support law enforcement activities relating to Internet crimes against children, the prosecution of Internet crimes against children, and activities of state and local Internet crimes against children task forces. In order to support the ICAC appropriation, Act 369 transferred \$1,000,000 in 2015-16 on a one-time basis from DOJ's crime laboratories, drug law enforcement, and genetic evidence activities PR appropriation. The crime laboratories, drug law enforcement, and genetic evidence activities appropriation is supported by revenue from the crime laboratory and drug law enforcement surcharge and the DNA surcharge. Beyond amounts transferred within DOJ to the ICAC appropriation under Act 369, DOJ's base funding for its ICAC operations is \$3,263,000 (all funds) and 36.0 positions.

**6. DRUG ENFORCEMENT ACTIVITIES**

PR	\$1,000,000
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Request \$500,000 annually to support overtime, training, and other supplies and services for Division of Criminal Investigation activities related to drug law enforcement. Funding would be provided to DOJ's drug law enforcement, crime laboratories, and genetic evidence activities annual appropriation. Funding for this appropriation is supported by the crime laboratory and drug law enforcement surcharge as well as the DNA surcharge. Base funding for the appropriation is \$8,731,500.

According to DOJ, the requested funding would be utilized to support a decrease in federal funds provided to the state from the federal asset forfeiture program. Under this program, state and local law enforcement agencies who directly participate in a law enforcement effort with federal law enforcement that results in the forfeiture of property or cash under federal law may receive a portion of the forfeited property or cash proportional to the state or local agencies' participation in the law enforcement effort. The table below identifies the condition of federal asset forfeiture funds received by the Wisconsin Department of Justice from state fiscal years 2011-12 through 2015-16.

## Wisconsin Department of Justice Federal Asset Forfeiture Funds

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Opening Balance	\$1,841,300	\$1,828,400	\$2,140,800	\$2,987,800	\$1,821,300
Revenue	455,700	704,800	1,798,700	432,000	337,700
Expenditures	468,600	392,400	951,700	1,598,500	1,794,800
Ending Balance	\$1,828,400	\$2,140,800	\$2,987,800	\$1,821,300	\$364,200

### 7. OFFICER TRAINING REIMBURSEMENTS

PR	- \$1,500,000
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Request the creation of a new, continuing program revenue appropriation to support training for law enforcement officers, jail officers, and secure juvenile detention officers. Funding for the appropriation would be supported by the penalty surcharge. Request that no funding be appropriated for the appropriation during the 2017-19 biennium. However, since the requested appropriation would be continuing, DOJ would not require legislative approval to expend amounts beyond what is appropriated. The Department indicates that the creation of a continuing appropriation would allow the agency better manage costs related to officer training.

Request that funding for DOJ's law enforcement training fund; local assistance annual appropriation be reduced by \$1,500,000 PR in 2017-18. This appropriation is utilized to support training for law enforcement officers, jail officers, and secure juvenile detention officers. Funding for the appropriation is supported by the penalty surcharge.

Under current law, the Department is required to reimburse counties, municipalities, and state agencies for the costs of training new law enforcement, jail and juvenile detention officers, as well as for the costs of annual recertification training for law enforcement officers. In addition, the Department supports the costs of administering officer training standards and training reimbursements, providing staff support to the Law Enforcement Standards Board, certifying and decertifying law enforcement officers, approving training programs, and providing specialized training to officers and prosecutors. In order to support these costs, DOJ utilizes the following three distinct appropriations: (a) the annual PR law enforcement training fund; local assistance appropriation; (b) the annual PR law enforcement training fund; state operations appropriation; and (c) the sum sufficient GPR officer training reimbursement appropriation. The two PR appropriations are supported by penalty surcharge revenues. Base funding for the three appropriations is as follows: (a) \$4,364,800 PR for the annual law enforcement training fund; local assistance appropriation; (b) \$3,067,000 PR for the annual law enforcement training fund; state operations appropriation; and (c) \$150,000 GPR for the sum sufficient officer training reimbursement appropriation.

Under current law, when a court imposes a sentence, places a person on probation, or imposes a forfeiture for most violations of state law or municipal or county ordinance, the court must impose a penalty surcharge totaling 26% of the imposed fine or forfeiture.

**8. CRIME LABORATORY EQUIPMENT AND SUPPLIES**

PR	\$500,000
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Request \$200,000 in 2017-18 and \$300,000 in 2018-19 to increase funding for equipment and supplies at the state's three crime laboratories. The state currently has three regional crime laboratories that service law enforcement agencies across the state, located in Madison, Milwaukee, and Wausau. According to DOJ, the requested increase in expenditure authority would support the following: (a) the costs of disposing ammunition that is shipped to the state crime labs after it is seized during investigations; (b) the purchase of enhanced equipment utilized for forensic toxicology; and (c) the purchase of a new online case management system for managing the analysis of certain evidence in investigations. The requested funding would be provided to DOJ's crime laboratory equipment and supplies annual appropriation. Base funding for the appropriation is \$558,100. The appropriation is supported by revenue generated from the crime laboratory and drug law enforcement surcharge and the DNA surcharge.

**9. CONVERT ANNUAL PROGRAM REVENUE APPROPRIATIONS TO CONTINUING**

Request that the following three PR annual appropriations be converted to PR continuing appropriations. As annual appropriations, the Department may not spend more than what is appropriated by the Legislature from each appropriation in a given fiscal year. As continuing appropriations, the Department would be authorized to spend any available cash balances credited to each appropriation regardless of appropriated levels authorized by the Legislature.

a. *Administrative Services Interagency and Intra-agency Assistance.* Under current law, this appropriation may be utilized to provide administrative services to state agencies. The appropriation may collect monies received from within DOJ as well as payments from other state agencies for providing administrative services. The appropriation does not have any expenditure authority. The Department indicates that if this appropriation were made continuing, it would utilize the appropriation to collect amounts from other appropriations within DOJ, as well as charges to other state agencies, for certain administrative services, such as information technology projects. Currently, DOJ supports costs for such administrative services by directly charging those expenditures to individual program accounts within DOJ that utilize the services.

b. *Law Enforcement Services Sobriety Program.* This appropriation may be utilized to support DOJ's costs associated with analyzing data and preparing reports on 24/7 sobriety projects established under the 24/7 sobriety pilot program. The pilot program was created under 2015 Act 55. Under the pilot program, DOJ is authorized to designate up to five counties to participate in a 24/7 sobriety program that is intended to provide a high level of monitoring to participants convicted of multiple operating while intoxicated (OWI) offenses to ensure that the participants are not consuming alcohol or controlled substances, with immediate sanctions if a violation occurs. Revenue for the appropriation may be generated from agreements between DOJ and participating counties that require the county to provide DOJ a portion of the fees the county collects from participants to operate the 24/7 sobriety project. Under current law, the sobriety program appropriation does not have any expenditure authority and no revenue was received by

the appropriation in 2015-16. [Revenue is anticipated in future fiscal years as counties designated to establish a 24/7 sobriety project will implement their projects and collect fees from participants.] The 24/7 sobriety pilot program sunsets after June 30, 2021.

c. *Law Enforcement Services Terminal Charges.* The terminal charges appropriation is utilized to support the Wisconsin transaction information for the management of enforcement (TIME) system. The TIME system provides law enforcement agencies across the state access to a variety of law enforcement-related databases. Current law authorizes DOJ to charge law enforcement agencies for rentals, use of terminals, and related costs and services associated with the TIME system. These charges are credited to the terminal charges appropriation. Base funding for the appropriation is \$2,463,400 and 6.25 positions.

## **10. ASSIGNING ASSISTANT ATTORNEY GENERAL POSITIONS**

Request statutory changes that would state that notwithstanding the application and selection requirements under Chapter 230 of the statutes (State Employment Relations), the Attorney General may reassign assistant attorneys general to positions in DOJ in equivalent pay schedules and pay ranges without making vacant positions available for open competition. Further, request that the Attorney General retain the authority to assign management, supervision, staff attorney, and other duties to the deputy attorney general and assistant attorneys general appointed by the Attorney General.

The Department of Justice employs 101.4 full-time equivalent assistant attorney general (AAG) positions, including 81.4 AAGs, 2.0 AAG-confidential positions, 13.0 AAG-supervisor positions, and 5.0 AAG-management positions. These positions have the following duties:

- Assistant attorney general positions within DOJ primarily provide legal advice and representation services to the state.
- AAG-supervisor positions supervise staff within the various units of DOJ's Division of Legal Services, such as the civil litigation unit or the criminal appeals unit.
- AAG-management positions may function as a deputy division administrator or a unit director, and are responsible for supervising AAG-supervisors.
- AAG-confidential positions have access to, knowledge of, or participate in confidential matters relating to labor relations.

Under the 2015-17 state employee compensation plan, AAG-supervisor, AAG-management, and AAG-confidential positions are compensated pursuant to the same pay schedule, while AAGs are compensated pursuant to a distinct pay schedule. The pay schedules for each of these four different position classifications is equivalent. Under the Wisconsin Human Resources Handbook established by the Department of Administration's Division of Personnel Management, if internal applicants will be considered for a transfer to fill a vacant position prior to posting the position for open recruitment, agencies are required to have an internal transfer policy and an announcement of an internal transfer opportunity is required.

Further, involuntary transfers require review and authorization of the administrator of DOA's Division of Personnel Management.

## **11. PAYMENT OF BAR DUES**

Request the creation of statutory language that would authorize DOJ to pay State Bar dues on behalf of its employees who are required to practice law in Wisconsin. Under current law, deputy attorneys general, assistant attorneys general, the Solicitor General and deputy solicitors general must be attorneys at law who are admitted to practice in Wisconsin. The State Bar of Wisconsin is a mandatory professional association created by the Wisconsin Supreme Court for all attorneys who hold a Wisconsin law license. The State Bar is supported by member dues and earned revenues. The level of dues owed to the State Bar depends on the status of the attorney's membership. For active members who have not assumed a judicial post or are not over 70 years of age, State Bar membership dues total \$127 for attorneys who have been admitted to practice for three years or less and \$254 for all other attorneys. [Attorneys are required to pay other assessments in addition to Wisconsin Bar membership dues, such as a fee for the Office of Lawyer Regulation and the Board of Bar Examiners.] As of November, 2016, the Department was authorized 101.4 full-time equivalent assistant attorneys general (including supervisory, management and confidential assistant attorneys general), as well as 1.0 deputy attorney general, 1.0 Solicitor General and 3.0 deputy solicitors general. [Note that the actual number of distinct individuals employed as assistant attorneys general within DOJ does not total 101.4 due to certain individuals engaging in part-time employment.]

## **12. ATTORNEY GENERAL AND DEPUTY ATTORNEY GENERAL BOND REQUIREMENT**

Request the deletion of the requirement that the Attorney General and the deputy attorney general furnish a bond to the state at the time each takes office.

Under s. 19.11 of the statutes, the Attorney General, Secretary of State, and State Treasurer must each furnish a bond to the state at the time each takes and subscribes the oath of office, conditioned for the faithful discharge of the duties of that office, the officer's duties as a member of the Board of Commissioners of Public Lands, and the investment of funds arising therefrom. Each bond is subject to approval by the Governor and must be guaranteed by resident freeholders of this state, or by a surety company. The amount required of each bond, and the number of sureties thereon if guaranteed by resident freeholders, is as follows: (a) for the Attorney General, \$10,000 with not less than three sureties; (b) for the Secretary of State, \$25,000 with sufficient sureties; and (c) for the Treasurer, \$100,000 with not less than six sureties. When required by the Governor, the Attorney General must renew the required bond in a larger amount and with additional security. Under s. 165.055 of the statutes, the deputy attorney general must give a bond to the state in the sum of \$5,000 with good and sufficient sureties, to be approved by the Governor, conditioned for the faithful performance of the deputy attorney general's duties.

Section 19.12 of the statutes permits the purchase of these bonds to be paid using

department funds appropriated for the expenses of the department. In December, 2015, DOJ purchased two \$10,000 bonds effective from January 5, 2015, through January 5, 2019, for \$710 GPR from its administrative services general program operations appropriation. Base funding for the appropriation is \$6,325,100 GPR.

### 13. RESTITUTION REPORT

Request that the information DOJ is required to furnish in its semiannual report on amounts received from court orders or settlement agreements for providing restitution to victims be amended. Specifically, rather than be required to report on the persons to whom restitution was paid in a given reporting period and the amount that DOJ paid each recipient, DOJ requests that it be required to report the number of persons to whom DOJ paid restitution during a given reporting period and the total amount that DOJ paid restitution recipients during the reporting period.

Under current law, semiannually, DOJ is required to report the following information to the Department of Administration and the Joint Committee on Finance regarding the amounts DOJ receives from court orders or settlement agreements for providing restitution to victims: (a) the amount of restitution received by DOJ during the reporting period; (b) the persons to whom DOJ paid restitution and the amount DOJ paid each recipient during the reporting period; and (c) DOJ's methodology for selecting recipients for restitution and determining the amount paid to each recipient. The Department's request would amend requirement "b," above.

#### 2015 Act 201 Plans

	<u>Amount</u>	
	<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>		
Reallocate \$2,927,900 annually within DOJ to provide additional funding for treatment alternatives and diversion (TAD) grants and expenses related to the Division of Criminal Investigation and Division of Law Enforcement Services. Reallocated funding would be derived from the following: (a) \$1,876,000 from position reductions; (b) \$345,000 from reductions in funding for travel, training, facilities and telecommunications; and (c) \$707,000 from reductions in funding for information technology and other supplies and services. According to DOJ, the reductions would be allocated across all programs. The Department would eliminate 18 positions, comprised of five positions from the Division of Legal Services, five positions from the state crime laboratories, four positions from the Division of Criminal Investigation, two positions from the Crime Information Bureau, two positions from the Division of Management Services, one position from the Training and Standards Bureau, and one position of the Office of Crime Victim Services. The Department did not identify the fund sources associated with the modifications in funding and position authority.		

<u>Amount</u>	
<u>2017-18</u>	<u>2018-19</u>

**5% Budget Reduction Plan**

Reduce funding by \$6,912,000 annually to achieve the 5% reduction requirement. Annual expenditure authority reductions would be comprised of the following: (a) \$4,428,000 from position reductions; (b) \$112,000 from travel and training reductions; (c) \$702,000 from reduced funding for facilities and telecommunications; and (d) \$1,669,000 from reduced funding for information technology and other supplies and services. The reductions would be allocated across all programs. The Department would eliminate 49 positions, comprised of 13 from the state crime labs, 12 from the Division of Legal Services, 11 from the Division of Criminal Investigation, five from the Division of Management Services, five from the Crime Information Bureau, two from the Training and Standards Bureau, and one from the Office of Crime Victim Services. The Department did not identify the fund sources associated with the reductions in funding and position authority.

-\$6,912,000	-\$6,912,000
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## KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2016-17	Request		2017-19 Change Over		2016-17	Request		2018-19	
	Adjusted Base	2017-18	2018-19	Base Year Doubled	%		2017-18	2018-19	Number	%
PR	\$223,500	\$285,100	\$300,500	\$138,600	31.0%	1.25	2.25	2.25	1.00	80.0%
SEG	<u>695,200</u>	<u>733,000</u>	<u>733,000</u>	<u>75,600</u>	5.4	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$918,700</b>	<b>\$1,018,100</b>	<b>\$1,033,500</b>	<b>\$214,200</b>	<b>11.7%</b>	<b>4.00</b>	<b>5.00</b>	<b>5.00</b>	<b>1.00</b>	<b>25.0%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

PR	\$23,800
SEG	<u>75,600</u>
<b>Total</b>	<b>\$99,400</b>

Request adjustments to the agency base budget for the following:  
 (a) full funding of continuing position salaries and fringe benefits (\$11,200 PR and \$35,400 SEG annually); (b) overtime costs (\$700 PR and \$2,300 SEG annually); and (c) night and weekend differential pay (\$100 SEG annually).

#### 2. FORESTER POSITION

	Funding	Positions
PR	\$114,800	1.00

Request \$49,700 in 2017-18 and \$65,100 in 2018-19 with 1.0 forester position. The position would address invasive species prevention and eradication, and assist with timing of timber harvests at the Kickapoo Valley Reserve, which consists of approximately 8,600 acres of mostly forest and grassland. The position would be funded with program revenues, received primarily from timber harvests, agricultural lease payments and educational programming.

## 2015 Act 201 Plans

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
1. Hold spending to adjusted base.		\$0	\$0
<b>5% Budget Reduction Plan</b>			
1. Reduce program advertising.	PR	-\$7,900	-\$7,900
2. Delay replacement of officer equipment and radio upgrades.	PR	-3,300	-3,300
3. Delay contracts for building maintenance.	SEG	<u>-20,800</u>	<u>-20,800</u>
Total		-\$32,000	-\$32,000
	PR	(-\$11,200)	(-\$11,200)
	SEG	(-\$20,800)	(-\$20,800)

## LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$265,500	\$242,900	\$243,400	-\$44,700	- 8.4%	1.30	1.30	1.30	0.00	0.0%
PR	2,134,500	2,436,000	2,439,600	606,600	14.2	20.50	20.50	20.50	0.00	0.0
SEG	<u>777,100</u>	<u>877,000</u>	<u>902,500</u>	<u>225,300</u>	14.5	<u>4.70</u>	<u>5.70</u>	<u>5.70</u>	<u>1.00</u>	21.3
<b>TOTAL</b>	<b>\$3,177,100</b>	<b>\$3,555,900</b>	<b>\$3,585,500</b>	<b>\$787,200</b>	<b>12.4%</b>	<b>26.50</b>	<b>27.50</b>	<b>27.50</b>	<b>1.00</b>	<b>3.8%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments of \$267,200 in 2017-18 and \$271,300 in 2018-19. The adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$23,500 GPR, \$294,500 PR, and -\$11,700 SEG annually); and (b) full funding of lease and directed moves costs (\$900 GPR and \$7,000 PR in 2017-18; and \$1,400 GPR and \$10,600 PR in 2018-19).

GPR	-\$44,700
PR	606,600
SEG	<u>- 23,400</u>
<b>Total</b>	<b>\$538,500</b>

#### 2. STATUTORY LANGUAGE CHANGES

Request that the unemployment insurance activities of the Labor and Industry Review Commission (LIRC) be funded from the amounts identified in the schedule for LIRC. Under current law, the Commission's unemployment insurance activities are funded by an amount determined by the treasurer of the Department of Workforce Development's (DWD) unemployment reserve fund and transferred from a DWD appropriation account to LIRC. Further, request the creation of a new appropriation under LIRC to capture transcript fee revenue collected by LIRC. Under current law, transcript fees remitted to LIRC are credited to DWD's administrative account. Transcript fee revenue is minimal. Also, request that LIRC's budget be transmitted to the Governor without change or modification by the Department of Administration or DWD, unless agreed to by LIRC. Under current law, LIRC's budget must be transmitted to the governor without change or modification by the Department of Administration.

#### 3. WORKER'S COMPENSATION PROJECT ATTORNEY POSITION

	Funding	Positions
SEG	\$248,700	1.00

Request \$111,600 in 2017-18 and \$137,100 in 2018-19 and 1.0 project position annually

to address an anticipated increased volume of worker's compensation cases due to changes made to Wisconsin's Worker's Compensation Act during the 2015-17 biennium. LIRC has stated that it anticipates that the caseload increase may be temporary and, therefore, a permanent increase in position authority was not requested.

**2015 Act 201 Plan**

		<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
		<u>Fund</u>	
<b>5% Budget Reduction Plan</b>			
1.	Reduction in supplies and services (equal rights cases).	GPR	-\$13,300
2.	Reduction in supplies and services (worker's compensation cases).	SEG	-\$38,900
Total			-\$52,200
		GPR	(-\$13,300)
		SEG	(-\$38,900)

# LEGISLATURE

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%			2017-18	2018-19	Number
GPR	\$75,110,100	\$74,237,700	\$74,292,000	-\$1,690,500	- 1.1%	758.17	758.17	758.17	0.00	0.0%
PR	<u>2,091,000</u>	<u>2,223,200</u>	<u>2,228,300</u>	<u>269,500</u>	6.4	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$77,201,100</b>	<b>\$76,460,900</b>	<b>\$76,520,300</b>	<b>-\$1,421,000</b>	<b>- 0.9%</b>	<b>777.97</b>	<b>777.97</b>	<b>777.97</b>	<b>0.00</b>	<b>0.0%</b>

## Major Request Item

### 1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$1,726,200
PR	<u>189,500</u>
<b>Total</b>	<b>-\$1,536,700</b>

Request adjustments to the base totaling -\$896,200 GPR and \$92,200 PR in 2017-18 and -\$830,000 GPR and \$97,300 PR in 2018-19. Adjustments are for: (a) turnover reduction (-\$1,074,500 GPR annually); (b) full funding of continuing position salaries and fringe benefits (\$245,800 GPR and \$112,900 PR annually); (c) full funding of lease and directed move costs (-\$90,400 GPR and \$10,200 PR in 2017-18 and -\$24,200 GPR and \$12,900 PR in 2018-19); (d) reclassification and semiautomatic pay progression (\$22,900 GPR and \$4,100 PR in 2017-18 and \$22,900 GPR and \$6,500 in 2018-19); (e) removal of noncontinuing elements from the base (-\$35,000 PR annually); and (f) minor transfers within the same alpha appropriation.

## LIEUTENANT GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$287,100	\$296,200	\$296,200	\$18,200	3.2%	4.00	4.00	4.00	0.00	0.0%

### Major Request Item

**1. STANDARD BUDGET ADJUSTMENTS**

GPR	\$18,200
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Request adjustments to the base budget totaling \$9,100 annually in the 2017-19 biennium associated with full funding of continuing positions salaries and fringe benefits.

## LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	<u>Request</u>		2017-19 Change Over Base Year Doubled		2016-17	<u>Request</u>		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
SEG	\$227,400	\$224,300	\$224,300	-\$6,200	- 1.4%	2.00	2.00	2.00	0.00	0.0%

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

SEG	-\$6,200
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Request -\$3,100 annually from the conservation fund (75% water resources and 25% forestry account) for full funding of continuing salaries and fringe benefits.

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
Reduce meetings, travel, training, supplies, and maintenance.	SEG	-\$11,400	-\$11,400

## MEDICAL COLLEGE OF WISCONSIN

Budget Summary					FTE Position Summary	
	2016-17	<u>Request</u>		2017-19 Change Over		The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, state-aided institution governed by a Board of Trustees.
Fund	Adjusted Base	2017-18	2018-19	Base Year Doubled	Amount	
				%		
GPR	\$10,175,500	\$10,175,500	\$10,175,500	\$0	0.0%	
PR	<u>247,500</u>	<u>247,500</u>	<u>247,500</u>	<u>0</u>	0.0	
TOTAL	\$10,423,000	\$10,423,000	\$10,423,000	\$0	0.0%	

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
Reduce grants awarded for cancer research. These grants are funded with revenues generated by a checkoff on the state income tax form.	PR	-\$12,400	-\$12,400

## MILITARY AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%			2017-18	2018-19	Number
GPR	\$26,789,900	\$27,530,100	\$27,535,300	\$1,485,600	2.8%	81.08	83.08	83.08	2.00	2.5%
FED	71,580,800	73,237,000	73,270,000	3,345,400	2.3	352.65	371.65	371.65	19.00	5.4
PR	7,185,600	7,576,600	7,590,400	795,800	5.5	37.37	42.37	42.37	5.00	13.4
SEG	<u>1,180,900</u>	<u>1,180,900</u>	<u>1,180,900</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$106,737,200</b>	<b>\$109,524,600</b>	<b>\$109,576,600</b>	<b>\$5,626,800</b>	<b>2.6%</b>	<b>471.10</b>	<b>497.10</b>	<b>497.10</b>	<b>26.00</b>	<b>5.5%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	\$1,174,000
PR	312,000
FED	<u>1,902,300</u>
<b>Total</b>	<b>\$3,388,300</b>

Request adjustments to the base totaling \$587,000 GPR, \$155,600 PR, and \$949,600 FED in 2017-18 and \$587,000 GPR, \$156,400 PR, and \$952,700 FED in 2018-19. Adjustments are for: (a) turnover reduction (-\$111,800 GPR and -\$319,500 FED annually); (b) full funding of continuing position salaries and fringe benefits (\$662,600 GPR, \$110,200 PR, and \$703,100 FED annually); (c) reclassifications and semiautomatic pay progression (\$4,000 GPR, \$3,800 PR, and \$2,300 FED annually); (d) overtime (\$35,300 GPR, \$9,800 PR, and \$411,100 FED annually); and (e) full funding of lease and directed moves costs (-\$3,100 GPR, \$31,800 PR, and \$152,600 FED in 2017-18 and -\$3,100 GPR, \$32,600 PR, and \$155,700 FED in 2018-19).

#### 2. ADDITIONAL POSITIONS TO SUPPORT EMERGENCY MANAGEMENT FUNCTIONS

	Funding	Positions
GPR	\$184,500	1.50
PR	380,700	3.00
FED	<u>61,100</u>	<u>0.50</u>
<b>Total</b>	<b>\$626,300</b>	<b>5.00</b>

Request \$90,400 GPR, \$188,800 PR, and \$29,800 FED in 2017-18 and \$94,100 GPR, \$191,900 PR, and \$31,300 FED in 2018-19, as well as 1.5 GPR, 3.0 PR, and 0.5 FED positions annually, to assist in the administration of various functions of the Department's Division of Emergency Management (WEM). The requested funding and position authority is as follows:

a. \$64,100 GPR in 2017-18 and \$67,400 GPR in 2018-19, and 1.0 GPR program and planning analyst position annually. The position would be responsible for standardizing processes and policies relating to the various grant programs administered by WEM and creating a more detailed grant compliance program. The position would also be responsible for conducting field compliance visits for WEM's grant programs and providing technical assistance

to WEM grant applicants. Within DMA, WEM administers several grant programs relating to emergency management, including homeland security grants, emergency planning and community right to know (EPCRA) grants, emergency management performance grants, and the excess military property program. Requested funding and position authority would be provided to DMA's emergency management services general program operations appropriation. Base funding for this appropriation is \$1,065,100 GPR and 9.33 GPR positions.

b. \$52,600 PR in 2017-18 and \$53,500 PR in 2018-19, and 1.0 PR office program associate position annually, to provide administrative support to WEM's Planning Section. The Planning Section is responsible for developing the Wisconsin Emergency Response Plan, as well as other manuals which identify procedures for providing emergency management operations and coordinating local emergency responders. The Planning Section is also responsible for administering WEM's EPCRA program. Current staffing for the Planning Section consists of 6.0 emergency government specialists and 1.0 emergency government program supervisor. Funding and position authority for the requested position would be provided to DMA's emergency management services emergency planning and reporting - administration annual PR appropriation. Base funding and position authority for this appropriation is \$1,165,900 PR and 11.62 PR positions. Revenue for this appropriation is generated from fees paid by facilities that are subject to federal regulations for hazardous chemicals under the federal EPCRA program. A facility pays these fees when it submits forms identifying its inventory of hazardous chemicals and notifying state officials of the necessity for emergency response plans for the potential release of hazardous substances. Funding in this appropriation is utilized for emergency planning, notification, response, and reporting activities, as well as to administer grants to local emergency planning committees.

c. \$29,600 PR and \$29,800 FED in 2017-18, and \$31,400 PR and \$31,300 FED in 2018-19, as well as 0.5 PR position and 0.5 FED position annually, to support 1.0 training and exercise officer position. The position would assist 3.0 existing training and exercise officers provide support and direction to state and local agencies conducting emergency preparedness exercises.

The position would be split funded between program revenue and federal funds. Program revenue funding for the position would be further split between the following two appropriations: (a) DMA's emergency planning and reporting - administration annual PR appropriation; and (b) DMA's program services continuing PR appropriation. Revenue and expenditures associated with DMA's program services appropriation derive from conferences, training, and other services provided by WEM, as well as the administration of the excess military property program and WEM's radiological emergency preparedness program. Base funding for the program services appropriation is \$2,568,900 PR and 11.25 PR positions. Federal funding and position authority would be provided to DMA's emergency management services federal aid - state operations appropriation. Base funding for this FED appropriation \$4,474,800 FED and 22.65 FED positions. Federal funding for the requested position would be derived from the federal emergency management performance grant program.

d. \$26,300 GPR and \$26,400 PR in 2017-18, \$26,700 GPR and \$26,800 PR in 2018-19, as well as 0.5 GPR and 0.5 PR position annually, to support 1.0 office program associate to

provide administrative support to WEM's Bureau of Response and Recovery. The Bureau of Response and Recovery is responsible for developing and maintaining the Wisconsin Hazard Mitigation Plan as well as administering federal disaster grants for public assistance, individual assistance, and hazard mitigation. Current staffing for the Bureau consists of 8.0 emergency government specialists, 2.0 emergency government program supervisors, and 1.0 administrative manager.

The position would be split funded between general purpose revenue and program revenue. Program revenue funding for the position would be further split between the following two appropriations: (a) DMA's emergency planning and reporting - administration annual PR appropriation; and (b) DMA's program services continuing PR appropriation. General purpose revenue and position authority would be provided to DMA's emergency management services general program operations appropriation.

e. \$80,200 PR and 1.0 PR position annually to convert 1.0 existing program and policy analyst project position to a permanent position. The position currently manages the excess military property program (also known as the 1033 program), and has position authority through June 30, 2017. [Since the project position has position authority through June 30, 2017, the position was removed from DMA's base budget in preparation for deliberations of the 2017-19 biennial budget.] Section 1033 of the National Defense Authorization Act of 1997 permits the federal Department of Defense to transfer excess military property to eligible state and local law enforcement agencies for use in counter-drug, counter-terrorism, and other law enforcement activities. State operations related to the 1033 program are supported by a combination of GPR and program revenue received from law enforcement participation fees, repayments of shipping and other costs, and sales of surplus equipment and supplies. Program revenue is received by DMA's program services continuing PR appropriation.

On February 25, 2016, under s. 16.505 of the statutes, the Department requested the creation of 1.0 permanent position to assist in the management of WEM's operations related to the excess military property program. On March 16, 2016, the Joint Committee on Finance approved DMA's request, subject to the condition that the requested position be created as a project position with position authority through June 30, 2017, as opposed to a permanent position. According to the approval letter from the Committee dated March 16, 2017, the position was approved as a project position, rather than a permanent position, because, "it [was] uncertain whether future program revenue [would] be sufficient to support the requested position beyond June 30, 2017."

**3. REACT CENTER PERMANENT POSITIONS**

	Funding	Positions
PR	\$269,100	2.00

Request \$129,600 in 2017-18 and \$139,500 in 2018-19, as well as 2.0 positions annually, to support permanent positions for WEM's Regional Emergency All Climate Training (REACT) Center, located at Camp Williams/Volk Field in Camp Douglas, Wisconsin. The requested positions include two 0.5 training officers and 1.0 heavy equipment operator/facilities repair worker. The REACT Center is a facility where agencies and individuals may receive training in various emergency management subjects including, but not limited to,

urban search and rescue, hazardous material response, and vehicle and machinery extrication. Currently, the responsibilities of the requested positions are handled by limited-term employees.

The REACT Center is supported by a program revenue continuing appropriation. Base funding for the Center is \$727,100. Position authority is not currently appropriated for the REACT center. Funding for the Center is generated from training course fees.

#### **4. STATE EMERGENCY OPERATIONS CENTER**

Request the creation of statutory language and an annual SEG appropriation which would allow the Department to recoup costs incurred during the activation of the state emergency operations center (SEOC) in excess of 36 hours. Funding for the appropriation would be supported by the petroleum inspection fund. Request that no funding be appropriated to the new appropriation.

Request the creation of statutory language that would provide that during a state of emergency declared by the Governor, the Adjutant General may determine the specific costs incurred by WEM during the activation of the SEOC for a period in excess of 36 hours. Request additional statutory language stating that WEM must notify the Joint Committee on Finance (JFC) in writing of the costs incurred during the activation of the SEOC in excess of 36 hours. The Division must include in its notification to JFC information regarding any costs incurred for the following: (a) equipment and supplies obtained to assist local units of government and local law enforcement in responding to a disaster; (b) overtime for WEM personnel directly associated with the activation of the SEOC; and (c) meals for personnel staffing the SEOC. Through a 14-day passive review process, WEM would request an expenditure authority increase in the SEOC appropriation based on the costs incurred resulting from the activation of the SEOC for over 36 hours. If within 14 working days after notification the Committee does not schedule a meeting to review WEM's request, WEM's request would be approved. If within 14 working days after notification the Committee schedules a meeting to review WEM's request, WEM's request for an expenditure authority increase would need to be approved by the Committee during a hearing.

The state emergency operations center facilitates the coordination of various state and local agencies and volunteer organizations when an emergency occurs. A WEM duty officer and senior duty officer are on call 24 hours a day for the SEOC to receive information related to emergency situations. Depending on the gravity of an emergency, the SEOC may be activated, at which time various WEM staff and representatives from pertinent agencies coordinate a response in the SEOC. Under current practice, WEM costs related to activations of the SEOC are supported by DMA's emergency management services general program operations GPR appropriation. Base funding for this appropriation is \$1,065,100. Since 2011, the SEOC has been activated for more than 36 hours between zero and two times per year, at a cost of approximately \$11,200 to WEM per activation.

#### **5. NATIONAL GUARD AIRBASE MAINTENANCE**

Request \$33,000 GPR and \$132,000 FED annually to increase

GPR	\$66,000
FED	264,000
Total	\$330,000

funding for maintenance at the Mitchell Field Airbase and the Truax Field Airbase. Under the state's National Guard Cooperative Agreement with the federal National Guard Bureau, funding for certain maintenance contracts and services for Mitchell Field Airbase and Truax Field Airbase are supported by federal funds and a state match requirement. Maintenance costs at the Mitchell Field Airbase are split 25% state funding and 75% federal funding, while maintenance costs at Truax Field Airbase are split 20% state funding and 80% federal funding. [Maintenance costs at Truax Field have a greater federal component due to the Aerospace Control Alert Homeland Defense Mission carried out by the 115<sup>th</sup> Fighter Wing, which is located at Truax Field.] Current funding for maintenance at these two airbases totals \$425,300, comprised of \$347,000 FED and \$78,300 GPR. Funding for maintenance supplies and contract services is currently split between these two airbases as follows: \$44,500 GPR and \$178,000 FED for Mitchell Field and \$33,800 GPR and \$169,000 FED for Truax Field. According to DMA, maintenance costs at these two airbases have increased in recent years due to inflation and an increased square footage at the facilities.

General purpose revenue funding requested by DMA would be provided to the Department's National Guard general program operations appropriation. [The Department indicates that it intended to request GPR funding for its National Guard repair and maintenance appropriation.] Base funding for the repair and maintenance appropriation is \$726,000 GPR. Federal funding requested by DMA would be provided to the Department's National Guard federal aid continuing appropriation. Base funding for this appropriation is \$31,326,300 FED.

**6. CONSTRUCTION AND FACILITIES MAINTENANCE OFFICE POSITIONS**

	Funding	Positions
FED	\$619,000	5.00

Request \$301,000 in 2017-18 and \$318,000 in 2018-19, and 5.0 positions annually, to increase staffing for DMA's Construction and Facilities Maintenance Office (CFMO). The requested positions include 2.0 construction project managers and 3.0 office program associates. The Department's CFMO is responsible for overseeing facility development and maintenance for the state's National Guard facilities. According to DMA, the 2.0 requested construction project managers would be responsible for project management oversight of Army National Guard construction projects. Currently, this project management oversight is handled by contracted employees. Further, the 3.0 requested office program associates would assist DMA execute an anticipated increase in federal resources for Army National Guard facilities as well as assist DMA meet new transparency and auditability requirements being required by the federal Department of Defense. The increase in funding would be supported by federal funds from the National Guard Cooperative Agreement. The increased funding and position authority would be authorized for DMA's National Guard operations federal aid appropriation. Base funding and position authority for this appropriation is \$31,326,300 and 280.48 positions.

**7. SECURITY POSITIONS FOR DEPARTMENT FACILITIES**

	Funding	Positions
FED	\$437,900	4.00

Request \$214,000 in 2017-18 and \$223,900 in 2018-19, and 4.0 positions annually, to create additional positions for increased security at DMA facilities. The requested funding and

position authority would be provided to DMA's National Guard operations federal aid appropriation. Federal funding for the positions would be supported by the state's National Guard Cooperative Agreement with the federal National Guard Bureau. The requested funding and positions are as follows:

a. \$152,900 in 2017-18 and \$158,900 in 2018-19, and 3.0 military affairs security officer positions annually for the Mitchell Field Airbase in Milwaukee. Under the state's National Guard Cooperative Agreement, as well as regulations from the federal Department of Defense, DMA is required to provide security services for military facilities. The Department performs this mission through the use of a combination of physical and electronic security systems and equipment, as well as armed state and federal security personnel. According to DMA, the requested positions would be responsible for covering security shifts and posts that are currently covered through the use of limited-term employees.

b. \$61,100 in 2017-18 and \$65,000 in 2018-19, and 1.0 security personnel officer position annually who would assist in the management of processing background investigations and managing security clearances for military members, state employees, and contractors who work within a government military facility. Among other responsibilities, the position would advise supervisors and commanders on security actions and mitigation measures, and advise individuals on responding to letters of intent to deny security clearance and due process. The position would also assist DMA's Security and Insider Threat Committee track and resolve security issues and identify procedures and policies for improvement relating to the Wisconsin National Guard.

**8. ELIMINATE ARMORY STORE OPERATIONS APPROPRIATION**

PR	- \$166,000
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Request the elimination of the National Guard operations armory store operations annual PR appropriation [s. 20.465(1)(k)]. Associated with the elimination of the appropriation, eliminate expenditure authority totaling \$83,000 annually. Further, transfer 1.0 position from the armory store operations appropriation to the National Guard operations annual PR appropriation for billeting services. According to DMA, the transferred position has been supported by the billeting services appropriation for several biennia, and the position transfer would address this discrepancy.

Under current law, the armory store operations appropriation supports the operation of an armory store at Camp Williams. The Department requests the elimination of the appropriation because the armory store at Camp Williams ceased operations in May, 2014.

## 2015 Act 201 Plans

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
1. Increase funding by \$62,800 in 2017-18 and \$64,300 in 2018-19 to support 0.5 FTE purchasing agent annually for the National Guard as well as increased funding for maintenance at National Guard air bases.	GPR	\$62,800	\$64,300
2. Increase general program operations funding for Wisconsin Emergency Management (WEM) by \$90,400 in 2017-18 and \$1,600 in 2018-19. In addition, provide WEM 1.5 GPR positions annually to support 1.0 homeland security program and planning analyst and 0.5 office program associate for WEM's Bureau of Response and Recovery.	GPR	90,400	1,600
3. Decrease funding for emergency response training by \$10,000 in 2018-19.	GPR	0	-10,000
4. Eliminate \$83,000 annually for the operation of the armory store at Camp Williams. In addition, transfer 1.0 position for the purpose of operating the armory store at Camp Williams to administering billeting services at National Guard facilities.	PR	-83,000	-83,000
5. Reduce overall funding for the regional emergency all climate training (REACT) center by \$220,400 in 2017-18 and \$9,700 in 2018-19. In addition to the funding reduction, increase position authority for the REACT center by 2.0 positions annually to support two 0.5 training officers and 1.0 heavy equipment operator/facilities repair worker.	PR	-220,400	-9,700
6. Decrease overall funding for WEM's program services appropriation by \$2,000 in 2017-18 and \$20,900 in 2018-19. In addition, increase position authority for the appropriation by 0.5 position annually. Modifications would include: (a) -\$30,000 in 2017-18 and -\$20,900 in 2018-19 for the Governor's annual conference on homeland security and emergency management; (b) -\$29,100 in 2018-19 for sandbags provided to local units of government for flood response; (c) \$14,800 in 2017-18 and \$15,700 in 2018-19 to support 0.25 FTE WEM training and exercise officer; and (d) \$13,200 in 2017-18 and \$13,400 in 2018-19 to support 0.25 FTE office program associate for WEM's Bureau of Response and Recovery.	PR	-2,000	-20,900
7. Increase funding by \$80,200 in 2017-18 and \$80,100 in 2018-19.	PR	80,200	80,100

		<u>Amount</u>		
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>	
2018-19 to support 1.0 position annually who would administer WEM's excess military property program.				
8.	Modify overall funding and position authority for WEM's emergency planning and reporting -- administration appropriation by \$72,000 in 2017-18 and -\$22,400 in 2018-19, as well as 1.5 positions annually. Modifications would include: (a) \$52,600 in 2017-18 and \$53,500 in 2018-19 to support 1.0 office program associate position for WEM; (b) \$14,800 in 2017-18 and \$15,700 in 2018-19 to support 0.25 FTE WEM training and exercise officer; (c) \$13,200 in 2017-18 and \$13,400 in 2018-19 to support 0.25 FTE office program associate for WEM's Bureau of Response and Recovery; and (d) -\$8,600 in 2017-18 and -\$105,000 in 2018-19 to reduce overall funding for emergency planning, reporting and response for the release of hazardous substances, and the administration of emergency planning and community right to know (EPCRA) grants.	PR	\$72,000	-\$22,400
Total			\$0	\$0
		GPR	(\$153,200)	(\$55,900)
		PR	(-\$153,200)	(-\$55,900)

**5% Budget Reduction Plan**

1.	Reduce overall funding for National Guard general program operations by \$137,400 in 2017-18 and \$128,900 in 2018-19. In addition, increase position authority for National Guard general program operations by 0.5 FTE position annually to support a purchasing agent position.	GPR	-\$137,400	-\$128,900
2.	Reduce funding for the repair, maintenance, and improvement of National Guard facilities.	GPR	-34,200	-33,200
3.	Reduce funding for fuel and utilities at National Guard facilities.	GPR	-300,000	-283,000
4.	Modify funding and position authority for WEM's general program operations by -\$2,100 in 2017-18 and \$1,600 in 2018-19, and 1.5 positions annually. Modifications are comprised of: (a) \$64,100 in 2017-18 and \$67,400 in 2018-19, and 1.0 position annually, to support a homeland security program and planning analyst; (b) \$26,300 in 2017-18 and \$26,700 in 2018-19, and 0.5 position annually, to provide partial support for an office program associate position in WEM; and (c) -\$92,500 annually to reduce general program	GPR	-2,100	1,600

	<u>Fund</u>	<u>Amount</u> <u>2017-18</u>	<u>2018-19</u>
operations funding for WEM.			
5. Reduce funding for emergency response training by \$10,000 in 2018-19.	GPR	\$0	-\$10,000
6. Reduce funding for rent and maintenance of National Guard facilities by \$5,000 in 2018-19.	PR	0	-5,000
7. Reduce funding for providing billeting services at National Guard facilities by \$20,000 in 2018-19.	PR	0	-20,000
8. Eliminate \$83,000 annually for the operation of the armory store at Camp Williams. In addition, transfer 1.0 position for the purpose of operating the armory store at Camp Williams to administering billeting services at National Guard facilities.	PR	-83,000	-83,000
9. Reduce overall funding for WEM's REACT center by \$237,800 in 2017-18 and \$79,900 in 2018-19. In addition to the funding reduction, increase position authority for the REACT center by 2.0 positions annually to support two 0.5 training officers and 1.0 heavy equipment operator/facilities repair worker.	PR	-237,800	-79,900
10. Modify funding and position authority for program services provided by WEM by -\$65,300 and 1.5 position in 2017-18 and -\$115,400 and 0.37 position in 2018-19. Funding modifications include: (a) \$14,800 in 2017-18 and \$15,700 in 2018-19 to support 0.25 FTE WEM training and exercise officer position; (b) \$13,200 in 2017-18 and \$13,400 in 2018-19 to support 0.25 FTE office program associate for WEM's Bureau of Response and Recovery; (c) -\$64,200 annually for the Governor's annual conference on homeland security and emergency management; (d) -\$29,100 annually for sandbags provided to local units of government for flood response; (e) -\$51,200 in 2018-19 for WEM's radiological emergency preparedness program; and (f) 1.0 position in 2017-18 and -0.13 position in 2018-19 for WEM's excess military property program.	PR	-65,300	-115,400
11. Modify funding and position authority for WEM's emergency planning and reporting -- administration appropriation by \$80,600 in 2017-18 and -\$22,400 in 2018-19, and 1.5 positions annually, as follows: (a) \$52,600 in 2017-18 and \$53,500 in 2018-19 to support 1.0 office program associate position for WEM; (b) \$14,800 in 2017-18 and \$15,700 in 2018-19 to support 0.25 FTE training and exercise officer position; (c) \$13,200 in 2017-18 and \$13,400 in 2018-19 to support 0.25 FTE office program associate position for WEM's	PR	80,600	-22,400

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
Bureau of Response and Recovery; and (d) -\$105,000 in 2018-19 for emergency planning, reporting and response for the release of hazardous substances, and the administration of EPCRA grants.			
12. Reduce the number of cadets served by the National Guard Challenge Academy.	PR	<u>-\$57,400</u>	<u>-\$57,400</u>
Total		-\$836,600	-\$836,600
	GPR	(-\$473,700)	(-\$453,500)
	PR	(-\$362,900)	(-\$383,100)

## MISCELLANEOUS APPROPRIATIONS

Budget Summary					FTE Position Summary	
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		
		2017-18	2018-19	Amount	%	
GPR	\$93,726,300	\$95,314,000	\$100,945,400	\$8,806,800	4.7%	There are no authorized positions for Miscellaneous Appropriations.
SEG	31,446,300	31,446,300	31,446,300	0	0.0	
<b>TOTAL</b>	<b>\$125,172,600</b>	<b>\$126,760,300</b>	<b>\$132,391,700</b>	<b>\$8,806,800</b>	<b>3.5%</b>	

### Major Request Items

**1. ILLINOIS-WISCONSIN INCOME TAX RECIPROCITY**

GPR	\$8,513,000
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Request increases of \$3,446,000 in 2017-18 and \$5,067,000 in 2018-19 to reflect anticipated payments to Illinois in the 2017-19 biennium under the Illinois-Wisconsin individual income tax reciprocity agreement. Total funding would be \$66,046,000 in 2017-18 and \$67,667,000 in 2018-19.

**2. OIL PIPELINE TERMINAL TAX**

GPR	\$1,693,800
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Request increases of \$841,700 in 2017-18 and \$852,100 in 2018-19 to the sum sufficient appropriation for the oil pipeline terminal tax distribution. With these adjustments, estimated base level funding of \$3,500,000 would increase to \$4,341,700 in 2017-18 and \$4,352,100 in 2018-19.

**3. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND**

GPR	- \$900,000
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Request a decrease of \$2,450,000 in 2017-18 to reflect the removal of first year funding from the base for the disaster damage aids transfer appropriation and an increase of \$1,550,000 in 2018-19 to reflect an increase in the estimated amount needed to fund disaster claims in the 2017-19 biennium. 2013 Wisconsin Act 20 established a sum sufficient appropriation from the general fund to fund a transfer to the transportation fund in the second year of each biennium equal to the amount of disaster aid payments made in that biennium in excess of \$1,000,000 for any single disaster event. The transfer was estimated at \$6,500,000 in 2016-17 under 2015 Act 55, although this amount was reestimated to the current base level of \$2,450,000 to reflect slower than expected reimbursement claims for damage related to a 2011 storm in northwest Wisconsin. This item would remove the first year funding from the base and fund the estimated transfer at \$4,000,000 in 2018-19.

**4. INTEREST ON OVERPAYMENT OF TAXES**

GPR	- \$500,000
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Request decreases of \$250,000 annually in the sum sufficient appropriation for interest on tax overpayments. With these adjustments, estimated base level funding of \$1,250,000 would decrease to \$1,000,000 annually.

**5. TRANSFER TO THE CONSERVATION FUND**

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

## NATURAL RESOURCES

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$110,721,900	\$109,949,900	\$109,980,200	-\$1,513,700	- 0.7%	230.02	230.02	230.02	0.00	0.0%
FED	81,645,400	81,485,000	81,150,000	- 655,800	- 0.4	479.84	475.84	472.84	- 7.00	- 1.5
PR	35,896,600	34,737,900	34,737,900	- 2,317,400	- 3.2	243.89	243.89	243.89	0.00	0.0
SEG	<u>333,950,100</u>	<u>324,643,700</u>	<u>324,646,400</u>	<u>- 18,610,100</u>	- 2.8	<u>1,595.35</u>	<u>1,594.35</u>	<u>1,594.35</u>	<u>- 1.00</u>	- 0.1
TOTAL	\$562,214,000	\$550,816,500	\$550,514,500	-\$23,097,000	- 2.1%	2,549.10	2,544.10	2,541.10	- 8.00	- 0.3%

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling -\$12,697,900 in 2017-18 and -\$12,873,500 in 2018-19 with the deletion of 8.0 positions as follows: (a) -\$3,205,100 annually for turnover reduction (-\$297,900 GPR, -\$587,800 FED, -\$118,100 PR, and -\$2,201,300 SEG); (b) -\$6,142,800 (-\$70,500 FED and -\$6,072,300 SEG) with a reduction of 4.00 FED and 1.00 SEG project positions beginning in 2017-18; and -\$6,518,200 (-\$445,900 FED and -\$6,072,300 SEG) with a further reduction of 3.00 FED project positions beginning in 2018-19 for removal of non-continuing elements from the base; (c) -\$6,739,000 (-\$503,600 GPR, -\$5,645,400 SEG, -\$1,048,600 PR, and \$458,600 FED) annually for full funding of continuing salaries and fringe benefits; (d) \$3,194,500 (\$8,000 PR and \$3,186,500 SEG) annually for overtime; and (e) \$194,500 (\$29,500 GPR, \$39,300 FED, and \$125,700 SEG) in 2017-18 and \$394,300 (\$59,800 GPR, \$79,700 FED, and \$254,800 SEG) in 2018-19 for full funding of lease and directed moves.

	Funding	Positions
GPR	-\$1,513,700	0.00
FED	- 655,800	- 7.00
PR	- 2,317,400	0.00
SEG	<u>- 21,084,500</u>	<u>- 1.00</u>
Total	-\$25,571,400	- 8.00

#### 2. FORESTRY RADIOS AND EQUIPMENT FUNDING

SEG	\$868,400
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Request \$434,200 forestry SEG annually to provide ongoing funding for the purchase of forestry radios, dispatch equipment, and maintenance and replacement of forestry radio tower repeater sites. The funding would cover replacement of approximately 100 pieces of equipment per year on a seven-year replacement cycle. DNR reports annual replacements may include 50 portable (hand-held) radios, 36 mobile (vehicle-mounted) radios, two aviation radios, 12 base station repeaters and one dispatch radio console.

In addition, funding would include \$75,000 annually for tower maintenance and Federal Communications Commission (FCC) licensing of tower sites and base stations. The base

stations constitute the Department's public safety communications network and include a system of towers and equipment that receives and amplifies radio signals to improve reception over long distances. The base station repeater network is used primarily for forest fire detection and control.

In the past, forestry radios and related equipment replacements were done through a master lease process. Most of this equipment was last purchased in 2009. The Department intends for ongoing funding to allow the Division of Forestry to more actively manage the equipment in its inventory and avoid large simultaneous failures, as the equipment would be replaced at regular intervals.

### **3. FIREFIGHTER SAFETY EQUIPMENT**

SEG	\$277,500
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Request \$152,500 in 2017-18 and \$125,000 in 2018-19 from forestry SEG, on a one-time basis, for the replacement of firefighter safety equipment. The request includes \$250,000 over the biennium for the replacement of 500 fire shelters. The Division of Forestry has been requiring fire shelters for each firefighter since 2008. Fire shelters protect firefighters during emergencies by reflecting radiant heat and trapping breathable air. Fire shelters were last purchased in 2006. If deployed during a fire, the shelters are likely to be removed from service thereafter, but units otherwise have an expected life span of up to 12 years when stored properly. The request also includes \$27,500 for the replacement of 250 drip torches, which are tools used in wildfire suppression, controlled burning, and other forestry applications to ignite fires.

### **4. FOREST FIRE AERIAL DETECTION SUPPLEMENT**

SEG	\$238,000
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Request \$119,000 forestry SEG annually for supplemental aerial forest fire detection efforts. In 2016, the Division of Forestry decommissioned its forest fire lookout towers due to concerns regarding their structural integrity. As a result, the Department expects to increase forest fire aerial detection. Funding would cover 700 hours of aerial detection, in addition to 300 hours of aerial detection planned using funds previously dedicated to lookout towers.

### **5. INTER-AGENCY TYPE 2 INCIDENT MANAGEMENT TEAM**

SEG	\$224,900
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Request \$98,900 in one-time funding in 2017-18 from the forestry account for equipment for a Type 2 Incident Management Team (IMT), and request \$63,000 forestry SEG annually for IMT staff costs and maintenance. IMTs respond to complex emergency incidents such as train derailments, forest fires and natural disasters, and human and animal health pandemics that local responding agencies may not adequately be able to address. Membership of an IMT could include any state, federal, tribal, or local agency. There are five types of all-hazard incidents classified by complexity, ranging from a Type 1 incident, which is the most complex, to a Type 5 incident, which is the least complex. The inter-agency Type 2 IMT was formed in 2013 to be deployed to large, complex, all-hazard incidents within Wisconsin; however, no funding was allocated for the IMT. Current team membership includes 43 staff from DNR (29 FTE and 14 LTE) and six members from other state agencies and local municipalities.

**6. FORESTRY TRACTOR PLOW OPERATOR TRAINING**

SEG	\$200,000
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Request \$100,000 forestry SEG annually for forestry heavy equipment training and commercial vehicle operation licensing. The Division of Forestry maintains a fleet of tractor plows specifically for firefighting. Currently, staff are trained on the job, and gaining proficiency may take up to a year. Requested funding would support sending 10 forestry staff annually to a specialized training center for an anticipated three-week course providing familiarization and basic operation skills on the tractor plow, as well as the training necessary to obtain a commercial driver's license.

**7. FORESTRY NEW FACILITIES OPERATIONS**

SEG	\$157,000
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Request \$78,500 forestry SEG annually to support increased costs associated with new state forest properties. (Under 2015 Act 55, \$82,900 forestry SEG annually was provided beginning in 2015-16 for operations costs associated with new forestry properties.)

**8. FORESTRY EQUIPMENT MASTER LEASES**

SEG	\$213,800
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Request \$106,900 forestry SEG as one-time funding in each of fiscal years 2017-18 and 2018-19 for the third and fourth years of four-year master leases for field data recorders for forestry staff and computers for forestry law enforcement personnel. Funding would support: (a) \$76,900 in each year for 165 tablet field data recorders and associated software for forestry staff to gather data electronically and input the data into existing databases; and (b) \$30,000 each year for the purchase of 27 computers and associated equipment for forestry law enforcement personnel.

**9. CONCENTRATED ANIMAL FEEDING OPERATION PROGRAM STAFFING**

Request transfer of 2.0 GPR and 2.0 environmental fund (nonpoint account) SEG positions from several existing appropriations to permitting and regulatory responsibilities for concentrated animal feeding operations (CAFOs). DNR intends for the transfer to reduce the CAFO permit-to-staff ratio in overseeing compliance with permit requirements. These 4.0 positions are vacant and would be filled upon transfer. There is no net change in positions or expenditures associated with this request. The following table shows the sources of positions and funding requested for transfer:

**Concentrated Animal Feeding Operations Positions Transfers**

<u>Current Program/Appropriation</u>	<u>Fund Source</u>	<u>Positions</u>	<u>Annual Funding</u>
Nonpoint research and monitoring	Nonpoint SEG	2.0	\$167,400
Public safety and business support general ops.	GPR	1.0	67,900
Customer and external assistance general ops.	GPR	<u>1.0</u>	<u>46,700</u>
	Total	4.0	\$282,000

## **10. FORESTRY HEADQUARTERS RELOCATION PROPOSAL**

### **Background**

2015 Act 55 requires the Department of Natural Resources to develop a plan to move the headquarters of the Division of Forestry from the City of Madison to a northern location in Wisconsin. The plan must provide, in detail, a list of options for northern locations in Wisconsin, the costs of relocating the headquarters, and a timeline for implementing the relocation. The act requires the plan to be included in the DNR 2017-19 biennial budget request. The Department submitted its "Division of Forestry Relocation Proposal" report alongside its 2017-19 agency budget request in September, 2016.

Currently, the Division of Forestry includes 449.08 authorized full-time equivalent (FTE) positions funded from the forestry account of the segregated conservation fund (forestry mill tax), with approximately 52, or 11.5%, being vacant as of November, 2016. However, several forestry personnel work less than full-time and DNR reports there are currently 454 staff in the Division of Forestry (including one federally-funded position). The Division is responsible for: (a) the operations of 23 state forests; (b) tree nursery operations; (c) prevention, detection and suppression of forest fires; (d) forest health and productivity, including administration of the managed forest law (MFL) program and assistance to county forest administrators; and (e) managing grants, loans and payments to certain towns, counties and private forest owners. According to the report, the role of the forestry headquarters is to: (a) develop policy and coordinate implementation of forestry programs across the state; (b) manage and coordinate the statewide forest fire program, including command center operations; (c) work in partnership with other divisions to develop statewide coordination of programs; (d) participate in decisions of departmental management and operations teams; (e) respond to and support state initiatives and partnerships with other government functions, such as the Governor's office and the Legislature; and (f) work with partners and stakeholders to develop and guide implementation of forestry programs across the state. Of the 454 staff, DNR indicates that 90 have statewide responsibilities, and 56.5 of these 90 are located in the current headquarters in Madison.

According to the report, DNR assessed a range of options for the location of the northern headquarters and considered any interested municipality north of U.S. Highway 10. Of the 43 interested municipalities, DNR chose Hayward, Rhinelander, and Wausau, each of which currently has DNR offices. These communities were selected due to their proximity to a variety of forestry professionals and organizations with whom DNR forestry headquarters staff currently works. Several organizations are located in Rhinelander, including the Chequamegon-Nicolet National Forest (CNNF) Headquarters, the United States Forest Service (USFS) Northern Research Station, a United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) office, the Great Lakes Timber Professionals Association, Wisconsin County Forest Association, and several forest products and related companies. Wausau is located near partners at other state agencies, forest products companies, a USDA NRCS office, and the University of Wisconsin-Stevens Point, which has a prominent natural resources school. Several forest products companies are also located in Hayward, and the city is near the CNNF and has a DNR forestry property with available space (the currently closed Hayward nursery).

The report notes that there is insufficient space available in existing DNR facilities to incorporate employees likely to relocate to a northern forestry headquarters. Therefore, the analysis estimated both the cost of new construction and the cost of leasing a facility. Both estimates were based on a need for approximately 14,100 square feet of space and housing approximately 45 staff. For new construction, the Department estimated the cost of constructing a new forestry headquarters building in Wausau. The report assumes costs for constructing the headquarters in Wausau would be perhaps 10% lower than in either Rhinelander or Hayward due to other locations having greater transportation costs for building materials and having less access to available bidders.

### **New Construction Alternative**

According to the report, DNR estimates construction of a new headquarters facility in Wausau would require: (a) \$250,000 for the purchase of a one- to two-acre building site; (b) \$5,396,900 in bonding for construction, fees, furnishings, infrastructure, and information technology needs; and (c) \$337,500 for moving expenses. Annual costs of approximately \$542,300 would be expected, including debt service of \$431,800 on the \$5.4 million in bonds (assuming 20-year general obligation bonds were issued for the project at an interest rate of approximately 5% per year), and annual operations and building maintenance costs of approximately \$110,500. While not noted in the report, the Department assumes debt service would be paid from conservation fund SEG.

The report notes that the typical timeline for DNR capital development projects is six years. However, the report assumes that were the project enumerated and the move approved for immediate implementation, with the new construction option chosen, then the six-year timeline could be significantly shortened. Under these assumptions, the report estimates that the timeline for construction and occupancy of a new forestry headquarters would be approximately 45 to 53 months (3.75 to 4.4 years) from the time the 2017-19 biennial budget act is signed. Under this timeline, debt service payments on the bonds would not be expected during the 2017-19 biennium.

According to the report, the estimated total cost at the end of the 20-year debt service payments would be approximately \$11,433,700. Annual maintenance and operations costs would continue after the bonds are retired. However, it is possible that maintenance costs could increase as the building ages, a factor not considered in the report; the report assumes a static amount of maintenance costs over the 20 years of bond payments and does not address costs beyond those 20 years.

### **Lease Alternative**

According to the report, leasing a facility would most likely require modifying an existing building to suit forestry headquarters needs, which would involve costs to fit out the space, or finding a property built to suit DNR's needs and then leased to the Department. Initial costs were estimated at \$1,083,900, as shown in the table, including: (a) the \$746,400 cost to fit out the space, including furnishings, infrastructure, and information technology needs; and (b) moving costs of \$337,500.

Based on an analysis of current rental rates for Wausau-area properties in August, 2016, the expected rental rate would be between \$23.50 and \$27.35 per square foot, or \$331,400 to \$385,600 for the expected space, with the lease costs adjusted for inflation by 2.5% annually. Using an initial annual lease payment of approximately \$362,700, with 2.5% annual inflation, the Department estimated a total 20-year lease cost of \$9.26 million, plus an additional \$91,200 in estimated total information technology and communication costs, for a total cost over 20 years of \$9,335,000. (The initial-year IT costs are included in the \$746,400 fit-out costs.) Lease estimates include operation and maintenance costs in the 20-year payment amount. The report estimates the timeline from budget enactment to move-in at 14 to 18 months. This timeline was based on the Department of Administration's (DOA) required timeline for the leasing process, but the report notes the actual timeline could vary based on space needed and the extent of any modifications. According to the report, the total estimated cost of leasing space after 20 years would be \$10,438,900.

### Comparison and Additional Considerations

The following table summarizes DNR estimates of the two alternatives for moving the Division of Forestry headquarters. The estimates for each alternative report total costs over a 20-year period. Although a 20-year analysis is intended to compare the long-term costs of each alternative, it cannot be determined at this time what costs, if any, would be realized beginning in the 2017-19 biennium; such timing would vary with legislative and administrative determinations on proceeding with a relocation.

#### Forestry Headquarters Relocation Report Cost Estimates

	<u>Construction</u>		<u>Leasing</u>	
	<u>Amount</u>	<u>Description</u>	<u>Amount</u>	<u>Description</u>
Initial Occupancy Costs (One-Time)	\$250,000	Land purchase	\$746,400	Fit-out costs
	<u>337,500</u>	Moving expenses	<u>337,500</u>	Moving expenses
Subtotal	\$587,500		\$1,083,900	
20-Year Annualized Costs	\$8,635,200*	Debt service (\$431,760 annually)	\$9,263,800	Lease payments (\$362,700 initial payment, increased by 2.5% annually)
	<u>2,211,000</u>	Operations and maintenance (\$110,550 annually)	<u>91,200</u>	IT and communication costs (19 years)
Subtotal (20 Years)	\$10,846,200		\$9,355,000	
20-Year Total Cost	\$11,433,700		\$10,438,900	

\*Assumes \$5,396,900 in general obligation bonds are issued to fund construction, with bonds carrying a 20-year term and an approximate 5% interest rate.

As shown in the table, the DNR report suggests total costs of the leasing alternative over a general 20-year period may be \$1.0 million less than the comparable total costs of constructing a new headquarters. The report notes that although it is difficult to perform a cost analysis of these options, according to DNR facilities and lands specialists, construction of a new Department-owned facility may be more economical over the long-term. The cost-effectiveness of a new

construction alternative, however, would depend on: (a) any annual cost savings, relative to leasing, of occupying and maintaining a state-owned building following retirement of debt service on the new building (beginning in the 21<sup>st</sup> year); (b) the number of years the constructed building would remain in service at a cost advantage to leased space; and (c) the potential cost of any major maintenance or renovations that may be needed after the 20<sup>th</sup> year. Estimates for the 20-year cost comparison also could be subject to change as any relocation is implemented.

The report also notes that this analysis assumes some forestry staff would remain in the DNR Headquarters in Madison. Currently, the Department makes rental payments to DOA for their use of the Natural Resources Office Building. The report notes that as the portion of space utilized by forestry staff is relatively small, there may not be sufficient space vacated by relocated forestry staff to be utilized by another agency. DNR assumes it would remain responsible for rent of the space, and other programs, such as the fish and wildlife or parks accounts of the conservation fund, could be required to assume additional costs as a result of the forestry staff relocation.

Additionally, changes to cost estimates assumed in the DNR proposal could affect any comparison of the two alternatives. For instance, DNR identified certain potential project components related to IT infrastructure and fire suppression equipment storage that could each increase cost estimates. Alternatively, some consolidation of other regional DNR staff in the new forestry headquarters could reduce certain costs. Further, if DNR Madison space being vacated by forestry staff could be utilized by another state agency, DNR savings might increase. DNR noted an updated cost analysis would be conducted following further specification of a relocation.

### 2015 Act 201 Plan

		<u>Amount</u>	
		<u>Fund</u>	
			<u>2017-18</u> <u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1.	Reduce expenditures in Fish, Wildlife & Parks programs.	GPR	-\$1,815,300      -\$1,815,300
		SEG	-2,344,700      -2,344,700
		PR	-15,000      -15,000
2.	Reduce Forestry programs.	SEG	-2,353,700      -2,353,700
3.	Realign expenditure authority with current revenue levels.	PR	-3,810,400      -3,810,400
4.	Reduce Environmental Management programs.	GPR	-50,000      -50,000
		SEG	-2,601,000      -2,601,000
5.	Reduce Internal Services & Administration expenditures.	SEG	-815,200      -815,200
		PR	<u>-209,500</u> <u>-209,500</u>
Total			-\$14,014,800      -\$14,014,800
		GPR	(-\$1,865,300)      (-\$1,865,300)
		PR	(-\$4,034,900)      (-\$4,034,900)
		SEG	(-\$8,114,600)      (-\$8,114,600)

## PROGRAM SUPPLEMENTS

Budget Summary					FTE Position Summary	
	2016-17	Request		2017-19 Change Over		There are no authorized positions for Program Supplements.
Fund	Adjusted Base	2017-18	2018-19	Base Year Doubled	Amount	
				%		
GPR	\$33,018,400	\$10,841,000	\$10,841,000	-\$44,354,800	- 67.2%	
SEG	<u>355,000</u>	<u>0</u>	<u>0</u>	<u>- 710,000</u>	- 100.0	
TOTAL	\$33,373,400	\$10,841,000	\$10,841,000	-\$45,064,800	- 67.5%	

### Major Request Item

**1. JOINT COMMITTEE ON FINANCE APPROPRIATION  
FOR AGENCY SUPPLEMENTS**

GPR	- \$44,354,800
SEG	<u>- 710,000</u>
Total	- \$45,065,600

Request decreases of \$22,177,400 GPR and \$355,000 SEG annually for removal of non-continuing elements from the base. Under this request, \$133,600 GPR annually would remain in the JFC supplemental appropriation for potential agency supplements in the 2017-19 biennium.

## PUBLIC DEFENDER

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%			2017-18	2018-19	Number
GPR	\$84,620,300	\$89,265,100	\$96,044,000	\$16,068,500	9.5%	609.85	609.85	609.85	0.00	0.0%
PR	<u>1,348,200</u>	<u>1,378,200</u>	<u>1,378,900</u>	<u>60,700</u>	2.3	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$85,968,500</b>	<b>\$90,643,300</b>	<b>\$97,422,900</b>	<b>\$16,129,200</b>	<b>9.4%</b>	<b>614.85</b>	<b>614.85</b>	<b>614.85</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$5,904,400
PR	<u>60,700</u>
<b>Total</b>	<b>-\$5,843,700</b>

Request adjustments to the base totaling -\$2,984,600 GPR and \$30,000 PR in 2015-16 and -\$2,919,800 GPR and \$30,700 PR in 2017-19. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$3,218,400 GPR and \$7,500 PR annually); (b) overtime (\$211,500 GPR and \$2,800 PR annually); and (c) full funding of lease and directed moves costs (\$22,300 GPR and \$19,700 PR in 2017-18 and \$87,100 GPR and \$20,400 PR in 2018-19).

#### 2. PRIVATE BAR COSTS

GPR	\$13,553,200
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Request \$ 6,776,600 annually as a re-estimate of funding to pay private bar attorney costs. The State Public Defender employs trial and appellate attorneys who represent clients who qualify for SPD representation. However, staff attorneys cannot represent all clients who qualify for SPD representation. Overflow cases and cases in which staff attorneys may have a conflict of interest are assigned to private bar attorneys throughout the state, at a rate of \$40 per hour for time spent related to a case, and \$25 per hour for travel. Base funding for private bar and investigator reimbursements is \$21,210,400.

#### 3. PRIVATE BAR ATTORNEY COMPENSATION

GPR	\$7,575,700
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Request \$7,575,700 in 2018-19 and modify current law to increase the rate at which private bar attorneys are compensated from \$40 per hour to between \$45 and \$60 per hour. In addition, grant the SPD authority to promulgate rules establishing compensation rates corresponding to certain case types. Under current law, private bar attorneys are compensated at a rate of \$40 per hour for time spent related to a case, regardless of the case type. The increase in hourly compensation would apply to cases assigned on or after July 1, 2018, however costs

related to the increase in private bar rates would not be realized until October, 2018, due to a three month time lapse which generally occurs between the opening and closing of misdemeanor cases. The following table identifies the proposed compensation rates for the different case types.

<u>Case Type</u>	<u>Proposed Hourly Compensation Rate</u>
Class A, B, or C felony	\$60
Other life sentence	60
Homicide	60
Juvenile Waiver	60
Sexual Predator	60
Termination of parental rights	60
Chapter 55*	50
Delinquency - felony	50
Felony	50
Revocation	50
Commitment	45
Intake	45
Juvenile (both felony and misdemeanor offenses)	45
Misdemeanor	45
Special proceeding	
Post Disposition	45
Appellate**	\$45-\$60

\*Chapter 55 proceedings are in regards to protective services and placements for individuals with mental illnesses, degenerative brain disorders, developmental disorders, or other like incapacities.

\*\*Compensation rates for appellate cases would depend on the initial cause of action.

#### 4. TUITION REIMBURSEMENT ASSISTANCE

GPR	\$500,000
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Request \$250,000 annually to conduct a pilot tuition reimbursement program for private bar attorneys who accept public defender appointments and who meet certain additional criteria. Under the SPD's request, some suggested criteria for private bar attorneys to qualify and meet terms for tuition reimbursement would be: (a) licensed to practice in WI and certified for SPD appointments; (b) maintain a law practice with headquarters or majority of legal work performed in a county of fewer than 25,000 residents; and (c) an annual caseload threshold of 50 SPD assigned cases. The State Public Defender's request would provide up to \$20,000 per year.

#### 5. COURT TRANSCRIPTS, DISCOVERY, AND INTER-PRATER FUNDING

GPR	\$2,160,800
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Request \$1,080,400 annually to support payments for: (a) transcripts of court proceedings;

(b) discovery materials; and (c) interpreters. Base funding for the transcripts, discovery, and interpreters appropriation is \$1,325,700. In recent years, base funding for this appropriation has not been sufficient to fund costs, and as a result the SPD has reallocated funding from the trial representation appropriation and appellate representation appropriation to support the costs of transcripts, discovery, and interpreters. In 2015-16, the SPD incurred \$2,406,100 in transcript, discovery, and interpreter costs.

**6. INFORMATION TECHNOLOGY -- CASE MANAGEMENT SYSTEM**

GPR	\$959,000
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Request \$343,000 in 2017-18 and \$616,000 in 2018-19 to hire consultants to programmatically upgrade the current case management system. The current case management system, called eOPD, is web-based and was implemented in 2002. Upgrades would allow the SPD to make operational decisions based on specific performance measures and allow communication with the Court system's eFiling.

**7. INFORMATION TECHNOLOGY - COMPUTERS AND SOFTWARE**

GPR	\$662,700
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Request \$325,600 in 2017-18 and \$337,100 in 2018-19 to acquire and maintain hardware and software, which would allow the SPD to replace existing workstations with laptop computers to enable staff, on a statewide basis, to remotely access electronic resources while away from the office. Requested funds would be used as follows: (a) \$204,800 annually to purchase 268 laptop computers; (b) \$66,200 in 2017-18 and \$132,300 in 2018-19 for on-going supplies and services associated with the new laptops; and (c) \$54,600 in 2017-18 for software licenses intended to facilitate compliance with e-filing of court documents.

Under the request, the 268 laptops would be used by attorneys (323), investigators (46), and client services specialists (19) who spend the majority of their time working at remote sites (such as courthouses, jails/prisons, investigative locations, and client homes) or traveling to sites away from their offices. The SPD's current computer inventory is generally comprised of desktop computers which were purchased in 2011 and 2012. The balance would fill the structural deficit in the IT budget for maintaining software licenses and facilitate compliance with e-filing, which was mandated in June 2016.

**8. CHARGING AND SENTENCING ALTERNATIVES**

GPR	-\$3,438,500
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Request -\$1,146,200 in 2017-18 and -\$2,292,300 in 2018-19, and adopt the following law changes in order to reduce the number of SPD appointments. [Estimated annual savings from all requested law changes are halved in 2017-18 due to the fact that private bar attorneys generally bill the SPD six months after being assigned a case.]

a. Provide that for the first offense violation of s. 947.01 Disorderly Conduct, if the alleged offender has not previously been convicted of a felony offense and has not been

convicted of any similar offense in the previous three years, the prosecutor would be required to offer the alleged offender the opportunity to either complete a diversion program or pay a forfeiture under a stipulated finding of guilt of a non-criminal ordinance violation. The SPD estimates that this law change would affect 4,843 cases and reduce SPD costs by \$1,067,300.

b. Modify current law to provide that possession of marijuana be reclassified as an ordinance violation for first- and second-time offenders and a misdemeanor for third-time offenders, provided that there are no allegations that the individual is manufacturing, distributing, or delivering a controlled substance. The SPD estimates that this law change would affect 8,442 cases and reduce SPD costs by \$455,300.

c. Modify current law to provide that bail jumping be reclassified as a misdemeanor no matter the initial charge. In 2015-16, SPD provided representation in 8,147 felony bail jumping cases. If these felonies had been misdemeanors, the SPD estimates annual savings of \$769,700.

## **9. PUBLIC DEFENDER INDIGENCY STANDARD**

Request that the SPD indigency standard be linked to the Wisconsin Works (W-2) financial eligibility requirements for an employment position as it was under 2009 Act 164. As a result, the amount of gross income of an individual considered available to pay the costs of legal representation could change annually based on the amount of an individual's gross income in excess of 115% of the most recent federal poverty guideline. [Under 2011 Act 32, available gross income was permanently set at amounts in excess of 115% of the 2011 federal poverty guideline.]

Request that assets considered available to pay the costs of legal representation would be linked to the W-2 asset standard, except that for purposes of determining eligibility to receive SPD representation only the first \$30,000 of the equity value of a home that serves as the individual's homestead would be excluded from consideration when determining assets available to pay the costs of legal representation. [Under 2011 Act 32, an individual's assets considered available to pay for legal representation was permanently set at the 2011 W-2 asset standard. As a result, assets that exceed \$2,500 in combined equity value are considered available to pay for legal representation, except that up to \$10,000 in the equity value of vehicles as well as the first \$30,000 of the equity value of a home that serves as the individual's homestead are excluded from consideration.]

## **10. TPR APPOINTMENT FINANCIAL ELIGIBILITY CLARIFICATION**

Request statutory language to clarify intent and practice under statutes related to the need to assess financial eligibility before representation of a parent who is the subject of a termination of parental rights (TPR) proceeding. The requested language would require a finding of indigency before appointment of an SPD attorney for adults subject to TPR proceedings, while not requiring a determination of financial eligibility for any person subject to civil commitment.

Prior to 2007, persons facing civil commitment due to a mental health crisis that would

result in harm to self or others needed to complete forms to determine indigency before appointing an SPD attorney. However, children in need of protective services, subject to delinquency proceedings, and involved in TPR proceedings did not require a finding of indigency before appointment of an SPD attorney.

Under 2007 Act 20, statutes were modified to allow appointment of SPD legal counsel without an indigency determination for anyone subject to civil commitment under Chapters 51 (mentally ill, drug dependent, or developmentally disabled) or 55 (an individual who is adjudicated incompetent in this state). This amendment was meant to address concerns that someone facing a mental health crisis is unable to competently and accurately fill out an eligibility form. However, as amended, the provision retained the reference to TPR and potentially applied the provision to adults.

The SPD believes that despite the statutory change in Chapter 977, the Legislature did not intend to change SPD procedures for parents in Chapter 48 proceedings. The State Public Defender has indicated that some judges have argued that the manner in which the statute was amended may be interpreted to indicate that an indigency determination does not need to be made in TPR cases when appointing counsel to the parent instead of only when appointing counsel to children.

#### 2015 Act 201 Plans

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
1. Reduce requested private bar program cost to continue funding and make statutory changes to offenses to require fewer private bar attorney appointments.	GPR	-\$1,080,400	-\$1,080,400
2. Increase funding for transcripts, discovery, and interpreters.	GPR	<u>1,080,400</u>	<u>1,080,400</u>
Total		\$0	\$0
<b>5% Budget Reduction Plan</b>			
1. Reduce requested private bar program cost to continue funding, make statutory changes to offenses to require fewer private bar attorney appointments, and remove requested private bar rate increase.	GPR	-\$4,289,600	-\$4,733,600
2. Increase funding for transcripts, discovery, and interpreters.	GPR	<u>0</u>	<u>435,000</u>
Total		-\$4,289,600	-\$4,298,600

## PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$5,911,086,500	\$5,972,317,800	\$6,357,969,500	\$508,114,300	4.3%	250.47	253.47	253.47	3.00	1.2%
FED	878,114,300	879,378,000	879,310,900	2,460,300	0.1	314.84	313.84	312.84	- 2.00	- 0.6
PR	43,748,800	46,983,100	47,601,500	7,087,000	8.1	81.69	81.69	81.69	0.00	0.0
SEG	<u>58,082,500</u>	<u>71,479,700</u>	<u>74,129,800</u>	<u>29,444,500</u>	25.3	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
TOTAL	\$6,891,032,100	\$6,970,158,600	\$7,359,011,700	\$547,106,100	4.0%	647.00	649.00	648.00	1.00	0.2%

### Major Request Items

### General School Aids and Revenue Limits

#### 1. GENERAL SCHOOL AID AND TAX CREDIT PROVISIONS

GPR	\$514,326,000
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Request \$102,254,000 in 2017-18 and \$422,902,000 in 2018-19 for general school aids. Base level funding is \$4,584,098,000. Request \$6,000,000 in 2018-19 in a newly-created appropriation for hold harmless aid. Also, request statutory language to make the following changes to general aids and tax credit provisions, beginning in 2018-19:

a. Eliminate the school levy tax credit (\$853 million in 2016-17) and the first dollar tax credit (\$150 million in 2016-17) and, instead, distribute the same amount of funding (\$1,003 million) through the general school aids formula. Also, increase the current law \$75 million delayed payment of general school aid in the following July to \$1,078 million. Because the two credits are paid on a delayed basis in July under current law, there would be no increase in general fund expenditures in the 2017-19 biennium under this item.

A major objective of the equalization aid formula is tax base equalization. The formula operates under the principle of equal tax rate for equal per pupil expenditures. Districts with low per pupil property valuations receive a larger share of their costs through the formula than districts with high per pupil property valuations. The school levy tax credit is distributed based on each municipality's share of statewide levies for school purposes during the preceding three years multiplied by the annual amount appropriated for the credit and allocated proportionately to reduce individual owners' property tax bills. The first dollar credit is extended to each taxable parcel of real estate on which improvements are located and is calculated by multiplying the

property's gross school tax rate by a credit base value determined by the Department of Revenue or the property's fair market value, whichever is less. These credits are shared with all levying units through the tax settlement process. In effect, the state acts as a property taxpayer through the credits.

b. Eliminate high poverty aid and reallocate base funding of \$16,830,000 to the general school aids appropriation.

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

c. Specify that each pupil eligible for federal free- or reduced-price lunch would be weighted by an additional 20% (be counted as 1.2 pupil rather than 1.0 pupil) for purposes of the membership count used in calculating equalized value per member under the general school aids formula. In 2015-16, there were approximately 335,000 pupils eligible for free- or reduced-price lunch.

Under current law, each full-time pupil in grades 1 through 12 is counted as 1.0 pupil in membership. Five-year-old kindergarten students are counted on a full-time equivalency basis, and four-year-old kindergarten students are counted as 0.5 or 0.6 pupil, depending upon the amount of outreach programming provided. The effect of using an additional 20% weight for low-income pupils when calculating equalized value per member is that the value per member calculation for districts with such pupils would be lower than under current law. Because each district's value per member is compared to three guarantees under the equalization formula, with the formula supplying aid to fund the portion of guaranteed tax base that the district is missing, a district that under this item has a lower value per member will generally receive more aid than otherwise. This provision would not, however, automatically result in a district receiving 20% more in aid for each low-income pupil.

d. Specify that special adjustment aid would be calculated based on 90% of a district's prior year general aid payment.

Under current law, special adjustment aid is equal to the amount needed to make an eligible district's total general aid eligibility equal to 85% of the district's prior year general aid payment. This item would raise the percentage to 90%, further limiting year-to-year declines in a district's general aid payment.

e. Specify that every district would receive minimum aid of at least \$3,000 per member under the general aid formula.

Under current law, the formula does not include any provision relating to minimum aid, so that a school district with equalized value per member in excess of the primary guarantee (\$1,930,000 per member) will not receive aid, although it may qualify for special adjustment aid. However, under current law, property taxpayers in every school district benefit from the school levy tax credit and the first dollar tax credit. These credits would be eliminated under the

proposal. The minimum aid provision might be viewed as providing aid to every district, to offset the loss of the tax credits provided to taxpayers.

f. Set the secondary cost ceiling at 100% of the prior year statewide shared cost per member.

Under current law, the secondary cost ceiling is set at 90% of the prior year statewide shared cost per member. Had this item applied in 2016-17, the secondary cost ceiling would have been \$10,599, rather than \$9,539 as under current law. Under this item, more costs would have been aided at the secondary level with its more generous guarantee, so that the lower level of state aid under the tertiary guarantee would only apply to school districts for shared costs that exceed the statewide average.

g. Create a sum sufficient appropriation for hold harmless aid. For eligible districts, aid would be paid in the amount needed to provide the district with the same amount of funding from the sum of general aid, the school levy credit, and high poverty aid under the various formula changes in 2018-19 as they would have received from those three sources under current law.

## **2. REVENUE LIMIT PROVISIONS**

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

a. Set the per pupil adjustment at \$200 in 2017-18 and \$204 in 2018-19 and create an inflationary adjustment beginning in 2019-20.

Under revenue limits, the amount of revenue a school district can raise from general school aids, computer aid, and property taxes is restricted. A district's base revenue in a given year is equal to the restricted revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine its base revenue per pupil. Under current law, in 2016-17 and each year thereafter, no per pupil adjustment is made to base revenue per pupil to determine a district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's enrollments in the current and prior two years to determine the district's initial revenue limit.

Prior to 2009-10, the per pupil adjustment was adjusted for inflation, using the percentage change, if positives in the consumer price index for all urban consumers between the preceding March and second-preceding March. The following table shows the per pupil adjustment under the proposal compared to current law. It is estimated that the proposed per pupil adjustments would provide approximately \$170 million in additional revenue limit authority statewide in each year of the biennium, before consideration of any offsetting changes in other revenue limit adjustments.

### Per Pupil Adjustment

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Current Law	\$0	\$0	\$0
Proposal	0	200	204

b. Set the low revenue adjustment under revenue limits at \$9,500 per pupil in 2017-18 and \$9,900 per pupil in 2018-19.

Under the low revenue adjustment, if the sum of the base revenue per pupil and the per pupil adjustment described above for a district is below the statutorily-specified amount, a district may increase its revenue to that amount. The low revenue adjustment amount in 2016-17 is \$9,100 per pupil. Under current law, that amount will remain at \$9,100 per pupil in subsequent years. The following table shows the low revenue adjustment amount under the proposal compared to current law.

### Low Revenue Adjustment -- Per Pupil Amount

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Current Law	\$9,100	\$9,100	\$9,100
Proposal	9,100	9,500	9,900

c. Include 100% of summer school enrollments in the calculation of revenue limits, beginning with the enrollments from the summer of 2017 that are included in 2017-18 revenue limit enrollment. Under current law, districts can include in their revenue limit enrollments 40% of the full-time equivalent (FTE) summer enrollment in academic summer classes or laboratory periods that are for necessary academic purposes, as defined in administrative rule by DPI. By law, the definition of summer enrollment includes interim session classes for districts providing year-round school, as well as online classes offered in the summer or interim sessions for pupils in grades 7-12 who complete or receive credit for a class that fulfills a high school graduation requirement.

Under the Department's request, the increase in the summer school enrollment multiplier would be fully implemented over the three years of the rolling average enrollments used to calculate revenue limits. In 2017-18, current year revenue limit enrollments would include 40% of the 2015-16 and 2016-17 summer FTE and 100% of the 2017-18 summer FTE. In 2018-19, enrollments would include 40% of the 2016-17 summer FTE and 100% of the 2017-18 and 2018-19 summer FTE. In 2019-20, enrollments would include 100% of the 2017-18, 2018-19, and 2019-20 summer FTE.

## Categorical Aids

**1. REMOVAL OF DELAYED PER PUPIL AID FUNDING FROM BASE** GPR - \$252,680,800

Request -\$126,340,400 annually in per pupil aid to reflect removal of funding for the one-time delayed payment of this aid.

Under the 2015-17 budget act, per pupil aid for 2015-16 enrollments was paid on a one-time delayed basis in the 2016-17 fiscal year. As a result, no funding was appropriated for per pupil aid in 2015-16, but \$337,588,400 was appropriated in 2016-17 for both the delayed \$150 per pupil payment for 2015-16 enrollments and the \$250 per pupil payment paid on a current year basis for 2016-17 enrollments. The Department's budget submission would delete \$126,340,400 related to 2015-16 payments, resulting in \$211,248,000 in base funding, which would fund the ongoing \$250 per pupil payment.

**2. PER PUPIL AID REESTIMATE AND WEIGHTING** GPR \$37,504,000

Request \$18,752,000 annually to fully fund estimated per pupil aid payments and to add a weighting factor to the calculation aid for certain pupils. Specify that the following pupils would be weighted by an additional 20% (be counted as 1.2 pupil rather than 1.0 pupil) for the purpose of calculating per pupil aid: (a) pupils who satisfy the income eligibility criteria for a free- or reduced-price lunch; (b) pupils who are classified as an English learner; and (c) pupils in a foster care placement during the school year, as determined by the State Superintendent, in consultation with the Department of Children and Families. The Department proposes that this weighting be additive, meaning that a pupil would be weighted an additional 20% for each of the three categories that apply to the pupil.

The 2013-15 budget act established a sum sufficient per pupil aid appropriation. Each school district receives a \$250 per pupil payment in 2016-17 and each year thereafter, outside of revenue limits, from this appropriation. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment. DPI estimates that revenue limit enrollment will be 843,800 in 2017-18 and 846,100 in 2018-19.

**3. SPECIAL EDUCATION AID** GPR \$88,421,800

Request \$28,660,900 in 2017-18 and \$59,760,900 in 2018-19 for special education categorical aid. Base level funding is \$368,939,100, which DPI estimates will equal 26.2% of eligible costs in 2016-17. DPI estimates the additional aid would allow for reimbursement of 28% of special education costs in 2017-18 and 30% of costs in 2018-19. Additionally, request statutory language to specify that elements of current law apply to independent charter schools, as well as school districts, including: (a) eligibility for reimbursements for special education contracted services and transportation; (b) requirement to submit a special education plan to DPI;

and (c) requirements related to special education personnel.

**4. HIGH COST SPECIAL EDUCATION AID**

GPR	\$4,200,000
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Request \$2,000,000 in 2017-18 and \$2,200,000 in 2018-19 above base level funding of \$8,500,000 to fully fund high-cost special education aid for school districts, CESAs, CCDEBs, and independent charter schools. Currently, applicants are eligible for high-cost aid for 70% 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. Under the proposal, 100% of eligible costs would be funded. The requested funding would provide full funding for the proposed program, after consideration of the discretionary \$2.3 million FED annually. Also request statutory language changing the program to reimburse 100% of eligible prior year costs that are not funded with the annual use of \$2.3 million in discretionary FED.

**5. SUPPLEMENTAL SPECIAL EDUCATION AID**

GPR	- \$1,750,000
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Request -\$1,750,000 in 2018-19 and delete the appropriation for supplemental special education aid. Under the program, districts are eligible for aid if they meet three criteria: (a) revenue authority per pupil below the state average; (b) special education costs equal more than 16% of total costs; and (c) membership is less than 2,000 pupils. Aid is distributed to districts proportionately based on special education costs, up to a maximum payment of \$150,000. Districts cannot receive both supplemental special education aid and high-cost special education aid in a given year.

**6. SPECIAL EDUCATION TRANSITIONS INCENTIVE GRANT**

GPR	\$6,100,000
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Request \$2,600,000 in 2017-18 and \$3,500,000 in 2018-19 above base level funding of \$100,000 to fully fund the special education transitions incentive grant program. Under current law, school districts or certain independent charter schools are eligible for up to \$1,000 in 2016-17 for each pupil who meets the following criteria: (a) attended school in the district or charter school in 2014-15 or 2015-16; (b) had an individualized education program (IEP) in place; and (c) has been enrolled in a higher education program, another postsecondary education or training program, or competitively employed for at least 90 days. Aid is prorated if the appropriation is insufficient to meet the eligible district claims, and DPI indicates \$60 per pupil will be paid in 2016-17. Additionally, request statutory language to remove references to specific school years and establish a timeline for grant eligibility, and to specify that independent charter schools created under 2015 Act 55, as well as independent charter schools created under prior law, are eligible for grant funding.

**7. SPECIAL EDUCATION TRANSITION READINESS INVESTMENT GRANT**

GPR	\$1,500,000
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Request \$1,500,000 GPR beginning in 2018-19 to establish a new competitive grant program to provide school districts with funds for special education workforce transition support services. Under the program, school districts and independent charter schools would be eligible for grants for the following expenses: (a) transportation for pupils to work-based learning experiences; (b) professional development for instructors related to special education transitions; and (c) school staff dedicated to helping pupils with disabilities transition into the workforce. Grant awards would range from \$25,000 to \$100,000 for each recipient.

**8. BILINGUAL-BICULTURAL AID**

GPR	\$9,120,400
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Request \$4,310,200 in 2017-18 and \$4,810,200 in 2018-19 above base funding of \$8,589,800 for bilingual-bicultural categorical aids. It is estimated that this funding level would provide a reimbursement rate of approximately 12% of prior year costs in each year for school districts statutorily required to offer bilingual programs. Under current law, school districts are required to establish a bilingual program if, within a language group at a given school, there are 10 or more English learner (EL) pupils in kindergarten to grade three, or 20 or more ELs in grades four to eight or grades nine to 12. In 2015-16, the reimbursement rate was approximately 8.6%.

**9. SUPPLEMENTAL BILINGUAL-BICULTURAL AID**

GPR	\$4,300,000
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Request \$2,100,000 in 2017-18 and \$2,200,000 in 2018-19 for a new categorical aid program to award up to \$100 per English learner (EL) pupil to districts with EL populations below the statutory threshold that qualifies for the current bilingual categorical aid. Request that if funds are insufficient, DPI would be allowed to prorate the payments.

**10. TARGETED AID FOR ENGLISH LEARNERS**

GPR	\$4,400,000
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Request \$2,200,000 annually beginning in 2017-18 to create a new categorical aid program to provide aid to school districts for English learners whose language proficiency is classified as intermediate or below. School districts would receive up to \$100 per pupil who scored in the lowest three levels out of six on the annual English language proficiency assessment in the prior year. Payments would be prorated if appropriated funds were insufficient.

**11. ESL AND BILINGUAL CAPACITY BUILDING GRANTS**

GPR	\$750,000
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Request \$750,000 beginning in 2018-19 for a new grant program for school districts to encourage teachers and paraprofessionals to acquire a bilingual or ESL supplemental license. Funding would be paid directly to school districts, and allowable uses would include costs associated with obtaining a bilingual or ESL supplemental license, including tuition, required

course materials, or testing fees. The program would primarily target nine school districts identified by DPI with a shortage of qualified or experienced teachers: Beloit, Green Bay, Janesville, Kenosha, Madison, Milwaukee, Racine, Waukesha, and West Allis-West Milwaukee. Grants could also be awarded to other school districts that have a significant number of English learners and a shortage of qualified teachers for those pupils, as identified by DPI.

**12. DUAL LANGUAGE PLANNING AND START-UP GRANT**

GPR	\$750,000
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Request \$750,000 beginning in 2018-19 to create a new grant program to support school districts in planning for or starting up dual language programs. Under the proposal, DPI would award grants to school districts of up to \$25,000 to reimburse eligible costs related to new dual language programs, including curriculum, materials, textbooks, consultation for planning, staff time, travel, and professional development. Additionally, request rule-making authority to define allowable planning and start-up costs, as well as establish the grant application process and program requirements.

**13. HIGH COST PUPIL TRANSPORTATION AID**

GPR	\$10,400,000
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Request \$5,200,000 annually above base level funding of \$7,500,000 for high cost transportation aid. It is estimated that this funding level would fully fund eligible costs in each year. Additionally, request statutory language to allow a district that did not qualify for aid but that received aid in the prior year to receive a one-time aid payment equal to 50% of its prior year award. Limit total payments from the appropriation under this 50% provision to \$200,000 annually.

Under the high cost transportation aid program, districts qualify for aid with a transportation cost per member greater than 150% of the state average and a pupil population density of 50 pupils per square mile or less. In 2015-16, 128 school districts qualified for aid and the reimbursement rate was approximately 60.5%.

**14. PUPIL TRANSPORTATION AID**

GPR	\$92,000
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Request \$46,000 annually above base level funding of \$23,954,000 for pupil transportation aid. Also request that the reimbursement rate for pupils transported over 12 miles between home and school be increased from \$300 to \$365 per pupil beginning with the 2017-18 school year, and that summer school payments be increased to \$10 for pupils transported for between 2-5 miles and \$20 for pupils transported for over 5 miles to and from summer school. Additionally, request a statutory change to eliminate the requirement that DPI reduce state aid proportionately for pupils transported for less than a full school year so that reimbursements would be the same regardless of the number of days a pupil is transported. It is estimated that the requested funding would fully fund pupil transportation aid claims based on the proposed changes.

The current law and proposed reimbursement rates are shown below.

<u>Mileage</u>	<u>Current Law</u>		<u>Request</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	\$4	35	\$10
5-8 miles	55	6	55	20
8-12 miles	110	6	110	20
Over 12 miles	300	6	365	20

**15. SPARSITY AID**

GPR	\$7,752,000
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Request \$3,826,000 in 2017-18 and \$3,926,000 in 2018-19 above base level funding of \$17,674,000 for sparsity aid for small, rural school districts. Under the program, districts qualify for \$300 per pupil if they meet the following criteria: (a) an enrollment in the prior year of less than 745 pupils; and (b) population density of less than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. In 2016-17, 141 school districts qualified for aid under the program, and payments were prorated at 97%, or \$291 per pupil.

Of the total amount requested, \$672,200 in 2017-18 and \$935,300 in 2018-19 would fully fund payments to districts eligible for the program under current law based on DPI estimates. The remaining \$3,153,800 in 2017-18 and \$2,990,700 in 2018-19 is requested to expand program eligibility to additional school districts. Under the proposal, school districts could qualify for \$100 per pupil if they met the following criteria: (a) an enrollment in the prior year of between 746 and 1,000 pupils; and (b) population density of less than 10 pupils per square mile of district attendance area. DPI estimates that an additional 37 school districts would qualify for aid under the expanded criteria in 2017-18 and 35 school districts would qualify in 2018-19.

Additionally, request to delete current law requiring DPI to distribute funds remaining in the appropriation after payments to eligible districts have been made to any district that received sparsity aid in the previous school year and did not qualify in the current year because its membership was too large.

**16. RURAL SCHOOLS TEACHER RETENTION GRANT**

GPR	\$5,500,000
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Request \$5,500,000 beginning in 2018-19 for a new grant program to assist rural school districts in retaining licensed teachers. Under the program, each eligible district would receive the greater of \$750 per licensed FTE teacher, based on prior year staffing data reported to DPI, or \$5,000. Districts would be eligible if they met the expanded criteria for sparsity aid requested by DPI: (a) an enrollment in the prior year of less than 1,000 pupils; and (b) population density of less than 10 pupils per square mile of district attendance area. Allowable use of the grant funds would include: (a) providing competitive compensation; (b) reimbursing the cost of pursuing additional education, training, or additional credentials; and (c) professional development.

**17. SCHOOL BREAKFAST PROGRAM**

GPR	\$5,679,000
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Request \$2,689,500 in 2017-18 and \$2,989,500 in 2018-19 over annual base funding of \$2,510,500 for the school breakfast program to increase the state reimbursement rate to 15.0 cents per meal served. Under the program, participating agencies are eligible for reimbursements of 15.0 cents per meal served if funding is available. DPI estimates that payments will be prorated at 7.4 cents per meal served in 2016-17.

Additionally, request statutory language to allow independent charter schools, the state's residential schools for the blind and deaf, and residential care centers to be eligible for reimbursement, and to specify that schools that close are not eligible for reimbursement for breakfasts served in the previous school year.

**18. OPEN ENROLLMENT TRANSPORTATION AID**

GPR	\$4,631,600
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Request \$2,165,800 in 2017-18 and \$2,465,800 in 2018-19 above base level funding of \$434,200 for open enrollment and course options transportation aid.

Under the open enrollment program, a pupil may attend a public school outside his or her school district of residence. The pupil's parent is responsible for transporting the pupil to and from the school, with exceptions if a child with disabilities requires transportation under his or her individual education plan. Parents of pupils who are eligible for the federal free or reduced-price lunch program may apply to DPI for reimbursement of transportation costs. DPI determines the reimbursement amount, which may not exceed the parent's actual costs or three times the statewide average per pupil transportation costs, whichever is less. If the appropriation is insufficient to fund all claims, payments are prorated. (Eligible pupils in the course options program may also receive reimbursement for transportation costs from this appropriation, but these amounts have been negligible.)

In 2016-17, DPI estimates that payments will be prorated at 18.3% of total claims. DPI estimates that the funding under this item would fully fund claims in each year of the 2017-19 biennium.

**19. GIFTED AND TALENTED PROGRAMS**

GPR	\$1,525,600
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Request \$762,800 annually above base level funding of \$237,200 for grants for gifted and talented education. Under the program, CESAs, Milwaukee Public Schools, nonprofit organizations, and institutions within the UW System are eligible to apply for funding for educational programming not ordinarily provided in a regular school program to benefit pupils of exceptional intellectual ability. Also request the following changes to statutory language: (a) include all school districts as eligible entities to apply for aid; (b) include professional development and classroom activities supporting gifted and talented pupils as eligible grant activities; and (c) modify the goal of the program to serve pupils that have historically been underrepresented in the gifted and talented program, including economically-disadvantaged pupils, pupils with disabilities, racial or ethnic minorities, and English language learners.

**20. SCHOOL MENTAL HEALTH CATEGORICAL AID PROGRAM**

GPR	\$3,000,000
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Request \$3,000,000 beginning in 2018-19 to create a categorical aid program for mental health services. Under the proposal, school districts and independent charter schools would be eligible for reimbursement for their general fund expenditures for school social workers.

Reimbursement would first be provided for increases in expenditures for school social workers between the prior year and two years prior. Eligible expenses would include up to 50% of personnel costs or contracted services funded from school districts' or charter schools' general funds. Any funds remaining in the appropriation would be used to reimburse school districts and independent charter schools for total general fund expenditures for school social workers, less the amount of increased expenditures already reimbursed, with the reimbursement rate would be determined based on the amount of available funding and the total eligible expenditures. The two tiers of funding would have the effect of providing aid at a higher rate for new expenditures.

DPI estimates that had the program been in effect for 2015-16, 91 school districts would have been eligible for aid. Five districts would only have qualified for reimbursement for new expenditures at a rate of 50%, 39 districts would only have qualified for reimbursement for existing expenditures at a rate of approximately 13.6%, and 47 districts would have qualified for reimbursement for both new and existing expenditures.

**21. COMMUNITY AND SCHOOL MENTAL HEALTH COLLABORATIVE GRANTS**

GPR	\$2,500,000
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Request \$2,500,000 beginning in 2018-19 to create a grant program for school districts and independent charter schools to provide funding for pupil mental health services in collaboration with community mental health providers. Examples of eligible projects include co-locating community mental health clinics in schools and providing screening and intervention services to pupils. Additionally, request rulemaking authority to define allowable costs and create the application process, criteria, and selection process for the grants.

**22. MENTAL HEALTH TRAINING SUPPORT**

	Funding	Position
GPR	\$1,005,400	1.00

Request \$491,300 in 2017-18 and \$514,100 in 2018-19 to fund training for school districts and independent charters in providing mental health screening and intervention services to pupils.

Of the total, \$420,000 annually would be provided to support statewide implementation and continuation of existing programs to train school personnel in: (a) youth mental health first aid (\$100,000 annually); (b) trauma-informed care for pupils with adverse childhood experiences (\$120,000 annually); and (c) screening, brief interventions, and referral to treatment for pupils suspected of having mental or behavioral health challenges (\$200,000 annually).

The remaining \$71,300 in 2017-18 and \$94,100 in 2018-19 would fund 1.0 permanent

position to administer state mental health programs (\$41,000 salary, \$16,200 fringe benefits, and \$14,100 supplies and services in 2017-18 and \$54,700 salary, \$21,600 fringe benefits, and \$17,800 supplies and services in 2018-19).

**23. TRIBAL LANGUAGE REVITALIZATION GRANTS**

GPR-REV	- \$562,200
PR	\$562,200

Request \$562,200 in 2018-19 above base funding of \$222,800 for grants to support tribal language programming in schools, including \$402,200 in the existing appropriation for grants to eligible applicants and \$160,000 in a new appropriation to fund a partnership with Great Lakes Inter-Tribal Council, Inc. (GLITC). The program revenue is provided from tribal gaming revenue transferred from DOA. The additional funds would support a new targeted program in partnership with GLITC providing tribal language instruction to young learners, beginning with pupils in Head Start and four year old kindergarten programs in 2018-19. Head Start centers, school districts, and CESAs would be eligible to apply for two-year grants to develop curriculum and implement programming. In future biennia, grantees could apply for additional funding to continue the program in current grades and expand to additional grades between kindergarten and eighth grade.

GLITC's responsibilities would include partnering with DPI to create and evaluate grant applications, provide technical support and consultation regarding new programming to grantees, advise grantees regarding curriculum and content, provide ongoing professional development. Funding for GLITC would be used for staff costs such as salary, travel, equipment, and supplies.

Additionally, request statutory language to include Head Start agencies as eligible grant applicants.

**24. SCHOOL LIBRARY AIDS REESTIMATE**

SEG	- \$4,000,000
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Request -\$3,000,000 in 2017-18 and -\$1,000,000 in 2018-19 as a reestimate of projected school library aids. Base level funding is \$38,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands. The requested decrease in expenditure authority reflects estimated interest earnings over the biennium.

**Choice and Charter**

**1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM**

GPR	\$29,342,000
Aid Reduction	<u>5,914,200</u>
Net GPR	\$23,427,800

Request \$8,766,500 in 2017-18 and \$20,575,500 in 2018-19 for payments under the Milwaukee private school choice program. Total funding would increase from \$207,057,800 in 2016-17 to \$215,824,300 in 2017-18 and \$227,633,300 in 2018-19. DPI

estimates that 27,650 pupils in 2017-18 and 28,150 pupils in 2018-19 will participate in the program, and that, based on the increase in general school aids and categorical aids requested by DPI, the per pupil payment under the program would increase from \$7,323 in 2016-17 to \$7,609 in 2017-18 and \$7,871 in 2018-19 for pupils in grades K-8, and from \$7,969 in 2016-17 to \$8,255 in 2017-18 and \$8,517 in 2018-19 for pupils in grades 9-12.

The cost of the program is partially offset by a reduction in the state general aid that would otherwise be paid to the Milwaukee Public Schools (MPS) by an amount equal to 25.6% in 2016-17 (or \$53,006,800) and decreasing by 3.2 percentage points each year. The aid reduction will equal 22.4% in 2017-18 (or \$1,963,700), of the requested increase) and 19.2% in 2018-19 (or \$3,950,500 of the requested increase). The total aid reduction will equal an estimated \$48,344,600 in 2017-18 and \$43,705,600 in 2018-19.

**2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAMS**

GPR	\$22,632,200
Aid Reduction	<u>22,632,200</u>
Net GPR	\$0

Request \$6,041,000 in 2017-18 and \$16,591,200 in 2018-19 for payments under the Racine and statewide private school choice programs. Total funding would increase from \$44,951,500 in 2016-17 to \$50,992,500 in 2017-18 and \$61,542,700 in 2018-19. DPI estimates that 2,900 pupils in 2017-18 and 3,300 pupils in 2018-19 will participate in the Racine program and 3,700 pupils in 2017-18 and 4,400 pupils in 2018-19 will participate in the statewide program. Based on the increase in general school aids and categorical aids requested by DPI, it is estimated that the per pupil payment under the program would increase from \$7,323 in 2016-17 to \$7,609 in 2017-18 and \$7,871 in 2018-19 for pupils in grades K-8, and from \$7,969 in 2016-17 to \$8,255 in 2017-18 and \$8,517 in 2018-19 for pupils in grades 9-12.

Under current law, payments for incoming pupils in the Racine and statewide choice program (incoming pupils are pupils who first participated in the 2015-16 school year or later) are fully funded through a reduction in the state aid that would otherwise be paid to those pupils' school districts of residence. Therefore, the increase in funding requested will be fully offset by an aid reduction.

**3. PRIVATE SCHOOL CHOICE PROGRAMS POSITION AUTHORITY**

	Funding	Positions
GPR	\$279,800	2.00

Request \$120,700 in 2017-18 and \$159,100 in 2018-19 and 2.0 positions to administer the special needs scholarship program and the private school choice programs.

Of the total, \$165,400 would fund an education consultant to administer the special needs scholarship program. Funding for the position would equal \$71,300 in 2017-18 (\$41,000 salary, \$16,200 fringe benefits, and \$14,100 supplies and services) and \$94,100 in 2018-19 (\$54,700 salary, \$21,600 fringe benefits, and \$17,800 supplies and services). The consultant's duties would include providing training and assistance to school districts and private schools, maintaining required documents for the program, verifying school and pupil eligibility, and

processing payments to private schools.

The remaining \$114,400 would fund an education specialist to administer the Milwaukee, Racine, and statewide private school programs and assist with administration of the open enrollment program. Funding for the position would equal \$49,400 in 2017-18 (\$26,900 salary, \$10,600 fringe benefits, and \$11,900 supplies and services) and \$65,000 in 2018-19 (\$35,900 salary, \$14,200 fringe benefits, and \$14,900 supplies and services). The specialist's duties would include processing payments to private schools, assisting parents and private schools with pupil applications, and reviewing program enrollment audits, as well as assisting with processing open enrollment transportation reimbursements and appeals.

#### **4. CHOICE PROGRAM STATUTORY LANGUAGE**

Request the following changes to statutory language:

- a. Require private schools to be non-profit organizations.
- b. Change the due date for the summer school report from October 1 to September 15 to allow additional time to determine summer school payments.
- c. Remove the continuing eligibility report indicating which of four performance standards the school will meet and the criteria that will be used to demonstrate compliance.
- d. Modify the current law requirement that all schools submit certain school policies and all school board member signatures annually. Instead, require new schools to submit the board member signatures and policies by January 10 prior to the first year of the school's participation in the program, and require continuing schools to submit signatures of new board members and to provide school policies upon request.
- e. Require new private schools to be fully accredited prior to participation in the programs. Delete the preaccreditation provisions and the additional requirements for new schools that would no longer apply.
- f. Allow parents to access DOR directly in the online student application to determine income eligibility for the program. Currently, only schools can submit income records to DOR.
- g. Eliminate the provision requiring DPI to certify the districts eligible to participate in the private school choice program for eligible school districts (the Racine private school choice program). Under current law, pupils residing in all school district's other than Milwaukee and Racine participate in the statewide choice program and DPI certifications after 2012 are not used under the programs.
- h. Eliminate the aid payment to the City of Milwaukee in an amount equal to 6.6% of the estimated total cost of the Milwaukee program for the purpose of defraying the choice program levy it raises on behalf of MPS.

i. Provide that a school may be barred from participating in a private school choice program in the current school year and future years if it misrepresented information required under the statutes or administrative rules.

**5. SPECIAL NEEDS SCHOLARSHIP PROGRAM REESTIMATE**

GPR	\$10,667,500
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Request \$4,330,800 in 2017-18 and \$6,336,700 in 2018-19 for payments under the special needs scholarship program. DPI estimates that participation in the program will equal 350 pupils in 2017-18 and 500 pupils in 2018-19. Based on the increase in general and categorical aids requested by DPI, the per pupil payment under the program would increase from \$12,000 in 2016-17 to \$12,286 in 2017-18 and \$12,548 in 2018-19. It is estimated that payments for the regular school year would total \$4,300,100 in 2017-18 and \$6,274,000 in 2018-19.

Additionally, request statutory language allowing private schools to count special needs scholarship program pupils for summer school aid purposes, and providing funding for pupils who attend a summer school program for at least 15 days. Request that eligible summer school programs would be required to be offered for at least 19 days and 270 minutes per day. It is estimated that summer school payments would equal \$30,700 in 2017-18 and \$62,700 in 2018-19.

**6. SPECIAL NEEDS SCHOLARSHIP PROGRAM REVENUE LIMIT ADJUSTMENT**

Request statutory language to allow school districts to receive a revenue limit adjustment equal to the amount of the general aid reduction for payments for special needs scholarship program pupils in the current year, instead of counting these pupils under revenue limits. Under current law, school districts can count special needs scholarship pupils in their three-year rolling average enrollment count for revenue limit purposes.

**7. SPECIAL NEEDS SCHOLARSHIP PROGRAM STATUTORY LANGUAGE**

Request the following changes to statutory language:

a. Modify the process by which an individualized education program (IEP) or services plan is verified by requiring that private schools request verification from the school district that developed the plan, and requiring that school districts provide a copy of the plan within five business days, rather than having DPI act as an intermediary as under current law. Require that private schools would determine that an IEP or services plan meeting the requirements of the program had been received before submitting eligible applications to DPI, rather than submitting the application pending verification of the IEP.

b. Allow a non-resident school district, rather than only the resident school district, to

complete the three year reevaluation upon written request of the parent.

c. Modify the eligibility requirement that a pupil applied to attend a public school in another district under the open enrollment program and was denied to include denials under the requirements for open enrollment for pupils with special needs.

d. Require all private schools to be fully accredited prior to participation in the special needs scholarship program. Delete the process by which the State Superintendent approves schools, which is not needed if schools are fully accredited prior to participation.

e. Provide that a school may be barred from participating in the program in the current school year and future years if it misrepresented information required under the statutes or administrative rules.

**8. INDEPENDENT CHARTER SCHOOL PROGRAM**

GPR	- \$12,760,000
Aid Reduction	<u>- 12,760,000</u>
Net GPR	\$0

Request -\$9,175,200 in 2017-18 and -\$3,584,800 in 2018-19 as a reestimate of sum sufficient funding for the independent charter school program. Total funding would decrease from base level funding of \$76,967,200 in 2016-17 to \$67,792,000 in 2017-18 and \$73,382,400 in 2018-19. The Department estimates that 8,000 pupils in 2017-18 and 8,400 pupils in 2018-19 will participate in the program and that, based on the revenue limit and categorical aid provisions requested by the Department, the per pupil payment under the program would increase from \$8,188 in 2016-17 to \$8,474 in 2017-18 and \$8,736 in 2018-19.

(Base level funding for the independent charter school program was set at \$76,967,200 as part of the sum sufficient reestimates done in January of 2016. Using more recent enrollment estimates, under the October 15, 2016, general school aids distribution prepared by DPI, independent charter school program expenditures were estimated to be \$62,222,800 in 2016-17.)

Under this program, the City of Milwaukee, UW-Milwaukee, and UW-Parkside currently operate or contract to operate charter schools, and DPI pays the operators of these charter schools a statutorily-determined per pupil amount each year. The per pupil payment under the program in a given year is equal to the sum of the prior year's payment plus the per pupil revenue limit adjustment for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive. Under the DPI budget request, the charter payment would increase by \$286 in 2017-18 and \$262 in 2018-19.

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 under the program. Under revenue limits, districts may levy property taxes to make up for the amount of revenue lost due to these aid reductions.

**9. INDEPENDENT CHARTER SCHOOL PROGRAM -- SUMMER SCHOOL FUNDING**

Request statutory language to allow independent charter schools to count eligible summer school pupils in their membership for state aid purposes, beginning with classes offered in the summer of 2017 used for 2017-18 aid payments. The Department estimates that this item would not have a fiscal impact in the 2017-19 biennium. The fiscal effect of the provision would depend on the authorizer of the charter school. If the authorizer had that authority prior to 2015 Act 55 (UW-Milwaukee, the City of Milwaukee, and UW-Parkside), the increase in charter school payment expenditures would be fully offset by an increase in the general aid reduction for all districts in the state related to these charter schools. If the authorizers under 2015 Act 55 (the Office of Educational Opportunity in the UW System, the Gateway Technical College District Board, the College of Menominee Nation, the Lac Courte Oreilles Ojibwa Community College, and the Waukesha County Executive) were to charter a school offering summer programming, the increase in charter expenditures would be fully offset by an aid reduction to the pupil's district of residence.

**School District Operations**

**1. START DATE FOR MILWAUKEE PUBLIC SCHOOLS**

Request statutory language allowing Milwaukee Public Schools (MPS) to begin the school term prior to September 1. Under current law, public school districts are prohibited from starting school prior to September 1.

**Administrative and Other Funding**

**1. STANDARD BUDGET ADJUSTMENTS**

Request adjustments to the base budget of -\$869,200 GPR, \$340,100 FED, and \$83,200 PR in 2017-18 and -\$821,600 GPR, \$273,000 FED, and \$83,200 PR in 2018-19 and a reduction of

	<b>Funding</b>	<b>Positions</b>
GPR	- \$1,690,800	0.00
FED	613,100	- 2.00
PR	<u>166,400</u>	<u>0.00</u>
Total	- \$911,300	- 2.00

1.00 FED position in 2017-18 and an additional 1.00 FED position in 2018-19 for: (a) turnover reduction (-\$427,900 GPR and -\$494,800 FED annually); (b) removal of noncontinuing items from the base (-\$76,200 FED and -1.00 FED position in 2017-18 and -\$144,700 FED and an additional -1.00 FED position in 2018-19); (c) full funding of continuing position salaries and fringe benefits (-\$823,500 GPR, \$843,700 FED, and \$69,200 PR annually); (d) overtime (\$274,500 GPR, \$50,200 FED, and \$13,800 PR annually); (e) night and weekend differential pay (\$55,500 GPR, \$400 FED, and \$200 PR annually); and (f) full funding of lease and directed

move costs (\$52,200 GPR and \$16,800 FED in 2017-18 and \$99,800 GPR and \$18,200 FED in 2018-19).

**2. GRANTS FOR NATIONAL TEACHER CERTIFICATION OR MASTER EDUCATOR LICENSE**

GPR	\$588,000
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Request \$284,300 in 2017-18 and \$303,700 in 2018-19 above base level funding of \$2,910,000 in a sum-sufficient appropriation for grants for teachers who are nationally board certified or hold a Wisconsin master educator license. Additionally, request two changes to statutory language: (a) beginning in 2018-19, increase the size of the annual grant to \$10,000 for teachers in Milwaukee Public Schools, and to \$7,500 for teachers in all other high poverty districts; and (b) decrease the length of the grant from ten years to five years to align with a decrease in the length of the national certificate from the National Board for Professional Teaching Standards (NBPTS).

Under current law, any educator who obtains a national certificate from NBPTS or completes the Wisconsin master educator assessment process is eligible for an initial grant of \$2,000, followed by annual grants of \$2,500 annually for the duration of the certificate. Educators in schools high poverty schools, defined as those at which at least 60% of pupils are eligible for a free or reduced-price lunch, are eligible for annual grants of \$5,000.

**3. PUBLIC LIBRARY SYSTEM AID**

SEG	\$33,382,000
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Request \$16,377,100 in 2017-18 and \$17,004,900 in 2018-19 over base level funding of \$15,013,100 to increase public library system aid to 13% of estimated local and county operating expenditures for library services. 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. Under current law, DPI is required to submit a request for aid to library systems equal to 13% of local and county expenditures in the calendar year immediately preceding the calendar year for which aid is paid.

**4. PROGRAM REVENUE REESTIMATES**

PR	\$6,358,400
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Reestimate program revenue by \$3,151,100 in 2017-18 and \$3,207,300 in 2018-19. The reestimate includes \$151,100 in 2017-18 and \$207,300 in 2018-19 in the appropriation for personnel licensure to reflect teacher license fee revenue. The remaining \$3,000,000 annually would be included in the appropriation for revenues from other state agencies to reflect funds transferred from the Department of Workforce Development (DWD) for the career and technical education incentive grants. Under the program, funds are transferred from DWD to DPI to make payments to school districts.

**5. FEDERAL REVENUE REESTIMATES**

FED	\$1,847,200
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Reestimate federal revenues by \$923,600 annually in the appropriation for federal funds - individuals and organizations to reflect projected revenues and expenditures in federal fund sources.

**6. WISE SUITE DATA SYSTEMS FOR PUBLIC LIBRARIES**

Request statutory language allowing DPI to use funding in the appropriations for the student information system and the longitudinal data system for activities related to establishing and maintaining a public library information system. The change would allow DPI to use existing data collection and data maintenance systems to collect and maintain data related to public libraries. Additionally, funds could be used for public library system activities and tasks such as purchasing licenses for data collection software and training library staff in the use of data.

**2015 Act 201 Plan**

	Fund	Amount	
		2017-18	2018-19
<b>5% Budget Reduction Plan</b>			
1. General program operations.	GPR	-\$330,400	-\$330,400
2. Energy costs for Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired.	GPR	-30,600	-30,600
3. Pupil assessment.	GPR	-927,900	-927,900
4. Student information system.	GPR	-170,000	-170,000
5. Education effectiveness evaluation system.	GPR	-48,700	-48,700
6. Longitudinal data system.	GPR	-174,400	-174,400
7. WISElearn.	GPR	-68,000	-68,000
8. Academic and career planning.	GPR	-55,000	-55,000
9. Assessments of reading readiness.	GPR	-107,600	-107,600
10. Educator effectiveness evaluation system fees.	PR	-215,500	-215,500
11. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- leasing of space.	PR	-100	-100
12. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- services.	PR	-400	-400
13. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- pupil transportation.	PR	-60,500	-60,500
14. Personnel licensure, teacher supply, information and analysis, and teacher improvement.	PR	-154,200	-154,200
15. General educational development and high school graduation equivalency.	PR	-6,800	-6,800

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
16. Publications.	PR	-\$9,700	-\$9,700
17. Library products and services.	PR	-7,100	-7,100
18. Milwaukee parental choice program and the parental choice program for eligible school districts and other districts -- financial audits.	PR	-7,800	-7,800
19. School lunch handling charges.	PR	-536,000	-536,000
20. Professional services center charges.	PR	-5,300	-5,300
21. Gifts, grants, and trust funds.	PR	-75,000	-75,000
22. School district boundary appeal proceedings.	PR	-500	-500
23. Alcohol and other drug abuse program.	PR	-21,200	-21,200
24. Funds transferred from other state agencies -- program operations	PR	-67,400	-67,400
25. State agency library processing center.	PR	-400	-400
26. Data processing.	PR	-617,300	-617,300
27. Digital learning collaborative.	PR	-50,000	-50,000
28. Library service contracts.	PR	<u>-58,400</u>	<u>-58,400</u>
Total		-\$3,806,200	-\$3,806,200
	GPR	(-\$1,912,600)	(-\$1,912,600)
	PR	(-\$1,893,600)	(-\$1,893,600)

## PUBLIC SERVICE COMMISSION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
FED	\$2,344,200	\$2,683,800	\$2,684,000	\$679,400	14.5%	10.25	10.25	10.25	0.00	0.0%
PR	17,114,600	16,306,700	16,293,500	- 1,629,000	- 4.8	138.00	138.00	138.00	0.00	0.0
SEG	8,019,600	8,014,900	8,014,900	- 9,400	- 0.1	4.00	4.00	4.00	0.00	0.0
<b>TOTAL</b>	<b>\$27,478,400</b>	<b>\$27,005,400</b>	<b>\$26,992,400</b>	<b>- \$959,000</b>	<b>- 1.7%</b>	<b>152.25</b>	<b>152.25</b>	<b>152.25</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget for: (a) turnover reduction (-\$261,000 PR annually); (b) full funding for salaries and fringe benefits (\$331,400 FED, -\$577,800 PR, and -\$4,700 SEG annually); and (c) full funding of lease costs and directed moves (\$8,200 FED and \$8,900 PR in 2017-18 and \$8,400 FED and \$17,700 PR in 2018-19).

FED	\$679,400
PR	- 1,651,000
SEG	- 9,400
<b>Total</b>	<b>- \$981,000</b>

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Eliminate 5.0 of the six positions in the Office of the Commissioner of Railroads. Further, transfer the remaining 1.0 position (the unclassified Commissioner of Railroads) and associated authority to the Department of Transportation.	PR	-\$430,600	-\$430,600
2. Reduce various PSC supplies and services expenditures.	PR	-274,500	-274,500
	SEG	<u>-161,000</u>	<u>-161,000</u>
Total		-\$866,100	-\$866,100
	PR	(-\$705,100)	(-\$705,100)
	SEG	(-\$161,000)	(-\$161,000)

## REVENUE

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%			2017-18	2018-19	Number
GPR	\$110,151,500	\$107,973,100	\$107,567,200	-\$4,762,700	- 2.2%	968.53	933.53	933.53	- 35.00	- 3.6%
PR	21,571,200	21,414,500	21,489,200	- 238,700	- 0.6	129.05	127.05	127.05	- 2.00	- 1.5
SEG	80,358,800	83,567,800	83,547,100	6,397,300	4.0	104.70	104.70	103.70	- 1.00	- 1.0
<b>TOTAL</b>	<b>\$212,081,500</b>	<b>\$212,955,400</b>	<b>\$212,603,500</b>	<b>\$1,395,900</b>	<b>0.3%</b>	<b>1,202.28</b>	<b>1,165.28</b>	<b>1,164.28</b>	<b>- 38.00</b>	<b>- 3.2%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget for: (a) turnover reduction (-\$1,642,100 GPR and -\$128,700 SEG annually); (b) removal of noncontinuing items from the base (-\$1,743,300 GPR and -\$90,300 PR and -35.00 GPR and -2.00 PR positions in 2017-18 and -\$2,264,500 GPR, -\$90,300 PR, and -\$49,100 SEG and -35.00 GPR, -2.00 PR, and -1.00 SEG positions in 2018-19); (c) full funding of continuing position salaries and fringe benefits (\$1,155,600 GPR, -\$127,800 PR, and -\$135,900 SEG annually); (d) reclassifications and semiautomatic pay progression (\$2,200 GPR, \$43,200 PR, and \$13,500 SEG in 2017-18 and \$2,200 GPR, \$106,300 PR, and \$25,000 SEG in 2018-19); (e) full funding of lease and directed moves costs (\$49,200 GPR, \$39,200 PR, and -\$3,600 SEG in 2017-18 and \$164,500 GPR, \$50,800 PR, and \$13,300 SEG in 2018-19); and (f) minor transfers within the same alpha appropriation.

	Funding	Positions
GPR	-\$4,762,700	- 35.00
PR	- 196,700	- 2.00
SEG	- 530,100	- 1.00
<b>Total</b>	<b>-\$5,489,500</b>	<b>- 38.00</b>

According to the Department of Revenue (DOR), 33 of the GPR positions that would be removed under standard budget adjustments are project positions that were provided under 2013 Wisconsin Act 20 and hired to increase enforcement of state tax laws based on a backlog of federal audit reports. Once the backlog of federal audit reports was completed, those positions were reassigned to other auditing and tax enforcement activities. DOR estimates that eliminating these positions would reduce state tax revenues by \$25 million, annually.

Additionally, DOR notes that the two expiring PR project positions that would be 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 would result in a

corresponding increase in revenue to the Common School Fund, likely beginning in fiscal year 2018-19. 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. INTERNAL REVENUE CODE UPDATE**

GPR-Tax	\$400,000
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Request changes to current law provisions to update references to the Internal Revenue Code (IRC) under the individual and corporate income and franchise taxes. For tax years beginning after December 31, 2013, and before January 1, 2017, this request would adopt selected IRC provisions included in the following public laws that were enacted in 2015: (a) P.L. 114-41, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015; (b) P.L. 114-74, the Bipartisan Budget Act of 2015; and (c) P.L. 114-113, Division P (the Consolidated Appropriations Act) and Division Q (the Protecting Americans from Tax Hikes Act of 2015). For tax years beginning after December 31, 2016, this request would create provisions adopting IRC provisions in effect as of December 31, 2016, with exceptions. This request would specify that the provisions of federal public laws that directly or indirectly affect the IRC apply for state tax purposes at the same time as for federal tax purposes, with exceptions, and would specify that the definition of the IRC does not include amendments to the IRC adopted after December 31, 2016. For purposes of the state tax on tax-option corporations, the request would specify that section 1366(f) of the IRC, relating to pass-through of items to shareholders, would be modified by substituting a reference to state tax provisions for federal tax provisions. For purposes of the state tax on insurance companies, the request would specify that section 847 of the IRC, relating to special estimated tax payments, would not apply. The request would repeal obsolete provisions pertaining to tax years beginning after December 31, 2003 and before January 1, 2005.

The Department of Revenue indicates that provisions included in the three public laws enacted in 2015 would decrease individual and corporate income and franchise taxes by an estimated \$1,000,000 in 2017-18 and increase individual and corporate income and franchise taxes by an estimated \$1,400,000 in 2018-19. While many of the provisions have no or minimal estimated fiscal effects, the Department has identified 16 provisions with measurable fiscal impacts. Eight of the provisions would decrease state tax collections by an estimated \$7,900,000 in 2017-18 and \$3,800,000 in 2018-19, and eight provisions would increase state tax collections by an estimated \$6,900,000 in 2017-18 and \$5,200,000 in 2018-19. Larger amounts are estimated for 2017-18 due to one-time effects related to transitioning to a different tax treatment.

## **3. OCCASIONAL SALE EXEMPTION THRESHOLD**

GPR-Tax	- \$370,800
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Request statutory language changes to the occasional sales exemption to sales and use tax as described below. Pursuant to state law, sales of taxable products and services are not taxable if they are occasional sales. By statute, occasional sales generally include isolated and sporadic sales where the infrequency, in relation to the other circumstances, including the sales price and the gross profit, support the inference that the seller is not pursuing a vocation, occupation or

business (or a partial vocation or occupation or part-time business) as a vendor of taxable products or services. The Administrative Code clarifies that sales of taxable products and services are occasional sales if the seller's total amount of sales are less than \$1,000 per calendar year (except for sales by nonprofit organizations, for which a different rule applies).

The requested statutory language changes would specify that a seller is not pursuing a vocation, occupation, or business (or a partial vocation or occupation or part-time business) as a vendor when the seller's total taxable sales are less than \$2,000 per calendar year. The effective date of the changes would be the day after publication of the bill.

The requested statutory language changes would have the effect of increasing the threshold for the occasional sales exemption from \$1,000 per calendar year to \$2,000 per calendar year, resulting in a reduction of tax collections of \$185,400 annually.

#### 4. LOTTERY SALES PROJECTIONS

Projected lottery sales provide the basis for estimating the lottery and gaming property tax credit in the next biennium. In addition, the projected sales directly affect appropriations for retailer compensation and lottery vendor fees. The Department of Revenue's request projects sales of \$617.3 million in 2017-18 and 2018-19. The following table shows these projections, as well as 2015-16 actual lottery sales and the 2016-17 sales estimates used to determine base level funding for retailer compensation and vendor fees under 2015 Act 55.

**Lottery Sales Projections (\$ in Millions)**

<u>Game Type</u>	<u>Actual 2015-16</u>	<u>Act 55 2016-17</u>	<u>DOR 2017-18</u>	<u>Percent Change from 2016-17</u>	<u>DOR 2018-19</u>	<u>Percent Change from 2017-18</u>
Scratch	\$378.8	\$336.2	\$384.4	14.3%	\$384.4	\$0.0
Pull-tab	1.1	1.0	1.0	0.0	1.0	0.0
Lotto	<u>247.2</u>	<u>248.6</u>	<u>231.9</u>	-6.7	<u>231.9</u>	<u>0.0</u>
Total	\$627.1	\$585.8	\$617.3	5.4%	\$617.3	\$0.0

#### 5. SUM SUFFICIENT APPROPRIATIONS FOR RETAILER COMPENSATION AND VENDOR FEES

SEG	\$6,885,400
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Request \$3,442,700 annually to reestimate lottery sum sufficient appropriations for retailer compensation and vendor fees, as follows:

*Retailer Compensation.* Request an increase of \$2,414,000 annually to adjust base-level funding for retailer compensation, including payments to retailers under the retailer performance program, to reflect projected lottery sales in the 2017-19 biennium.

Basic retailer compensation rates under current law are 5.5% for lotto ticket sales and 6.25% for instant ticket sales. In addition, the retailer performance program provides an amount

of up to 1% of for-profit sales as incentive payments to retailers (estimated at \$6.2 million in 2017-18 and 2018-19, under the request). Base level funding of \$40,810,700, established under 2015 Wisconsin Act 55, was based on estimated lottery sales of \$585.8 million in 2016-17. The Department's lottery sales projections of \$617.3 million in 2017-18 and 2018-19 result in the requested increases to retailer compensation funding.

*Vendor Fees.* Request an increase of \$1,028,700 annually to adjust base-level funding for vendor fees to reflect projected lottery sales in the 2017-19 biennium. Base level funding for vendor fees is \$14,879,700.

Vendor fees are paid under a major procurement contract for the provision of data processing services relating to both lotto and instant lottery games. The fees are calculated on the basis of a percentage of total ticket sales. Under the request, vendor fees would total 2.6% of lottery ticket sales in both 2017-18 and 2018-19.

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Delete 18.00 tax enforcement positions*.	GPR	-\$3,793,000	-\$3,793,000
2. Delete 5.00 tax enforcement positions*.	PR	-984,100	-994,300
3. Delete 1.00 tax enforcement positions*.	SEG	-89,400	-89,400
6. Reduce supplies and services.	GPR	-123,900	-123,900
4. Reduce supplies and services.	PR	-878,100	-867,900
5. Reduce supplies and services.	SEG	-441,300	-441,300
6. Delete 1.00 alcohol enforcement agent position.	PR	-48,700	-48,700
7. Delete 11.00 lottery positions.	SEG	-3,474,500	-3,474,500
8. Delete 13.25 positions (3.00 state and local finance, 5.50 technical services, and 4.75 general administrative positions).	GPR	<u>-771,500</u>	<u>-771,500</u>
Total		-\$10,604,500	-\$10,604,500
	GPR	(-\$4,688,400)	(-\$4,688,400)
	PR	(-\$1,910,900)	(-\$1,910,900)
	SEG	(-\$4,005,200)	(-\$4,005,200)

\*DOR estimates that deleting tax enforcement positions would reduce state revenues by: (a) \$10.0 million annually from deleting 18.0 GPR positions; (b) \$4.4 million annually from deleting 5.0 PR positions; and (c) \$0.1 million annually from deleting 1.0 SEG position.

## SAFETY AND PROFESSIONAL SERVICES

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
FED	\$479,800	\$474,600	\$474,600	-\$10,400	- 1.1%	1.70	1.70	1.70	0.00	0.0%
PR	<u>50,929,900</u>	<u>50,927,100</u>	<u>51,053,200</u>	<u>120,500</u>	0.1	<u>245.44</u>	<u>245.44</u>	<u>245.44</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$51,409,700</b>	<b>\$51,401,700</b>	<b>\$51,527,800</b>	<b>\$110,100</b>	<b>0.1%</b>	<b>247.14</b>	<b>247.14</b>	<b>247.14</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

PR	\$460,700
FED	<u>- 10,400</u>
<b>Total</b>	<b>\$450,300</b>

Request \$162,100 (\$167,300 PR and -\$5,200 FED) in 2017-18 and \$288,200 (\$293,400 PR and -\$5,200 FED) in 2018-19 to fund the following standard budget adjustments: (a) turnover reduction (-\$339,700 PR annually); (b) removal of noncontinuing elements from the base (-\$727,500 PR annually); (c) full funding of continuing position salaries and fringe benefits (\$1,169,100 PR and -\$5,200 FED annually); (d) full funding of lease and directed moves costs (\$65,400 PR in 2017-18 and \$191,500 PR in 2018-19); and (e) minor transfers within appropriations, including the conversion of 1.0 unclassified position to 1.0 classified position, beginning in 2017-18. (DSPS indicates that the request relating to the position conversion is to correct an error in the state budget system.)

#### 2. INCREASE TURNOVER REDUCTION RATE

PR	- \$340,200
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Request a reduction of \$170,100 annually to increase, from 3% to 4.5%, the agency's turnover reduction rate. As a standard budget adjustment, agencies are directed to reduce funding for permanent position salaries by 3% for all appropriations that fund more than 50 permanent full-time equivalent (FTE) positions. Under the standard budget adjustment, the DSPS 2017-19 budget request includes a 3% annual reduction to appropriations that fund general program operations for professional regulation and administrative services (-\$143,500) and safety and building operations (-\$196,200). This item would further reduce annual funding for permanent position salaries in these two appropriations by \$72,000 and \$98,100, respectively. DSPS requests this item to offset increased costs for other standard budget adjustments to minimize the net increase in the agency's spending authority in the 2017-19 biennium.

### 3. ELIMINATE CERTAIN BOARDS AND COUNCILS

Request the elimination of the following boards and councils that last met prior to September 15, 2015. Under current law [s. 16.42(3)], DSPS is required to include in its biennial budget request, a proposal to eliminate any council, board, or commission that has not held a meeting since the preceding September 15.

#### Administration

Council on Small Business, Veteran-Owned  
Business and Minority Business  
Opportunities  
Depository Selection Board  
State Employees Suggestion Board

#### Agriculture, Trade and Consumer Protection

Bioenergy Council

#### Office of the Governor

Council on Military and State Relations

#### Natural Resources

Sporting Heritage Council

#### Public Instruction

Council on Health Problems Education  
Program  
Council on Milwaukee Public Schools Grant  
Programs

#### Public Service Commission

Wind Siting Council

#### Safety and Professional Services

Automatic Fire Sprinkler System  
Contractors and Journeymen Council  
Barbering Advisory Committee  
Behavior Analyst Advisory Committee  
Building Inspector Review Board  
Contractor Certification Council  
Examining Board of Professional  
Geologists, Hydrologists and Soil  
Scientists  
Licensed Midwives Advisory Committee  
Manufactured Housing Code Council  
Plumbers Council  
Registered Sanitarians Advisory Committee  
Substance Abuse Counselors Certification  
Review Committee

### 2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Eliminate the private onsite wastewater treatment system grant program. (This appropriation is a grant program to homeowners and small commercial establishments, rather than a state operations appropriation. Act 201 requires agencies to propose reductions in operations appropriations.)	PR	-\$840,000	-\$840,000
2. Reduce funding in the following ways. Specific amounts for each item are not identified.	PR	-1,199,100	-1,199,100
a. Office supplies, materials, postage/mailing, and DOA services;			
b. Online license verification system;			
c. Staff reductions related to discontinuing continuing education audits;			

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
d. Convert positions to lower classifications (convert 3.0 FTE per year for two years);			
e. Change trades examination process from in-person to online (reduce FTE/LTE/proctors);			
f. Convert noticing process from newspaper to electronic;			
g. Board elimination/reorganization and license restructuring;			
h. Contract for pharmacy inspections; and			
i. Contract for professional assistance program.		_____	_____
 Total		-\$2,039,100	-\$2,039,100

# SECRETARY OF STATE

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	<u>Request</u>		2017-19 Change Over Base Year Doubled		2016-17	<u>Request</u>		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
PR	\$268,400	\$270,700	\$270,700	\$4,600	0.9%	2.00	2.00	2.00	0.00	0.0%

## Major Request Item

### 1. STANDARD BUDGET ADJUSTMENTS

PR	\$4,600
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Request adjustments to the base budget for full funding of continuing position salaries and fringe benefits (\$2,300 annually).

## 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
Reduce supplies and services by 28.4%.	PR	-\$13,500	-\$13,500

## SHARED REVENUE AND TAX RELIEF

Budget Summary					FTE Position Summary	
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		
		2017-18	2018-19	Amount	%	
GPR	\$2,233,080,600	\$2,231,840,100	\$2,225,419,100	-\$8,902,000	- 0.2%	There are no positions authorized for Shared Revenue and Tax Relief.
PR	69,700,000	69,700,000	69,700,000	0	0.0	
SEG	213,898,500	215,621,500	216,133,600	3,958,100	0.9	
TOTAL	\$2,516,679,100	\$2,517,161,600	\$2,511,252,700	-\$4,943,900	- 0.1%	

### Major Request Items

#### 1. JOBS TAX CREDIT

GPR	-\$5,250,000
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Request an increase of \$1,200,000 in 2017-18 and a decrease of \$6,450,000 in 2018-19 for the sum sufficient appropriation for refundable jobs tax credits to reestimate anticipated claims during the biennium. The reestimate reflects projections of credit claims for economic development projects for which WEDC has previously contracted tax credit awards. With the adjustments, estimated total funding would increase from \$14,100,000 annually to \$15,300,000 in 2017-18 and decrease to \$7,650,000 in 2018-19. The credit equals 10% of the wages paid to an eligible employee and/or the amount of costs incurred to undertake training activities in the year.

Pursuant to 2015 Wisconsin 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.

#### 2. BUSINESS DEVELOPMENT TAX CREDIT

GPR	\$37,750,000
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Request increases of \$20,000,000 in 2017-18 and \$17,750,000 in 2018-19 for the sum sufficient appropriation for business development tax credits to reestimate anticipated claims during the biennium. The reestimate 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 would

increase from \$4,250,000 annually to \$24,250,000 in 2017-18 and \$22,000,000 in 2018-19. 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.

As previously noted, the refundable jobs tax credit and the nonrefundable economic development tax credit were consolidated into the refundable business development tax credit beginning in tax year 2016. Pursuant to 2015 Wisconsin Act 55, WEDC may allocate business development tax credits of \$17 million in 2016 and \$22 million in 2017 and annually thereafter. Any unused allocation authority during a calendar year may be carried forward for use in future years. In addition, WEDC may reallocate any nonrefundable angel and early stage seed tax credits that are unused in a calendar year to the business development tax credit under a 14-day passive review of the Joint Committee on Finance (JFC). JFC approved such a request from WEDC on June 13, 2016, to reallocate \$8 million in angel and early stage seed investment tax credits. The requested increase of \$37.75 million GPR over the base amount during the 2017-19 biennium reflects estimated increases in state expenditures associated with the phasing in of the new credit, as well as actions by JFC to increase WEDC's allocation authority for 2016.

**3. STATE AID FOR EXEMPT COMPUTERS, CASH REGISTERS, AND FAX MACHINES**

GPR	\$5,946,600
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Request increases of \$2,312,200 in 2017-18 and \$3,634,400 in 2018-19 to the sum sufficient appropriation to reflect estimates of increased payment amounts. With these adjustments, base level funding of \$88,700,000 would increase to \$91,012,200 in 2017-18 and \$92,334,400 in 2018-19. The appropriation is used to make aid payments to local governments containing computers, cash registers, and fax machines that are exempt from local property taxation.

**4. LOTTERY AND GAMING CREDIT REESTIMATE**

SEG	\$4,377,100
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Request increases of \$1,932,500 in 2017-18 and \$2,444,600 in 2018-19 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for distribution. With these adjustments, estimated total funding would increase from an adjusted base level of \$161,531,400 to \$163,463,900 in 2017-18 and \$163,976,000 in 2018-19.

**5. HOMESTEAD TAX CREDIT REESTIMATE**

GPR	\$1,600,000
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Request increases of \$800,000 annually for the sum sufficient appropriation to reflect anticipated costs of the credit in the biennium. With these adjustments, estimated total funding would increase from an adjusted base level of \$101,200,000 to \$102,000,000 annually.

**6. VETERANS AND SURVIVING SPOUSES PROPERTY TAX CREDIT**

GPR	\$660,000
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Request increases of \$30,000 in 2017-18 and \$630,000 in 2018-19 to the sum sufficient appropriation for the veterans and surviving spouses tax credit to reflect estimates of payment amounts. With these adjustments, base level funding of \$29,800,000 would increase to \$29,830,000 in 2017-18 and \$30,430,000 in 2018-19. The credit is equal to real and personal property taxes paid on a principal dwelling by certain veterans and surviving spouses.

**7. COUNTY AND MUNICIPAL AID ACCOUNT -- POLICE AND FIRE PROTECTION FUND**

GPR	\$600,200
SEG	<u>- 600,000</u>
Total	\$200

Request increases of \$300,100 GPR in 2017-18 and \$300,100 GPR in 2018-19 and reductions of \$300,000 SEG in 2017-18 and \$300,000 SEG in 2018-19 in the appropriations for the county and municipal aid program. The SEG adjustment reflects the estimated reductions in revenue collected in the police and fire protection fund, which is the source for a portion of county and municipal aid program payments. Payments from the police and fire protection fund would be estimated at \$51,900,000 in 2017-18 and \$51,900,000 in 2018-19. The GPR increases reflect a corresponding adjustment to the sum sufficient appropriation to offset the police and fire protection fund (SEG) revenue reestimate. With these adjustments, total GPR payments for the county and municipal aid program would be \$692,175,800 annually.

The total statutory aid distribution from all sources (including \$5,000,000 annually from the medical assistance program) would remain unchanged at \$753,075,700 annually, but the appropriations would underfund this distribution by \$3,999,900 annually. This reduction is reflected in the adjusted base and is due to 2015 Act 60, which reduced the county and municipal aid distribution to Milwaukee County by \$4,000,000 each year from 2016 through 2035. This reduction is intended to offset a portion of the state's contribution to the Wisconsin Center District toward construction of the new sports and entertainment arena in Milwaukee.

**8. STATE AID FOR PUBLIC UTILITY PROPERTY**

GPR	\$404,900
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Request a decrease of \$187,100 in 2017-18 and an increase of \$592,000 in 2018-19 to the sum sufficient public utility distribution account appropriation to reflect estimates of payment amounts. With these adjustments, base level funding in the appropriation of \$74,100,000 would decrease to \$73,912,900 in 2017-18 and increase to \$74,692,000 in 2018-19. The public utility distribution account appropriation is used to make aid payments to counties and municipalities containing certain types of public utility property that are exempt from local property taxation.

**9. ENTERPRISE ZONE TAX CREDITS**

GPR	- \$42,700,000
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Request decreases of \$21,000,000 in 2017-18 and \$21,700,000 in 2018-19 for the sum sufficient appropriation for refundable enterprise zone tax credits to reestimate anticipated claims during the biennium. The reestimate reflects projections of credit claims for major economic

development projects for which the Wisconsin Economic Development Corporation (WEDC) has, to date, contracted tax credit awards. With the adjustments, estimated total funding would decrease from \$58,600,000 annually to \$37,600,000 in 2017-18 and \$36,900,000 in 2018-19. 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.

State fiscal year 2011-12 was the first year in which expenditures from the sum sufficient appropriation for refundable enterprise zone tax credits exceeded \$100,000, annually. Since that time, estimated expenditures from that appropriation were based upon WEDC's tax credit allocation schedule, which represents the maximum annual amount of activities eligible for tax credits that certified businesses can earn, be verified by WEDC, and claim from the Department of Revenue (DOR). Based on the lower amount of WEDC verifications and claims processed by DOR that have been observed over the past five state fiscal years, as compared to the amount of enterprise zone tax credits that have been allocated by WEDC, the reestimate reflects lower estimated expenditures from the base estimates for the sum sufficient appropriation for enterprise zone tax credits.

**10. CIGARETTE AND TOBACCO PRODUCT TAX REFUNDS**

GPR	- \$4,715,700
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Request decreases in funding for cigarette and tobacco products tax refunds of \$1,911,700 in 2017-18 and \$2,804,000 in 2018-19 to reflect lower estimates of the sum sufficient appropriation amounts required to reimburse Native American tribes under present law. Under current law, for sales that occur on reservations or trust lands, the tribes receive a refund of 100% of the excise tax on cigarettes sold to Native Americans 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 tribal members and 50% of the tax on products sold to non-Native Americans. The requested decrease in the sum sufficient estimate reflects the Department of Revenue's lower estimate for refunds to Native American tribes in 2017-18 and 2018-19. Total funding for cigarette and tobacco product tax refunds would be \$34,888,300 in 2017-18 and \$33,996,000 in 2018-19.

**11. FARMLAND PRESERVATION PER-ACRE TAX CREDITS**

GPR	- \$1,600,000
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Request decreases of \$850,000 in 2017-18 and \$750,000 in 2018-19 to the sum-sufficient appropriation for the farmland preservation per-acre tax credit, which applies to persons claiming the credit on lands in farmland preservation zoning districts and on lands under certain farmland preservation agreements. With these reestimates, the credit's base level funding of \$18,750,000 would decrease to \$17,900,000 in 2017-18 and \$18,000,000 in 2018-19.

**12. EARNED INCOME TAX CREDIT**

GPR	- \$1,050,000
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Request a decrease of \$1,700,000 in 2017-18 and an increase of \$650,000 in 2018-19 in funding for the earned income tax credit (EITC) to reflect reestimates of the sum sufficient GPR appropriation. With these adjustments, base level GPR funding of \$33,900,000 would decrease

to \$32,200,000 in 2017-18 and increase to \$34,550,000 in 2018-19. The EITC is funded through a combination of GPR and PR funding. The PR component is provided by a transfer of temporary assistance for needy families (TANF) funding from the Department of Children and Families, and the GPR component is provided through a sum sufficient appropriation, which covers the balance of the cost of the credit. This request reflects no change to the PR component, which has a base funding level of \$69,700,000. Total funding for the EITC would be \$101,900,000 in 2017-18 and \$104,250,000 in 2018-19.

**13. PAYMENTS FOR MUNICIPAL SERVICES -- AGENCY CHARGEBACKS**

GPR-REV	- \$1,326,200
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Request a decrease of \$663,100 in 2017-18 and \$663,100 in 2018-19 in GPR-Earned associated with agency chargebacks under the Payments for Municipal Services program. With these adjustments, GPR-Earned funding would decrease from an adjusted base level of \$9,423,500 to \$8,760,400 annually in the biennium.

**14. FARMLAND PRESERVATION TAX CREDIT REESTIMATE**

GPR	- \$456,000
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Request decreases of \$188,000 in 2017-18 and \$268,000 in 2018-19 for the sum-sufficient appropriation to reflect anticipated costs of the credit in the biennium. State law limits this credit to claimants who have an active farmland preservation agreement signed prior to July 1, 2009. With these reestimates, estimated funding for this credit would decrease from an adjusted base level of \$1,028,000 to \$840,000 in 2017-18 and \$760,000 in 2018-19.

## STATE FAIR PARK

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%			2017-18	2018-19	Number
GPR	\$3,293,000	\$3,293,000	\$3,293,000	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
PR	<u>20,662,500</u>	<u>23,565,900</u>	<u>23,640,900</u>	<u>5,881,800</u>	14.2	<u>48.00</u>	<u>48.00</u>	<u>48.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$23,955,500</b>	<b>\$26,858,900</b>	<b>\$26,933,900</b>	<b>\$5,881,800</b>	<b>12.3%</b>	<b>48.00</b>	<b>48.00</b>	<b>48.00</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

PR	\$317,000
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Request adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits (-\$3,600 annually); and (b) overtime costs (\$162,100 annually).

#### 2. STATE FAIR PARK OPERATIONS

PR	\$5,564,800
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Request additional budget authority of \$2,744,900 in 2017-18 and \$2,819,900 in 2018-19 for State Fair Park operations. Of the amounts requested, \$557,900 each year would be budgeted for wage increases, additional hiring, or both for limited-term employees in the public safety, admissions, business office, and ride and amusement (State Fair midway) areas. Remaining amounts (\$2,187,000 in 2017-18 and \$2,262,000 in 2018-19) would be budgeted for anticipated costs of utilities, advertising, entertainment, agriculture prize and award payments, building and grounds maintenance, and rides and amusements.

State Fair Park operations are funded by revenues generated from admissions, parking, and a percentage of sales made by vendors and concessionaires at Park events, primarily the annual Wisconsin State Fair. The Park may expend all monies it receives, subject to approval by the Department of Administration. State Fair Park expenditures in 2015-16 were \$20.1 million, excluding debt services and certain facilities upgrades projects, and State Fair Park has budgeted \$20.6 million for such purposes in 2016-17. Under the request, total State Fair Park operations, less debt service and certain capital expenses, would be budgeted \$19.6 million in 2017-18 and \$19.7 million in 2018-19.

**2015 Act 201 Plans**

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
1. Hold spending to adjusted base.		\$0	\$0
<b>5% Budget Reduction Plan</b>			
1. Reduce State Fair entertainment spending.	PR	-\$500,000	-\$500,000
2. Reduce agricultural shows and facilities spending.	PR	<u>-346,000</u>	<u>-346,000</u>
Total		-\$846,000	-\$846,000

# STATE TREASURER

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	<u>Request</u>		2017-19 Change Over Base Year Doubled		2016-17	<u>Request</u>		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
PR	\$173,300	\$163,500	\$163,500	-\$19,600	- 5.7%	1.00	1.00	1.00	0.00	0.0%

## Major Request Item

### 1. STANDARD BUDGET ADJUSTMENTS

PR	-\$19,600
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Request adjustments to the base budget totaling -\$9,800 annually in the 2017-19 biennium for full funding of continuing position salaries and fringe benefits.

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
Reduce advertising and marketing expenses for the unclaimed property program.	PR	-\$8,700	-\$8,700

## SUPREME COURT

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$15,627,400	\$17,195,200	\$17,232,600	\$3,173,000	10.2%	115.50	115.50	115.50	0.00	0.0%
FED	935,700	987,300	987,400	103,300	5.5	5.00	5.00	5.00	0.00	0.0
PR	12,184,000	12,711,000	12,734,400	1,077,400	4.4	96.25	96.25	96.25	0.00	0.0
SEG	<u>764,100</u>	<u>820,200</u>	<u>821,400</u>	<u>113,400</u>	7.4	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$29,511,200</b>	<b>\$31,713,700</b>	<b>\$31,775,800</b>	<b>\$4,467,100</b>	<b>7.6%</b>	<b>221.75</b>	<b>221.75</b>	<b>221.75</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

Request \$2,202,500 in 2017-18 and \$2,264,600 in 2018-19 for standard budget adjustments as follows: (a) salary and fringe benefits, \$1,527,700 GPR, \$500,200 PR, \$51,800 FED, and \$54,700 SEG annually; and (b) full funding of lease and directed moves costs, \$40,100 GPR, \$26,800 PR, -\$200 FED, and \$1,400 SEG in 2017-18 and \$77,500 GPR, \$50,200 PR, -\$100 FED, and \$2,600 SEG in 2018-19.

GPR	\$3,173,000
PR	1,077,400
FED	103,300
SEG	<u>113,400</u>
Total	\$4,467,100

# TOURISM

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$5,264,100	\$5,024,100	\$5,071,700	-\$432,400	- 4.1%	30.00	29.00	29.00	- 1.00	- 3.3%
FED	768,900	763,700	763,700	- 10,400	- 0.7	1.00	1.00	1.00	0.00	0.0
PR	9,605,500	9,590,400	9,590,400	- 30,200	- 0.2	4.00	4.00	4.00	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
<b>TOTAL</b>	<b>\$17,242,000</b>	<b>\$16,981,700</b>	<b>\$17,029,300</b>	<b>-\$473,000</b>	<b>- 1.4%</b>	<b>35.00</b>	<b>34.00</b>	<b>34.00</b>	<b>- 1.00</b>	<b>- 2.9%</b>

## Major Request Items

### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base budget for the following:

(a) full funding of continuing position salaries and fringe benefits (-\$241,000 GPR, -\$5,200 PR, and -\$5,200 FED annually); and (b) full funding of lease and directed moves costs (\$1,000 GPR in 2017-18 and \$48,600 GPR in 2018-19, and -\$9,900 PR annually).

GPR	-\$432,400
PR	- 30,200
FED	<u>- 10,400</u>
<b>Total</b>	<b>- \$473,000</b>

### 2. FINANCIAL MANAGEMENT POSITION TRANSFER

Request the transfer of 1.0 position to the Department of Administration (DOA) Bureau of Financial Management for the provision of budget and accounting services. The request includes reallocating funding of \$50,400 annually in Tourism general operations from salary and fringe benefits to supplies and services. Increased supplies and services funding would be intended to reimburse DOA for budget and accounting services currently provided to Tourism. (A corresponding item in the DOA agency request would add the position and associated costs to the DOA budget.)

Positions	
GPR	- 1.00

**2015 Act 201 Plan**

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Reduce general marketing appropriations.	GPR	-\$138,100	-\$138,100
	SEG	-145,600	-145,600
2. Reduce memberships.	PR	-50,000	-50,000
3. Reduce earmarks and marketing grants. (Under current law, several statutorily required marketing expenditures are repealed, effective July 1, 2017.)	PR	-425,000	-425,000
4. Reduce publications.	SEG	-12,100	-12,100
5. Eliminate arts and crafts directory.	PR	<u>-20,000</u>	<u>-20,000</u>
 Total		 -\$790,800	 -\$790,800
	GPR	(-\$138,100)	(-\$138,100)
	PR	(-\$495,000)	(-\$495,000)
	SEG	(-\$157,700)	(-\$157,700)

## TRANSPORTATION

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$109,442,200	\$109,442,200	\$109,442,200	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
FED	828,444,000	872,512,300	890,873,800	106,498,100	6.4	828.12	827.12	827.12	- 1.00	- 0.1
PR	6,047,400	10,811,800	10,516,300	9,233,300	76.3	19.00	19.00	19.00	0.00	0.0
SEG	1,645,390,300	1,662,331,000	1,693,209,200	64,759,600	2.0	2,645.67	2,645.67	2,645.67	0.00	0.0
SEG-L	107,950,600	114,517,800	114,517,800	13,134,400	6.1	0.00	0.00	0.00	0.00	N.A.
SEG-S	105,487,800	273,555,600	265,833,600	328,413,600	155.7	5.00	5.00	5.00	0.00	0.0
TOTAL	\$2,802,762,300	\$3,043,170,700	\$3,084,392,900	\$522,039,000	9.3%	3,497.79	3,496.79	3,496.79	- 1.00	0.0%
BR		\$695,007,400								

### Major Request Items

### Transportation Finance

#### 1. FUND CONDITION STATEMENT

The following table shows the 2017-19 transportation fund condition statement reflecting the Department of Transportation's (DOT) budget request. The "General Fund Transfer" amounts are an estimate of the annual statutory transfers that will be made from the general fund to the transportation fund. Appropriations to the Department of Transportation represent the bulk of the appropriations from the transportation fund. The "Other Agency Appropriations" amounts reflect the Department's estimate of other agencies' transportation fund appropriations in the biennium.

	<u>2017-18</u>	<u>2018-19</u>
Unappropriated Balance, July 1	\$57,733,800	\$55,387,300
<b>Revenues</b>		
Motor Fuel Tax	\$1,031,376,600	\$1,027,576,600
Vehicle Registration	705,229,900	706,476,900
Less Revenue Bond Debt Service	-249,354,500	-258,810,000
General Fund Transfer	39,720,300	40,925,300
Petroleum Inspection Fund Transfers	25,258,500	25,258,500
Driver's License Fees	37,636,400	37,853,300
Miscellaneous Motor Vehicle Fees	27,873,700	28,110,400
Aeronautical Taxes and Fees	6,844,100	7,062,600
Railroad Taxes and Fees	41,664,700	44,330,200
Miscellaneous Departmental Revenues	21,352,700	20,912,000
Investment Earnings	<u>376,000</u>	<u>376,000</u>
Total Annual Revenues	\$1,687,978,400	\$1,680,071,800
 Total Available	 \$1,745,712,200	 \$1,735,459,100
<b>Appropriations and Reserves</b>		
DOT Appropriations	\$1,661,932,800	\$1,692,811,000
Other Agency Appropriations	26,746,400	26,795,700
Less Estimated Lapses	-3,500,000	-3,500,000
Compensation and Other Reserves	<u>5,145,700</u>	<u>10,137,000</u>
Net Appropriations and Reserves	\$1,690,324,900	\$1,726,243,700
 Unappropriated Balance, June 30	 \$55,387,300	 \$9,215,400

## 2. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

Under the Department's request, revenue from the general fund and the petroleum inspection fund would be used to support transportation programs. To reflect estimated changes in general fund tax collections included in the Department of Administration's November 21, 2016 report, current law general fund transfers have been adjusted by \$262,000 (0.7%) in 2017-18 and by \$1,467,000 (3.7%) in 2018-19 compared to the base year transfer of \$39,458,300. The table below shows these provisions, separated by ongoing, current law transfers and proposed changes.

	<u>2017-18</u>	<u>2018-19</u>	<u>Biennial Total</u>
<b>Current Law*</b>			
<i>General Fund</i>			
0.25% Transfer of General Fund Taxes	\$39,720,300	\$40,925,300	\$80,645,600
<i>Petroleum Inspection Fund</i>			
Ongoing Appropriation Transfer	<u>6,258,500</u>	<u>6,258,500</u>	<u>12,517,000</u>
Subtotal, Current Law Transfers	\$45,978,800	\$47,183,800	\$93,162,600
<b>Budget Request</b>			
<i>Petroleum Inspection Fund</i>			
One-time Transfers	\$19,000,000	\$19,000,000	\$38,000,000
<b>Total</b>			
General Fund	\$39,720,300	\$40,925,300	\$80,645,600
Petroleum Inspection Fund	<u>25,258,500</u>	<u>25,258,500</u>	<u>50,517,000</u>
Both Funds	\$64,978,800	\$66,183,800	\$131,162,600

\*Excludes debt service amounts on general fund-supported bonds issued for transportation purposes.

### 3. TRANSFER OF PETROLEUM INSPECTION FUND REVENUE

SEG-Transfer	\$38,000,000
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Request the transfer of \$19,000,000 annually during the 2017-19 biennium from petroleum inspection fund (PIF) to the transportation fund. This transfer would be in addition to the existing ongoing transfer of \$6,258,500 annually from the petroleum inspection fund to the transportation fund. As a result, the total estimated PIF revenues provided to the transportation fund would be \$25,258,500 annually compared to a total of \$27,258,500 annually in the 2015-17 biennium in ongoing (\$6,258,500) and one-time (\$21,000,000) transfers.

The petroleum inspection fund was originally established to fund the petroleum environmental cleanup fund award (PECFA) program, which was created in response to federal legislation requiring the cleanup of underground storage tanks. The fund receives revenue from a 2.0 cents per gallon petroleum inspection fee on petroleum products (primarily home heating fuel and motor fuel) distributed in the state. Under the Department's request, DNR would continue to oversee the management of the PECFA program. Revenues to the petroleum inspection fund are first used by a trustee to pay for annual debt service on outstanding revenue bond obligations and interest on outstanding commercial paper obligations, both of which were issued to fund cleanup and remediation actions at PECFA sites. Remaining funds after annual debt service obligations are met are currently deposited to the petroleum inspection and used to cover: (a) PECFA program costs and administration; (b) petroleum inspection and tank regulation; (c) transfers to the transportation fund; (d) environmental and other programs in several state agencies; and (e) to make any payments on the program's outstanding commercial paper obligation principal.

#### 4. ALLOCATION OF FEDERAL HIGHWAY AID

Estimate federal highway formula aid at \$773,037,600 in 2017-18 and \$790,558,700 in 2018-19, which represents an increase of \$59,317,200 in 2017-18 and \$76,838,300 in 2018-19, relative to the 2016-17 appropriation base.

The increased, 2017-19 aid amounts reflect the relatively higher, anticipated level of federal highway aid under the most recent federal surface transportation authorization act (the Fixing America's Surface Transportation (FAST) Act). The actual amount of the state's federal highway aid in 2017-19 will be determined on an annual basis under federal transportation appropriations acts of Congress.

The following table shows the change to the appropriation base requested by the Department and the resulting distribution of federal highway formula aid. As shown in the table, the Department's request would transfer federal highway aid from the state highway rehabilitation program, department management and operations, administration and planning, and two local assistance programs to support the southeast Wisconsin freeway megaprojects and major highway development programs, as well as a new appropriation for intelligent transportation systems and traffic control signals in the state highway maintenance program.

	Appropriation Base	Change to Base		Budget Request Totals	
		2017-18	2018-19	2017-18	2018-19
State Highway Rehabilitation	\$468,758,000	-\$51,795,700	-\$52,534,000	\$416,962,300	\$416,224,000
Southeast Freeway Megaprojects	101,100	59,643,900	34,887,000	59,745,000	34,988,100
Major Highway Development	107,537,000	49,772,900	92,789,200	157,309,900	200,326,200
Highway System Mgmt. and Ops.	1,102,500	0	0	1,102,500	1,102,500
Departmental Mgmt. and Ops.	14,931,200	-1,169,900	-1,169,900	13,761,300	13,761,300
Administration and Planning	3,573,900	-52,400	-52,400	3,521,500	3,521,500
Local Transportation Facility					
Improvement Assistance	72,243,300	-32,000	-32,000	72,211,300	72,211,300
Local Bridge Improvement	24,413,300	-49,600	-49,600	24,363,700	24,363,700
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Congestion Mitigation/Air					
Quality Improvement	10,719,000	0	0	10,719,000	10,719,000
Intelligent Transportation Systems And Traffic Control Signals	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total	\$713,720,400	\$59,317,200	\$76,838,300	\$773,037,600	\$790,558,700

#### 5. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2015-17 biennium and under the Department's request for the 2017-19 biennium, by type of bond and program or project. The Department did not request the authorization of any general fund-supported, general obligation bonding for the 2017-19 biennium. The amounts shown for the use transportation revenue bonds reflect the SEG-S appropriations for the various programs using these bonds. These projects are initially financed through a temporary use of cash balances in the transportation fund. Eventually, bonds are sold to replenish those balances and this

becomes the ultimate financing source for these projects. Due to this distinction, the SEG-S appropriation amounts in a budget do not always coincide with the amount of revenue bonds authorized.

	<u>Department Request</u>	
	<u>2015-17</u>	<u>2017-19</u>
<b>Transportation Fund-Supported, General Obligation Bonds</b>		
Freight Rail Preservation	\$29,800,000	\$12,000,000
Harbor Assistance	13,200,000	14,100,000
High-Cost Bridge/Major Interstate Bridges	36,800,000	0
Southeast Wisconsin Freeway Megaprojects	300,000,000	0
Major Highway Development*	100,000,000	0
State Highway Rehabilitation	<u>75,000,000</u>	<u>0</u>
Subtotal	\$554,800,000	\$26,100,000
<b>Transportation Revenue Bonds</b>		
Major Highway Development	\$169,012,200	\$153,281,700
State Highway Rehabilitation	0	308,738,300
2019-21 State Highway Program Bonding Authority	0	233,089,000
Administrative Facilities	<u>11,880,000</u>	<u>11,880,000</u>
Subtotal	\$180,892,200	\$706,989,000
Less Carryover Balance	<u>-17,478,600</u>	<u>-38,081,600</u>
New Authorization	\$163,413,600	\$668,907,400
<b>General Fund-Supported, General Obligation Bonds</b>		
Major Highway Development	\$100,000,000	\$0
State Highway Rehabilitation	75,000,000	0
Passenger Rail Development	<u>-43,000,000</u>	<u>0</u>
Subtotal	\$132,000,000	\$0
Total	\$850,213,600	\$695,007,400

\*Under Section 9145(1v) of 2015 Act 55, as affected by the Joint Committee on Finance's action in November, 2015, a \$44.8 million reduction in transportation fund-supported, general obligation bonding provided to the major highway development program is required due to actual 2015-16 transportation fund revenues exceeding Act 55 estimates. DOT may submit a request in 2016-17 to replace the bonding reduction with the available transportation fund revenue. This table shows 2015-17 bonding levels for that program prior to any such adjustment.

## 6. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY

This item summarizes the transportation fund-supported and general fund-supported debt service on transportation-related bonds under the Department's 2017-19 budget request.

*Transportation Fund-Supported.* Transportation fund-supported debt service on previously authorized bonds and the bonds requested in the biennium would total \$407,947,200 in 2017-18 and \$429,213,000 in 2018-19. The following table provides information on transportation fund-supported debt service levels for each year of the 2015-17 biennium, as well as debt service, as estimated by DOT, under the Department's request for each year of the 2017-19 biennium.

**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>
2015-16	\$340.8	\$1,867.4	18.2%
2016-17	372.2	1,849.9	20.1
2017-18	407.9	1,872.4	21.8
2018-19	429.2	1,872.7	22.9

\*Revenue is shown before the payment of revenue bond debt service.

Note: Debt service and revenue values shown for 2015-16 are actual, while those values for other years are estimated.

*General Fund-Supported.* Per the Department of Administration's (DOA) 2017-19 biennial budget instructions, DOT did not submit a reestimate of debt service for general fund-supported, general obligation bonds issued for transportation purposes as a part of its 2017-19 budget request. Total, 2016-17 base funding for these general fund-supported debt service appropriations is equal to \$109,442,200 annually. DOA will include a reestimate of general fund-supported debt service as a part of the Governor's 2017-19 budget recommendations.

**7. TRANSPORTATION REVENUE BOND AUTHORIZATION**

BR	\$668,907,400
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Request the expanded use of the transportation revenue bond program to allow state highway rehabilitation projects as an eligible use of these bond proceeds. Request increased revenue bond authority of \$668,907,400, reflecting the Department's proposed use of revenue bonds for state highway rehabilitation projects, major highway development projects, and administrative facility construction projects. This total includes \$435,818,400 million in new authority that would be used in 2017-19, plus an additional \$233,089,000 in new authority that DOT indicates it would use for these programs in 2019-21 for projects begun, but not fully funded in the prior biennium. The Department's request proposes the total appropriation of \$473,900,000 in revenue bond proceeds during 2017-19 (\$38,081,600 from carryover authority plus \$435,818,400 in new transportation revenue bond authority), allocated as follows: (a) \$152,238,300 in 2017-18 and \$156,500,000 in 2018-19 for the state highway rehabilitation program; (b) \$82,632,700 in 2017-18 and \$70,649,000 in 2018-19 for the major highway development program; and (c) \$5,940,000 annually for administrative facility construction projects. Not all of this appropriation authority will result in bond sales in the 2017-19 biennium, due to the timing of projects. Similarly, some bond sales in the 2017-19 biennium will be associated with bond appropriation authority provided in the 2015-17 biennium. The Department's request is based on the level of remaining authorization, anticipated bond sales in the biennium for past appropriation authority plus a portion of the new appropriation authority, and \$233,089,000 in bond authorization to fund bond sales in the 2019-21 biennium related to projects started in the 2017-19 biennium.

**8. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE** SEG-REV - \$48,409,100

Request a decrease in estimated transportation fund revenue of \$19,476,800 in 2017-18 and \$28,932,300 in 2018-19 to reflect increases in the amount of vehicle registration revenue needed to pay principal and interest on transportation revenue bonds. Revenue bond debt service is paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, debt service payments are considered negative revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2016-17 is estimated at \$229,877,700 an amount that is projected to increase under the Department's request to \$249,354,500 in 2017-18 and \$258,810,000 in 2018-19.

**9. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS** SEG \$15,848,900

Request an increase in funding of \$6,881,700 in 2017-18 and \$8,967,200 in 2018-19 to reflect a reestimate of debt service payments on existing transportation fund-supported, general obligation bonds authorized for state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities. With this reestimate, total debt service on these existing bonds would equal \$60,658,900 in 2017-18 and \$62,744,400 in 2018-19. The Department's request would authorize additional bonds for the freight rail preservation (\$12,000,000) and harbor assistance (\$14,100,000) programs. The debt service associated with the additional bonds for freight rail preservation and harbor improvement projects is reflected under the entries for those programs.

**10. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS** SEG \$11,490,700

Request an increase in funding of \$2,968,100 in 2017-18 and \$8,522,600 in 2018-19 to reflect a reestimate of debt service payments on existing transportation fund-supported, general obligation bonds authorized for state highway rehabilitation and major highway development projects. With this reestimate, total debt service on these previously-authorized bonds would be \$4,759,100 in 2017-18 and \$10,313,600 in 2018-19.

**11. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY AND HIGH-COST BRIDGE PROJECTS** SEG \$1,314,100

Request a decrease of \$904,500 in 2017-18 and an increase in \$2,218,600 in 2018-19 to reflect reestimated debt service payments on existing transportation fund-supported, general obligation bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge

projects. With this reestimate, total debt service on these previously-authorized bonds would be \$92,848,400 in 2017-18 and \$95,971,500 in 2018-19.

## 12. AUTHORITY TO COLLECT ODOMETER DATA AT VEHICLE REGISTRATION

Request statutory authority to collect, at the Department's discretion, odometer data as part of vehicle registration and re-registration. The Department indicates this authority would improve its ability to study the feasibility of implementing a mileage-based user fee in the future. Currently, odometer reading information is only collected as part of the titling process or the vehicle emissions testing process.

### Local Transportation Aid

#### 1. GENERAL TRANSPORTATION AIDS

SEG	\$45,985,200
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Request the following related to the general transportation aids program:

a. *County Aid.* Provide \$3,173,400 in 2017-18 and \$12,693,600 in 2018-19 to fund a 12.9% increase to the calendar year 2018 general transportation aid distribution for counties. The statutory, calendar year distribution for counties is currently equal to \$98,400,200 for 2017 and thereafter. This would provide a calendar year distribution amount for counties equal to \$111,093,800 for 2018 and thereafter.

b. *Municipal Aid.* Provide \$10,039,400 in 2017-18 and \$20,078,800 in 2018-19 to fund a 6.3% increase to the calendar year 2018 general transportation aid distribution for municipalities. The statutory, calendar year distribution level for municipalities is currently equal to \$321,260,500 for 2017 and thereafter. This would provide a calendar year distribution amount for municipalities equal to \$341,339,300 for 2018 and thereafter. The mileage aid rate would increase by 4% (from its current level of \$2,202 per mile) to \$2,290 per mile for calendar year 2018 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 (2009 through 2014 for 2016 payments) by a statewide average cost-sharing percentage. Mileage aid is computed by multiplying the number of miles of road or street under the jurisdiction of each municipality by a specified mileage rate.

Under the Department's request, because calendar year aid is increased by 6.3% in total for municipalities, while the mileage aid rate is only increased by 4%, the percentage increases in

aid to municipalities on the share of costs formula would likely exceed the percentage increases for those on mileage aid (typically towns).

Delete the statutory references to calendar year funding amounts from 2013 and 2014 for counties and municipalities.

**2. MASS TRANSIT OPERATING ASSISTANCE**

Request no change to base level funding for DOT's mass transit operating assistance program. Total state funding from the transportation fund for mass transit operating assistance would equal \$110,737,500 SEG annually. The distribution of mass transit aid payments consists of the following four tiers: (a) \$64,193,900 annually for Milwaukee County/Transit Plus in Tier A-1 (b) \$16,868,000 annually for Madison in Tier A-2; (c) \$24,486,700 annually for the larger bus and shared ride taxi systems in Tier B; and (d) \$5,188,900 for smaller bus and shared-ride taxi systems in Tier C. No funding is provided for Tier A-3, which includes any commuter or light rail mass transit system enumerated as a major capital improvement in the statutes.

**3. SENIORS AND INDIVIDUALS WITH DISABILITIES AIDS**

SEG	\$840,500
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Request \$278,300 in 2017-18 and \$562,200 in 2018-19 for county assistance in the provision of seniors and individuals with disabilities specialized transportation services. Total state funding for county assistance would equal \$14,193,900 in 2017-18 and \$14,477,800 in 2018-19. This would provide a 2% annual increase in the county assistance appropriation.

**4. TRIBAL ELDERLY TRANSPORTATION GRANT PROGRAM**

GPR-Tribal	- \$297,000
PR	297,000

Request \$148,500 PR annually to provide the 11 federally recognized Wisconsin tribes with additional financial assistance to provide transportation service to tribal elders on and off tribal reservations. Funding for the program is transferred from the DOA's Indian gaming appropriation, to which gaming revenues are deposited, to DOT's grant appropriation. Any increase in Indian gaming receipts not otherwise credited to agency appropriation accounts are deposited in the general fund as general purpose revenue-earned (GPR-Tribal). Therefore, an increase in funding for DOT's tribal elderly transportation grant program will result in a decrease in monies deposited in the state's general fund.

**5. LIFT BRIDGE AIDS PROGRAM**

SEG	\$550,000
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Request \$275,000 annually for the lift bridge aids program, to reimburse communities for the estimated costs associated with the operation and maintenance of lift bridges on connecting highways. As a result, total funding for the program would be \$2,934,200 annually. The following four cities (operating nine lift bridges) receive aid through this program: (a) Green Bay; (b) Manitowoc; (c) Milwaukee; and (d) Racine. Request a statutory modification that would

change the program's appropriation from biennial to continuing, such that any remaining biennial program funding would accrue for ongoing use in that program rather than lapsing to the transportation fund balance.

**6. CONVERT TRANSIT-RELATED ANNUAL APPROPRIATIONS TO CONTINUING**

Request the conversion of six annual transit aid appropriations to continuing appropriations. This request would convert the paratransit aids appropriation as well as the five mass transit operating assistance appropriations, which distribute aid to tiers of systems based on the population served by the system. According to the Department, the continuing appropriations would provide DOT with the flexibility to ensure all program funds are distributed to eligible transit systems after their actual costs are determined. Under current law, all unused transit aid is lapsed to the transportation fund at the end of each fiscal year.

**Local Transportation Assistance**

**1. TRAFFIC SIGNAL AND MARKING ENHANCEMENT GRANT PROGRAM TRANSFER**

SEG-Transfer	\$1,025,700
SEG	1,025,700

Request the transfer of \$1,025,700 in 2017-18 from the balance in the local bridge improvement assistance program, local funds appropriation to the transportation fund. The Department requests a corresponding increase of \$1,025,700 SEG in 2017-18 to the highway and local bridge improvement assistance, state funds appropriation. The Department indicates that this local funding amount reflects unused, SEG grant funding from a traffic signal and marking enhancement program that was repealed under 2013 Act 20.

**2. LOCAL ROAD IMPROVEMENT PROGRAM**

SEG	\$14,000,000
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Request \$7,000,000 annually for the local road improvement program (LRIP) to be allocated as follows: (a) \$2,336,000 annually for the formula-based component of the program; and (b) \$4,664,000 annually for the discretionary grant component of the program. Of the \$4,664,000 annual funding increase for the discretionary component of the program, \$373,000 would be provided to counties, \$4,023,500 would be provided to municipalities, and \$267,500 would be provided to towns.

The Department's request would increase the annual statutory distribution of discretionary LRIP funding in 2017-18, and thereafter as follows: (a) the amount provided to counties from \$5,127,000 to \$5,500,000; (b) the amount provided to municipalities from \$976,500 to \$5,000,000; and (c) the amount provided to towns from \$5,732,500 to \$6,000,000. The table

below reflects biennial funding for LRIP under 2015-17 and the Department's requested 2017-19 level of funding for these program components.

**Current Law and Requested Biennial LRIP Funding**

	<u>2015-17</u>	2017-19 Department <u>Request</u>	<u>Difference</u>	<u>% Change</u>
<b>Formula-Based Allocation*</b>				
Counties (43%)	\$13,756,732	\$15,765,692	\$2,008,960	14.6%
Municipalities (28.5%)	9,117,834	10,449,354	1,331,520	14.6
Towns (28.5%)	<u>9,117,834</u>	<u>10,449,354</u>	<u>1,331,520</u>	14.6
Total Formula Funds	\$31,992,400	\$36,664,400	\$4,672,000	
<b>Discretionary Allocation</b>				
Counties	\$10,254,000	\$11,000,000	\$746,000	7.3%
Municipalities	1,953,000	10,000,000	8,047,000	412.0
Towns	<u>11,465,000</u>	<u>12,000,000</u>	<u>535,000</u>	4.7
Total Discretionary Funds	\$23,672,000	\$33,000,000	\$9,328,000	
 Biennial Program Total	 \$55,664,400	 \$69,664,400	 \$14,000,000	 25.2%

\*Total, biennial local road improvement program funding is equal to \$56,066,000. Of this amount, \$401,600 from the formula-based allocation supports 3.0 positions in DNR for the environmental review of local road projects under current law and the Department's request. This amount is deducted from the total prior to calculating the percentage-based formula allocations shown in the top section of the table.

LRIP provides grants of state funds on a biennial basis for capital improvements on existing county, town, and municipal (city or village) roads and for feasibility studies for such improvements. For the purposes of the program, a capital improvement is defined as a project with a projected design life of at least 10 years. Grants may cover up to 50% of the total project cost, with the balance being provided, generally, by the local recipient.

Increase the allowable reimbursement amount for program applicants under the discretionary portion of the program by specifying that applicants would instead be eligible for reimbursement of not more than 60% of eligible costs (compared to 50% under current law). Applicants under the entitlement portion of the program would continue to be reimbursed for not more than 50% of eligible project costs.

**3. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM** SEG      \$5,000,000

Request \$2,500,000 annually for the local bridge improvement assistance program to partially fund anticipated, unmet program demand. The local bridge improvement assistance program makes grants using both state and federal funds for bridges not on state trunk highways or connecting highways (urban streets marked with a state highway or U.S. highway number). Local governments are responsible for providing a funding match equal to at least 20% of eligible project costs.

**4. FREIGHT RAIL PRESERVATION PROGRAM**

BR	\$12,000,000
SEG	<u>781,500</u>
Total	\$12,781,500

Request \$12,000,000 in transportation fund-supported, general obligation bond authorization for the freight rail preservation program. Request an increase in funding of \$150,000 SEG in 2017-18 and \$631,500 SEG in 2018-19 to reflect estimated debt service on these bonds. 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 requested would be \$23,000,000 lower than the \$35,000,000 of total program resources provided in the 2015-17 biennium (\$29,800,000 in bonds, plus \$5,200,000 SEG).

**5. HARBOR ASSISTANCE PROGRAM**

BR	\$14,100,000
SEG	<u>918,300</u>
Total	\$15,018,300

Request \$14,100,000 in transportation fund-supported, general obligation bond authorization for the harbor assistance program, which provides grants for making capital improvements to harbors on the Great Lakes or the Mississippi River system. The requested amount would be \$900,000 more than the total bond authority provided to the program in the 2015-17 biennium (\$13,200,000). However, a provision of the 2015-17 biennial budget act earmarked up to \$4,220,000 for a harbor-related project in the City of Kewaunee, resulting in only \$8,980,000 generally available for projects in the biennium. Request an increase of \$176,300 SEG in 2017-18 and \$742,000 SEG in 2018-19 to reflect estimated debt service on these bonds.

**6. TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM MODIFICATIONS**

Request a statutory modification to the current law definition of "rail property," used in the transportation facilities economic assistance and development (TEA) program, to include facilities where freight is being transferred between rail and another mode of transportation. In addition, specify that such freight may be "containerized, bulk, or packaged." The TEA program provides grants to local governments for making infrastructure improvements designed to retain or attract businesses in the state by facilitating access to an economic development project. The transportation improvements may involve the construction or reconstruction of a highway or road, an airport runway, taxiway, or apron, a harbor facility, or a rail property. Under current law, "rail property," for the purposes of the TEA program, is defined as "an industrial lead, spur, team track property or trackside intermodal transfer facility." This requested modification expands the types of transportation facilities that would be eligible to receive TEA funds. Base funding for the program is \$3,402,600 SEG annually.

**7. RAILROAD CROSSING IMPROVEMENT APPROPRIATION MODIFICATION**

Request that the railroad crossing protection installation and maintenance appropriation, which is currently a SEG appropriation, be converted to a PR appropriation. In addition, request that any unencumbered balance in the SEG appropriation be transferred to the new PR

appropriation account for the purpose of providing railroad crossing protection installation and maintenance. Under current law, all moneys received from various railroad crossing improvement surcharges are deposited as segregated fund revenue into the transportation fund for the purpose of railroad crossing protection installation and maintenance. Under a separate budget request item (see item entitled, "Program Revenue Continuing Appropriation Reestimates"), DOT reestimates the revenue for this appropriation at \$34,500 annually.

**8. RAIL PASSENGER SERVICE ASSISTANCE PROGRAM**

SEG	\$200,000
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Request \$200,000 in 2017-18 for one-time start-up costs related to the implementation of two new locomotives on the Amtrak Hiawatha rail service line. Total state funding for rail passenger service assistance would equal \$7,000,000 in 2017-18 and \$6,800,000 in 2018-19 to fund Wisconsin's share of the cost to maintain existing service for the Hiawatha service under the state's contract with Amtrak.

**9. APPROPRIATION TO EXPEND SPONSORSHIP FEE REVENUE**

Request a statutory modification to deposit revenue collected from advertising at the Milwaukee intermodal station into a new PR continuing appropriation. Provide DOT the authority to expend funds from the appropriation to update and maintain the station. While no revenues are currently collected, under current law, any sponsorship fee revenue that would be collected from advertising at the Milwaukee intermodal station would be deposited into the transportation fund. According to DOT, this modification would allow the Department to use the advertising revenue to directly offset operations and maintenance costs at the Milwaukee intermodal station passenger concourse.

**State Highway Program**

**1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY**

The following tables compare total funding for state highway improvement programs in 2016-17 with proposed funding for those programs in the 2017-19 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 2016-17 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2016-17. The tables include two types of transportation fund-supported bonding: (a) general obligation bonds; and (b) transportation revenue bonds. The first table breaks down the total funding for the improvement programs by current revenues (SEG/FED) and bonding, and shows the proposed change compared to the base year funding doubled, while the second table shows funding for the five individual programs.

## Highway Improvement Program Summary\*

	2016-17 Base Plus Bonding	Department Request		Change to Base Plus Bonds Doubled	
		2017-18	2018-19	Amount	%
SEG/FED	\$950,257,200	\$952,938,900	\$971,010,000	\$23,434,500	1.2%
Bonds	<u>220,783,300</u>	<u>234,871,000</u>	<u>227,149,000</u>	<u>20,453,400</u>	4.6
Total	\$1,171,040,500	\$1,187,809,900	\$1,198,159,000	\$43,887,900	1.9%

## Highway Improvement Funding Under the Department's 2017-19 Budget Request\*

	2016-17 Base, Plus Bonding	Department Request	
		2017-18	2018-19
<b>State Highway Rehabilitation</b>			
SEG	\$290,385,600	\$279,158,200	\$279,008,200
FED	468,758,000	417,883,100	417,144,800
SEG-S (Revenue Bonds)	0	152,238,300	156,500,000
Gen. Ob. Bonds (SEG)	<u>75,000,000</u>	<u>0</u>	<u>0</u>
Total	\$834,143,600	\$849,279,600	\$852,653,000
<b>Major Highway Development</b>			
SEG	\$68,411,900	\$27,354,400	\$23,820,900
FED	107,537,000	157,309,900	200,326,200
SEG-S (Revenue Bonds)	66,783,300	82,632,700	70,649,000
Gen. Ob. Bonds (SEG)**	<u>75,000,000</u>	<u>0</u>	<u>0</u>
Total	\$317,732,200	\$267,297,000	\$294,796,100
<b>SE Wis. Freeway Megaprojects</b>			
SEG	\$15,063,600	\$11,488,300	\$15,721,800
FED	<u>101,100</u>	<u>59,745,000</u>	<u>34,988,100</u>
Total	\$15,164,700	\$71,233,300	\$50,709,900
<b>High-Cost Bridge</b>			
Gen. Ob. Bonds (SEG)	\$1,000,000	\$0	\$0
<b>Major Interstate Bridge Construction</b>			
Gen. Ob. Bonds (SEG)	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$0</u>
Improvement Program Total	\$1,171,040,500	\$1,187,809,900	\$1,198,159,000

\*Amounts shown comprise all highway improvement program request items including federal aid reestimates and standard budget adjustments.

\*\*Under Section 9145(1v) of 2015 Act 55, as affected by the Joint Committee on Finance's action in November, 2015, a \$44.8 million reduction in transportation fund-supported, general obligation bonding provided to the major highway development program is required due to actual 2015-16 transportation fund revenues exceeding Act 55 estimates (which reduces the amount shown to \$30.2 million). DOT may submit a request in 2016-17 to replace the bonding reduction with the available transportation fund revenue. This table shows 2015-17 bonding levels for that program prior to any such adjustment.

## 2. STATE HIGHWAY REHABILITATION

SEG	- \$21,513,400
FED	- 102,312,100
SEG-S	<u>308,738,300</u>
Total	\$184,912,800

Request a decrease of \$10,756,700 SEG annually and decreases of \$50,786,900 FED in 2017-18 and \$51,525,200 FED in 2018-19 for the state highway rehabilitation program. In addition, request transportation revenue bond expenditure authority of \$152,238,300 SEG-S in 2017-18 and \$156,500,000 SEG-S in 2018-19 in a newly created appropriation. Specify that proceeds from transportation revenue bonds may be used to fund state highway rehabilitation program activities. [In the past, transportation revenue bonds have only been authorized for major highway development and administrative facilities projects.] The purpose of the state highway rehabilitation program is to preserve and make limited improvements to the state highway system (including most state bridges), such as resurfacing, reconstruction, and reconditioning.

The table below shows the total 2017-19 funding for the program under the Department's request, including the following amounts shown separately under other request items: (a) standard budget adjustments (-\$695,700 SEG and -\$1,008,800 FED annually); (b) a reestimate of federal aid amounts to be used for state highway rehabilitation (\$920,800 FED annually); and (c) funding for a construction manager/general contractor pilot program (\$225,000 SEG in 2017-18 and \$75,000 SEG in 2018-19). Relative to the 2016-17 appropriation base year funding plus bonding, the amounts shown represent an increase of 1.8% in 2017-18, followed by an increase of 2.2% in 2018-19.

<u>Fund</u>	<u>2016-17 Base, Plus Bonding</u>	<u>Request</u>	
		<u>2017-18</u>	<u>2018-19</u>
SEG	\$290,385,600	\$279,158,200	\$279,008,200
FED	468,758,000	417,883,100	417,144,800
SEG-S (Revenue Bonds)	0	152,238,300	156,500,000
Gen. Ob. Bonds (SEG)	<u>75,000,000</u>	<u>0</u>	<u>0</u>
Total	\$834,143,600	\$849,279,600	\$852,653,000

## 3. MAJOR HIGHWAY DEVELOPMENT PROGRAM

SEG	- \$85,293,100
FED	142,897,700
SEG-S	<u>19,715,100</u>
Total	\$77,319,700

Request a decrease of \$40,879,800 SEG and an increase of \$49,940,700 FED in 2017-18 and a decrease of \$44,413,300 SEG and an increase of \$92,957,000 FED in 2018-19. In addition, request transportation revenue bond expenditure authority of \$15,849,400 SEG-S in 2017-18 and \$3,865,700 SEG-S in 2018-19.

Relative to the base year funding plus bonding, the requested amounts shown in the following table, which include standard budget adjustments of -\$177,700 SEG and -\$167,800 FED annually (shown in a separate item), represent a decrease of 15.9% in 2017-18, with an additional decrease of 7.2% for 2018-19.

Fund	2016-17 Base, Plus Bonding	Request	
		2017-18	2018-19
SEG	\$68,411,900	\$27,354,400	\$23,820,900
FED	107,537,000	157,309,900	200,326,200
SEG-S (Revenue Bonds)	66,783,300	82,632,700	70,649,000
Gen. Ob. Bonds (SEG)*	<u>75,000,000</u>	<u>0</u>	<u>0</u>
Total	\$317,732,200	\$267,297,000	\$294,796,100

\*Under Section 9145(1v) of 2015 Act 55, as affected by the Joint Committee on Finance's action in November, 2015, a \$44.8 million reduction in transportation fund-supported, general obligation bonding provided to the major highway development program is required due to actual 2015-16 transportation fund revenues exceeding Act 55 estimates (which reduces the amount shown to \$30.2 million). DOT may submit a request in 2016-17 to replace the bonding reduction with the available transportation fund revenue. This table shows 2015-17 bonding levels for that program prior to any such adjustment.

At the requested 2017-19 level of program funding shown above, the Department indicates that three major highway development projects would have delayed completion dates. Relative to DOT's August, 2016, completion schedules, the five major projects (which were previously delayed under 2015-17 funding levels) are shown in the table below, as affected by the Department's request.

**Anticipated Major Highway Development Project Delays  
Under Department Request (\$562.1 Million in 2017-19)**

<u>Highway</u>	<u>Project Segment</u>	<u>Counties</u>	<u>Completion Delay</u>	<u>Completion Year</u>
USH 10/441	Winnebago CTH CB to Oneida Street	Outagamie, Calumet & Winnebago	No Delay	2020
STH 15	STH 76 to New London	Outagamie	One Year	2022
USH 18/151	Verona Road/Madison Beltline	Dane	Two Years	2021
STH 23	STH 67 to USH 41	Sheboygan & Fond Du Lac	Ongoing Litigation	2023*
I-39/90	Illinois State Line to USH 12/18	Dane & Rock	See Note**	See Note**

\* DOT anticipates a three-year delay to the STH 23 project (completion in 2023) under its request. However, this project is also the subject of ongoing litigation in federal court, which may affect this estimate, irrespective of the level of funding provided.

\*\* DOT indicates that it is not yet known when the beltline highway interchange (BIC) component of the I-39/90 project, which was part of this project's scope at the time of enumeration and is within the project's statutory boundaries, will be completed. The BIC component is no longer included in the current estimate of the total project cost provided to the Transportation Finance Commission (TPC). A separate environmental impact statement is being completed for this project component. Under the Department's request, all other portions of the project would be completed by 2021, according to schedule.

Note: Delay estimates relate to the anticipated completion dates provided by DOT in the August, 2016, report to the TPC.

#### 4. DELETE ENUMERATION OF COMPLETED MAJOR HIGHWAY DEVELOPMENT PROJECTS

Request the deletion of the following four projects from the list of enumerated major highway development projects for which construction has been completed: (a) the USH 53 project in Eau Claire and Chippewa counties; (b) the Rock County transportation plan (the "Janesville bypass project") in Rock County; (c) the STH 64 project from Houlton to New Richmond in St. Croix County; and (d) the USH 12 project (the "Whitewater bypass") in Jefferson and Walworth counties.

#### 5. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS

SEG	- \$2,860,300
FED	94,530,900
Total	\$91,670,600

Request a decrease of \$3,546,900 SEG and an increase of \$59,643,900 FED in 2017-18 and increases of \$686,600 SEG and \$34,887,000 FED in 2018-19 for the southeast Wisconsin freeway megaprojects program. A southeast Wisconsin freeway megaproject is generally defined as an improvement project in the southeast region of the state with an estimated cost exceeding \$625,400,000 (this cost threshold is adjusted annually for inflation). These megaprojects must be enumerated in the statutes prior to construction. Presently, the Zoo Interchange and I-94 North-South freeway projects are the only such projects enumerated. The I-94 East-West project (from 16<sup>th</sup> Street to 70<sup>th</sup> Street in Milwaukee County) would be enumerated under DOT's request as a southeast Wisconsin freeway megaproject. The Department's request would result in a delay in the completion of the north leg of the Zoo Interchange from 2020 to 2022 and would not fund continued work on the I-94 North-South project. While the request would provide funding for the newly enumerated I-94 East-West project (approximately \$30.9 million in the biennium), no other planned, but not enumerated southeast Wisconsin freeway megaprojects would receive funding under the request.

Of the total \$121,943,200 that would be provided for this program under the request, DOT indicates that: (a) \$30,943,200 would be used for initial design and some utility work and real estate acquisitions on the I-94 East-West project; and (b) \$91,000,000 would be used for various highway infrastructure projects in the southeast Wisconsin region, including (1) \$40,600,000 for work on the core of the Zoo Interchange project, (2) an additional \$4,200,000 for real estate acquisition and utility work on the north leg component of that project (the completion of which would be delayed until 2022 under this request), and (3) the remaining \$46,200,000 of the amount requested would be used to fund project work outside of the statutory definition of the Zoo Interchange project's boundaries.

Under current law, the Zoo Interchange project is defined as "all freeways, including related interchange ramps, roadways, and shoulders, and all adjacent frontage roads and collector road systems, encompassing I-94, I-894, and USH 45 in Milwaukee County within the area bordered by I-894/USH 45 at Lincoln Avenue to the south, I-94 at 70<sup>th</sup> Street to the east, I-94 at 124<sup>th</sup> Street to the west, and USH 45 at Burleigh Street to the north." The \$46,200,000 requested for work outside of these boundaries would be used as follows: (a) \$22,600,000 to fund a portion of a state highway rehabilitation project scheduled to occur on I-894 from Lincoln Avenue south to 84<sup>th</sup> Street; and (b) \$23,600,000 associated with the Sunnyslope Road bridge project and an auxiliary lane project to the west of 124<sup>th</sup> Street on I-94. A modification of the southeast

Wisconsin freeway megaprojects program and/or of the Zoo Interchange project's statutory project boundary may be required in order for the Department to use the \$46,200,000 as requested.

## **6. ENUMERATION OF I-94 EAST-WEST PROJECT**

Request the enumeration of the I-94 East-West project (from 16th Street to 70th Street in Milwaukee County) as a southeast Wisconsin freeway megaproject. In the project's September, 2016, federal record of decision, the total, inflation-adjusted cost is estimated at \$1.1 billion. This 3.5 mile project would reconstruct I-94 between the project boundaries (identified above), expanding the existing roadway from six to eight lanes (four in each direction). In addition, related interchange and local road construction would be completed as a part of the project.

Of the Department's 2017-19 request for the southeast Wisconsin freeway megaprojects program, about \$30.9 million would be used to fund initial project design and some utility work and real estate acquisitions.

## **7. CONSTRUCTION MANAGER/GENERAL CONTRACTOR PILOT PROGRAM**

SEG	\$300,000
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Request \$225,000 in 2017-18 and \$75,000 in 2018-19 in the state highway rehabilitation appropriation to fund a pilot program for an alternative state highway project delivery and construction model [construction manager/general contractor (CMGC)].

The Department indicates that the requested funding would be used to hire a consultant with expertise in highway improvement project contracting to work with a Department and construction industry team to facilitate development of the pilot program proposal. The Department is requesting statutory authority to enter into up to three CMGC pilot projects. This authority would extend through the 2019-21 biennia.

Under current law, the Department must award bids to the lowest qualified bidder [often referred to as the design-bid-build (DBB) model]. During the DBB process, the Department may contract with several different design consultants in addition to working with its own staff to develop a design for the bidding process. Instead, through the CMGC model, the Department envisions the following contracting process: (a) the Department would enter into initial contracts with a designer and a contractor; (b) the contractor would act on behalf of the state with the designer during the design process; (c) at a certain point in the design process, the contractor would provide the Department with a proposal that would include a guaranteed maximum price for project delivery; and (d) the Department could choose to accept the contractor's proposal or could instead opt to revert to the DBB process. The Department indicates that the CMGC model may allow for more efficient and/or cost-effective delivery of projects that require specialized equipment or expertise.

## 8. ROUTINE MAINTENANCE PROGRAM

SEG	\$33,733,000
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Request \$15,366,500 in 2017-18 and \$18,366,500 in 2018-19 for routine highway maintenance, which is generally performed by counties under contract with the state. The requested amounts, when added to the 2016-17 adjusted base funding (\$170,000,000), would provide total funding equal to \$185,366,500 in 2017-18 and \$188,366,500 in 2018-19 for this appropriation. Routine maintenance is frequent, of limited scope, carried out on a day-to-day basis, and includes a wide variety of highway-related maintenance activities, such as winter road maintenance and minor road and bridge treatments and repair (grading, crack sealing, and waterborne pavement marking).

The Department indicates that the funding would be used as follows: (a) \$7,791,500 annually to fund a backlog of work as well as maintain a certain level of pavement treatments, such as crack routing and sealing intended to extend the usable life of road surfaces; (b) \$2,000,000 in 2017-18 and \$5,000,000 in 2018-19 for reducing shoulder drop-offs and improving other roadway grade and drainage features; (c) \$5,000,000 annually for waterborne pavement marking (which would fund an additional 87 million feet of waterborne pavement marking per year on state highways); and (d) \$575,000 annually in onetime funding for the replacement of an estimated 23,000 ground and overhead mounted highway signs, which would begin to reduce a backlog of signs needing to be replaced.

## 9. HIGHWAY SYSTEMS MANAGEMENT AND OPERATIONS FUNDING

SEG	\$29,977,000
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Request \$16,000,000 in 2017-18 and \$13,977,000 in 2018-19 for the highway systems management and operations program, which is responsible for a variety of activities related to the upkeep of state highways, highway rights-of-way, and rest areas. The requested amounts, when added to the 2016-17 adjusted base funding (\$84,666,300) and standard budget adjustments (-\$48,900 annually), would provide total funding equal to \$100,617,400 in 2017-18 and \$98,594,400 in 2018-19 for this appropriation. The program is distinct from the state highway maintenance program funding provided for the upkeep of state highways performed by counties under contract with the state.

The request indicates that the funding would be used as follows: (a) \$6,419,000 annually for epoxy paint pavement marking; (b) \$2,946,000 in 2017-18 and \$923,000 in 2018-19 for maintenance and repair of state rest areas and waysides; (c) \$2,500,000 annually to fund half of a system-wide replacement of high pressure sodium lights with light emitting diode (commonly known as "LED" lights); (d) \$2,135,000 annually to replace deteriorated and/obsolete state highway signs; and (e) \$2,000,000 annually to replace the Department's oversize/overweight permitting software system.

Highway systems management and operations program activities include the minor repair of pavements and bridges, winter maintenance (such as snow plowing and ice removal), mowing and vegetation management, and the maintenance of highway rest areas and waysides. A separate component of the program is also responsible for the installation, repair, and maintenance of signs, highway lighting, pavement marking, and traffic signals, as well as for

some limited emergency or corrective maintenance activities (generally performed by private contractors).

In addition, request a statutory modification that would repeal a prohibition on the use of the state, federal, and local highway system management and operations appropriations to fund routine maintenance activities performed by counties or municipalities under contract with the state. This prohibition was created under the 2013-15 biennial budget (Act 20), which also modified the appropriation structure for the state highway maintenance program and created two, separate programs and appropriations structures to replace the single program that had funded the principal activities of the highway maintenance, repair, and traffic operations program. Under this modified structure, the appropriations for the highway system management and operations program fund the more limited set of activities described above, while the routine maintenance program funds a larger scope of maintenance work done by counties on state highways under contract with the state. The request indicates that this modification would again allow the Department the flexibility to fund the routine maintenance activities performed by counties on state highways from the highway system management and operations program appropriations.

**10. INTELLIGENT TRAFFIC SYSTEMS AND TRAFFIC CONTROL SIGNALS**

FED	\$6,000,000
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Request \$3,000,000 annually to fund the installation, replacement, or rehabilitation of traffic control signals and intelligent transportation systems (a broad set of technologies and equipment related to traffic management). The requested amounts, when added to the 2016-17 adjusted base funding for this purpose (\$10,000,000 SEG), would provide total resources equal to \$13,000,000 annually. In addition, request the following statutory modifications to the existing SEG, FED, and local appropriations language: (a) repeal the statutory requirement that no moneys may be encumbered from the state and federal appropriation accounts for intelligent traffic systems and traffic control signals after June 30, 2019; and (b) expand the eligible uses of the funds in these accounts to include the installation, replacement, and rehabilitation of highway lighting.

**11. WEIGHT ALLOWANCES FOR THE TRANSPORTATION OF MILK PRODUCTS**

Request the following statutory modifications in order to conform with federal law changes relating to the transportation of milk products: (a) increase the existing weight exemption for vehicles combinations transporting milk and dairy products without a permit from 21,000 pounds to 21,500 pounds for an one axle, and, for groups of three or more consecutive axes more than nine feet apart, from 2,000 pounds to 4,000 pounds; and (b) create an overweight, multiple trip permit for the bulk transportation of "fluid milk products," which the FAST Act reclassified as a "non-divisible load" (which is defined as a load that cannot be easily dismantled or divided).

## **12. OVERSIZE/OVERWEIGHT PERMITS RELATED TO GARBAGE, REFUSE, AND SCRAP**

Request modification of the authorizing statutes relating to the issuance of an oversize/overweight vehicle permit for the transportation of garbage, refuse, and scrap, so as to group the definitions and requirements related to scrap and refuse together, and separate from those that relate to garbage. Modify the statutory reference to scrap to instead refer to recyclable scrap and define recyclable scrap to be waste material from a manufacturing or commercial processing facility being transported to a second user, where the waste material will have a beneficial use or application. In addition, request the establishment of a maximum gross vehicle weight for transportation of recyclable scrap or refuse of 120,000 pounds. Under current law, the authorizing statute for issuing an oversize/overweight garbage or refuse transportation permits requires that both of these material types be transported in self-compactor equipped vehicles, whereas vehicles transporting scrap for recycling or processing do not have to be equipped in this manner. DOT indicates that this change would allow vehicles transporting refuse (which includes materials such as paper, wood, metal, and glass) to be hauled without the use of a self-compactor.

## **13. WEIGHT CHANGES INVOLVING IDLE REDUCTION TECHNOLOGY AND NATURAL GAS POWERED VEHICLES**

Request the following statutory modifications to certain vehicle weight allowances to reflect federal law changes: (a) increase the truck weight exemption for idle reduction technology from 400 pounds per axle to 550 pounds per axle; and (b) create an allowance of up to 2,000 pounds for natural gas powered vehicles for the portion of that allowance that is attributable to the natural gas tank and fueling system carried by that vehicle.

## **14. SPECIFIC INFORMATION SIGN PROGRAM UPDATE**

Request the following modifications of statutes related to the specific sign program, which is the Department's program for providing blue and white traveler services signs on interstate highways and expressways: (a) make a number of corrections, additions, and deletions from the designated list of highways on which such signs may be erected; (b) eliminate the requirement that businesses listed on such signs must be open at least five days a week and be open for service no later than 10 am and close no earlier than 7 pm on those days; (c) eliminate the requirement that such signs be lighted as a result of advances in retroreflective material used on signs; and (d) modify the statutory provisions that specify the total number of such signs that are allowable at intersections and interchanges, by changing the total from four signs per category of motorist service to four signs in total (which would conform with federal highway administration standards). DOT indicates that the modification described under (d) would correct an inadvertent statutory change made under 2015 Act 360.

## Motor Vehicles

### 1. LICENSE PLATE REISSUANCE CYCLE

SEG	\$2,236,300
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Request \$961,100 in 2017-18 and \$1,275,200 in 2018-19 to establish a base funding level to fund an ongoing reissuance cycle to replace aging vehicle license plates. Currently, the Division of Motor Vehicles (DMV) reissues plates only as customers request them, with other replacements done as the availability of funding allows. DOT estimates that about 1.6 million plates issued between 2000 and 2006 are still in use. The request indicates that the industry standard for license plate replacement is a 10-year cycle. Badger State Industries produces license plates for the Department at a per-unit cost of \$5.82 (including related postal costs). Based on this average cost, the requested funding would allow for the replacement of about 384,200 license plates in the biennium.

### 2. POSTAGE INCREASE

SEG	\$1,935,400
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Request \$1,021,900 in 2017-18 and \$913,500 in 2018-19 to fund increased postage costs in DMV. The amounts requested reflect the Department's estimated budget shortfall for postage in the next biennium resulting from increased mail volume, changes to United States Postal Service products and pricing, and inflation since the Division's last budget increase for postage in 2002-03. Increased funding for this purpose was requested but not provided in 2015-17.

### 3. IDENTIFICATION CARD FOR VOTING PURPOSES

SEG-REV	\$969,800
SEG	164,200

Request \$164,200 in 2017-18 to fund the information technology changes that would be required to produce an identification card marked as for "Voting Purposes Only." Estimate transportation fund revenue equal to \$194,000 in 2017-18 and \$775,800 in 2018-19 to reflect the Department's estimate of the number of individuals who, under this proposed policy change, would likely request a for-fee identification card that could be used for purposes other than, or in addition to, voting.

Under current law, DOT is required to issue an identification card at no charge to an applicant who is a U.S. citizen and who will be at least 18 years of age on the date of the next election, when the applicant requests that the identification card be provided without charge for the purpose of voting. By statute, the Department also issues a small number of identification card at no cost in certain instances if a driver surrenders their license for health-related reasons.

In all other instances, the cost for an original, renewal, or reinstatement identification card issued by DMV is \$28 (\$18 for the card itself and \$10 for issuance of the card). The fee for identification card duplication is \$16 (\$6 for the card itself and \$10 for issuance of the card).

The request indicates that slightly less than 83% of all identification cards issued by DOT in 2014-15 were issued at no charge for the purposes of voting. If identification cards issued for

voting purposes would be marked as described in the Department's request, DOT assumes that 30% of these identification card applicants would pay for an identification card in order to use it for purposes other than, or in addition to, voting. Estimated revenue is lower in the first year because DOT indicates that the proposed modification would require nine months to implement.

#### **4. IT EQUIPMENT REPLACEMENT**

SEG	\$892,600
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Request \$446,300 annually to fund an ongoing replacement of various DMV information technology (IT) equipment, including credit card pin pads, testing equipment, scanners, and personal computers that have exceeded their useful life. The Division currently estimates that it needs to replace about 3,000 such items at an estimated cost of \$2.2 million. DOT indicates that the replacement of this equipment occurs due to several factors, including the Department's administrative practice of replacing certain IT equipment on regular cycles, as well as federal requirements related to equipment replacement.

#### **5. VERIFICATION SYSTEM FEES**

SEG	\$780,900
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Request \$386,700 in 2017-18 and \$394,200 in 2018-19 for the fees paid by the Department for access to electronic verification systems used in the processing of driver license and identification card applications by DMV. These systems are used to verify immigration status, passport information, and vital records in other states, as a part of the state's compliance with the REAL ID Act of 2005, which generally requires states to standardize and enhance certain driver license and identification card application practices and products. Federal grants that had been used to cover the cost of accessing these systems have or will expire. As a result, DOT will be required to pay the costs associated with the use of these systems in 2017-19. The amount requested reflects DOT's estimate of these costs.

#### **6. ELIMINATE IN-PERSON ADMINISTRATIVE SUSPENSION HEARING**

Request the elimination of the optional, in-person administrative review of suspension of operating privileges, which occurs when a person is arrested for operating a motor vehicle with a prohibited blood alcohol concentration, submits to chemical testing, and fails the test. If conducted in person, such hearings occur at the DMV service center in the county in which the offense allegedly occurred. The scope of an administrative review hearing is limited to: (a) correcting the identity of the person charged (if necessary); (b) establishing whether the person was informed of options regarding testing and whether the tests were conducted in accordance with state law; (c) establishing whether the person had a prohibited blood alcohol concentration or a detectable amount of a restricted controlled substance in their blood at the time of the alleged offense; (d) establishing if the person was operating a commercial motor vehicle at the time of the alleged offense; and (e) establishing whether the person had a valid prescription for the substances found in their blood in accordance with state law. DOT indicates that DMV would continue to conduct these administrative suspension review hearings through review of written documentation or telephone conferences. In calendar year 2015, DMV conducted 3,966 such

hearings, with 3,188 conducted via telephone or record reviews (80.4%) and 778 conducted through in-person hearings (19.6%).

## **7. THIRD-PARTY SKILLS TEST WAIVER PILOT PROGRAM**

Request the creation of a pilot program to evaluate waiving the skills test for a regular driver license for graduates of a licensed driver training school. In addition, request an audit requirement for drivers who receive a license through a waiver of the skills test under this pilot program. DOT indicates it would use the results of the pilot program and audit to evaluate the viability of waiving the skills test requirement for regular driver license applicants who are graduates of a licensed driver training school.

## **8. ALTERNATE REGISTRATION PROGRAM FOR CERTAIN PUBLIC VEHICLES**

Request authority that clarifies that DOT, on certain publically-owned vehicles, would be allowed to issue license plates and register these vehicles to fictitious names and addresses on all departmental records subject to public disclosure if the vehicles are engaged in confidential, investigative, or undercover law enforcement work. This modification would clarify DOT's authority to carry out these actions. DMV has issued approximately 2,000 plates for these purposes since the program's inception.

## **9. ELIMINATION OF SAFETY RESPONSIBILITY LAW**

Request the elimination of the "safety responsibility law," which was intended to create an incentive for motor vehicle operators to carry liability insurance. Because of the subsequent statutory requirement, effective June 1, 2010, that motor vehicle operators carry liability insurance, DOT indicates that the safety responsibility law is no longer necessary. Under the safety responsibility law, a person's operating privilege and vehicle registration may be suspended for one year for failure to pay accident damages. DMV initiates the safety responsibility law process upon receipt of an accident report (for accidents over \$1,000 in damages) and an evaluation of motor vehicle, property, or injury damage. Persons who receive such a notice must do one of the following to avoid suspension: (a) file proof that liability insurance was in effect at the time of the accident; (b) deposit security in the amount necessary to cover possible judgements arising out of the accident; (c) submit evidence that the parties involved have settled the damage claims directly; or (d) request an administrative hearing if they believe they are not at fault or if the damage amount claimed is believed to be incorrect.

However, 2009 Act 28 established the requirement that operators of motor vehicles in Wisconsin carry liability insurance or a certificate of self-insurance while operating a motor vehicle, with minimum liability coverage equal to the following: (a) \$25,000 for injury or death of one person; (b) \$50,000 for injury or death of two or more people; and (c) \$10,000 for property damage. Persons involved an accident may also file a civil suit through formal court proceedings, which may also result in suspension of operating privileges or vehicle registrations. If a court's civil damage judgement arising out of a motor vehicle accident is \$500 or more, state

law requires the suspension of operating and registration privileges for five years from the court date or until one of the following documents is filed with DMV: (a) a private installment agreement between the plaintiff or their attorney and the defendant to pay the damages; (b) a court-ordered installment agreement which is signed by a judge and certified to DMV; (c) a satisfaction of judgement, which is a court stamped or certified document that notes the damage judgement has been paid in-full; or (d) a certified copy of the bankruptcy petition, which has the date filed and court case number included.

In 2009, there were 109,991 reportable accidents, of which 7,442 involved suspensions under the safety responsibility law. Subsequently, the number of such suspensions has declined in each year and by an average of -17.5% per year. In 2014, of the total 119,736 reportable accidents, only 2,840 involved suspensions under the safety responsibility law.

#### **10. TRANSFER OF INTRASTATE MOTOR CARRIER OPERATING AUTHORITY TO HEIRS**

Request a statutory modification that would allow the Department, upon the death of a holder of a motor carrier operating certificate, to permanently transfer to their personal representative, heirs, or surviving spouse, the deceased's for-hire motor carrier operating authority. A motor carrier operating certificate is required of any person who undertakes for hire transport of passengers or property on public highways. Current law allows for a temporary transfer of this authority for a period of up to two years. A one-time fee of \$500 is required to obtain a new certificate of operating authority, but would not be required for permanent transfers that would occur under the request. However, if enacted, DOT indicates that the request would have a limited effect on transportation fund revenues.

#### **11. INCREASE THRESHOLD FOR REPORTING PROPERTY DAMAGE CLAIMS**

Request an increase of \$500 to the statutory thresholds for reporting property damage motor vehicle crashes, the deposit of security for past crashes, and the suspension for failure to deposit security, from \$1,000 to \$1,500. DOT indicates that these new thresholds, which would equal those currently in place in the states of Iowa and Illinois, and would equate approximately to the inflationary change since the thresholds were last increased by the State of Wisconsin in 1996.

#### **12. DMV METHOD OF CORRESPONDENCE**

Request permissive authority that would allow DMV to notify and correspond with citizens electronically rather than by mail. DOT indicates that DMV does not intend to substitute electronic communication for all of the various notices that are currently mailed.

## State Patrol

### 1. IN-VEHICLE VIDEO CAMERA REPLACEMENT

SEG	\$2,777,200
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Request \$1,388,600 annually for the replacement of approximately 500 in-vehicle video cameras and to fund costs associated with the wireless, remote storage of data produced by these cameras. The Department indicates that the existing cameras, which were purchased between 2006 and 2008, are technologically outdated and in need of frequent repair. The cameras would be purchased through a three-year master lease. The current in-vehicle camera system uses flash memory cards that must be removed by officers and downloaded for evidentiary purposes. The cameras that would be purchased under the request use a wireless connection to store captured data remotely. In addition, DOT indicates the new cameras would provide improved video and audio quality, as well as an additional, rear-facing view (current cameras only provide front-facing and in-cabin views).

### 2. TACTICAL VESTS AND HELMETS

SEG	\$446,400
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Request \$223,200 annually for the purchase of 500 Level IV tactical vests and helmets, which are used to protect against certain high-caliber, high-velocity bullets (those used in common sporting rifles, such as the 30-06), as well as some armor-piercing rounds. The estimated, per-unit purchase price is \$400 per helmet and \$1,200 per vest. The units would be purchased with a four-year master lease, which, with interest, would cost \$892,800 over the period of the lease. The Department currently provides officers with lower level protection body armor that protects against common handgun rounds, such as 9mm and .357 rounds. Officers may purchase their own body armor, if a higher level of protection is desired. DOT's request indicates a concern that officers may encounter an increasing number of incidents in which rifles, rather than handguns, are being used by shooters, and that the current body armor offered by the Department may not provide adequate protection in these situations.

### 3. PRIVATE SALVAGE VEHICLE INSPECTIONS

SEG-REV	-\$282,600
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Request a statutory modification that would allow a private sector inspector to charge a fee for their inspection of a salvage vehicle as a part of the titling and registration process. DOT currently preforms these inspections and assesses a fee to do so. The fee for the private inspection service would be determined by the inspectors offering this service, while the fee for departmental inspection would remain at its current \$80 amount. DOT indicates that if this modification would be enacted, the Department would amend its administrative rules to define a criteria and process for certifying private inspectors to perform this function. The Department indicates that its estimated annual expenditures associated with these inspections are currently \$301,500, while the related, annual revenue is only \$235,500. DOT estimates that if this authority is provided, 60% of salvage vehicle owners will opt to use private inspections during

the titling and registration process. Therefore, the Department estimates a reduction of \$141,300 in transportation fund revenue annually associated with this statutory modification.

#### **4. INCREASING FORFEITURE FOR FAILURE TO USE SEAT BELTS**

Request an increase in the forfeiture for not wearing a seat belt from \$10 to \$25. Eliminate the range of forfeitures, currently from \$10 to \$25, for failure to properly secure a child who is at least four years old, but younger than eight years old. Instead, request that the forfeiture for failure to properly secure such a child be equal to \$25.

Unlike other forfeitures, a violation for failure to wear a seat belt, except for violations related to child safety, is not subject to payment of court costs and other assessments that apply to most traffic violations. The Department's request would also modify the statutes such that all court costs and fees that apply to most traffic violations would also apply to the violation for failure to wear a seat belt. Any additional revenue resulting from the increase of these forfeiture amounts would be deposited to the common school fund.

#### **5. INCREASING FORFEITURE FOR INATTENTIVE DRIVING AND TEXTING AND DRIVING**

Request an increase in the minimum forfeiture for inattentive driving, and for composing or sending an electronic text or mail message while driving, from \$20 to \$100. The request indicates that inattentive driving results in an estimated 21,900 crashes annually and that enforcement of laws prohibiting inattentive and distracted driving is becoming a greater priority for the Department and law enforcement agencies in the state. Any additional revenue resulting from the increase of these forfeiture amounts would be deposited to the common school fund.

#### **6. RADIOLOGICAL MATERIAL SHIPMENT PERMITS**

Request statutory modifications that would do the following: (a) redirect the deposit of the permit fees for the transportation of radiological materials from the program revenue appropriation for escort, security and traffic enforcement to the transportation fund and delete the related statutory references; and (b) modify the general provisions relating to permits for vehicles and loads of excessive size and weight to include a specific reference to shipments of radiological material as covered by vehicle escort permitting requirements. Under current law, transportation of radiological materials in Wisconsin requires a state patrol escort and a fee of \$1,800, which is intended to cover the state's cost of providing escort services. Currently, any surplus revenue from this fee remains in the program revenue appropriation account. Under the proposed modification, all revenues from the fee would be available in the transportation fund and it appears that the costs of escorting vehicles transporting radiological materials would be paid from other vehicle escort revenue sources deposited to the existing PR appropriation.

**7. COMMERCIAL DRIVER LICENSE UNIFORMITY/ELIMINATION OF "REGISTERED WEIGHT" PROVISION**

Eliminate the term "registered weight" from certain sections of the statutes in order to conform with federal code relating to the regulation of commercial motor vehicles, which only uses the terms "gross vehicle weight rating" or "gross vehicle weight" determining the applicability of commercial driver license (CDL) requirements to motor vehicle operators. Under current law, in order to determine the applicability of CDL statutes, State Patrol must use a vehicle's "registered weight," if it is greater than the gross vehicle weight rating or the gross vehicle weight. DOT indicates that the intent of this modification is to create consistency between the definitions used by the Federal Motor Carrier Safety Administration and State Patrol in determining the applicability of CDL requirements to vehicle operators. The Department notes that this would provide uniformity for interstate and intrastate motor carriers in determining whether a motor vehicle is subject to these CDL requirements.

**8. STATE PATROL IT SUPPORT REIMBURSEMENT**

Request the statutory authority to collect funds from local agencies to cover the technical support costs associated with these agencies' use of State Patrol's Mobile Architecture and Communications Handling (MACH) program. This law enforcement software provides users with instant messaging, group chat, file sharing, and allows remote access to certain law enforcement systems, the use of electronic forms (such as citations), and in some cases, computer-aided dispatch. Currently, 157 public agencies and 3,137 employees outside of State Patrol use MACH, with an additional 28 law enforcement agencies awaiting implementation. The Department has the authority to charge local governments for use of its radio systems. This request would provide the Department with a similar authority relative to local governments' use of its MACH program.

**Departmentwide**

**1. STANDARD BUDGET ADJUSTMENTS**

Request adjustments to the base budget for: (a) turnover reduction (-\$4,491,300 SEG and -\$1,389,200 FED annually); (b) removal of noncontinuing elements from the base (-1.0 FED position annually); (c) full funding of continuing position salaries and fringe benefits (\$957,400 SEG, -\$138,300 FED, -\$19,900 SEG-S and -\$77,400 PR annually); (d) overtime (\$2,870,400 SEG, \$773,000 FED, and \$166,500 PR annually); (e) night and weekend salary differential (\$258,400 SEG and \$13,500 FED annually); (f) reclassifications and semiautomatic pay progression (\$4,600 PR in 2017-18 and \$13,900 PR in 2018-19); and (g)

	<b>Funding</b>	<b>Positions</b>
SEG	\$1,628,500	0.00
FED	- 1,482,000	- 1.00
SEG-S	- 39,800	0.00
PR	<u>196,700</u>	<u>0.00</u>
Total	\$303,400	- 1.00

full funding of lease costs and directed moves (\$1,782,300 SEG in 2017-18 and \$656,400 SEG in 2018-19).

## 2. FEDERAL AID REESTIMATES

FED	- \$33,136,400
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Request a decrease of \$16,988,400 in 2017-18 and \$16,148,000 in 2018-19 to reflect a reestimate of federal transportation aid in the biennium, excluding federal highway aid. Adjust the federal appropriations for the following purposes to reflect the reestimated federal aid amounts: (a) -\$15,563,200 annually for aeronautics assistance; (b) -\$1,719,500 in 2017-18 and -\$1,634,500 in 2018-19 for vehicle inspection and traffic enforcement; (c) -\$917,700 in 2017-18 and -\$858,900 in 2018-19 for seniors and individuals with disabilities aids; (d) -\$383,400 in 2017-18 and -\$248,700 for highway safety, local assistance; (e) -\$94,100 in 2017-18 and \$308,600 in 2018-19 for transit and other transportation-related aids; (f) -\$40,000 annually for rail service assistance; (g) -\$237,100 in 2017-18 and -\$136,500 in 2018-19 for transportation safety; (h) \$8,100 in 2017-18 and \$14,100 in 2018-19 for transit safety oversight; (i) \$104,400 in 2017-18 and \$133,100 in 2018-19 for departmental management and operations; (j) \$920,800 annually for state highway rehabilitation; and (k) \$933,300 in 2017-18 and \$957,200 in 2018-19 for vehicle registration and driver licensing.

## 3. PROGRAM REVENUE CONTINUING APPROPRIATION REESTIMATES

PR	\$8,739,600
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Request \$4,522,200 in 2017-18 and \$4,217,400 in 2018-19 to reflect reestimates of revenues to the following the PR continuing appropriations: (a) license plate revenue distributions for professional football stadium maintenance and operating costs (\$450,000 annually); (b) child abuse and neglect prevention (\$125,000 annually); (c) railroad crossing protection installation and maintenance (\$34,500 annually); (d) surveying reference station system (\$120,000 in 2018-19); (e) supplement from sponsorship (\$10,500 annually); (f) damage claims (\$1,574,700 in 2017-18 and \$1,533,800 in 2018-19); (g) utility facilities within highway rights-of-way (\$279,700 annually); (h) repaired salvage vehicle examinations (\$145,900 annually); (i) public safety radio management, service funds (\$535,000 annually); (j) convenience fees (\$218,400 in 2017-18 and \$118,400 in 2018-19); (k) escort, security and traffic enforcement services (\$50,900 in 2017-18 and \$29,000 in 2018-19); (l) chemical testing training and services (\$269,400 annually); (m) public safety radio management, state funds (\$160,900 in 2017-18 and \$138,900 in 2018-19); (n) safe-ride grant program (\$401,400 in 2017-18 and \$161,400 in 2018-19); (o) license plate revenue distributions to the Wisconsin Lions Foundation (\$7,000 annually); (p) motorcycle safety program supplement (\$38,300 annually); (q) license plate revenue distributions for baseball plate licensing fees (\$5,000 annually); (r) license plate revenue distributions for certain special plates (\$5,000 annually); (s) license plate revenue distributions to Boy Scouts of America National Foundation (\$5,000 annually); (t) license plate revenue distributions to Whitetails Unlimited (\$5,000 annually); (u) license plate revenue distributions to Wisconsin Rocky Mountain Elk Foundation (\$5,000 annually); (v) license plate revenue distributions to Wisconsin Organization of Nurse Executives (\$5,000 annually); (w) license plate revenue distributions to the Milwaukee Bucks Foundation (\$5,000 annually); (x)

license plate revenue distributions to Midwest Athletes Against Childhood Cancer (\$5,000 annually); and (y) traffic academy tuition payments (\$180,600 annually).

**4. FACILITIES MAINTENANCE FUNDING**

SEG	\$1,600,000
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Request \$800,000 annually to provide additional facilities operations and maintenance funding for the 257 facilities owned, leased, and managed by the Department (such as DMV service centers, regional office buildings, and highway maintenance buildings). DOT indicates that half of the amount requested would be used for functions such as carpet cleaning, pest control, janitorial services, and snow removal, while the remaining half would be used for maintenance and repair of water heaters, boilers, air conditioning and ventilation equipment, flooring, and lighting.

**5. FEDERAL AND STATE RELOCATION PROGRAM COMPLIANCE**

Request modifications of state eminent domain law such that state law would conform to the federal Uniform Relocation and Real Property Acquisition Act of 1970, as amended, and the related federal administrative code. The request would retain certain Wisconsin-specific provisions in state law. DOT indicates that federal relocation requirements and state law requirements have become increasingly divergent. In particular, a recent federal transportation reauthorization act allows the U.S. DOT to revise federal rules and benefits for inflation of costs associated with relocations without federal legislative approval. The proposed changes to state laws will allow the state to remain consistent with these federal rules while retaining the portions of state law that are more specific to Wisconsin.

**6. INTERNAL REORGANIZATION POSITION REALIGNMENT**

Request the following transfer of 1.23 positions from DMV to reflect internal departmental reorganizations: (a) 1.00 DOT supervisor position to the Office of Public Affairs; and (b) 0.23 position to the Division of Business Management.

**2015 Act 201 Plans**

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>Base Level Plan</b>			
<i>State Highway Improvement Program</i>			
1. State highway rehabilitation	SEG	\$536,900	\$536,900
2. Major highway development	SEG	97,000	97,000
3. Administration and planning	SEG	89,000	89,000
4. Major highway development	SEG-S	34,400	34,400
5. Southeast WI freeway megaprojects	SEG	18,100	18,100
<i>State Highway Maintenance Program</i>			
6. Highway system management and operations	SEG	-6,300	-6,300
<i>Division of Motor Vehicles</i>			
7. Vehicle registration, inspection. & maintenance, driver licensing & aircraft registration	SEG	868,700	868,700
<i>State Patrol</i>			
8. Chemical testing training and services	PR	40,500	40,500
9. Public safety radio management	PR	4,800	4,800
10. Transportation safety	SEG	-45,000	-45,000
11. Escort, security and traffic enforcement services	PR	-139,000	-139,000
12. Vehicle inspection, traffic enforcement and radio management	SEG	-2,494,700	-2,494,700
<i>Departmentwide</i>			
13. Departmental management and operations	SEG	998,800	998,800
14. Fleet operations	SEG	15,400	15,400
15. Data processing services	SEG-S	4,500	4,500
16. Demand management	SEG	<u>-23,100</u>	<u>-23,100</u>
Total		\$0	\$0
	PR	(-\$93,700)	(-\$93,700)
	SEG	(\$54,800)	(\$54,800)
	SEG-S	(\$38,900)	(\$38,900)

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
<i>State Highway Improvement Program</i>			
1. State highway rehabilitation project delays	SEG	-\$20,744,900	-\$20,049,300
2. Major highway development project delays	SEG	-4,864,500	-4,864,500
3. Major highway development project delays	SEG-S	-3,332,500	-3,332,500
4. Southeast Wisconsin freeway megaproject delays	SEG	-1,067,600	-1,067,600
<i>State Highway Maintenance Program</i>			
5. Reduce funding for routine state highway maintenance performed by counties	SEG	-8,500,000	-8,500,000
6. Constrain salt purchases, reduce funding for pavement marking, rest areas, waysides, and the state traffic operations center.	SEG	-4,220,500	-4,220,500
7. Reduce maintenance, repair, and replacement of intelligent traffic signals, devices, and ramp meters	SEG	-500,000	-500,000
8. Eliminate tribal transportation safety program, reduce state highway map printing and distribution, defer facilities costs.	SEG	-367,900	-367,900
9. Prorate funding for state-owned lift bridge operations by counties and local governments	SEG	-119,000	-119,000
<i>Division of Motor Vehicles</i>			
10. Modify statutes to require one license plate instead of two, eliminate registration renewal notices, reduce IT contract work, and eliminate travel location services	SEG	-1,819,800	-2,515,300
<i>State Patrol</i>			
11. Eliminate 2018 recruitment class and hold 22 positions vacant	SEG	-1,417,300	-1,417,300
12. Reduce motorcycle education enrollments	SEG	-150,000	-150,000
<i>Departmentwide</i>			
13. Reduce LTE salaries, travel, training, contractual services, and data processing	SEG	-1,684,300	-1,684,300
14. Reduce facilities projects	SEG-S	<u>-297,000</u>	<u>-297,000</u>
Total		-\$49,085,300	-\$49,085,200
	SEG	(-\$45,455,800)	(-\$45,455,700)
	SEG-S	(-\$3,629,500)	(-\$3,629,500)

## UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$1,056,970,200	\$1,067,470,200	\$1,088,970,200	\$42,500,000	2.0%	18,035.88	17,813.49	17,813.49	- 222.39	- 1.2%
FED	1,817,878,700	1,817,878,700	1,817,878,700	0	0.0	5,483.03	5,483.03	5,483.03	0.00	0.0
PR	3,192,840,200	3,276,798,500	3,276,798,500	167,916,600	2.6	11,744.83	11,904.05	11,904.05	159.22	1.4
SEG	<u>29,762,500</u>	<u>29,762,500</u>	<u>29,762,500</u>	<u>0</u>	0.0	<u>137.12</u>	<u>137.12</u>	<u>137.12</u>	<u>0.00</u>	0.0
TOTAL	\$6,097,451,600	\$6,191,909,900	\$6,213,409,900	\$210,416,600	1.7%	35,400.86	35,337.69	35,337.69	- 63.17	- 0.2%

### Major Request Items

#### 1. FOCUS ON THE EDUCATIONAL PIPELINE

GPR	\$26,100,000
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Request \$6,000,000 in 2017-18 and \$20,100,000 in 2018-19 to: (a) increase the number of courses offered in high schools for which students can receive college credit (\$5,400,000 in 2018-19); (b) enhance academic, career, and financial advising and improve, and create alternatives to, developmental education (\$1,000,000 in 2017-18 and \$3,000,000 in 2018-19); (c) make credit transfer information available on mobile devices and add additional institutions to the credit transfer database (\$1,000,000 in 2018-19); (d) provide financial aid to students enrolled less than half-time (\$700,000 in 2018-19); and (e) fund institutional initiatives that seek to address the state's workforce needs (\$5,000,000 in 2017-18 and \$10,000,000 in 2018-19).

#### 2. FOCUS ON THE UNIVERSITY EXPERIENCE

GPR	\$6,000,000
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Request \$2,000,000 in 2017-18 and \$4,000,000 in 2018-19 to: (a) provide resources for professional development and support internships, undergraduate research, service learning, capstone projects, and collaborative learning; (b) develop a curriculum for cultural fluency education, evaluate programming, and create learning communities and opportunities for diverse dialogue; (c) provide professional development opportunities to promote creativity and innovation within the University and communities; (d) encourage and reward innovation through basic and applied research; and (e) connect students to technology transfer resources.

#### 3. FOCUS ON BUSINESS AND COMMUNITY MOBILIZATION

GPR	\$6,400,000
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Request \$2,500,000 in 2017-18 and \$3,900,000 in 2018-19 to: (a) expand a program in which faculty and students from a UW institution partner with a designated community on

specific projects for an academic year; (b) increase the number of medical, nursing, and allied health professionals, especially in rural and underserved areas; (c) further develop a web-based portal designed to connect Wisconsin employers with UW students; and (d) convene listening and engagement sessions to identify the most pressing challenges in the state.

**4. FOCUS ON OPERATIONAL EXCELLENCE**

GPR	\$4,000,000
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Request \$4,000,000 in 2018-19 to incentivize each UW institution to maintain current levels of accountability and address performance areas where resources are needed.

**5. REDUCE GPR-FUNDED UNIVERSITY STAFF POSITIONS**

	<b>Positions</b>
GPR	- 222.39

Request that the number of authorized university staff positions be reduced by 222.39 beginning in 2017-18. UW institutions have reduced the number of filled university staff positions due to the \$125 million GPR annual base budget reduction included in 2015 Act 55.

The Board of Regents and the UW-Madison Chancellor have the authority to create and abolish GPR-funded faculty and academic staff positions, but not GPR-funded university staff positions. In addition to the university staff positions which would be deleted by this item, the Board and the Chancellor have already deleted 396.88 GPR-funded faculty and academic staff positions due to the \$125 million GPR annual base budget reduction included in 2015 Act 55.

**6. REESTIMATE TUITION REVENUES**

	<b>Funding</b>	<b>Positions</b>
PR	\$167,916,600	159.22

Request an increase of \$83,958,300 annually and 159.22 FTE positions beginning in 2017-18 to reflect increases in tuition revenues that have been incorporated into UW System's operating budget since 2014. These increases are attributable to the following: (a) changes in enrollment (\$9,659,000); (b) self-supporting programs (\$15,970,400); (c) differential tuition increases (\$5,869,700); and (d) increases in nonresident and graduate tuition (\$52,549,200). Tuition revenues are deposited in the UW System's PR general program operations appropriation. That appropriation is an all-moneys-received appropriation meaning that the UW System can expend all moneys deposited in the appropriation regardless of the amount shown in the appropriation schedule. In addition, the Board of Regents and the UW-Madison Chancellor may create or abolish positions funded with tuition revenue without the approval of the Legislature or the Joint Finance Committee.

**7. CAPITAL PLANNING AND BUDGET OPERATIONAL FLEXIBILITIES**

Request authority for the Board of Regents to issue revenue bonds to fund program revenue supported capital projects. Under this proposal, the Board of Regents would require approval from the State Building Commission prior to issuing any revenue bonds and the total amount of bonds issued would be limited to \$299,443,000. A separate fund outside the state

treasury would be established for program revenues pledged for capital projects and to make interest and principal payments related to the revenue bonds. Statutes would specify that UW revenue bonds are not be debt of the state and the state is not be liable for such bonds.

Request authority for the Board of Regents to approve and manage capital projects funded entirely with revenue bonds issued by the Board, program revenue cash, gifts and grants, other non-GPR funds, or a combination thereof. Authorize the Board of Regents to employ engineering, architectural, or allied services and to expend money for construction purposes for any project managed and overseen by the Board. Require the Board to adopt policies and procedures for the bidding of such projects.

Under current law, UW capital projects that are funded entirely by gifts and grants and let through single prime contracting do not require prior approval by the State Building Commission and are not managed by the Department of Administration. All other UW capital projects with costs of more than \$185,000 require prior approval by the State Building Commission and are managed by the Department of Administration.

## **8. PROCUREMENT OPERATIONAL FLEXIBILITIES**

Request the following statutory language changes related to the procurement of goods and services by the Board of Regents:

- a. Authorize the Board of Regents to purchase information technology, supplies, equipment, or contractual services.
- b. Increase the threshold at which a formal sealed bid process is required for the procurement of goods and services from \$50,000 to \$150,000 for the UW System.
- c. Permit the Governor to delegate authority to approve sole source contracts below \$150,000 to the Board of Regents. Under current law, the Governor must approve sole source contracts above \$25,000 for all state agencies.
- d. Exempt the UW System from performing cost benefit analysis for the procurement of services over \$50,000 that must be competitively bid and exempt the UW System from conducting periodic reviews of the continued appropriateness of contracting under each contractual services agreement of more than \$50,000.
- e. Permit the UW System to conduct a bid for contractual services or a request for proposals valued over \$50,000 without prior approval from the Department of Administration.
- f. Permit the UW System to purchase from consortium or cooperative agreements without prior approval from the Secretary of the Department of Administration.
- g. Permit the Board of Regents to invite bids or requests for proposals via a website determined by the Board of Regents.

## 2015 Act 201 Plans

		<u>Amount</u>		
		<u>2017-18</u>	<u>2018-19</u>	
<b>Base Level Plan</b>				
<p>The UW System has indicated that continuing base level funding into the 2017-19 biennium would reduce the University's ability to be responsive to the needs of students and staff and to move forward with its "2020 Forward Initiative." The UW System has indicated that funding would be reallocated from each of its appropriations for state operations, excluding federal appropriations and appropriations for debt service, to be responsive to changing programming needs. The UW System did not identify a specific amount that would be reallocated from each appropriation or from each fund source. The UW System also indicated that limiting expenditures to base levels would limit gift and nonfederal grant expenditures and services reimbursed by the University of Wisconsin Hospitals and Clinics Authority.</p>		\$0	\$0	
<b>5% Budget Reduction Plan</b>				
1.	Reducing the UW System's GPR general program operations appropriations would result in a reduction in activities funded by that appropriation. Those activities include instruction, research, public service, student services, academic support, farm operations, physical plant operations, institutional support, and services for students and staff. Such a reduction could also result in fewer class sections being offered and extend time to degree.	GPR	-\$40,845,900	-\$40,845,900
2.	Reducing the GPR appropriation for the State Laboratory of Hygiene would result in a reduction in services provided and general public health support.	GPR	-551,900	-551,900
3.	Reducing the GPR appropriation for the Veterinary Diagnostic Laboratory would result in a reduction in veterinary diagnostic services.	GPR	-248,700	-248,700

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
4. Reducing the UW System's PR general program operations appropriation would result in a reduction in activities funded by that appropriation. Those activities include instruction, research, public service, student services, academic support, farm operations, auxiliary operations, physical plant operations, institutional support, and services for students and staff. As this appropriation includes tuition revenues which are used to fund instruction, such a reduction could also result in fewer class sections being offered and extend time to degree.	PR	-\$121,380,800	-\$121,380,800
5. Reducing the UW System's appropriation for gifts and nonfederal grants and contracts would result in a reduction in activities funded by that appropriation. Those activities include instruction, research, public service, student services, academic support, farm operations, physical plant operations, and institutional support.	PR	-27,535,900	-27,535,900
6. Reducing the PR appropriation for the State Laboratory of Hygiene would result in a reduction in services provided and general public health support.	PR	-1,093,600	-1,093,600
7. Reducing the amount of the driver improvement surcharge that is transferred to the State Laboratory of Hygiene would result in a reduction in services provided and general public health support.	PR	-81,000	-81,000
8. Reducing the PR appropriation for the Veterinary Diagnostic Laboratory would result in a reduction in veterinary diagnostic services.	PR	-197,400	-197,400
9. Reducing the UW System's appropriation for funds transferred from other state agencies would result in a reduction in research, public service, and student services activities and a reduction in services provided to the University of Wisconsin Hospitals and Clinics Authority.	PR	-1,905,400	-1,905,400
10. Reducing the appropriation for funds transferred from other state agencies to the Veterinary Diagnostic Laboratory would result in a reduction in veterinary diagnostic services.	PR	-41,600	-41,600
11. Reducing the amount transferred from the universal service fund to fund telecommunications services at UW institutions would result in a reduction in academic support activities and services provided for students and staff.	SEG	-52,700	-52,700

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
12. Reducing the amount transferred from the critical access hospital fund for the rural residency assistance program would result in a reduction in public service activities.	SEG	-\$37,800	-\$37,800
13. Reducing the UW System's appropriation for trust fund income would reduce its research and public service activities.	SEG	-1,350,800	-1,350,800
Total		-\$195,323,500	-\$195,323,500
	GPR	(-\$41,646,500)	(-\$41,646,500)
	PR	(-\$152,235,700)	(-\$152,235,700)
	SEG	(-\$1,441,300)	(-\$1,441,300)

## VETERANS AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$1,944,600	\$1,944,600	\$1,944,600	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
FED	2,927,900	2,799,400	2,800,700	- 255,700	- 4.4	16.00	16.00	16.00	0.00	0.0
PR	110,048,800	110,005,800	110,168,500	76,700	0.0	1,164.20	1,164.20	1,156.20	- 8.00	- 0.7
SEG	<u>27,784,600</u>	<u>27,759,500</u>	<u>28,057,100</u>	<u>247,400</u>	0.4	<u>114.00</u>	<u>114.00</u>	<u>114.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$142,705,900</b>	<b>\$142,509,300</b>	<b>\$142,970,900</b>	<b>\$68,400</b>	<b>0.0%</b>	<b>1,294.20</b>	<b>1,294.20</b>	<b>1,286.20</b>	<b>- 8.00</b>	<b>- 0.6%</b>

### Major Request Item

#### 1. STANDARD BUDGET ADJUSTMENTS

Request a reduction of \$196,600 (-\$43,000 PR, -\$25,100 SEG and -\$128,500 FED) in 2017-18 and an increase of \$265,000 (\$119,700 PR, \$272,500 SEG and -\$127,200 FED) in 2018-19 and the deletion of 8.0 PR positions, beginning in 2018-19, to reflect the following standard budget adjustments: (a) -\$142,900 PR annually for turnover reduction; (b) -\$4,000,800 PR, \$70,000 SEG, and -\$82,700 FED annually for full funding of continuing position salaries and fringe benefits; (c) \$1,092,500 PR annually for overtime; (d) \$2,191,200 PR annually for night and weekend differential pay; (e) \$674,100 PR, \$47,800 SEG, and -\$45,800 FED in 2017-18 and \$836,800 PR, \$345,400 SEG in 2018-19, and -\$44,500 FED in 2018-19 for full funding of lease and directed move costs; (f) a reduction of 8.0 PR positions, beginning in 2018-19 for the removal of noncontinuing elements from the base; and (g) minor funding and position transfers within appropriations.

	Funding	Positions
PR	\$76,700	0.00
SEG	- 247,400	0.00
FED	<u>- 255,700</u>	<u>- 8.00</u>
<b>Total</b>	<b>\$68,400</b>	<b>- 8.00</b>

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		2017-18	2018-19
<b>5% Budget Reduction Plan</b>			
1. Reduce assisted living program.	PR	-\$2,339,000	-\$2,339,000
2. Separate Wisconsin Veterans Museum from DVA.	GPR	-248,500	-248,500
3. Separate Wisconsin Veterans Museum from DVA.	SEG	-2,657,200	-2,657,200
4. Reduce administrative costs.	SEG	<u>-883,100</u>	<u>-883,100</u>
Total		-\$6,127,800	-\$6,127,800
	GPR	(-\$248,500)	(-\$248,500)
	PR	(-\$2,339,000)	(-\$2,339,000)
	SEG	(-\$3,540,300)	(-\$3,540,300)

## WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary					FTE Position Summary	
	2016-17	<u>Request</u>		2017-19 Change Over		There are no authorized state positions for the Wisconsin Economic Development Corporation.
Fund	Adjusted Base	2017-18	2018-19	Base Year Doubled	Amount	
				%		
GPR	\$12,474,700	\$12,474,700	\$12,474,700	\$0	0.0%	
SEG	<u>22,776,000</u>	<u>22,776,000</u>	<u>22,776,000</u>	<u>0</u>	0.0	
TOTAL	\$35,250,700	\$35,250,700	\$35,250,700	\$0	0.0%	

### 2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
The Wisconsin Economic Development Corporation states that it would manage its resources within its budget parameters.	GPR	-\$623,700	-\$623,700
	SEG	-1,088,800	-1,088,800
		_____	_____
Total		-\$1,712,500	-\$1,712,500

## WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$519,642,500	\$527,313,500	\$532,319,100	\$20,347,600	2.0%	23.25	23.25	23.25	0.00	0.0%
FED	32,754,300	32,806,400	32,812,100	109,900	0.2	26.75	26.75	26.75	0.00	0.0
PR	5,308,100	5,271,500	5,281,700	-63,000	-0.6	11.50	11.50	11.50	0.00	0.0
SEG	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
<b>TOTAL</b>	<b>\$558,204,900</b>	<b>\$565,891,400</b>	<b>\$570,912,900</b>	<b>\$20,394,500</b>	<b>1.8%</b>	<b>61.50</b>	<b>61.50</b>	<b>61.50</b>	<b>0.00</b>	<b>0.0%</b>

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling -\$129,000 GPR, \$52,100 FED, and -\$44,600 PR in 2017-18 and -\$123,400 GPR, \$57,800 FED, and -\$34,400 PR in 2018-19 for: (a) full funding of continuing position salaries and fringe benefits (-\$105,400 GPR, \$29,600 FED, and -\$69,400 PR annually); and (b) full funding of lease and directed moves costs (-\$23,600 GPR, \$22,500 FED, and \$24,800 PR in 2017-18 and -\$18,000 GPR, \$28,200 FED, and \$35,000 PR in 2018-19).

GPR	-\$252,400
FED	109,900
PR	<u>- 79,000</u>
<b>Total</b>	<b>- \$221,500</b>

#### 2. OUTCOMES BASED FUNDING

Request \$5,000,000 in 2017-18 and \$10,000,000 in 2018-19 to support outcomes based funding incentives, continuing the outcomes based funding system first implemented in 2014-15. This funding would increase the general aid appropriation from base level funding of \$88,534,900. Also request statutory language to specify that 30% of the general aid appropriation would be set aside for outcomes based funding in 2017-18 and thereafter. Currently, statutes do not define a percentage of general aid to be allocated based on outcomes after the fiscal year 2016-17, so that all of the appropriation would be distributed using the partially equalizing general aid formula.

GPR	\$15,000,000
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#### 3. DUAL ENROLLMENT

Request \$2,800,000 annually for the continuation and expansion of dual enrollment options. This funding would be used to ensure that high school teachers teaching WTCS dual enrollment courses meet minimum standards recently established by WTCS's accrediting institution by providing scholarships to high school teachers enrolling in graduate level courses

GPR	\$5,600,000
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to meet the new requirements. Additional uses of the funds could include providing teachers with WTCS faculty mentors, offering stipends to teachers, encouraging teachers to attend courses they are teaching at the high school level on WTCS campuses, and supporting colleges' membership in a dual enrollment accrediting organization.

**4. EDUCATIONAL APPROVAL BOARD**

PR	\$16,000
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Request additional expenditure authority of \$8,000 annually for increased costs associated with IT support.

Additionally, request statutory language combining EAB's appropriation for student transcript request revenue with its primary operating appropriation. Combining the appropriations would eliminate the need for EAB and DOA to perform year-end budget transfers to move funds between appropriations.

**2015 Act 201 Plan**

		<u>Amount</u>	
	<u>Fund</u>	<u>2017-18</u>	<u>2018-19</u>
<b>5% Budget Reduction Plan</b>			
1. Eliminate the preparation, publication, and distribution of text materials.	PR	-\$115,500	-\$115,500
2. Eliminate publications and seminars related to employment and education programs.	PR	-15,200	-15,200
3. Reduce the level of interagency projects.	PR	-75,400	-75,400
4. Reduce EAB staff.	PR	<u>-32,200</u>	<u>-32,200</u>
Total		-\$238,300	-\$238,300

## WORKFORCE DEVELOPMENT

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Request		2017-19 Change Over Base Year Doubled		2016-17	Request		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$43,814,500	\$43,542,700	\$43,542,700	-\$543,600	- 0.6%	148.87	148.87	148.87	0.00	0.0%
FED	211,462,200	203,242,700	202,824,300	- 16,857,400	- 4.0	1,183.13	1,183.13	1,175.13	- 8.00	- 0.7
PR	77,149,800	76,160,100	76,160,100	- 1,979,400	- 1.3	240.25	240.25	240.25	0.00	0.0
SEG	<u>30,176,700</u>	<u>24,822,700</u>	<u>24,822,700</u>	<u>- 10,708,000</u>	- 17.7	<u>67.30</u>	<u>67.30</u>	<u>67.30</u>	<u>0.00</u>	0.0
TOTAL	\$362,603,200	\$347,768,200	\$347,349,800	-\$30,088,400	- 4.1%	1,639.55	1,639.55	1,631.55	- 8.00	- 0.5%

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

Request adjustments of -\$5,383,600 in 2017-18, and -\$5,802,000 and -8.0 positions in 2018-19. The adjustments are for: (a) turnover reduction (-\$217,100 GPR, -\$1,650,700 FED, -\$475,500 PR, and -\$90,700 SEG annually); (b) removal of noncontinuing elements from the base (-\$418,400 FED and -8.0 FED positions in 2018-19); (c) full funding of continuing position salaries and fringe benefits (-\$54,700 GPR, -\$2,387,300 FED, -\$668,400 PR, and \$6,600 SEG annually); (d) overtime (\$154,200 PR annually); and (e) minor transfers within the same appropriation.

	Funding	Positions
GPR	-\$543,600	0.00
FED	- 8,494,400	- 8.00
PR	- 1,979,400	0.00
SEG	<u>- 168,200</u>	<u>0.00</u>
Total	- 11,185,600	- 8.00

#### 2. REESTIMATE FEDERAL APPROPRIATIONS

FED	- \$8,363,000
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Request adjustments of -\$4,181,500 FED annually. The adjustments are to align appropriated expenditure authority with the amount of revenue that DWD estimates will be deposited into those appropriations. The Department requests adjustments to the following federal appropriations:

<u>Appropriation</u>	<u>2017-18</u>	<u>2018-19</u>
Workforce investment and assistance	\$688,400	\$688,400
Unemployment administration	-5,568,200	-5,568,200
Unemployment administration; apprenticeship and other employment services	-900,400	-900,400
Vocational rehabilitation services	<u>1,598,700</u>	<u>1,598,700</u>
Total	-\$4,181,500	-\$4,181,500

**3. WORK INJURY SUPPLEMENTAL BENEFIT FUND REESTIMATE** SEG - \$10,539,800

Request the adjustment of -\$5,269,900 SEG annually. The adjustment is to align expenditure authority within the Work Injury Supplemental Benefit Fund (WISBF) appropriation to reflect estimated expenditure levels (down from \$10.6 million to \$5.4 million annually). 2015 Act 55 terminated reimbursements for supplemental workers compensation benefits paid by insurers from the WISBF beginning July 14, 2015. Instead, an insurer paying supplemental benefits after that date would be entitled to annual reimbursement from the workers compensation operations fund.

**2015 Act 201 Plan**

		<u>Amount</u>	
		<u>2017-18</u>	<u>2018-19</u>
		<u>Fund</u>	
<b>5% Budget Reduction Plan</b>			
1.	Reestimate of projected revenues due to DOA consolidation of IT activities previously allocated to DWD.	PR	-\$4,210,000
2.	Reestimate of projected revenues due to a lower unemployment rate in Wisconsin.	PR	-734,000
3.	Reestimate of projected revenues from fees for services to outside entities.	PR	-190,000
	Total		-\$5,134,000