2021-23 wisconsin
state budget



comparative summary of budget recommendations

governor and joint committee on finance

legislative fiscal bureau
june 2021

2021-23 WISCONSIN STATE BUDGET

Comparative Summary of Budget Recommendations

Governor and Joint Committee on Finance

Legislative Fiscal Bureau

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INTRODUCTION

This document provides a summary of the 2021-23 state budget recommendations of the Governor and Joint Committee on Finance.

The introductory portion of this document contains a Table of Contents, Key to Abbreviations, and User's Guide.

The "2021-23 Overview" section provides a series of tables that display 2021-23 revenues, appropriations, and position levels.

Following the summary information is a section which contains a description, for each state agency and program, of budget changes recommended by the Governor and Joint Committee on Finance. The agency summaries appear in alphabetical order and contain a funding and position table as well as a brief narrative description and corresponding fiscal effect, if any, of each budget provision.

The final section of the document contains a list of the 2021-23 budget papers prepared by the Legislative Fiscal Bureau.

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KEY TO ABBREVIATIONS

REVENUES

BR	Bond revenues which are available from the contracting of public debt (general obligation bonds), from debt which is to be repaid only from pledged or project revenues (revenue bonds), or from debt where repayment is backed by the state's moral obligation pledge and subject to annual appropriation by the Legislature (appropriation obligation bonds).
GPR-Earned	Departmental revenues which are collected by individual state agencies and deposited in the general fund.
GPR-Tax	Revenues which are collected from general fund taxes.
GPR-Tribal	Revenues which are collected from tribal gaming revenues 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.
PR-S	Program Revenue-Service. Appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
SEG	Appropriations financed from segregated revenues.
SEG-L	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

2019 Wisconsin Act 9	The 2019-21 biennial budget act.
AB 68/SB 111	Assembly Bill 68/Senate Bill 111, identical bills which incorporate the Governor's 2021-23 budget recommendations.
ASA 2 to AB 68	Assembly Substitute Amendment 2 to Assembly Bill 68, the 2021-23 budget recommendations of the Joint Committee on Finance.
SSA 2 to SB 111	Senate Substitute Amendment 2 to Senate Bill 111, the 2021-23 budget recommendations of the Joint Committee on Finance.
CY	Calendar year.
FY	Fiscal year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to 1,040 hours per appointment in a 12-month period.
2020-21 Adjusted Base	The total 2020-21 authorized funding level for an agency or program. The adjusted base equals 2020-21 appropriations and any supplements. It is this base that serves as the beginning point for calculating budget changes for 2021-23.
2020-21 Base Year Doubled	The 2020-21 base multiplied by two. This produces the biennial base level against which 2021-23 budget levels may be compared.

USER'S GUIDE

The following explanation of entries is keyed to the accompanying sample entry (page 4).

1 Name of agency.

2 The funding source for the amounts shown in columns 3 through 6. Only the funding sources which are included in the agency's budget are shown.

3 The 2020-21 base represents authorized appropriation and position levels for 2020-21. The base is doubled in the budget column to provide a two-year to two-year comparison.

4 The Governor's recommended budget and position levels for 2021-23.

5 The Joint Finance Committee's recommended budget and position levels for 2021-23.

6 These columns indicate the change, by amount and percentage, of the Joint Finance Committee's 2021-23 recommended budget to the 2020-21 base year doubled and to the Governor's recommendations. For positions, the comparison is made between the recommended authorization for 2022-23 and that of 2020-21.

7 This uniform entry, "Standard Budget Adjustments," includes such things as full funding of continuing positions, turnover reductions, and removal of one-time funding items. The box 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. "REV" in the box indicates that the item will generate revenue for the fund which is identified.

8 Narrative description of the various budget change items, for each entry as recommended by the Governor and Joint Committee on Finance. If the entry shows "Governor/Joint Finance" the recommendations proposed by the Governor were adopted by the Joint Committee on Finance. The fiscal effect (which is located in the box), highlights the funding and position change to the agency's base budget. For those items where the recommendations of the Governor and Finance Committee differ, the change to the Governor's fiscal effect is also shown. Immediately following the title, there will be, if applicable, "[LFB Paper]" showing the number of the Legislative Fiscal Bureau budget issue paper prepared on this item.

HIGHER EDUCATIONAL AIDS BOARD (1)

Budget Summary

(2) Fund	(3) 2020-21 Base Year Doubled	(4) 2021-23 Governor	(5) 2021-23 Jt. Finance	(6) Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$287,083,000	$321,338,600	$287,187,800	- $34,150,800	- 10.6%	$104,800	0.0%
FED	300,000	300,000	300,000	0	0.0	0	0.0
PR	3,334,800	3,479,400	3,334,800	- 144,600	- 4.2	0	0.0
TOTAL	$290,717,800	$325,118,000	$290,822,600	- $34,295,400	- 10.5%	$104,800	0.0%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	10.00	10.00	10.00	0.00	0.00

Budget Change Items

(7)

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	$121,000

Governor/Joint Finance: Provide $60,500 annually for full funding of continuing position salaries and fringe benefits.

2. STATE AGENCY BUDGET REDUCTION

(8)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	- $16,200	- $16,200

Joint Finance: Reduce the HEAB general program operations appropriation by $8,100 annually.

2021-23 OVERVIEW

TABLE 1

Summary of 2021-23 Appropriations, Compensation Reserves, and Authorizations

Fund Source	2021-22	2022-23	Total	% of Total
General Purpose Revenue	**$19,346,245,400**	**$19,859,626,000**	**$39,205,871,400**	**43.9%**
Appropriations	19,304,316,200	19,753,674,400	39,057,990,600	
Compensation Reserves	41,929,200	105,951,600	147,880,800	
Federal Revenue	**12,911,303,100**	**12,720,421,900**	**25,631,725,000**	**28.7%**
Appropriations	12,904,675,300	12,704,075,400	25,608,750,700	
Compensation Reserves	6,627,800	16,346,500	22,974,300	
Program Revenue	**6,843,621,000**	**6,876,604,400**	**13,720,225,400**	**15.4%**
Appropriations	6,832,596,800	6,849,415,300	13,682,012,100	
Compensation Reserves	11,024,200	27,189,100	38,213,300	
Segregated Revenue	**4,423,830,300**	**4,566,159,100**	**8,989,989,400**	**10.1%**
Appropriations	4,417,125,700	4,549,623,600	8,966,749,300	
Compensation Reserves	6,704,600	16,535,500	23,240,100	
Subtotal	**$43,524,999,800**	**$44,022,811,400**	**$87,547,811,200**	**98.1%**
Appropriations	43,458,714,000	43,856,788,700	87,315,502,700	
Compensation Reserves	66,285,800	166,022,700	232,308,500	
Bond Revenue			**$1,676,054,600**	**1.9%**
General Obligation Bonding			1,523,096,400*	
Revenue Bonding			152,958,200	
TOTAL			**$89,223,865,800**	**100.0%**

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

TABLE 2

Summary of Total All Funds Appropriations by Agency

	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Administration	$1,217,987,600	$1,344,810,900	$1,219,339,000	-$125,471,900	-9.3%	$1,351,400	0.1%
Agriculture, Trade and Consumer Protection	213,388,800	266,028,400	221,221,800	-44,806,600	-16.8	7,833,000	3.7
Appropriation Obligation Bonds	834,040,000	592,368,300	592,368,300	0	0.0	-241,671,700	-29.0
Board for People with Developmental Disabilities	3,238,000	3,468,700	3,468,700	0	0.0	230,700	7.1
Board of Commissioners of Public Lands	3,627,800	3,658,200	3,313,400	-344,800	-9.4	-314,400	-8.7
Board on Aging and Long-Term Care	7,426,200	7,661,800	7,436,800	-225,000	-2.9	10,600	0.1
Building Commission	67,858,400	106,191,900	80,868,800	-25,323,100	-23.8	13,010,400	19.2
Child Abuse and Neglect Prevention Board	6,487,600	6,442,400	6,442,400	0	0.0	-45,200	-0.7
Children and Families	2,807,832,400	3,129,821,600	2,875,941,900	-253,879,700	-8.1	68,109,500	2.4
Circuit Courts	215,191,000	212,381,600	213,697,700	1,316,100	0.6	-1,493,300	-0.7
Compensation Reserves	---	275,245,800	232,308,500	-42,937,300	-15.6	232,308,500	N.A.
Corrections	2,798,065,400	2,867,798,200	2,839,166,900	-28,631,300	-1.0	41,101,500	1.5
Court of Appeals	23,320,800	22,662,900	22,662,900	0	0.0	-657,900	-2.8
District Attorneys	109,810,400	121,929,600	117,136,800	-4,792,800	-3.9	7,326,400	6.7
Educational Communications Board	42,355,400	41,872,400	41,887,400	15,000	0.0	-468,000	-1.1
Elections Commission	11,403,400	12,132,900	11,960,200	-172,700	-1.4	556,800	4.9
Employee Trust Funds	99,501,600	102,640,600	101,924,700	-715,900	-0.7	2,423,100	2.4
Employment Relations Commission	2,131,600	2,926,700	2,006,000	-920,700	-31.5	-125,600	-5.9
Environmental Improvement Fund	34,996,200	70,526,100	29,967,200	-40,558,900	-57.5	-5,029,000	-14.4
Ethics Commission	2,901,200	3,166,400	3,017,000	-149,400	-4.7	115,800	4.0
Financial Institutions	40,646,200	44,883,100	39,086,800	-5,796,300	-12.9	-1,559,400	-3.8
Fox River Navigational System Authority	250,800	250,800	250,800	0	0.0	0	0.0
Governor	8,327,400	8,474,600	8,474,600	0	0.0	147,200	1.8
Health Services	26,630,688,600	31,527,057,200	30,148,146,000	-1,378,911,200	-4.4	3,517,457,400	13.2
Higher Educational Aids Board	290,717,800	325,118,000	290,822,600	-34,295,400	-10.5	104,800	0.0
Historical Society	62,828,400	67,666,700	60,247,900	-7,418,800	-11.0	-2,580,500	-4.1
Insurance	563,286,400	585,287,500	554,247,700	-31,039,800	-5.3	-9,038,700	-1.6
Investment Board	135,329,400	135,329,400	135,329,400	0	0.0	0	0.0
Judicial Commission	644,400	690,600	690,600	0	0.0	46,200	7.2
Justice	286,880,200	331,136,800	308,662,900	-22,473,900	-6.8	21,782,700	7.6

	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Kickapoo Reserve Management Board	$1,946,000	$2,069,600	$2,069,600	$0	0.0%	$123,600	6.4%
Labor and Industry Review Commission	5,505,000	5,593,600	5,593,600	0	0.0	88,600	1.6
Legislature	164,739,400	163,456,800	176,068,800	12,612,000	7.7	11,329,400	6.9
Lieutenant Governor	875,800	1,351,000	941,000	-410,000	-30.3	65,200	7.4
Lower Wisconsin State Riverway Board	507,000	513,200	513,200	0	0.0	6,200	1.2
Medical College of Wisconsin	22,489,600	22,830,800	22,313,200	-517,600	-2.3	-176,400	-0.8
Military Affairs	238,137,200	283,814,900	265,807,300	-18,007,600	-6.3	27,670,100	11.6
Miscellaneous Appropriations	363,251,800	396,155,300	380,762,400	-15,392,900	-3.9	17,510,600	4.8
Natural Resources	1,124,305,200	1,157,193,800	1,125,081,300	-32,112,500	-2.8	776,100	0.1
Program Supplements	14,282,000	21,682,000	281,104,500	259,422,500	1,196.5	266,822,500	1,868.2
Public Defender	218,792,000	228,959,500	226,995,300	-1,964,200	-0.9	8,203,300	3.7
Public Instruction	15,573,799,400	17,275,784,400	16,252,336,400	-1,023,448,000	-5.9	678,537,000	4.4
Public Service Commission	104,849,000	221,546,800	64,390,800	-157,156,000	-70.9	-40,458,200	-38.6
Revenue	456,601,200	476,924,500	477,462,200	537,700	0.1	20,861,000	4.6
Safety and Professional Services	115,881,200	123,838,300	120,208,900	-3,629,400	-2.9	4,327,700	3.7
Secretary of State	566,000	880,500	562,800	-317,700	-36.1	-3,200	-0.6
Shared Revenue and Tax Relief	6,209,128,800	6,126,764,100	5,941,898,400	-184,865,700	-3.0	-267,230,400	-4.3
State Fair Park Board	48,792,400	47,040,000	45,720,100	-1,319,900	-2.8	-3,072,300	-6.3
State Treasurer	240,200	875,800	253,600	-622,200	-71.0	13,400	5.6
Supreme Court	66,567,000	66,071,000	66,721,700	650,700	1.0	154,700	0.2
Tourism	34,272,400	37,035,500	37,103,600	68,100	0.2	2,831,200	8.3
Transportation	6,600,810,200	6,354,183,400	6,616,598,000	262,414,600	4.1	15,787,800	0.2
University of Wisconsin System	12,937,869,600	13,237,497,600	12,937,676,600	-299,821,000	-2.3	-193,000	0.0
Veterans Affairs	284,074,200	280,233,500	290,175,700	9,942,200	3.5	6,101,500	2.1
Wisconsin Economic Development Corporation	83,101,400	421,881,400	83,101,400	-338,780,000	-80.3	0	0.0
Wisconsin Technical College System	1,140,199,800	1,176,629,400	1,221,629,400	45,000,000	3.8	81,429,600	7.1
Workforce Development	728,778,800	873,993,000	732,625,700	-141,367,300	-16.2	3,846,900	0.5
TOTAL	$83,061,526,000	$91,224,429,800	$87,547,811,200	-$3,676,618,600	-4.0%	$4,486,285,200	5.4%

TABLE 3

Summary of All Funds Full-Time Equivalent Positions by Agency

Agency	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
Administration	1,439.08	1,442.68	1,425.78	-16.90	-13.30
Agriculture, Trade and Consumer Protection	636.29	658.29	633.29	-25.00	-3.00
Board for People with Developmental Disabilities	9.60	7.00	7.00	0.00	-2.60
Board of Commissioners of Public Lands	9.50	9.50	9.50	0.00	0.00
Board on Aging and Long-Term Care	44.50	46.50	44.50	-2.00	0.00
Child Abuse and Neglect Prevention Board	7.00	7.00	7.00	0.00	0.00
Children and Families	799.92	806.17	798.17	-8.00	-1.75
Circuit Courts	527.00	543.00	543.00	0.00	16.00
Corrections	10,213.92	10,333.52	10,261.52	-72.00	47.60
Court of Appeals	75.50	75.50	75.50	0.00	0.00
District Attorneys	493.50	497.40	498.90	1.50	5.40
Educational Communications Board	55.18	55.18	52.18	-3.00	-3.00
Elections Commission	31.75	31.75	31.75	0.00	0.00
Employee Trust Funds	274.20	274.20	275.20	1.00	1.00
Employment Relations Commission	6.00	9.00	6.00	-3.00	0.00
Ethics Commission	8.00	9.00	8.00	-1.00	0.00
Financial Institutions	141.54	145.04	141.54	-3.50	0.00
Governor	37.25	37.25	37.25	0.00	0.00
Health Services	6,364.19	6,433.69	6,341.92	-91.77	-22.27
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.00
Historical Society	181.54	181.54	177.70	-3.84	-3.84
Insurance	134.83	168.83	133.83	-35.00	-1.00
Investment Board	236.00	236.00	236.00	0.00	0.00
Judicial Commission	2.00	2.00	2.00	0.00	0.00
Justice	742.14	725.14	712.14	-13.00	-30.00
Kickapoo Reserve Management Board	4.00	4.00	4.00	0.00	0.00
Labor and Industry Review Commission	18.70	18.70	18.70	0.00	0.00
Legislature	777.97	777.97	777.97	0.00	0.00
Lieutenant Governor	5.00	7.00	5.00	-2.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	0.00	0.00
Military Affairs	554.10	550.50	545.50	-5.00	-8.60
Natural Resources	2,535.60	2,544.60	2,510.93	-33.67	-24.67
Public Defender	614.85	624.85	619.85	-5.00	5.00
Public Instruction	643.00	644.00	643.00	-1.00	0.00
Public Service Commission	154.75	160.25	154.75	-5.50	0.00

Agency	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
Revenue	1,182.03	1,201.03	1,178.00	-23.03	-4.03
Safety and Professional Services	241.14	253.64	242.14	-11.50	1.00
Secretary of State	2.00	4.00	2.00	-2.00	0.00
State Fair Park Board	47.00	47.00	47.00	0.00	0.00
State Treasurer	1.00	4.00	1.00	-3.00	0.00
Supreme Court	236.25	225.85	232.85	7.00	-3.40
Tourism	34.00	34.50	34.00	-0.50	0.00
Transportation	3,244.11	3,245.11	3,238.91	-6.20	-5.20
University of Wisconsin System	35,671.25	35,722.77	35,671.25	-51.52	0.00
Veterans Affairs	1,269.36	1,249.43	1,242.43	-7.00	-26.93
Wisconsin Technical College System	55.00	55.00	55.00	0.00	0.00
Workforce Development	1,707.05	1,667.95	1,610.45	-57.50	-96.60
TOTAL	71,480.59	71,789.33	71,306.40	-482.93	-174.19

Full-Time Equivalent Positions Summary by Funding Source

	2020-21 Base	2022-23 Governor	2022-23 Jt Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
GPR	35,558.12	35,922.07	35,610.31	-311.76	52.19
FED	10,172.38	10,025.72	10,025.12	-0.60	-147.26
PR	20,918.98	20,970.28	20,859.77	-110.51	-59.21
SEG	4,831.11	4,871.26	4,811.20	-60.06	-19.91
TOTAL	71,480.59	71,789.33	71,306.40	-482.93	-174.19

TABLE 4

Summary of General Fund Appropriations and Reserves by Agency

	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Administration	$36,667,200	$143,318,600	$34,838,300	-$108,480,300	-75.7%	-$1,828,900	-5.0%
Agriculture, Trade and Consumer Protection	58,973,600	97,687,600	62,055,700	-35,631,900	-36.5	3,082,100	5.2
Appropriation Obligation Bonds	834,040,000	592,368,300	592,368,300	0	0.0	-241,671,700	-29.0
Board for People with Developmental Disabilities	240,000	258,000	258,000	0	0.0	18,000	7.5
Board of Commissioners of Public Lands	3,522,400	3,512,800	3,208,000	-304,800	-8.7	-314,400	-8.9
Board on Aging and Long-Term Care	3,266,400	3,475,700	3,329,400	-146,300	-4.2	63,000	1.9
Building Commission	63,763,600	99,569,500	77,718,200	-21,851,300	-21.9	13,954,600	21.9
Child Abuse and Neglect Prevention Board	1,990,000	1,990,000	1,990,000	0	0.0	0	0.0
Children and Families	973,317,600	1,220,192,000	993,563,800	-226,628,200	-18.6	20,246,200	2.1
Circuit Courts	214,725,600	211,916,200	213,232,300	1,316,100	0.6	-1,493,300	-0.7
Compensation Reserves	---	171,873,900	147,880,800	-23,993,100	-14.0	147,880,800	N.A.
Corrections	2,549,799,000	2,616,130,100	2,589,260,400	-26,869,700	-1.0	39,461,400	1.5
Court of Appeals	23,320,800	22,662,900	22,662,900	0	0.0	-657,900	-2.8
District Attorneys	102,045,400	113,607,300	107,999,500	-5,607,800	-4.9	5,954,100	5.8
Educational Communications Board	12,506,400	11,877,000	11,892,000	15,000	0.1	-614,400	-4.9
Elections Commission	9,411,400	9,745,300	9,572,600	-172,700	-1.8	161,200	1.7
Employee Trust Funds	112,800	75,100	75,100	0	0.0	-37,700	-33.4
Employment Relations Commission	1,840,400	2,635,500	1,714,800	-920,700	-34.9	-125,600	-6.8
Environmental Improvement Fund	18,996,200	55,526,100	14,967,200	-40,558,900	-73.0	-4,029,000	-21.2
Ethics Commission	1,850,000	1,912,400	1,985,600	73,200	3.8	135,600	7.3
Financial Institutions	0	2,000,000	0	-2,000,000	-100.0	0	N.A.
Governor	8,327,400	8,474,600	8,474,600	0	0.0	147,200	1.8
Health Services	8,815,593,400	9,278,235,000	8,859,576,900	-418,658,100	-4.5	43,983,500	0.5
Higher Educational Aids Board	287,083,000	321,338,600	287,187,800	-34,150,800	-10.6	104,800	0.0
Historical Society	43,914,000	44,296,600	42,927,600	-1,369,000	-3.1	-986,400	-2.2
Insurance	144,547,400	119,364,900	75,778,000	-43,586,900	-36.5	-68,769,400	-47.6
Judicial Commission	644,400	690,600	690,600	0	0.0	46,200	7.2
Justice	127,654,800	172,680,800	150,020,800	-22,660,000	-13.1	22,366,000	17.5
Labor and Industry Review Commission	341,000	299,000	299,000	0	0.0	-42,000	-12.3
Legislature	160,016,600	158,591,100	171,203,100	12,612,000	8.0	11,186,500	7.0

	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Year Doubled Amount	Base Year Doubled Percent
Lieutenant Governor	$875,800	$1,351,000	$941,000	-410,000	-30.3%	65,200	7.4%
Medical College of Wisconsin	21,994,600	22,335,800	21,818,200	-517,600	-2.3	-176,400	-0.8
Military Affairs	62,718,800	72,284,100	59,447,000	-12,837,100	-17.8	-3,271,800	-5.2
Miscellaneous Appropriations	301,475,000	321,431,100	316,738,200	-4,692,900	-1.5	15,263,200	5.1
Natural Resources	211,932,400	219,388,500	197,526,000	-21,862,500	-10.0	-14,406,400	-6.8
Program Supplements	14,282,000	21,682,000	266,900,900	245,218,900	1,131.0	252,618,900	1,768.8
Public Defender	215,887,200	225,977,900	224,013,700	-1,964,200	-0.9	8,126,500	3.8
Public Instruction	13,590,141,800	15,231,894,900	14,244,097,500	-987,797,400	-6.5	653,955,700	4.8
Public Service Commission	0	155,600,000	0	-155,600,000	-100.0	0	N.A.
Revenue	382,254,200	388,518,300	374,600,800	-13,917,500	-3.6	-7,653,400	-2.0
Shared Revenue and Tax Relief	5,450,834,000	5,344,566,300	5,111,816,200	-232,750,100	-4.4	-339,017,800	-6.2
State Fair Park Board	4,876,000	3,787,100	3,740,300	-46,800	-1.2	-1,135,700	-23.3
State Treasurer	0	437,900	0	-437,900	-100.0	0	N.A.
Supreme Court	36,021,400	34,747,800	34,747,800	0	0.0	-1,273,600	-3.5
Tourism	10,701,400	22,848,100	13,516,200	-9,331,900	-40.8	2,814,800	26.3
Transportation	232,191,000	204,502,600	192,915,000	-11,587,600	-5.7	-39,276,000	-16.9
University of Wisconsin System	2,375,172,000	2,566,737,500	2,382,395,300	-184,342,200	-7.2	7,223,300	0.3
Veterans Affairs	5,511,200	4,584,000	4,845,800	261,800	5.7	-665,400	-12.1
Wisconsin Economic Development Corporation	25,101,400	345,101,400	14,901,400	-330,200,000	-95.7	-10,200,000	-40.6
Wisconsin Technical College System	1,064,719,800	1,100,674,600	1,145,674,600	45,000,000	4.1	80,954,800	7.6
Workforce Development	107,731,600	234,812,900	108,504,200	-126,308,700	-53.8	772,600	0.7
TOTAL	$38,612,932,400	$42,009,569,300	$39,205,871,400	-$2,803,697,900	-6.7%	$592,939,000	1.5%

TABLE 5

Summary of General Fund Full-Time Equivalent Positions by Agency

Agency	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
Administration	63.72	67.87	59.87	-8.00	-3.85
Agriculture, Trade and Consumer Protection	199.40	215.40	201.40	-14.00	2.00
Board of Commissioners of Public Lands	9.50	9.50	9.50	0.00	0.00
Board on Aging and Long-Term Care	20.48	21.78	20.48	-1.30	0.00
Children and Families	232.92	240.10	232.92	-7.18	0.00
Circuit Courts	527.00	543.00	543.00	0.00	16.00
Corrections	9,668.62	9,788.22	9,716.22	-72.00	47.60
Court of Appeals	75.50	75.50	75.50	0.00	0.00
District Attorneys	449.00	458.90	456.40	-2.50	7.40
Educational Communications Board	26.94	26.94	25.94	-1.00	-1.00
Elections Commission	25.75	25.75	25.75	0.00	0.00
Employment Relations Commission	6.00	9.00	6.00	-3.00	0.00
Ethics Commission	4.55	4.55	4.70	0.15	0.15
Governor	37.25	37.25	37.25	0.00	0.00
Health Services	2,657.23	2,721.34	2,642.84	-78.50	-14.39
Higher Educational Aids Board	10.00	10.00	10.00	0.00	0.00
Historical Society	112.65	112.65	112.65	0.00	0.00
Insurance	0.00	10.00	0.00	-10.00	0.00
Judicial Commission	2.00	2.00	2.00	0.00	0.00
Justice	408.58	414.58	405.58	-9.00	-3.00
Labor and Industry Review Commission	0.80	0.80	0.80	0.00	0.00
Legislature	758.17	758.17	758.17	0.00	0.00
Lieutenant Governor	5.00	7.00	5.00	-2.00	0.00
Military Affairs	82.08	87.08	82.08	-5.00	0.00
Natural Resources	223.52	224.52	222.52	-2.00	-1.00
Public Defender	609.85	619.85	614.85	-5.00	5.00
Public Instruction	252.47	253.47	252.47	-1.00	0.00
Public Service Commission	0.00	8.50	0.00	-8.50	0.00
Revenue	953.08	971.08	950.15	-20.93	-2.93
State Treasurer	0.00	2.00	0.00	-2.00	0.00
Supreme Court	115.50	115.50	115.50	0.00	0.00
Tourism	32.00	32.50	32.00	-0.50	0.00
University of Wisconsin System	17,814.49	17,821.49	17,814.49	-7.00	0.00
Wisconsin Technical College System	23.25	23.25	23.25	0.00	0.00
Workforce Development	150.82	202.53	151.03	-51.50	0.21
TOTAL	35,558.12	35,922.07	35,610.31	-311.76	52.19

TABLE 6

2021-23 General Fund Condition Statement

	2021-22	2022-23
Revenues		
Opening Balance, July 1	$2,520,354,800	$1,336,506,600
Taxes	17,886,964,000	19,457,864,000
Departmental Revenues		
Tribal Gaming Revenues	0	20,764,200
Other	484,355,600	471,370,400
Total Available	$20,891,674,400	$21,286,505,200
Appropriations, Transfers, and Reserves		
Gross Appropriations	$19,304,316,200	$19,753,674,400
Transfers to:		
Transportation Fund	178,869,600	97,289,300
Budget Stabilization Fund	0	550,000,000
Building Trust Fund	15,000,000	0
MA Trust Fund	174,665,900	527,783,700
UI Trust Fund	60,000,000	60,000,000
Compensation Reserves	41,929,200	105,951,600
Less Lapses	-219,613,100	-267,069,300
Net Appropriations	$19,555,167,800	$20,827,629,700
Balances		
Gross Balance	$1,336,506,600	$458,875,500
Less Required Statutory Balance	-90,000,000	-95,000,000
Net Balance, June 30	$1,246,506,600	$363,875,500

TABLE 7

Estimated 2021-23 General Fund Taxes

Tax Source	2021-22	2022-23	2021-23	% of Total
Individual Income	$7,996,764,000	$9,115,564,000	$17,112,328,000	45.8%
Sales and Use	6,639,600,000	6,844,500,000	13,484,100,000	36.1
Corporate Income/Franchise	1,910,000,000	2,160,000,000	4,070,000,000	10.9
Public Utility	354,000,000	352,000,000	706,000,000	1.9
Excise				
Cigarette	494,000,000	483,000,000	977,000,000	2.6
Tobacco Products	96,000,000	100,000,000	196,000,000	0.5
Vapor Products	1,700,000	2,000,000	3,700,000	<0.1
Liquor and Wine	60,000,000	61,000,000	121,000,000	0.3
Beer	8,900,000	8,800,000	17,700,000	<0.1
Insurance Company	209,000,000	217,000,000	426,000,000	1.1
Miscellaneous	117,000,000	114,000,000	231,000,000	0.6
TOTAL*	$17,886,964,000	$19,457,864,000	$37,344,828,000	100.0%

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

TABLE 8

2021-23 Departmental Revenues

Agency	2021-22	2022-23	Total
Administration	$5,750,000	$5,780,900	$11,530,900
Administration -- Space Rental Account	20,000,000	0	20,000,000
Agriculture, Trade and Consumer Protection	51,500	51,500	103,000
Appropriation Obligation Bonds	180,679,800	188,652,000	369,331,800
Children and Families	45,300	45,300	90,600
Circuit Courts	35,188,700	34,080,100	69,268,800
Corrections	3,400,000	3,141,300	6,541,300
Court of Appeals	115,900	110,500	226,400
Educational Communications Board	8,900	8,900	17,800
Financial Institutions	83,076,700	84,191,500	167,268,200
Health Services	44,307,500	44,307,500	88,615,000
Higher Educational Aids Board	300,000	500,000	800,000
Insurance Commissioner	23,877,100	23,682,100	47,559,200
Interest Earnings	3,000,000	1,500,000	4,500,000
Military Affairs	200,000	200,000	400,000
Miscellaneous Appropriations	10,669,300	10,669,300	21,338,600
Natural Resources	5,100,000	5,150,000	10,250,000
Public Defender	2,500	2,500	5,000
Public Instruction	400,000	400,000	800,000
Public Service Commission	1,899,400	1,877,700	3,777,100
Revenue	33,840,000	34,340,000	68,180,000
Safety and Professional Services	1,700,000	1,900,000	3,600,000
Secretary of State	100,000	100,000	200,000
Shared Revenue and Tax Relief	9,026,300	9,026,300	18,052,600
Supreme Court	26,700	23,000	49,700
Transportation	2,800,000	2,800,000	5,600,000
University of Wisconsin System	18,500,000	18,500,000	37,000,000
Wisconsin Economic Development Corporation	250,000	250,000	500,000
Workforce Development	40,000	80,000	120,000
Subtotal	$484,355,600	$471,370,400	$955,726,000
Tribal Gaming	0	20,764,200	20,764,200
Total	$484,355,600	$492,134,600	$976,490,200

TABLE 9

Summary of 2021-23 Appropriations By Functional Area

All Funds

Functional Area	Amount	% of Total
Human Resources	$37,602,610,700	43.0%
Education	30,826,913,500	35.2
Environmental Resources	7,811,583,700	8.9
Shared Revenue and Tax Relief	5,941,898,400	6.8
General Executive	2,781,941,500	3.2
Commerce	1,127,977,500	1.3
General Appropriations	742,735,700	0.8
Judicial	303,772,900	0.3
Compensation Reserves	232,308,500	0.3
Legislative	176,068,800	0.2
TOTAL	$87,547,811,200	100.0%

General Purpose Revenue

Functional Area	Amount	% of Total
Education	$18,135,993,000	46.3%
Human Resources	12,880,809,600	32.9
Shared Revenue and Tax Relief	5,111,816,200	13.0
General Executive	1,250,078,000	3.2
General Appropriations	661,357,300	1.7
Environmental Resources	418,924,400	1.1
Judicial	271,333,600	0.7
Legislative	171,203,100	0.4
Commerce	156,475,400	0.4
Compensation Reserves	147,880,800	0.4
TOTAL	$39,205,871,400	100.0%

TABLE 10

Summary of 2021-23 Appropriations
By Purpose

All Funds

Purpose	Amount	% of Total
Aids to Individuals and Organizations	$31,640,678,700	36.1%
State Operations	30,499,161,600	34.8
Local Assistance	25,407,970,900	29.0
TOTAL	$87,547,811,200	100.0%

General Purpose Revenue

Purpose	Amount	% of Total
Local Assistance	$19,565,226,100	49.9%
Aids to Individuals and Organizations	10,189,394,200	26.0
State Operations	9,451,251,100	24.1
TOTAL	$39,205,871,400	100.0%

STATE AGENCY 2021-23 BUDGET SUMMARIES

ADMINISTRATION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$36,667,200	$143,318,600	$34,838,300	- $108,480,300	- 75.7%	- $1,828,900	- 5.0%
FED	280,785,600	279,966,000	280,397,200	431,200	0.2	- 388,400	- 0.1
PR	789,493,400	801,761,500	793,338,700	- 8,422,800	- 1.1	3,845,300	0.5
SEG	111,041,400	119,764,800	110,764,800	- 9,000,000	- 7.5	- 276,600	- 0.2
TOTAL	$1,217,987,600	$1,344,810,900	$1,219,339,000	- $125,471,900	- 9.3%	$1,351,400	0.1%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	63.72	67.87	59.87	- 8.00	- 3.85
FED	60.80	52.80	55.80	3.00	- 5.00
PR	1,301.81	1,309.46	1,297.56	- 11.90	- 4.25
SEG	12.75	12.55	12.55	0.00	- 0.20
TOTAL	1,439.08	1,442.68	1,425.78	- 16.90	- 13.30

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$133,100	- 1.00	$0	0.00	$133,100	- 1.00
FED	127,600	- 3.00	0	0.00	127,600	- 3.00
PR	4,247,300	0.00	- 1,521,200	0.00	2,726,100	0.00
SEG	- 184,400	0.00	0	0.00	- 184,400	0.00
Total	$4,323,600	- 4.00	- $1,521,200	0.00	$2,802,400	- 4.00

Governor: Provide adjustments to the base totaling $97,000 GPR, $104,900 FED, $2,110,900 PR, and -$70,800 SEG and -3.0 FED positions in 2021-22 and $36,100 GPR, $22,700 FED, $2,136,400 PR, and -$113,600 SEG and -1.0 GPR and -3.0 FED positions in 2022-23. Adjustments are for: (a) turnover reduction (-$2,282,000 PR annually); (b) removal of non-continuing elements from the base (-$119,900 FED and -$37,600 SEG and -3.0 FED positions in 2021-22 and -$62,100 GPR, -$202,100 FED, and -$80,400 SEG and -1.0 GPR and -3.0 FED positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits ($323,800 GPR, $305,200 FED, $2,505,000 PR, and $2,600 SEG annually); (d) reclassifications and semiautomatic pay progression ($28,700 PR annually); (e) overtime ($539,300 PR annually); (f) night and weekend differential pay ($28,100 PR annually); (g) full funding of lease and directed moves costs (-$226,800 GPR, -$80,400 FED, $1,291,800 PR, and -$35,800 SEG in 2021-22 and -$225,600 GPR, -$80,400 FED, $1,317,300 PR, and -$35,800 SEG in 2022-23) and (h) minor transfers within the same alpha appropriation ($0 PR annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by -$760,600 PR annually.

2. DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $416,200	$37,000	- $379,200
PR	- 10,373,500	2,965,900	- $7,407,600
Total	- $10,789,700	$3,002,900	- $7,786,800

Governor: Provide $24,800 GPR and -$2,063,400 PR in 2021-22 and -$441,000 GPR and -$8,310,100 PR in 2022-23 to reflect current law estimates of debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) educational technology infrastructure in schools ($37,500 GPR in 2021-22 and -$389,200 GPR in 2022-23); (b) educational technology infrastructure for public library boards ($1,100 GPR in 2021-22 and -$2,100 GPR in 2022-23); (c) Black Point Estate in Lake Geneva (-$13,800 GPR in 2021-22 and -$49,700 GPR in 2022-23); (d) parking facilities in Madison ($16,200 PR in 2021-22 and -$810,700 PR in 2022-23; and (e) buildings used to house state agencies (-$2,079,600 PR in 2021-22 and -$7,499,400 PR in 2022-23).

Joint Finance: Modify estimated debt service amounts by $17,400 GPR and $1,100,900 PR in 2021-22, and $19,600 GPR and $1,865,000 PR in 2022-23 for: (a) educational technology infrastructure in schools ($16,900 GPR in 2021-22 and $18,200 GPR in 2022-23); (b) Black Point Estate in Lake Geneva ($500 GPR in 2021-22 and $1,400 GPR in 2022-23); (c) parking facilities in Madison ($38,600 PR in 2021-22 and $40,800 PR in 2022-23); and (d) buildings used to house state agencies ($1,062,300 PR in 2021-22 and $1,824,200 PR in 2022-23).

3. POSITION REALLOCATIONS

	Funding	Positions
FED	- $516,000	- 2.00
PR	608,200	2.20
SEG	- 92,200	- 0.20
Total	$0	0.00

Governor/Joint Finance: Provide -$258,000 FED, $304,100 PR, and -$46,100 SEG and -2.0 FED, 2.2 PR, and -0.2 SEG positions annually.

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

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

4. EQUITY GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,000,000	- $5,000,000	$0
SEG	5,000,000	- 5,000,000	0
Total	$10,000,000	- $10,000,000	$0

Governor: Provide $5.0 million GPR in 2021-22 and $5.0 million SEG in 2022-23 to create a grant program for public, private, and nonprofit entities in the state that promote diversity and advance equity and inclusion. Create an annual GPR appropriation to fund the equity grant program and other diversity, equity, and inclusion initiatives (Item #5). Create an annual SEG appropriation, funded by excise taxes paid by marijuana producers and retailers, to fund the equity grant program starting in 2022-23. [It should be noted that the bill would also create equity grant programs under the Departments of Children and Families and Health Services. The administration indicates that each agency would award grants for activities overseen by that agency.]

Joint Finance: Provision not included.

5. DIVERSITY, EQUITY, AND INCLUSION INITIATIVES

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$498,300	1.00	- $498,300	- 1.00	$0	0.00

Governor: Provide $235,600 GPR in 2021-22, $262,700 GPR in 2022-23, and 1.0 GPR unclassified position annually to administer diversity, equity, and inclusion activities overseen by DOA, as determined by the Secretary of DOA.

Equity Officers. The 1.0 unclassified position would serve as the state's chief equity officer. The chief equity officer would be responsible for collaborating with agency equity officers to advance equity in government operations, including determining how current government practices and policies impact communities of color and individuals with disabilities. Allocate $90,600 GPR in 2021-22 and $120,700 GPR in 2022-23 for salaries and fringe benefits and $13,000 GPR in 2021-22 and $10,000 GPR in 2022-23 for supplies and services associated with the position. [Under the bill, the state's chief equity officer position is not identified in the list of positions constituting the unclassified service or assigned to an executive salary group.] In addition, reallocate 1.0 position annually to create an agency equity officer position within DOA. The Department indicates the position would be reallocated from DOA's general program operations GPR appropriation.

Agency equity officers would also be created or reallocated from existing position authority in the following agencies: Agriculture, Trade, and Consumer Protection; Children and Families; Corrections; Financial Institutions; Health Services; Justice; Military Affairs; Natural Resources; Public Instruction; Revenue; Safety and Professional Services; Tourism; Transportation; Veterans Affairs; Workforce Development; the Office of the Commissioner of Insurance; and the Public Service Commission. In total, the above agencies would be provided funding and position authority of $316,300 GPR and $124,300 PR in 2021-22, $415,000 GPR and $178,700 PR in 2022-23, and 5.0 GPR and 2.0 PR positions annually for equity officers.

Fellowship Program and Conferences. The administration indicates that DOA would also administer a Governor's fellowship program, establish a Governor's progress summit, and host a state-sponsored diversity, equity, and inclusion conference. According to DOA, the fellowship program would assign college students from diverse backgrounds to state agencies to help students gain experience working in government. The Governor's summit would include local, state, and tribal leaders and would focus on addressing equity in areas such as racial justice, education, housing, and employment. The diversity, equity, and inclusion conference would focus on workshops and seminars on best practices for state and local government employees. The bill would provide $132,000 GPR annually for such diversity, equity, and inclusion initiatives.

Joint Finance: Provision not included.

6. CIVIL LEGAL ASSISTANCE GRANT PROGRAM [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,000,000	- $4,000,000	$0

Governor: Create an annual civil legal assistance appropriation and provide $2.0 million annually. Require DOA to pay the amounts appropriated to the Wisconsin Trust Account Foundation, Inc., to distribute grants to programs that provide civil legal services to indigent persons. Specify that grant funds may be used as a match for other federal and private grants, but may only be used for the purposes for which the funding was provided. The administration indicates that eligible services may include legal services relating to eviction, unemployment compensation, consumer law, domestic violence, and health insurance matters. According to DOA, the recommended funding level is based on prior allocations made for this purpose in the 2009-11 biennium.

Joint Finance: Provision not included.

7. GRANT RESOURCE TEAM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $171,200	- 0.85	$171,200	0.85	$0	0.00
PR	205,200	0.85	- 205,200	- 0.85	0	0.00
Total	$34,000	0.00	- $34,000	0.00	$0	0.00

Governor: Establish a grant resource team within the Office of the Secretary to assist state agencies and local governments in navigating state and federal grant application processes. Provide $145,000 PR in 2021-22, $186,600 PR in 2022-23, and 2.0 PR positions annually for the grant resource team. The team would be funded from assessments to state agencies. Funding and position increases would be offset in part by reductions to DOA's general program operations, transportation and records, and financial services appropriations totaling -$85,600 GPR and -0.85 GPR position and -$63,200 PR and -1.15 PR positions annually.

Joint Finance: Provision not included.

8. WISCONSIN WOMEN'S COUNCIL OPERATIONS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$33,000	- $33,000	$0

Governor: Provide $16,500 annually to DOA's existing appropriation for the women's council for limited-term employee (LTE) compensation to provide operational support. According to DOA, the LTE would: (a) build community relationships through education and outreach; (b) conduct listening sessions to inform planning; (c) conduct surveys for use in potential social and policy interventions; (d) assist in the development of standing advisory committees; and (e) attend, monitor, report and engage with key stakeholders on behalf of the Women's Council. The appropriation has base funding of $153,800 annually.

Joint Finance: Provision not included.

9. ADMINISTRATIVE ATTACHMENTS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$193,300	1.00	- $193,300	- 1.00	$0	0.00

Governor: Provide increased expenditure authority of $84,300 in 2021-22, $109,000 in 2022-23, and 1.0 position annually to fund administrative services provided to state agencies. The provision would be supported by assessments to agencies for services provided.

Specify that the Higher Educational Aids Board (HEAB), Distance Learning Authorization Board, Kickapoo Reserve Management Board (KRMB), and State Fair Park (SFP) would be administratively attached to DOA for services such as financial, accounting, budgeting, purchasing, and other administrative support. The Department currently provides such services for KRMB. Under current law, HEAB and SFP are responsible for their own administrative services, and the Distance Learning Authorization Board is attached to HEAB.

In addition, specify that the following be administratively attached to DOA only for budgeting, program coordination, and related management purposes: Office of the Governor, Office of the Lieutenant Governor, Office of the Secretary of State, and Office of the State Treasurer. Require DOA to perform budgeting, program coordination, and related management functions on behalf of the Department of Tourism. While DOA currently provides such services, it is not specified in statute. According to DOA, the provision is intended to provide consistent statutory references for agencies that receive administrative support from DOA.

Joint Finance: Provision not included.

10. CAPITOL POLICE CAMERAS [LFB Paper 111]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$100,000	- $100,000	$0

Governor: Provide $50,000 annually to purchase body-worn cameras and store data for the Division of Capitol Police. Funding would be provided to DOA's existing appropriation for police and protection functions. According to DOA, the Department would acquire 35 to 50 units at a cost of $800 to $1,200 per unit, depending upon the model. Ongoing costs, such as cloud storage and licensing, would depend on the number of units purchased.

Joint Finance: Provision not included.

11. REPEAL APPROVAL PROCESS FOR CAPITOL SECURITY CHANGES

Governor: Repeal the provision of 2017 Act 369 that requires DOA to submit any proposed changes to security at the Capitol, including the posting of a firearm restriction, to the Joint Committee on Legislative Organization (JCLO) for approval under a 14-day passive review process. Under current law, DOA may take any action related to security at the Capitol that is necessary to prevent or mitigate imminent danger and the Co-Chairs of JCLO may review the action later if they determine review is necessary.

Joint Finance: Provision not included.

12. MUNICIPAL RECORDS FILINGS

Governor: Transfer the responsibility of filing certain municipal records from the Secretary of State to the Secretary of Administration and transfer associated records to DOA. Under 2015 Act 55 some, but not all, municipal records filing duties were transferred from the Secretary of State to DOA. The provision is intended to complete the transfer of these duties for all municipal filing categories. [See "Secretary of State."]

In addition, modify DOA's current statutory requirements to replace the term "plat" with the term "scale map" to conform to existing requirements for certain filings, including petitions for incorporation and annexation. Reduce the number of copies that must be provided to DOA from multiple copies to one copy in certain circumstances.

Joint Finance: Provision not included.

13. MODIFY THE ANNEXATION PROCESS FOR COUNTIES UNDER 50,000

Governor: Remove the current law exemption for counties with a population under 50,000 from provisions of law related to annexations initiated by electors and property owners. The modification would make uniform the filing requirements for all annexations, regardless of county size. Under current law, no annexation initiated by electors and property owners in a county with over 50,000 residents is valid unless the person publishing a notice of annexation mails a copy of the notice to the clerk of each affected municipality and to DOA, within five days of publication. Within 20 days of receiving the notice, DOA is required to mail an opinion to the affected clerks determining whether the annexation is in the public interest. The annexing municipality is required to review the advice before final action is taken. The bill provisions would make these current law

requirements applicable to counties with a population under 50,000. The following counties currently have populations under 50,000: Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Crawford, Door, Douglas, Dunn, Florence, Forest, Green, Green Lake, Iowa, Iron, Jackson, Juneau, Kewaunee, Lafayette, Langlade, Lincoln, Marinette, Marquette, Menominee, Monroe, Oconto, Oneida, Pepin, Pierce, Polk, Price, Richland, Rusk, Sawyer, Shawano, Taylor, Trempealeau, Vernon, Vilas, Washburn, and Waushara.

Joint Finance: Provision not included.

14. FUND OF FUNDS INVESTMENT PROGRAM

Governor: Require that gross proceeds from the fund of funds investment program be reinvested in venture capital funds unless otherwise directed by DOA. Currently, the program invests in venture capital funds that invest in businesses located in the state. The state contracted with an investment manager in June, 2015, to invest the amounts contributed to the Badger Fund of Funds, including the state's contribution of $25.0 million GPR. According to DOA, the state's contribution is held in escrow and is released as capital draws are requested. As of December, 2020, $19.2 million of state and private funds had been invested and the total amount in the Fund of Funds was $60.7 million.

Under current law, the gross proceeds from investments of the state's contribution must be returned to the state for deposit into the general fund. If the cumulative amount returned to the general fund reaches $25.0 million, the investment manager must pay 90% of the gross proceeds from investments of the state's contribution thereafter. To date, no proceeds have been returned to the general fund.

Joint Finance: Provision not included.

15. WORKER MISCLASSIFICATION OUTREACH

Governor: Require that DOA direct departments (including agencies, constitutional offices, societies, associations, and other organizations for which appropriations are made by law) to provide educational outreach regarding worker misclassification to employers, workers, and organizations that serve vulnerable populations. Require that outreach be provided in English, Spanish, and other languages; include the appropriate departments to contact; and emphasize individuals' right to remain anonymous when reporting misclassifications.

Under current law, employers are required to correctly classify each worker as either an "employee" or "independent contractor." Worker misclassification is the unlawful practice of labeling employees as independent contractors, thereby allowing employers to not withhold certain taxes, and not pay for health, retirement, and unemployment insurance benefits. In addition, misclassified employees can be denied access to protections they are entitled to by law, including minimum wage, overtime compensation, workers compensation coverage, and family and medical leave. The requirement is one of several in the bill applicable to state agencies with regulatory responsibilities. [See "Workforce Development -- Equal Rights."]

Joint Finance: Provision not included.

16. GENERAL PROGRAM OPERATIONS REDUCTION

GPR	- $2,470,600

Joint Finance: Reduce the general program operations; supervision and management appropriation by -$1,235,300 annually.

17. TRANSFER FROM SPACE RENTAL ACCOUNT

PR-Transfer	$20,000,000
GPR-REV	$20,000,000

Joint Finance: Transfer $20,000,000 in 2021-22 from the space rental account to the general fund.

18. POSITION REDUCTIONS

	Positions
GPR	- 2.85
PR	- 7.05
Total	- 9.90

Joint Finance: Delete 2.85 GPR and 7.05 PR positions annually from the following appropriations: (a) 1.0 unclassified and 1.85 classified GPR positions [General program operations, 20.505(1)(a)]; (b) 1.0 PR position [Materials and services to state agencies and certain districts, 20.505(1)(ka)]; (c) 3.0 PR positions [Enterprise resource planning system, 20.505(1)(kd)]; (d) 0.15 PR position [Financial services, 20.505(1)(kj)]; (e) 2.1 PR positions [Printing, mail, communication, and information technology services; agencies, 20.505(1)(kL)]; (f) 0.3 PR position [Personnel management general program operations, 20.505(1)(kz)]; and (g) 0.5 PR position [Hearings and appeals fees, 20.505(4)(kp)].

19. SERVICE AWARD CAP AND SUM SUFFICIENT REESTIMATE [LFB Paper 102]

GPR	- $159,200

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

Housing and Homelessness

1. AFFORDABLE WORKFORCE HOUSING GRANTS [LFB Paper 115]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$50,000,000	- $50,000,000	$0

Governor: Create an affordable housing grant program and provide one-time funding of $50,000,000 in 2021-22. Under the bill, grants would be awarded to municipalities (cities, villages, and towns) to increase the availability of affordable workforce housing. Authorize DOA to establish eligibility requirements and program guidelines for the grant program. According to the administration, the recommended funding level was based on similar efforts in other states and current demand for state and federal housing tax credits.

The administration indicates that similar programs in other states have funded initiatives such as: (a) capital subsidies for affordable housing developments; (b) operating subsidizes for affordable housing developments; (d) acquisition and operation of moderate-cost rental units; (e) targeted efforts to create, preserve, and expand the supply of lower-cost housing types in resource-rich areas; (f) tenant-based rental assistance; (g) security deposit assistance; (h) down payment and closing cost assistance; and (i) foreclosure prevention assistance.

Joint Finance: Provision not included.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$12,600,000	- $11,400,000	$1,200,000

Governor: Provide $6,300,000 annually to DOA's shelter for homeless and housing grants appropriation, which supports the housing assistance program (HAP) and the state shelter subsidy grant (SSSG) program. According to DOA, $5,000,000 per year would be allocated to HAP, $700,000 per year would be allocated to SSSG, and $600,000 per year would be allocated for housing navigation grants, as recommended by the Interagency Council on Homelessness. The grants would be used to connect landlords and homeless persons to help secure housing faster.

Under 2019 Act 9, an additional $1.2 million per year was reserved for HAP in the Joint Committee on Finance's supplemental appropriation, but has not yet been transferred to DOA. Under Act 9, $500,000 per year was also reserved for SSSG. These funds were transferred to DOA under s. 13.10 of the statutes in February, 2020.

Joint Finance: Provision not included. Instead, provide $600,000 GPR annually for HAP.

3. HOUSING QUALITY STANDARDS GRANT PROGRAM [LFB Paper 117]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,000,000	- $4,000,000	$0

Governor: Create a housing quality standards grant program and provide $2,000,000 annually. Under the bill, grants would be awarded to owners of rental housing units for purposes of satisfying applicable housing quality standards.

In November, 2018, the Interagency Council on Homelessness recommended the creation of a state-funded program to help landlords address quality deficiencies. Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council on Homelessness. Funds for this purpose were reserved in the Joint Committee on Finance's supplemental appropriation under 2019 Act 9 but have not yet been transferred to DOA.

Joint Finance: Provision not included.

4. HOUSING GRANTS AND LOANS [LFB Paper 118]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,000,000	- $3,000,000	$0

Governor: Provide $1,500,000 annually to DOA's housing grants and loans appropriation, which supports the housing cost reduction initiative homebuyer program, the homeless prevention program (HPP), and the critical assistance program. According to DOA, $1,000,000 per year would be allocated to HPP, while $500,000 per year would be used to establish a diversion program under HPP, as recommended by the Interagency Council on Homelessness. The diversion program would provide case management, rental subsidies, utility assistance, and other services to prevent homelessness. Under 2019 Act 9, an additional $800,000 per year was reserved for HPP in the Joint Committee on Finance's supplemental appropriation, but the funds have not yet been transferred to DOA.

Joint Finance: Provision not included.

5. HOMELESS VETERAN RENTAL ASSISTANCE PROGRAM [LFB Paper 119]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	- $2,000,000	$0

Governor: Create a rental assistance grant program for homeless veterans and provide $1,000,000 annually. Specify that funds must be used to provide tenant-based rental assistance to homeless veterans. Tenant-based assistance is provided to individual households, rather than to particular building projects. According to DOA, the recommended funding level is based on reports from local agencies on the number of veterans seeking homelessness assistance.

Under the bill, grants would be awarded to each continuum of care (COC) designated by the U.S. Department of Housing and Urban Development. Wisconsin has four designated COC organizations: the Homeless Services Consortium of Dane County, the Milwaukee Continuum of Care, the Racine Continuum of Care, and the Wisconsin Balance of State Continuum of Care. The administration indicates that DOA would work with COCs, the Wisconsin Department of Veterans Affairs, and the U.S. Department of Veterans Affairs to distribute funding in accordance with the number of eligible veterans in each community.

Joint Finance: Provision not included.

6. HOMELESS CASE MANAGEMENT SERVICES [LFB Paper 120]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 annually for the Homeless Case Management Services grant program. Increase the annual limit on grants from $50,000 to $75,000 per recipient, and eliminate the statutory restriction that limits the program to 10 grants per year. Funds are provided from the Department of Children and Families' federal temporary assistance for needy families program. A corresponding increase is provided under the TANF allocation. The administration indicates that the revised limit of $75,000 is based on a review of prior applications and would be sufficient to ensure that assistance is available for agencies of various sizes throughout the state.

The program is currently authorized by statute to support 10 annual grants of $50,000 to shelter facilities to provide intensive case management services to homeless families. Funds are used to provide intensive case management services to homeless families, including: (a) financial management services; (b) employment services, including connecting parents who are job training graduates or who have a recent work history with their local workforce development board and assisting them with using the job center website maintained by the Department of Workforce Development; (c) services intended to ensure continuation of school enrollment for children; and (d) services to enroll unemployed or underemployed parents in a food stamp employment and

training program or in the Wisconsin Works program.

Funding provided under the bill is consistent with the November, 2018, recommendations of the Interagency Council on Homelessness. Funds for this purpose were reserved in the Joint Committee on Finance's supplemental appropriation under 2019 Act 9, but have not yet been transferred to DOA.

Joint Finance: Provision not included.

7. POSITIONS TO SUPPORT HOUSING INITIATIVES

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$150,000	1.00	- $150,000	- 1.00	$0	0.00
FED	- 270,800	- 2.00	270,800	2.00	0	0.00
PR	135,400	1.00	- 135,400	- 1.00	0	0.00
Total	$14,600	0.00	- $14,600	0.00	$0	0.00

Governor: Provide additional staff to the Division of Energy, Housing, and Community Resources to administer housing program expansions. Provide $75,000 GPR and $58,000 PR in 2021-22, $75,000 GPR and $77,400 PR in 2022-23, and 1.0 GPR position and 1.0 PR position annually. In 2020-21, the Division is authorized 25.2 positions.

Program revenue funds would be allocated from federal TANF funds. The increases would be offset by repealing the homeless employment program (Item #8), and by reducing DOA's federal aid for state operations appropriation (-$116,000 FED in 2021-22, -$154,800 FED in 2022-23, and -2.0 FED positions annually).

Joint Finance: Provision not included.

8. HOMELESS EMPLOYMENT PROGRAM REPEAL

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $150,000	$150,000	$0

Governor: Repeal the homeless employment program, created under 2017 Act 59, which provides grants to municipalities to connect homeless individuals with permanent employment. Under current law, the program is funded $75,000 GPR annually and each recipient must contribute a match of at least $50,000. The Department indicates that the program did not receive any applications in 2018-19 or 2019-20 because of the proportionally high match requirement.

Joint Finance: Provision not included. Instead, modify the program to require municipalities to provide a match of at least $10,000, rather than $50,000.

9. PROGRAM OPERATIONS REDUCTION

GPR	- $153,000

Joint Finance: Reduce the general program operations; housing and community development appropriation by -$76,500 annually.

Energy and Environment

1. ESTABLISH THE OFFICE OF SUSTAINABILITY AND CLEAN ENERGY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$4,000,000	- $4,000,000	$0

Governor: Statutorily establish the Office of Sustainability and Clean Energy within the Department of Administration. The Office was established within DOA in 2019 by Executive Order #38. Provide one-time funding of $4,000,000 SEG in 2021-22 from the environmental fund for clean energy research grants administered by the Office.

Clean Energy Grants. Provide $4,000,000 SEG in 2021-22 from the environmental management account of the environmental fund for research grants to support clean energy production. The account funds: (a) recycling assistance to local governments; (b) administration of contaminated land cleanup and recycling programs; (c) debt service costs for general obligation bonds issued for state-funded cleanup of contaminated land and sediment and water pollution abatement programs; and (d) other environmental programs. Revenues are primarily received from solid waste tipping fees assessed on waste deposited in state landfills. The environmental management account had a closing unencumbered balance of $18.9 million on June 30, 2020.

Other Responsibilities. The Office would also be responsible for: (a) promoting the development and use of clean and renewable energy; (b) advancing innovative solutions to improve the economy and environment, including initiatives that reduce carbon emissions, accelerate economic growth, and lower customer energy costs; (c) diversifying resources used to meet the energy needs of consumers and generate jobs through the expansion of the state's clean energy economy; (d) providing support to state agencies in developing or retrofitting infrastructure to reduce energy use and lessen impacts on air and water quality; (e) reporting on the status of existing clean and renewable energy efforts by the state, including economic development initiatives, and developing energy policy opportunities for consideration by the Governor and state agencies; (f) serving as the point of contact to assist businesses, local units of government, and nongovernmental organizations pursuing clean energy opportunities; (g) identifying and sharing information about clean energy funding and employment opportunities for private, state, and local governmental entities; and (h) taking other steps necessary to facilitate the above initiatives and to address barriers to implementation. Further, the Office would provide technical assistance to non-

state units of government to assist with planning and implementing energy efficiency and renewable resources and would be authorized to charge for such services. The Office would also be authorized to require a public utility to provide energy data regarding public schools. The Office would be required to consult with the Public Service Commission and permitted to request assistance from other agencies in providing assistance.

Joint Finance: Provision not included.

2. ESTABLISH THE OFFICE OF ENVIRONMENTAL JUSTICE

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$250,000	0.00	- $250,000	0.00	$0	0.00
PR	543,600	2.00	- 543,600	- 2.00	0	0.00
Total	$793,600	2.00	- $793,600	- 2.00	$0	0.00

Governor: Establish the Office of Environmental Justice within DOA. Provide $250,000 GPR in 2021-22 to create a technical assistance grant program. Provide $396,000 PR in 2021-22, $506,600 PR in 2022-23, and 4.0 PR positions annually (2.0 unclassified and 2.0 classified) for program administration. Funding and position authority would be offset in part by a reduction to DOA's enterprise resource planning system appropriation (-$179,500 PR and -2.0 PR classified positions annually).

Program Administration. The bill would create an annual PR appropriation for Office administrative costs. Revenues would be provided from assessments to state agencies for the development of climate risk assessment and resiliency plans. The Office would be led by an unclassified director, appointed by the Secretary of Administration, and an unclassified chief resiliency officer responsible for overseeing state and local climate resiliency and risk planning. Both unclassified positions would be placed in executive salary group 3 (an annual salary range of $76,315 to $125,923 under the 2019-21 compensation plan). The 2.0 classified positions would serve as a policy initiatives advisor and as a policy analyst -- advanced.

Grant Program. Create a biennial appropriation and provide one-time funding of $250,000 GPR in 2021-22 to provide climate risk assessment and resiliency plan technical assistance grants. The grant program would assist state agencies, local governments, and tribal governments with developing climate risk assessment and resiliency plans to become carbon-free by 2050.

Other Responsibilities. In addition to the grant program, the Office would be responsible for: (a) developing a statewide climate risk assessment and resiliency plan; (b) collaborating with state agencies and entities that serve vulnerable communities to address the impact of climate change; (c) analyzing grant opportunities and enforcement of environmental laws and regulations; (d) providing guidance to state entities to address environmental issues and concerns that affect primarily low-income and minority communities; and (e) creating an annual report on issues, concerns, and problems related to environmental justice.

Joint Finance: Provision not included.

3. TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES

Governor: Transfer administration of one-time environmental impact fees and annual impact fees for construction and operation of high-voltage transmission lines from DOA to the Public Service Commission (PSC). The bill would transfer all assets and liabilities, employees, employee status (permanent or otherwise), tangible personal property, contracts, rules and orders, and pending matters, as determined by the Secretary of DOA. [No positions are identified for transfer because there are no full-time employees associated with the program.]

Under current law, owners of high-voltage transmission lines make a one-time payment equal to 5% of the cost of the transmission line, and annual payments equal to 0.3% of the cost of the transmission line to DOA, which then distributes the amounts in a proportional manner to local governments affected by the transmission line.

Joint Finance: Provision not included.

4. WATER UTILITY ASSISTANCE PROGRAM [LFB Paper 125]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$23,730,400	1.00	- $23,730,400	- 1.00	$0	0.00

Governor: Create a water utility assistance program to help low-income households pay water bills. Provide $10,170,200 in 2021-22, $13,560,200 in 2022-23, and 1.0 position annually for program administration and assistance to households, as described below.

Program Administration. Require DOA to administer a water utility assistance program for low-income households. Authorize DOA to contract with a county department, local governmental agency, or private nonprofit organization to process applications and make payments. Create an annual appropriation and provide $1,071,200 in 2021-22, $1,428,200 in 2022-23, and 1.0 position annually for administration. The administration indicates that administrative costs would include upgrades to the energy assistance program's online system to include water utility assistance, technical assistance, and training for local agencies.

Application Procedure. Create a continuing appropriation and provide $9,099,000 in 2021-22 and $12,132,000 in 2022-23 for assistance to households. Specify that a household may apply for assistance through a county department, local governmental agency, or private nonprofit organization with which DOA contracts, using a form prescribed by DOA. Authorize DOA to reduce payments or suspend the processing of applications if, by February 1 of any year, the number of households applying for assistance exceeds the number anticipated. According to DOA, the recommended funding level is based on an analysis by the Public Service Commission estimating the statewide need for water utility assistance.

Eligibility. Specify that to be eligible for assistance, a household must consist of an individual or group living together as a single economic unit whose household income does not exceed 60% of the statewide median income. In 2020-21, for the home energy assistance program under DOA, this guideline is equivalent to $57,464 annually for a household of four. A household would also be eligible if all members receive supplemental nutrition assistance benefits, supplemental security income, or state supplemental payments. Households in subsidized housing who pay utility bills would be eligible, provided that the household income is within program limits. No assistance would be provided to those imprisoned in a state prison, juvenile correctional facility, or secured residential care center.

Crisis Assistance. Specify that households eligible for water utility assistance may also be eligible for crisis assistance. Authorize DOA to define the circumstances of a crisis, determine the amount of crisis assistance provided, and delegate administration to a county department, local governmental agency, or private nonprofit organization. Under current law, crisis assistance is provided to households at risk of experiencing a heating emergency. Program intake workers are employed by a variety of entities, including county social service agencies, to provide crisis services such as blankets, space heaters, and heating fuel.

Joint Finance: Provision not included.

Personnel Management

1. JUNETEENTH HOLIDAY

Governor: Add June 19 to the list of holidays on which state offices of executive branch agencies (excluding UW System) are closed, and increase the number of annual paid holidays for non-UW executive branch employees from nine to 10. Specify that state offices would be closed the following day if June 19 falls on a Sunday. The provision would take effect on the January 1 after publication of the bill.

Require the administrator of the Division of Personnel Management (DPM) to include June 19 as a paid holiday in the proposal for adjusting compensation and employee benefits for UW System employees for 2021-23, which is submitted to the Joint Committee on Employment Relations (JCOER) for review and approval. The first paid holiday under the provision would be the June 19 that occurs after the 2021-23 compensation plan for UW System is adopted by JCOER.

In relation to this provision, compensation reserves provided for the 2021-23 biennium for state employee salaries and fringe benefits assume increases of $1,880,100 GPR in 2021-22 and $1,917,700 GPR in 2022-23 associated with the June 19 holiday.

Under current law, state offices of executive branch agencies are closed on Saturdays, Sundays, and the following holidays: (a) January 1; (b) the third Monday in January; (c) the last Monday in May; (d) July 4; (e) the first Monday in September; (f) the fourth Thursday in

November; (g) December 24; (h) December 25; and (i) December 31. Also under current law, state offices are closed the following day if January 1, July 4, or December 25 falls on a Sunday.

Joint Finance: Provision not included.

2. STATE EMPLOYEE PARENTAL LEAVE

Governor: Require the administrator of DPM to develop and recommend to JCOER a program that provides paid parental leave to employees whose compensation is established under the state employee compensation plan (including state constitutional and elected officials, and justices and judges), as well as deputy and assistant district attorneys, assistant state public defenders, and assistant attorneys general. Specify that, if this paid parental leave program were approved by JCOER, it would become effective immediately.

Require the Board of Regents of the UW System to submit to the administrator of DPM a plan for a program to provide paid parental leave to UW employees, along with its recommendations for adjustments to compensation and employee benefits for UW employees for 2021-23. The plan would be subject to approval by JCOER.

In relation to this provision, compensation reserves for the 2021-23 biennium for state employee salaries and fringe benefits include increases of $1,827,200 GPR in 2021-22 and $1,842,400 GPR in 2022-23. The amounts assume that six weeks of paid leave would be made available to employees specifically for parental leave purposes.

Under current law, state employees may be eligible to take family and medical leave, including for the birth or placement of a child, under either the Wisconsin Family and Medical Leave Act, the federal Family and Medical Leave Act (FMLA), or both. In general, state and federal FMLA leave is unpaid, though law permits the substitution of paid leave for unpaid leave in many cases. State employees other than limited-term employees are eligible for several types of paid leave, including annual leave, sabbatical leave, legal holidays, personal holidays, and sick leave. Paid leave balances, other than sabbatical leave and sick leave, do not carry over from year to year. Employees taking FMLA leave may substitute any of these types of paid leave for unpaid leave.

Joint Finance: Provision not included.

3. SICK LEAVE FOR LIMITED-TERM EMPLOYEES

Governor: Provide that limited-term employees in the executive branch, excluding UW System, accrue sick leave at the same rate as permanent and project state employees, subject to proration if the employee works less than full-time.

In relation to this provision, compensation reserves provided for the 2021-23 biennium for state employee salaries and fringe benefits assume increases of $1,081,100 GPR annually associated with limited-term employee sick leave.

Under current law, limited-term employees are not eligible for tenure, vacation, paid holidays, sick leave, performance awards, or the right to compete in promotional processes. Sick leave for permanent and project employees is accrued at the rate of 0.0625 hour per hour in pay status, not to exceed five hours in a biweekly pay period. For a full-time employee working 2,080 hours per year, this equates to 130 hours of sick leave on an annual basis. Limited-term appointments are provisional appointments or appointments for less than 1,040 hours per year. An employee working 1,040 hours per year would earn 65 hours of sick leave on an annual basis.

Joint Finance: Provision not included.

4. EQUAL OPPORTUNITY INTERNSHIP PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$465,600	- $465,600	$0

Governor: Provide $232,800 annually to the Division of Personnel Management's (DPM) general program operations appropriation to fund an equal opportunity paid internship program. Funding provided would be for intern stipends (limited-term employee salaries), associated payroll taxes, and supplies and services (to pay standard DOA assessments charged per employee). The source of funding for the appropriation is assessments to state agencies for personnel management services.

Require DPM to establish a program under which it places up to 16 interns annually with executive branch agencies and members of the Legislature, upon the written request of the agency or legislator and upon approval by DPM. Specify that each intern must be paid a stipend of at least $15 per hour, for up to 20 hours of work per week, for services provided to the state agency or legislator. Stipends would be paid from DPM's general program operations appropriation. Specify that any stipend received by an intern is to be disregarded in establishing household income for the purposes of obtaining public benefits under any state program. Define "low-income household" to mean a household having an income that does not exceed 300% of the federal poverty line based on family size ($79,500 for a family of four in 2021). It should be noted that the bill does not specify that an intern must be from a low-income household. However, the administration indicates that the intent of the provision is to require that each intern be from a low-income household, utilizing the definition created in the bill.

Joint Finance: Provision not included.

5. STATE EMPLOYEE VACATION HOURS

Governor: Modify the amounts of paid annual leave provided to executive branch employees other than limited-term employees (excluding UW System) based on accumulated continuous state service, as follows:

a. Reduce from five years to two years the initial service period for which employees covered by the federal Fair Labor Standards Act (FLSA) are provided 104 hours each year for a full year of service and FLSA-exempt employees are provided 120 hours each year for a full year of service.

b. Create a new service period three years in length, following the first two years, for which covered employees would be provided 120 hours each year and FLSA-exempt employees would be provided 136 hours each year.

c. Specify that, when the rate of annual leave changes during the second calendar year, the annual leave for that year would be prorated, consistent with current law provisions that apply to the fifth, tenth, fifteenth, twentieth, or twenty-fifth calendar year.

Specify that the modifications would first apply to an employee's anniversary of service that occurs on the effective date of the bill.

The bill would maintain the annual leave structure that exists for six years of service and beyond.

In relation to this provision, compensation reserves provided for the 2021-23 biennium for state employee salaries and fringe benefits assume increases of $121,400 GPR in 2021-22 and $123,800 GPR in 2022-23 associated with modifications to non-UW executive branch employee vacation allowance by years of service.

Under current law, covered employees receive 104 hours each year for the first five years and 144 hours each year for the next five years, while FLSA-exempt employees receive 120 hours each year for the first five years and 160 hours each year for the next five years. The bill would reduce the first service period by three years, create a level of annual leave between the first two existing annual leave amounts (120 hours and 136 hours, respectively), and set the service period for the new category at three years. Thus, under the bill, annual leave would increase more gradually during the first five years of service than under current law.

Joint Finance: Provision not included.

6. HUMAN RESOURCES POSITION ADJUSTMENTS [LFB Paper 130]

	Positions
PR	0.60

Governor: Modify funding and position authority under DPM's general program operations appropriation as follows: (a) provide 0.60 position annually; (b) provide $87,800 annually for salaries and fringe benefits; and (c) delete $87,800 annually from supplies and services.

Under 2017 Act 59, human resources positions and functions were transferred from most executive branch agencies to the Division of Personnel Management in DOA. The modifications above would provide for: the transfer of positions that continue to perform personnel management functions in other agencies to DOA (0.6 PR position from Workforce Development and 1.0 PR position from Health Services); and the transfer of 1.0 PR position that is not performing personnel

management functions from DOA to Transportation. Funding in Health Services and Workforce Development associated with the positions would be transferred from salaries and fringe benefits to supplies and services, to pay assessments to DOA for services provided. Funding in Transportation would be transferred from supplies and services to salaries and fringe benefits to support the position being transferred from DOA. As of March 5, 2021, the positions identified for transfer were filled. The bill does not provide for the transfer of any incumbent employees or employment rights of such employees who might occupy the positions. [See "Health Services -- Departmentwide," "Transportation -- Departmentwide," and "Workforce Development -- Departmentwide."]

Joint Finance: Specify that the incumbent employees occupying the positions also be transferred. In addition, specify that an incumbent employee transferred under the provision would retain the same rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be require to serve a probationary period.

Information Technology

1. ESTABLISHING THE OFFICE OF DIGITAL TRANSFORMATION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$2,312,700	1.00	- $2,312,700	- 1.00	$0	0.00

Governor: Create an Office of Digital Transformation within DOA to manage data analytics and coordinate digital resources across state government, as described below.

Office Administration. Provide $257,800 in 2021-22, $377,300 in 2022-23, and 3.0 positions annually (1.0 unclassified and 2.0 classified) to DOA's appropriation for IT services to state agencies for Office administration. In addition, 2.0 vacant classified positions would be reallocated from within the IT services appropriation to assist the Office. Funding and position authority would be offset, in part, by a reduction to DOA's justice information systems appropriation (-$111,900 and -1.0 position annually) and enterprise resource planning system appropriation (-$99,300 and -1.0 position annually). Funding would be provided by charges to state agencies.

The Office would be led by an unclassified director, appointed by the Secretary of Administration and placed in executive salary group 4 (an annual salary range of $82,430 to $136,011 under the 2019-21 compensation plan). Of the classified positions, 3.0 would serve as information systems enterprise technical services specialists and 1.0 would serve as an information systems enterprise technical services consultant.

Enterprise Data Management and Analytics Program. Provide supplies and services

funding of $1,600,000 in 2021-22 and $500,000 in 2022-23 for the purchase of hardware and software, maintenance activities for the data platform, initial funding for data analytics projects, system integration efforts, and other contractual services. Authorize the Office to establish a statewide program to compile and analyze data provided by state agencies. The program would be authorized to use data to evaluate the outcomes of state-funded programs; develop and implement policies and strategies that promote the effective, efficient, and best use of state resources; and identify, prevent, or eliminate the fraudulent use of state resources. Agencies would be required to provide data at the Office's request. The bill includes measures relating to the protection of confidential data, including a requirement that the Office establish a security plan and data-sharing protocol in consultation with agencies.

Front Door Initiative. According to the administration, the Office would also be directed to establish a Wisconsin Front Door services hub, an online portfolio of state resources in a consolidated and centralized format. The hub would identify eligibility for state assistance based on each user's needs. A user would create an account, provide demographic and location information, and be linked to agency services such as workforce development, energy and housing assistance, health and human services, and licensing programs.

Joint Finance: Provision not included.

2. OPIOID AND METHAMPHETAMINE DATA SYSTEM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,500,000	- $1,500,000	$0

Governor: Require DOA to issue a request for proposals to build and maintain an opioid and methamphetamine data system to collect, analyze, and disseminate information on opioid and methamphetamine use. The system would be managed by the Office of Digital Transformation (see item #1) and provided one-time funding of $1,500,000 in 2021-22 for implementation. The funding would support system development and initial implementation costs. The data system requirements and funding are based on the provisions of 2021 Assembly Bill 41/Senate Bill 49.

The data system would be required to include the following: (a) hospital discharge data from visits and stays related to opioid and methamphetamine use or overdose; (b) records of hospitals diverting patients to other facilities to address opioid and methamphetamine use or overdose; (c) ambulance service run data related to opioid use or overdose; (d) the number of opioid- and methamphetamine-related overdoses in the state, the number of individuals who overdose, and the opioids and forms of methamphetamines on which the individuals overdose; (e) death records related to opioid and methamphetamine use or overdose; (f) the number of opioid and methamphetamine treatment centers in the state, by the owner or operator of each treatment center; (g) the number of providers in the state that are allowed to prescribe a drug that is a combination of buprenorphine and naloxone, the patient capacity for those prescribers, the number of patients taking such a combination drug, and the number of patients who have discontinued such a

combination drug due to successful completion of a treatment program; (h) the number of methadone clinics in the state, the number of patients taking methadone, the number of patients who more than once have been on courses of methadone, the number of patients who have discontinued methadone use due to successful completion of a treatment program, and the number of patients who are receiving methadone treatment for longer than each of the following durations: 12 months, 3 years, 4 years, 5 years, 8 years, and 10 years; (i) the amount of naloxone doses dispensed, the total number of naloxone doses administered, and the number of unique patients who have received doses of naloxone; (j) the number of adults in the state who use opioids and methamphetamines, the extent to which those adults use opioids and methamphetamines, and the type of opioids and forms of methamphetamines used; (k) the number of minors in the state who use opioids and methamphetamines, the extent to which those minors use opioids and methamphetamines, and the type of opioids and forms of methamphetamines used; (l) the number of minors who enter the child protective services system due to opioid use by a parent or guardian, length of time those minors are in out-of-home care, and the type of reporter who notified child protective services of the needs of the minor; (m) the number of persons who are incarcerated and who are receiving naltrexone for extended-release in injectable suspension; the number of persons who are on extended supervision, probation, or parole and who are receiving extended-release naltrexone; the total number of doses of extended-release naltrexone administered to persons who are incarcerated or on extended supervision, probation, or parole; and the length of time that persons who are incarcerated or on extended supervision, probation, or parole are receiving extended-release naltrexone; (n) the number of arrests and convictions related to methadone and the number related to a drug that is a combination of buprenorphine and naloxone; and (o) the number of arrests and convictions related to methamphetamines. Also, when applicable, the system would be required to identify the number of individuals who have public health care coverage, private health coverage, self-coverage, or no health insurance.

The bill would require DOA to collaborate with, and collect data from, the Departments of Children and Families, Corrections, Health Services, Justice, Safety and Professional Services, and any other applicable agencies. Agencies that submit data would have access to the data in the system as appropriate to fulfill agency functions and as allowed by confidentiality laws. The bill would further require DOA to administer the contract with the vendor to operate the system, have access to the data in the system, and work with the vendor to disseminate information and analytics in as close to real time as possible. By January 1, 2023, and annually thereafter, DOA would be required to submit a report to the Governor and the appropriate standing committees of the Legislature summarizing information and analyzing trends from the data system.

Joint Finance: Provision not included.

3. TEACH PROGRAM MODIFICATIONS

Governor: Modify administration of the Technology for Educational Achievement (TEACH) program as follows:

Specify that DOA may not charge educational agencies more than $100 per month for each data line that operates at a speed of 1 gigabit per second or less, rather than 1.544 megabits per

second or less as under current law. The provision would apply on the effective date of the bill.

Require DOA to ensure that a participating educational agency uses data lines and bandwidth primarily for educational purposes. Repeal statutory language that: (a) prohibits a participating educational agency from providing data line access to any business entity (unless certain conditions are met, including reimbursement under some circumstances) or requesting additional access for a political subdivision under a shared service agreement; and (b) authorizes a participating public library board to enter into a shared service agreement with a political subdivision to provide access to excess bandwidth (subject to certain conditions). The Department indicates that these changes are intended to comply with federal regulations related to competitive bidding requirements for schools and libraries that receive federal universal service support, including federal e-rate reimbursement. Federal regulations require that the supported services be used primarily for educational purposes, and participants may not sell, resell, or transfer service in consideration for money or any other thing of value.

In addition, eliminate obsolete statutory language related to administration of the educational technology infrastructure financial assistance program, a loan program that sunset in 2003.

Joint Finance: Provision not included.

4. TEACH GRANTS FOR IT INFRASTRUCTURE

Governor: Modify administration of the information technology (IT) infrastructure grants provided under the TEACH program as follows:

Extend the June 30, 2021, sunset date for the IT infrastructure grant program to June 30, 2025. In the second year of each fiscal biennium, authorize DOA to award any unspent allocations from the first year of the biennium, such that DOA may award a total of $6,000,000 during the biennium. Require DOA to provide all eligible school districts and public libraries information on how to apply for the grant program at least annually.

Specify that a school district's eligibility is based on membership in the most recent school year for which finalized data is available, instead of membership in the previous year. Further, specify that eligibility for public libraries, library branches, and school districts is determined in the first year of a fiscal biennium. Specify that a public library or library branch is eligible if it: (a) is in a municipality with a population of 20,000 or less; and (b) is in a "rural territory," located outside of an area classified as "urban" by the U.S. Census Bureau. The Department indicates that these modifications are intended to provide clarity in eligibility determinations.

Under current law, the Department may award up to $3,000,000 annually in 2019-20 and 2020-21 to rural school districts, public libraries, and library branches to improve IT infrastructure. Under 2019 Act 9, the sunset date for the program was extended from July 1, 2019, to June 30, 2021. Eligibility for school districts is based on membership in the previous year. Under current law, a public library or library branch is eligible if it: (a) is in a municipality with a population of 20,000 or less; (b) is in a municipality defined as rural by the U.S. Census Bureau; and (c) meets

additional criteria based on distance from an urbanized area or urban cluster. The bill would modify the definition of rural under (b) to refer to an area outside an urban area, as provided by the U.S. Census Bureau, and delete criteria under (c).

Joint Finance: Provision not included.

5. ASSISTANCE WITH AUTOMATIC VOTER REGISTRATION

Governor: Require DOA to assist the Elections Commission with information technology systems development to facilitate the registration of all eligible electors in the state. [See "Elections Commission."]

Joint Finance: Provision not included.

Procurement and Risk Management

1. DIVERSITY GOALS FOR STATE PROCUREMENT AND CERTAIN SPECIAL DISTRICTS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$494,000	3.00	- $494,000	- 3.00	$0	0.00
FED	- 160,400	- 1.00	160,400	1.00	0	0.00
PR	- 422,000	- 2.00	422,000	2.00	0	0.00
Total	- $88,400	0.00	$88,400	0.00	$0	0.00

Governor: Repeal statutory provisions allowing DOA to charge a fee to a business that applies for certification under the supplier diversity program. Expand the program to include certification for businesses owned by individuals with disabilities and businesses owned by lesbian, gay, bisexual, or transgender individuals. Modify provisions that establish diversity goals and bidding preferences for state procurement, contracts, and construction and goals that apply to certain special districts to include the new certification categories.

The program currently provides certification and preferences in state agency contracting for disabled veteran-owned and minority businesses, and provides certification for woman-owned businesses. Under current law, DOA may charge a fee to each entity applying for certification.

Business Certifications

Provide $216,000 GPR in 2021-22, $278,000 GPR in 2022-23, and 3.0 GPR positions annually to support the program expansion. To offset costs, the bill would reduce DOA's

appropriations for federal aid for state operations (-$80,200 FED and -1.0 FED position annually), materials and services to state agencies (-$80,200 PR and -1.0 PR position annually), and facility operations and maintenance (-$99,300 PR and -1.0 PR position annually). As a result of repealing the certification fee, the bill would also repeal DOA's disabled veteran-owned, woman-owned, and minority business certification fees appropriation (-$31,500 PR annually).

Under the bill, DOA may certify a business, financial advisor, or investment firm as a "disability-owned business" if it determines that all of the following are satisfied: (a) one or more individuals with a disability own at least 51% of the business or, in the case of any publicly owned business, one or more individuals with a disability own at least 51% of the stock of the business; (b) one or more individuals with a disability or one or more duly authorized representatives of one or more individuals with a disability control the management and daily business operations of the business; (c) the business has its principal place of business in this state; and (d) the business is currently performing a useful business function.

Under the bill, DOA may certify a business, financial advisor, or investment firm as a lesbian, gay, bisexual, or transgender-owned entity if it determines that all of the following are satisfied: (a) one or more lesbian, gay, bisexual, or transgender individuals own at least 51% of the business or, in the case of any publicly owned business, one or more lesbian, gay, bisexual, or transgender individuals own at least 51% of the stock of the business; (b) one or more lesbian, gay, bisexual, or transgender individuals or one or more duly authorized representatives of one or more lesbian, gay, bisexual, or transgender individuals control the management and daily business operations of the business; (c) the business has its principal place of business in this state; and (d) the business is currently performing a useful business function.

State Procurement

The bill would require state agencies making purchases to attempt to ensure that at least 1% of the amount expended in each fiscal year is paid to businesses owned by individuals with disabilities and at least 1% is paid to lesbian, gay, bisexual, or transgender-owned businesses. A certified firm would be eligible for a 5% bid preference on state purchases, meaning that an agency may purchase from a certified firm that submits a qualified, responsible, and competitive bid that is no more than 5% higher than the lowest responsible bid (alternatively, a competitive proposal that is no more than 5% higher than the most advantageous proposal). [Under current law, agencies must attempt to ensure at least 5% is paid to minority businesses and at least 1% is paid to disabled veteran-owned businesses. Both entities are eligible for a 5% bid preference.] The Department would be required to promulgate administrative rules relating to certification of businesses. Under both current law and the bill, DOA would be required to maintain a computer database of all certified businesses.

Other Provisions

The bill would expand diversity requirements under current law that relate to services procured, debt contracted, contracts awarded, sales made, and employees hired by certain state entities and special districts to also include goals for businesses owned by individuals with disabilities and by lesbian, gay, bisexual, or transgender individuals. Wherever a percentage of amounts expended, contracts, sales, or employees is specified, the amounts applied would be 1%

for businesses owned by individuals with disabilities and 1% for businesses owned by lesbian, gay, bisexual, or transgender individuals. The following entities would be affected: the State Building Commission, State of Wisconsin Investment Board, Department of Transportation, metropolitan sewerage district commissions, local exposition districts, local professional baseball park districts, local professional football stadium districts, and local cultural arts districts.

Joint Finance: Provision not included.

2. RISK MANAGEMENT AND EXCESS INSURANCE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$24,000	- $24,000	$0

Governor: Create a continuing appropriation for payment of excess insurance premiums under the state risk management program and estimate expenditures at $7,301,900 annually. Reduce expenditure authority for the appropriation for risk management administration, which currently funds excess insurance premiums, by -$7,301,900 annually. Funding for excess insurance premiums would continue to be funded by assessments to state agencies. In addition, provide $12,000 annually to DOA's risk management administration appropriation to support increased costs associated with a third party administrator contract that supports the review of claims.

The state's risk management program is self-funded to insure state agencies against property, liability, and worker's compensation losses. The state also purchases excess coverage from private insurance carriers for losses that exceed self-funded coverage. Currently, both excess insurance premiums and program administration are supported through an annual sum certain appropriation, funded by assessments to state agencies. According to DOA, creating a separate appropriation for insurance premiums would allow the agency to respond to market-dependent premium costs while continuing to maintain limits on funds spent for program administration.

Joint Finance: Provision not included.

3. SERVICES TO NON-STATE ENTITIES FOR RISK MANAGEMENT, PROCUREMENT, SUSTAINABILITY, AND CLEAN ENERGY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$4,000	- $4,000	$0

Governor: Authorize DOA to provide educational services regarding procurement and risk management, including seminars, courses, or conferences, to local governmental units and private organizations. Create a continuing appropriation with estimated expenditures of $2,000 annually

for services relating to risk management, procurement, and technical assistance provided by the Office of Sustainability and Clean Energy to local governmental units and private organizations.

As a continuing PR appropriation, DOA would be authorized to spend any amount necessary, provided that revenues are sufficient. Revenues would be generated from fees charged to non-state entities to cover the costs of services. Currently, such fees are processed through the administrative appropriations for DOA's risk management and procurement programs.

Joint Finance: Provision not included.

4. GREEN PROCUREMENT REPORT

Governor: Require the State Bureau of Procurement to develop a plan to expand the use of green and environmentally friendly procurement practices and to submit a written plan to the Governor by June 30, 2022.

Joint Finance: Provision not included.

5. FOREIGN LANGUAGE TRANSLATION

Governor: Require the State Bureau of Procurement to amend existing contracts or enter into at least one contract for contractual services to provide written foreign language translation for executive branch agencies by September 1, 2022. Specify that any such contract must require a 24-hour maximum period for completing a translation from a foreign language to English.

The Bureau's current contract for written translation services expires on October 31, 2022. Under the current contract, the deadline for translations is: (a) one day for 1,000 words or less; (b) five days for 5,000 words or less; and (c) 15 days for other assignments, as determined at the time of engagement. Types of documents translated include agency publications such as information, guidance, and brochures.

Joint Finance: Provision not included.

Division of Gaming

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tribal	$27,216,200	- $6,452,000	$20,764,200

Governor: Deposit tribal gaming revenues of $2,029,800 in 2021-22 and $25,186,400 in

2022-23 into the general fund. In addition, appropriate $25,172,500 in 2021-22 and $36,255,400 in 2022-23 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) appropriations for the regulation of tribal gaming in DOA [$2,079,100 in 2021-22 and $2,079,300 in 2022-23]; (b) tribal gaming law enforcement in the Department of Justice (DOJ) [$200,300 annually]; and (c) allocations totaling $22,893,100 in 2021-22 and $33,975,800 in 2022-23 to various state agencies for other programs.

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

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

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

General Fund Revenue, Tribal Gaming

	2021-22	2022-23
Opening Balance	-$28,430,900	$0
Estimated Tribal Payments	$54,897,100	$60,458,100
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	300,000	600,000
Total Revenue	$55,687,700	$61,548,700
Program Allocations to State Agencies	$25,172,500	$36,255,400
Program Reserves	54,500	106,900
Tribal Gaming General Fund Revenue	$2,029,800	$25,186,400

As noted, allocations under the bill to state agencies, including allocations to DOA and DOJ for regulation and law enforcement, total $25,172,500 in 2021-22 and $36,255,400 in 2022-23 under the bill. Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 18 state agencies in 52 program areas, including the DOA regulation and DOJ enforcement

appropriations. Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of the 52 program allocations, 28 are identical amounts to those provided in the 2019-21 biennium. Of the 24 allocations that changed, 10 were affected by standard budget adjustments only [identified in the table below as items #14, #23, #24, #28, #29, #31, #44, #46, #51, and #52]. The remaining 14 are:

a. Tribal grants [item #1, create an appropriation and provide $11.0 million in 2022-23 to award grants to federally recognized tribes and bands];

b. Tourism marketing contract [item #2, create an appropriation and provide $400,000 annually to promote tourism featuring Native American heritage and culture];

c. Director of Native American affairs [item #3, create an appropriation for tribal relations and provide $125,600 in 2021-22, $160,100 in 2022-23, and 1.0 position annually];

d. Tribal youth wellness center [item #4, increase of $350,000 annually];

e. UW-Green Bay and Oneida Tribe programs assistance grants [item #6, increase of $109,300 annually];

f. Technical assistance program [item #7, increase of $110,000 annually];

g. Wisconsin grant program for tribal college students [item #21, increase of $48,200 in 2021-22 and $96,400 in 2022-23];

h. Management of an elk reintroduction program [item #32, convert $128,700 and 0.5 positions annually from tribal gaming revenue to the conservation fund];

i. Reintroduction of whooping cranes [item #34, convert $83,000 and 0.5 positions annually from tribal gaming revenue to the conservation fund];

j. State snowmobile enforcement program [item #35, convert $1,284,900 and 9.0 positions annually from tribal gaming revenue to the conservation fund];

k. Grants to replace race-based nicknames, logos, mascots, or team names associated with American Indians [item #36, create an appropriation and provide $200,000 annually for grants to school boards];

l. General tourism marketing [item #39, convert $4,300,000 annually from tribal gaming revenue to general purpose revenue and transfer $200,000 annually to DOA for administration of a tourism marketing contract];

m. Elderly transportation grants [item #42, convert $435,600 annually from tribal gaming revenue to the transportation fund];

n. Tribal economic development [item #50, create an appropriation and provide $390,000 annually for economic development grants to Native American small business owners].

2021-23 Tribal Gaming Revenue Appropriations -- Governor

	Agency	Program Revenue 2021-22	Program Revenue 2022-23	Purpose
1	Administration	$0	$11,000,000	Tribal grants.
2	Administration	400,000	400,000	Tourism marking contract.
3	Administration	125,600	160,100	Tribal relations.
4	Administration	350,000	350,000	Youth treatment wellness center.
5	Administration	563,200	563,200	County management assistance grant program.
6	Administration	356,800	356,800	UW-Green Bay and Oneida Tribe programs assistance grants.
7	Administration	189,500	189,500	Tribal governmental services and technical assistance.
8	Children and Families	1,867,500	1,867,500	Tribal family services grants.
9	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
10	Corrections	50,000	50,000	American Indian tribal community reintegration program.
11	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
12	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
13	Health Services	445,500	445,500	Indian substance abuse prevention education.
14	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
15	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
16	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
17	Health Services	106,900	106,900	American Indian health projects.
18	Health Services	22,500	22,500	American Indian diabetes and control.
19	Health Services	0	0	Minority health program and public information campaign grants.
20	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
21	Higher Education Aids Board	530,000	578,200	Wisconsin Grant Program for tribal college students
22	Higher Education Aids Board	405,000	405,000	Tribal College Payments
23	Historical Society	229,800	229,800	Northern Great Lakes Center operations funding.
24	Historical Society	317,800	317,800	Collection preservation storage facility.
25	Justice	695,000	695,000	Tribal law enforcement grant program.
26	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
27	Justice	490,000	490,000	County law enforcement grant program.
28	Justice	123,900	123,900	County-tribal law enforcement programs: state operations.
29	Kickapoo Valley Reserve Board	73,600	73,600	Law enforcement services at the Kickapoo Valley Reserve.
30	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
31	Natural Resources	174,700	174,700	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
32	Natural Resources	0	0	Management of an elk reintroduction program.

	Agency	Program Revenue 2021-22	Program Revenue 2022-23	Purpose
33	Natural Resources	$84,500	$84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
34	Natural Resources	0	0	Reintroduction of whooping cranes.
35	Natural Resources	0	0	State snowmobile enforcement program, safety training and fatality reporting.
36	Public Instruction	200,000	200,000	Grants to replace race-based nicknames, logos, mascots, or team names associated with American Indians.
37	Public Instruction	222,800	222,800	Tribal language revitalization grants.
38	Public Instruction	0	0	Tribal language revitalization grants, program operations.
39	Tourism	4,267,100	4,267,100	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
40	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
41	Tourism	24,900	24,900	State aid for the arts.
42	Transportation	0	0	Elderly transportation grants.
43	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
44	University of Wisconsin System*	254,500	254,500	Ashland full-scale aquaculture demonstration facility debt service payments.
45	University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.
46	Veterans Affairs	100,800	100,800	American Indian services veterans benefits coordinator position.
47	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
48	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
49	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
50	Wisconsin Economic Development Corporation	390,000	390,000	Tribal economic development.
	Subtotal (Non-Regulatory Items)	$22,893,100	$33,975,800	
51	Administration	$2,079,100	$2,079,300	General program operations for Indian gaming regulation under the compacts.
52	Justice	200,300	200,300	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	$2,279,400	$2,279,600	
	Total Appropriations	$25,172,500	$36,255,400	

*The tribal gaming general fund revenue calculation under the bill did not include a debt service reestimate of $2,000 in 2021-22 and -$57,800 in 2022-23 for the aquaculture demonstration facility. Under the bill, the appropriation would be provided $256,500 in 2021-22 and $196,700 in 2022-23 to reflect debt service reestimates.

Joint Finance: Reestimate net tribal gaming revenue available for deposit to the general fund by -$12,295,400 in 2021-22 and $5,787,600 in 2022-23 associated with net program allocations to state agencies ($12,295,400 in 2021-22 and -$5,787,600 in 2022-23 relative to the allocations used in calculating GPR-Tribal revenue under the bill).

2021-23 Tribal Gaming General Fund Revenue

Joint Finance

	2021-22	2022-23
Opening Balance	-$28,430,900	-$10,267,600
Estimated Tribal Payments	$54,897,100	$60,458,100
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	300,000	600,000
Total Revenue	$55,687,700	$61,548,700
Program Allocations to State Agencies	$37,469,900	$30,410,000
Program Reserves	54,500	106,900
Tribal Gaming General Fund Revenue	$0	$20,764,200

Several changes were made to allocations recommended by the Governor, and are shown in the list of allocations that follows: (a) modify funding for Native American assistance grants by $7,000,000 in 2021-22 and -$11,000,000 in 2022-23 (item #1); (b) reduce funding for tourism marketing contract funds by $400,000 annually (item #2); (c) reduce funding for tribal relations by $125,600 in 2021-22, $160,100 in 2022-23, and 1.0 position annually (item #3); (d) reduce funding for technical assistance by $110,000 annually (item #7); (e) reduce funding for the tribal college student grant program by $48,200 in 2021-22 and $96,400 in 2022-23 (item #21); (f) reduce funding for the collection preservation storage facility by $52,200 annually (item #24); (g) restore funding for the elk reintroduction program by $128,700 annually (item #32); (h) restore funding for the reintroduction of whooping cranes by $83,000 annually (item #34); (i) restore funding for the state snowmobile enforcement program by $1,284,900 annually (item #35); (j) reduce funding for grants to replace race-based names by $200,000 annually (item #36); (k) restore funding for tourism marketing by $4,700,000 annually (item #39); (l) restore funding for elderly transportation grants by $435,600 annually (item #42); (m) reduce debt service funding by $10,800 in 2021-22 and $11,100 in 2022-23 (item #44); and (n) reduce funding for tribal economic development by $390,000 annually (item #50).

2021-23 Tribal Gaming Revenue Appropriations -- Joint Finance

	Agency	Program Revenue 2021-22	Program Revenue 2022-23	Purpose
1	Administration	$7,000,000	$0	Tribal grants.
2	Administration	0	0	Tourism marking contract.
3	Administration	0	0	Tribal relations.
4	Administration	350,000	350,000	Youth treatment wellness center.
5	Administration	563,200	563,200	County management assistance grant program.
6	Administration	356,800	356,800	UW-Green Bay and Oneida Tribe programs assistance grants.
7	Administration	79,500	79,500	Tribal governmental services and technical assistance.
8	Children and Families	1,867,500	1,867,500	Tribal family services grants.
9	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
10	Corrections	50,000	50,000	American Indian tribal community reintegration program.
11	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
12	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
13	Health Services	445,500	445,500	Indian substance abuse prevention education.
14	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
15	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
16	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
17	Health Services	106,900	106,900	American Indian health projects.
18	Health Services	22,500	22,500	American Indian diabetes and control.
19	Health Services	0	0	Minority health program and public information campaign grants.
20	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
21	Higher Education Aids Board	481,800	481,800	Wisconsin Grant Program for tribal college students
22	Higher Education Aids Board	405,000	405,000	Tribal College Payments
23	Historical Society	229,800	229,800	Northern Great Lakes Center operations funding.
24	Historical Society	265,600	265,600	Collection preservation storage facility.
25	Justice	695,000	695,000	Tribal law enforcement grant program.
26	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
27	Justice	490,000	490,000	County law enforcement grant program.
28	Justice	123,900	123,900	County-tribal law enforcement programs: state operations.
29	Kickapoo Valley Reserve Board	73,600	73,600	Law enforcement services at the Kickapoo Valley Reserve.
30	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
31	Natural Resources	174,700	174,700	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
32	Natural Resources	128,700	128,700	Management of an elk reintroduction program.
33	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
34	Natural Resources	83,000	83,000	Reintroduction of whooping cranes.
35	Natural Resources	1,284,900	1,284,900	State snowmobile enforcement program, safety training and fatality reporting.
36	Public Instruction	0	0	Grants to replace race-based nicknames, logos, mascots, or team names associated with American Indians.
37	Public Instruction	222,800	222,800	Tribal language revitalization grants.
38	Public Instruction	0	0	Tribal language revitalization grants, program operations.
39	Tourism	8,967,100	8,967,100	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
40	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
41	Tourism	24,900	24,900	State aid for the arts.
42	Transportation	435,600	435,600	Elderly transportation grants.
43	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
44	University of Wisconsin System	245,700	185,600	Ashland full-scale aquaculture demonstration facility debt service payments.

	Agency	Program Revenue 2021-22	Program Revenue 2022-23	Purpose
45	University of Wisconsin-Madison	$488,700	$488,700	Physician and health care provider loan assistance.
46	Veterans Affairs	100,800	100,800	American Indian services veterans benefits coordinator position.
47	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
48	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
49	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
50	Wisconsin Economic Development Corporation	0	0	Tribal economic development.
	Subtotal (Non- Regulatory Items)	$35,190,500	$28,130,400	
51	Administration	2,079,100	2,079,300	General program operations for Indian gaming regulation under the compacts.
52	Justice	200,300	200,300	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	$2,279,400	$2,279,600	
	Total Appropriations	$37,469,900	$30,410,000	

2. NATIVE AMERICAN ASSISTANCE GRANTS [LFB Paper 146]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$11,000,000	- $4,000,000	$7,000,000

Governor: Provide $11,000,000 in 2022-23, funded by tribal gaming revenues, to award grants of equal amounts to the 11 federally-recognized tribes and bands in the state to meet the needs of members. Grant funds could not be used to pay gaming-related expenses.

Joint Finance: Provision not included. Instead, create a program to provide one-time grants to American Indian tribes or bands in Wisconsin, and provide $7,000,000 PR in 2021-22, funded by tribal gaming revenues. Specify that the Department of Administration establish the amount of each grant based on the pro-rata number of employees employed by the tribe or band as of December 31, 2019. Specify that each tribe or band may use grant funds as it deems necessary to support programs to meet the needs of members of the tribe or band. Grant funds may not be used to pay gaming-related expenses. Sunset the program on July 1, 2022.

3. NATOW CONTRACT TRANSFER [LFB Paper 581]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$800,000	- $800,000	$0

Governor: Create an annual appropriation, funded by tribal gaming revenues, for American Indian tourism marketing. Transfer administration of the Native American Tourism of Wisconsin (NATOW) marketing contract and $400,000 annually from the Department of Tourism to DOA. Require DOA to award the amount appropriated to the Great Lakes Inter-Tribal Council (GLITC).

Currently, Tourism administers $200,000 each year under contract with NATOW, a part of GLITC, for marketing tribal destinations and producing promotional materials. The administration indicates additional funding would aid in the economic recovery of tribal tourism. Funds are intended to increase NATOW's technical assistance capacity and to identify recovery initiatives and marketing strategies for tribal entities. [See "Tourism."]

Joint Finance: Provision not included.

4. TRIBAL YOUTH WELLNESS CENTER [LFB Paper 147]

PR	$700,000

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

Joint Finance: Specify that funding be provided on a one-time basis during the 2021-23 biennium.

5. DIRECTOR OF NATIVE AMERICAN AFFAIRS [LFB Paper 148]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$285,700	1.00	- $285,700	- 1.00	$0	0.00

Governor: Create an unclassified position to serve as the Director of Native American Affairs, responsible for managing relations between the state and tribes. Provide $125,600 in 2021-22, $160,100 in 2022-23, and 1.0 position annually, funded by tribal gaming revenues. The position would be placed in executive salary group 3 (a salary range of $76,315 to $125,923 under the 2019-21 compensation plan).

Joint Finance: Provision not included.

6. NATIVE AMERICAN ECONOMIC DEVELOPMENT; TECHNICAL ASSISTANCE PROGRAM [LFB Paper 149]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$220,000	- $220,000	$0

Governor: Provide $110,000 annually, funded by tribal gaming revenues, to the Great Lakes Inter-Tribal Council to support its technical assistance program. The program promotes economic development on tribal lands by providing management assistance for existing businesses, start-up assistance to new businesses (including the development of business and marketing plans), and technical assistance to help businesses gain access to financial support. The program is provided base funding of $79,500 annually from tribal gaming revenues.

Joint Finance: Provision not included.

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

PR	$218,600

Governor: Provide $109,300 annually, funded by tribal gaming revenues, to the University of Wisconsin-Green Bay. The administration indicates that funds would be used for educational summer camp programs developed in partnership with the Oneida Nation of Wisconsin. Funds would support STEM-related (science, technology, engineering and mathematics) camps for up to 288 students in grades three through 11 and provide access to UW-Green Bay's college credit program for high school students.

Joint Finance: Specify that funding be provided on a one-time basis during the 2021-23 biennium.

8. BINGO AND RAFFLE APPROPRIATION [LFB Paper 151]

Governor: Combine the PR appropriations for raffle and bingo program operations. Remove the current law requirement that unspent bingo funds must be transferred to the lottery fund at the end of each fiscal year. The bill would not modify bingo or raffle fees, nor would it modify the total amount authorized for program operations.

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

In 2019-20, the bingo appropriation had an unsupported overdraft of $38,100 and no bingo revenue was transferred to the lottery fund. Revenues from bingo have declined in recent years, while revenues from raffles have increased. The administration indicates that combining the

appropriations would increase administrative flexibility, as revenues from raffle fees would help offset the bingo overdraft. Base funding for bingo regulation is $359,500 and 3.2 positions, while base funding for raffle regulation is $299,000 and 2.9 positions.

Joint Finance: Modify the provision to retain the current law requirement that unspent bingo funds must be transferred to the lottery fund at the end of each fiscal year.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$58,973,600	$97,687,600	$62,055,700	- $35,631,900	- 36.5%	$3,082,100	5.2%
FED	24,461,600	23,130,900	22,909,700	- 221,200	- 1.0	- 1,551,900	- 6.3
PR	57,785,200	62,000,700	60,382,300	- 1,618,400	- 2.6	2,597,100	4.5
SEG	72,168,400	83,209,200	75,874,100	- 7,335,100	- 8.8	3,705,700	5.1
TOTAL	$213,388,800	$266,028,400	$221,221,800	- $44,806,600	-16.8%	$7,833,000	3.7%
BR		$7,000,000	$7,000,000				

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	199.40	215.40	201.40	- 14.00	2.00
FED	87.62	84.52	83.52	- 1.00	- 4.10
PR	218.77	227.87	217.87	- 10.00	- 0.90
SEG	130.50	130.50	130.50	0.00	0.00
TOTAL	636.29	658.29	633.29	- 25.00	- 3.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$1,012,800	0.00	- $124,800	0.00	$888,000	0.00
PR	737,200	- 3.00	- 113,400	0.00	623,800	- 3.00
SEG	806,900	0.00	0	0.00	806,900	0.00
FED	- 1,546,300	- 6.00	- 56,200	0.00	- 1,602,500	- 6.00
Total	$1,010,600	- 9.00	- $294,400	0.00	$716,200	- 9.00

Governor: Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-$187,400 GPR, -$170,100 PR and -$84,200 FED annually); (b) removal of non-continuing elements from the base (-$212,900 PR each year with -3.0 PR positions, and -$420,500 FED in 2021-22 and -$639,000 FED in 2022-23 with -6.0 positions); (c) full funding of continuing position salaries and fringe benefits ($560,600 GPR, $770,500 PR, $391,400 SEG, and -$95,800 FED each year); (d) reclassifications and semi-automatic pay progression ($11,600 PR in 2021-22 and $17,400 PR in 2022-23, and $50,700 SEG in 2021-22 and $58,200 SEG in 2022-23); and (e) full funding of lease and directed moves costs ($133,200 GPR, -$33,400 PR, -$42,400 SEG, and -$63,400 FED each year).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by an additional $62,400 GPR, $56,700 PR, and $28,100 FED annually.

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

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$610,300	3.00	- $406,800	- 2.00	$203,500	1.00
SEG	229,200	0.00	- 152,800	0.00	76,400	0.00
GPR	50,700	0.00	- 33,800	0.00	16,900	0.00
FED	50,700	0.00	- 33,800	0.00	16,900	0.00
Total	$940,900	3.00	- $627,200	- 2.00	$313,700	1.00

Governor: Provide $270,500 PR, $101,500 SEG, $22,500 GPR, and $22,500 FED in 2021-22, and $339,800 PR, $127,700 SEG, $28,200 GPR, and $28,200 FED in 2022-23 with 3.0 PR positions to support additional staff within the Bureau of Laboratory Services (BLS). BLS analyzes samples gathered during inspections and regulatory actions under the food safety, industrial hemp, and agrichemical management programs. The Bureau charges Department programs for its services, with the charges reflected as expenditures to those programs and as revenues to the laboratory. Funding of $208,500 PR in 2021-22 and $261,900 PR in 2022-23 would be directly associated with the 3.0 PR positions, while other funding requested reflects an equal amount of appropriation authority sufficient for the food safety, industrial hemp and agrichemical management programs to pay charges for Bureau services.

Joint Finance: Provide 1.0 PR position and $90,200 PR, $33,800 SEG, $7,500 GPR, and $7,500 FED in 2021-22, and $113,300 PR, $42,600 SEG, $9,400 GPR, and $9,400 FED in 2022-23.

3. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES

PR	$650,000

Governor/Joint Finance: Provide $300,000 in 2021-22 and $350,000 in 2022-23 for

additional expenditures for information technology services throughout the Department. DATCP information technology services are funded from assessments charged to appropriations of other DATCP programs. Total budgeted amounts for computer system equipment, staff, and services are $3.5 million each year of the biennium.

4. LATINX OUTREACH SPECIALIST

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$156,800	1.00	- $156,800	- 1.00	$0	0.00

Governor: Provide $69,400 in 2021-22 and $87,400 in 2022-23 with 1.0 position to create a Latinx outreach specialist to increase DATCP outreach in diverse communities. The position would be funded from revenues received by separate appropriations to the Division of Trade and Consumer Protection for regulation of telemarketing and weights and measures. The appropriations would equally split the funding and position.

Joint Finance: Provision not included.

5. EQUITY OFFICER POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$77,900	0.50	- $77,900	- 0.50	$0	0.00

Governor: Provide $32,000 in 2021-22 and $45,900 in 2022-23 with 0.5 position to create an agency equity officer. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

6. POSITION REALIGNMENT

	Funding	Positions
PR	$23,400	0.10
FED	- 11,000	- 0.10
SEG	1,200	0.00
Total	$13,600	0.00

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

DATCP Position Realignment

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

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

7. PROGRAM REVENUE REESTIMATES

PR	- $180,200

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

8. FEDERAL REVENUE REESTIMATES

FED	- $217,600

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

9. DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$34,100	$43,200	$77,300
SEG	315,500	- 915,500	600,000
Total	$349,600	- $872,300	- $522,700

Governor: Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -$1,000 GPR in 2022-23 for debt service on past upgrades to the Wisconsin Veterinary Diagnostic Laboratory (WVDL); (b) $102,800 GPR in 2021-22 and -$67,700 GPR in 2022-23 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program (CREP), a state-federal land and water conservation program; and (c) -$66,600 SEG in 2021-22 and $382,100 SEG in 2022-23 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to landowners for structural best management practices installed under the soil and water resource management (SWRM) program.

Joint Finance: Reestimate an additional -$57,800 GPR and -$342,100 SEG in 2021-22, and $101,000 GPR and -$573,400 SEG in 2022-23 for debt service. Under Joint Finance, debt service is budgeted as follows: (a) for WVDL upgrades, $1,800 GPR in 2021-22 and $800 GPR in 2022-23; (b) for CREP, $1,268,900 GPR in 2021-22 and $1,257,200 GPR in 2022-23; and (c) for SWRM grants, $4,443,500 SEG in 2021-22 and $4,660,900 SEG in 2022-23.

Agricultural Assistance

1. AGRICULTURAL ASSISTANCE GRANT PROGRAMS AND STAFF [LFB Papers 160 thru 164]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$26,313,800	3.00	- $26,313,800	- 3.00	$0	0.00

Governor: Provide $13,323,800 in 2021-22 and $12,990,000 in 2022-23 with 3.0 positions for agricultural assistance programs, allocated as listed below. Funding of $13,125,000 in 2021-22 and $12,725,000 in 2022-23 would be provided for various grants in a new biennial appropriation, and remaining amounts of $198,800 in 2021-22 and $265,000 in 2022-23 would be provided for positions to support grant programs. Delete existing appropriations for Buy Local, Buy Wisconsin grants ($200,000 each year), dairy industry promotion ($200,000 each year), dairy

processor grants ($200,000 each year), and farm-to-school grants (no funding provided), and transfer their funding to the new biennial grants appropriation. While the Governor would provide an intended allocation for each grant program as shown in the table below, the new appropriation does not establish limitations on use of funding for these programs, and DATCP would retain discretion to allocate funding among these programs.

Agricultural Assistance Grants Summary -- Governor

	Base	Governor		
		2021-22	2022-23	Biennium
Grants				
Food Security Grant Program		$10,000,000	$10,000,000	$20,000,000
Meat Processor Grant Program		1,000,000	1,000,000	2,000,000
Dairy Processor Grant Program	$200,000	800,000	800,000	1,600,000
Value-Added Agriculture Program		400,000	400,000	800,000
Buy Local, Buy Wisconsin	200,000	300,000	300,000	600,000
Farm-to-School Grant Program		200,000	200,000	400,000
Farm-to-Fork Grant Program		200,000	200,000	400,000
Something Special from Wisconsin		400,000	0	400,000
Dairy Promotion Grants	200,000	200,000	200,000	400,000
Small Farm Diversity Grants		125,000	125,000	250,000
Farm Business Consultant Grants		100,000	100,000	200,000
Resource Conservation and Regenerative Agriculture Grants Subtotal	$600,000	$13,725,000	$13,325,000	0 $27,050,000
New Staff				
Value-Added Agriculture Program (1.0 position)		$68,000	$90,600	$158,600
Buy Local, Buy Wisconsin (1.0 position)		65,100	86,800	151,900
Farm-to-Fork Program (1.0 position)		65,700	87,600	153,300
Position Subtotal (3.0 positions)		$198,800	$265,000	$463,300
Change to Base		$13,323,800	$12,990,000	$26,313,800

Food Security Grant Program. Allocate $10,000,000 each year for grants to eligible nonprofit food assistance organizations to support the purchase of food products made or grown in Wisconsin. Eligible organizations would include food banks, food pantries, and other organizations that provide food assistance. Authorize the Department to promulgate rules to administer the food security grant program, including issuing an emergency rule while a final rule is being promulgated. Allow the emergency rule to be issued without the finding of an emergency, preparation of a statement of scope, or submittal of a final draft rule to the Governor.

Meat Processor Grant Program. Allocate $1,000,000 each year for grants to meat processing facilities to promote the growth of the meat industry in Wisconsin. Specify that eligible facilities are those that slaughter animals for human consumption or that process meat or meat products, excluding rendering plants. Authorize the Department to promulgate rules to administer the food security grant program, including issuing an emergency rule while a final rule is being promulgated. Allow the emergency rule to be issued without the finding of an emergency,

preparation of a statement of scope, or submittal of a final draft rule to the Governor.

Dairy Processor Grant Program. Allocate $800,000 each year for grants to dairy processors. The provision would repeal a separate $200,000 annual appropriation for dairy processor grants and transfer those amounts to the new appropriation, for a total allocation of $800,000 each year. Under current law, dairy processor grants provide funding to projects at dairy processing plants that would, among other goals, grow the processing plant, contribute to processor innovation, or improve production and profitability. Eligible projects may include plant modernization and expansion, food safety improvements, staff training, and hiring of professional consultants.

Value-Added Agriculture Program. Allocate $468,000 in 2021-22 and $490,600 in 2022-23 with 1.0 position for the value-added agriculture program, including $400,000 each year in grants. Allow DATCP to provide education, technical assistance, and grants related to the promotion and implementation of agricultural practices that provide value-added agriculture products. Specify that activities include: (a) general market promotion of value-added agricultural products, including those produced using resource-conserving practices, as described in a separate section; (b) providing assistance related to organic farming practices, including business and market development assistance; (c) collaborating with organic producers and industry participants; and (d) providing grants to organic producers and industry participants for education or technical assistance related to organic farming, creating organic farming plans, assisting farmers in the transition to organic farming, or educating and training farmers on best practices related to grazing.

Define a value-added agricultural product as a product that: (a) has undergone a change in physical state; (b) is produced in a manner that enhances its value; (c) is physically segregated in a manner that enhances its value; (d) is a source of farm-based or ranch-based renewable energy; or (e) is aggregated and marketed as a locally produced farm product. Allow the Department to promulgate rules to administer the value-added agriculture program.

Buy Local, Buy Wisconsin. Allocate $365,100 in 2021-22 and $386,800 in 2022-23 with 1.0 position for the Buy Local, Buy Wisconsin program. Of the funding provided, $300,000 each year would be for grants. This amount includes the $200,000 each year transferred from the appropriation under current law for Buy Local, Buy Wisconsin grants, resulting in an increase of $100,000 each year in grants relative to current law and the increase of 1.0 position. Under current law, the program seeks to increase the sale of Wisconsin food products to local purchasers. Grants may be provided for projects that create, expand, diversify, or promote: (a) local food marketing systems and market outlets; (b) local food and cultural tourism routes; or (c) production, processing, marketing, and distribution of Wisconsin food products for sale to local purchasers. Projects have included food processing and distribution improvements, creating and expanding farmers' markets, agritourism projects, and marketing and awareness campaigns.

Farm-to-School Grant Program. Allocate $200,000 each year for farm-to-school grants. Further, create an additional preferred criterion for grant awards by requiring DATCP to give preference to proposals from school districts in which a high percentage of pupils are eligible for a free or reduced-price lunch. Current law specifies that DATCP must give preference to proposals that are innovative or provide models other school districts may adopt. Farm-to-school grants are intended to support the creation and expansion of farm-to-school programs, including: (a) promoting production, processing, marketing and distribution of food produced in Wisconsin for

sale to schools in Wisconsin; (b) construction or improvement of facilities for use of food produced in Wisconsin at schools in Wisconsin; (c) training for food service personnel, farmers, and distributors; and (d) nutritional and agricultural education in the classroom. Farm-to-school grants were created under 2009 Wisconsin Act 293, but have never been authorized funding.

Farm-to-Fork Grant Program. Allocate $265,700 in 2021-22 and $287,600 in 2022-23 with 1.0 position for the farm-to-fork program. Of the funding provided, $200,000 each year would be for grants. Define a farm-to-fork program as one that connects entities that have cafeterias, other than school districts, to nearby farms to: (a) provide locally produced fresh fruit, vegetables, dairy products, and other nutritious, locally produced foods in meals and snacks, in order to develop healthy eating habits in the general public; (b) provide nutritional and agricultural education; and (c) improve farmers' incomes and direct access to markets.

Allow DATCP to award grants to businesses, universities, hospitals, and other entities to create and expand farm-to-fork programs. Specify that grants may support projects that include: (a) creating, expanding, diversifying, or promoting production, processing, marketing, and distribution of food produced in Wisconsin for sale to entities in Wisconsin other than schools; (b) construction or improvement of facilities, including purchases of equipment, intended to support consumption of food produced in Wisconsin in places in Wisconsin other than schools; (c) training for food service personnel, farmers, and distributors; and (d) nutritional and agricultural education. Require DATCP to consult with interested persons to establish grant priorities each year and specify that DATCP give preference to proposals that are innovative or provide models other entities may adopt. Require DATCP to promote agricultural development and farm profitability in awarding farm-to-fork grants by supporting the development and adoption of practices and agribusiness opportunities that involve the production of value-added agricultural products. Require a report at least once a year to the DATCP Secretary and appropriate standing committees of the Legislature on the need and opportunity for farm-to-fork programs. Authorize DATCP to promulgate rules to administer the farm-to-fork program.

Something Special from Wisconsin. Allocate $400,000 in 2021-22 to support marketing efforts as part of the Something Special from Wisconsin program. Under current law, DATCP offers a marketing program for participants that sell products whose value is at least 50% attributable to Wisconsin ingredients, production, or processing activities. Participants that certify their Wisconsin-made status may affix the Something Special from Wisconsin logo on their products.

Dairy Promotion Grants. Retain an allocation of $200,000 each year for grants for dairy promotion that were transferred from the separate appropriation under current law. Historically, the appropriation supported grants to dairy producers and scholarships for students pursuing education in dairy farming. Since 2018-19, the appropriation has been lapsed to the general fund, including in 2019-20 and 2020-21 under lapse requirements implemented following the COVID-19 pandemic.

Small Farm Diversity Grants. Allocate $125,000 each year to agricultural producers that have been in operation less than one year and earned less than $350,000 in gross cash farm income. Specify grants would be from $5,000 to $50,000 per recipient and require a 30% match. Limit

eligible costs to those for: (a) business planning, feasibility research, and engineering designs for new or expanded product lines; (b) start-up costs for new agricultural production; (c) research and development of food, feed, and fiber products that are innovative or add value to agricultural production; (d) development of on-farm processing of agricultural commodities; and (e) development of an agritourism venue. Specify the Department give preference to applicants that: (a) develop a business plan; (b) have a high probability for success; (c) feature research that is innovative and feasible; (d) are scalable for commercial use; and (e) demonstrate committed funding from other sources. Require recipients to submit annual reports on use of expenses and results of investments. Authorize DATCP to promulgate rules to administer the small farm diversity grant program.

Farm Business Consultant Grants. Allocate $100,000 each year for DATCP to award grants to UW-Madison Division of Extension agricultural agents to help farmers hire business consultants and attorneys to examine farmers' farm business plans and create farm succession plans. Authorize DATCP to promulgate rules to administer the farm business consultant grant program.

Resource Conservation and Regenerative Agriculture. Create a program to provide technical assistance and grants that support resource conservation and regenerative agriculture. Allow DATCP to provide technical assistance related to promoting soil health, water quality, and regenerative agricultural practices, including developing technical resources and connecting farmers with new technologies and practices. Allow DATCP to award grants of up to $25,000 per recipient that support development of technology and practices to support conservation efforts, and development of market-based solutions to environmental and resource risk to modern farming systems. Define regenerative agricultural practices as techniques that build soil health and crop resiliency, improve water and nutrient retention, or sequester carbon, including no-till farming, managed grazing, cover cropping, and composting. The bill would not allocate funding from the biennial agricultural assistance grants appropriation for resource conservation and regenerative agriculture grants, although the Department would retain discretion to allocate funding under the appropriation to this program, which could include shifting proposed allocations of other grant programs or utilizing unexpended amounts from prior years.

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

Repeal the dairy promotion appropriation and transfer the associated $200,000 GPR each year from dairy promotion grants to dairy processor grants, and specify that increased dairy processor grant funding be provided on a one-time basis during the 2021-23 biennium. As a result, dairy processor grants would have funding of $400,000 each year in the 2021-23 biennium, including $200,000 of base funding and $200,000 in one-time funding. Buy Local, Buy Wisconsin grants would maintain base funding of $200,000 each year in a separate appropriation. No other funding or positions shown in the table would be provided.

2. MEAT TALENT DEVELOPMENT TUITION GRANTS [LFB Paper 165]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$2,636,400	1.00	- $2,636,400	- 1.00	$0	0.00

Governor: Create an annual appropriation and provide $1,306,700 in 2021-22 and $1,329,700 in 2022-23 with 1.0 position to establish a grant program to cover up to 80% of the first $9,375 in tuition costs ($7,500 per grant) for an individual enrolling in a meat processing program at any higher education institution in Wisconsin. Of the funding provided, $1,237,500 annually would be allocated to grants, with $69,200 in 2021-22 and $92,200 in 2022-23 supporting 1.0 position.

Joint Finance: Provision not included.

3. WISCONSIN INITIATIVE FOR AGRICULTURAL EXPORTS [LFB Paper 166]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$2,166,600	1.00	- $2,166,600	- 1.00	$0	0.00

Governor: Create a biennial appropriation and provide $1,074,400 in 2021-22 and $1,092,200 in 2022-23 with 1.0 position to establish and administer the Wisconsin Initiative for Agricultural Exports, which is intended to promote and increase exports of Wisconsin agricultural and agribusiness products. Specify that half of funding be allocated for promotion of dairy exports, and half of funding be allocated for promotion of vegetable, meat, and fish exports. (An April 23, 2021, letter from the administration requested modifying program language to allow the non-dairy allocation to apply to all agricultural products.)

Joint Finance: Create a continuing appropriation for promotion of agricultural exports and allocate $558,400 GPR each year in the Committee's supplemental appropriation. [See "Program Supplements."] Additional funding of $441,600 each year from rural development loan program repayments, as described under the separate item "Rural Development Loans and Grants," would result in a total of up to $1,000,000 each year of the biennium for promotion of Wisconsin agricultural exports. Direct DATCP, in coordination with the Wisconsin Economic Development Corporation (WEDC), to submit a proposal to the Joint Committee on Finance by which DATCP and WEDC would allocate $5,000,000 over five years to pursue an increase in dairy, meat, poultry, fish, crop, and other agricultural product exports by 25% over their 2021 levels by 2026.

4. REGIONAL FARMER SUPPORT NETWORK [LFB Paper 167]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$784,000	5.00	- $784,000	- 5.00	$0	0.00

Governor: Provide $347,400 in 2021-22 and $436,600 in 2022-23 with 5.0 positions in the Division of Agricultural Development's general program operations appropriation to expand access to Wisconsin Farm Center services in the northwest, north, central, southwest, and northeast regions of Wisconsin. The Farm Center currently operates out of the Department's Madison office, and maintains a hotline that farmers may call for information, referrals, and support responding to crises. Farm Center services include technical assistance related to production, processing and marketing, as well as financial consultations, farm succession planning, mental health support and referrals, minority and veterans outreach, and mediation and arbitration.

Joint Finance: Provision not included.

5. FARMER MENTAL HEALTH ASSISTANCE [LFB Paper 168]

GPR	$200,000

Governor: Provide $100,000 annually to maintain expiring funding for farmer mental health assistance programming. Under 2019 Act 9 and subsequent action by the Joint Committee on Finance, DATCP was authorized $100,000 each year of the 2019-21 biennium on a one-time basis to provide mental health assistance to farmers and their families. Funding has supported: (a) a contract for 24/7 counseling support for farmers with immediate need for mental health assistance; (b) in-person and virtual counseling sessions with mental health professionals; (c) development of a podcast addressing challenges facing Wisconsin farmers; (d) hosting workshops for farmers related to decision making, problem solving, planning, and family communication; (e) hosting and facilitating virtual support groups for farmers and farm couples; and (f) hosting training sessions for agriculture industry professionals on how to identify the warning signs of suicidal ideation and encourage farmers to seek assistance.

Joint Finance: Specify funding be provided on a one-time basis during the 2021-23 biennium.

6. RURAL DEVELOPMENT LOANS AND GRANTS [LFB Paper 162]

Governor: Expand the rural development loan program to also allow grants for rural economic and business development. Loans under the program were originally financed from federal funding, with principal and interest paid to DATCP. In recent years, the appropriation has not supported new loans, but continued to collect repayments on outstanding loans. DATCP reports remaining loans were paid off on March 1, 2021, and the appropriation balance now totals $883,200.

Joint Finance: Modify the Department's rural development loan appropriation to allow

DATCP, with approval from the Joint Committee on Finance, to expend the rural development loan appropriation balance for promotion of dairy exports. [See the previous entry "Wisconsin Initiative for Agricultural Exports."]

7. FOOD WASTE REDUCTION GRANTS [LFB Paper 160]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$200,000	- $200,000	$0

Governor: Create an annual appropriation and provide $100,000 annually for food waste reduction grants. Require the Department to provide grants for projects that seek to reduce or compost food waste and redirect food supplies to hunger relief organizations. Require DATCP give preference to proposals serving census tracts with household income below the state median (currently estimated at $57,500 for a family of four) and lacking a grocery store. Require the Department to promulgate rules to administer the program.

Joint Finance: Provision not included.

8. AGRICULTURAL ECONOMIST

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$152,800	1.00	- $152,800	- 1.00	$0	0.00

Governor: Provide $65,500 in 2021-22 and $87,300 in 2022-23 with 1.0 position for an agricultural economist. The position would be funded from Division of Management Services general program operations. Currently, DATCP does not employ an agricultural economist.

Joint Finance: Provision not included.

Environment

1. SOIL AND WATER RESOURCE MANAGEMENT GRANTS [LFB Paper 156]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,880,000	- $1,380,000	$500,000

Governor: Provide an additional $940,000 annually from the nonpoint account of the segregated environmental fund for soil and water resource management (SWRM) grants. The administration indicates additional funding would be allocated as follows: (a) $250,000 for producer-led watershed protection grants; (b) $370,000 for regenerative agriculture grants; and (c) $320,000 for grazing conservation grants. However, the Department would retain discretion in allocation among programs up to their statutory caps as described below.

Producer-Led Watershed Protection Grant Program. Increase the statutory cap on annual awards for the producer-led watershed protection grant program from $750,000 to $1,000,000 and allocate an additional $250,000 annually for producer-led grants.

Regenerative Agriculture and Carbon Sequestration Grant Program. Create a regenerative agriculture and carbon sequestration grant program and allocate $370,000 annually for grants. Limit grant awards to $370,000 annually. Require the Department to award grants that provide cost-sharing for: (a) soil testing and carbon sequestration analysis; (b) updating nutrient management planning software; (c) studying the feasibility of a statewide carbon market; (d) assessing the market value of carbon sequestration; and (e) implementation of regenerative agricultural practices by agricultural producers. Require DATCP to: (a) study the feasibility of a statewide carbon market and the market value of carbon sequestration; (b) evaluate existing tools for feasibility in measuring carbon credits created by producer-led watershed protection grant recipients; (c) facilitate cooperation among agricultural producers to generate carbon credits; and (d) provide technical assistance to agricultural producers related to participating in a carbon credit generation market. Authorize DATCP to promulgate rules to administer the regenerative agriculture and carbon sequestration grant program, including issuing an emergency rule without the finding of an emergency, preparation of a statement of scope, or submittal of a final draft rule to the Governor.

Grazing Conservation Grant Program. Create a grazing conservation grant program and allocate $320,000 annually for grazing conservation grants. Limit grant awards to $320,000 annually. Require the Department to award grazing conservation grants to: (a) provide education and training to farmers on best practices related to grazing and pasture maintenance; and (b) provide cost-sharing incentives to farmers to implement regenerative agricultural practices. Authorize DATCP to promulgate rules to administer the grazing conservation grant program, including issuing an emergency rule without the finding of an emergency, preparation of a statement of scope, or submittal of a final draft rule to the Governor.

Under current law, the SWRM grant appropriation supports: (a) cost-sharing for nutrient management planning and other management practices to prevent soil erosion and nutrient runoff to waters of the state; (b) producer-led watershed protection grants, which provide funding to producer-led groups for collaboration activities and cost-sharing to reduce nonpoint pollution; and (c) grants to project cooperators for nutrient management education, technical standards development, and nutrient management software development and maintenance. Under the bill, the appropriation would be budgeted $5,365,000 each year.

Joint Finance: Adopt provisions to increase the statutory cap on annual producer-led watershed protection grant awards from $750,000 to $1,000,000, and provide an additional

$250,000 nonpoint SEG each year, relative to the agency base, for producer-led watershed protection grants on a one-time basis during the 2021-23 biennium.

2. COUNTY CONSERVATION STAFF [LFB Paper 157]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$7,308,000	- $4,386,800	$2,921,200
GPR	0	1,460,600	1,460,600
Total	$7,308,000	- $2,926,200	$4,381,800

Governor: Provide $3,600,000 in 2021-22 and $3,708,000 in 2022-23 from the nonpoint account of the segregated environmental fund for additional grants to counties to support land and water conservation staff that perform work related to achieving state goals for soil conservation and water quality. The bill would provide a total of $12,564,100 in 2021-22 and $12,672,100 in 2022-23 for county staffing grants, consisting of $3,027,200 GPR each year, and remaining amounts from nonpoint SEG. (These totals do not include the amounts for climate change-focused staff discussed in the subsequent item.)

Grants are awarded in a tiered process, providing each county full funding for its first position, 70% funding for its second position, and 50% funding for subsequent positions as available funds allow. In the 2021 allocation, first positions at each county were fully funded, and approximately two-thirds of requested state cost-share amounts for second positions were funded. Under the 2021 allocation, fully funding the state share of first and second positions would have cost approximately $10.7 million, and fully funding the state share of first, second, and third positions would have cost approximately $13.0 million. Second positions were last fully funded in the 2010 allocation.

Joint Finance: Modify provision to provide an additional $1,377,300 nonpoint SEG and $688,600 GPR in 2021-22, and $1,543,900 nonpoint SEG and $772,000 GPR in 2022-23 over the agency base for county conservation staffing grants on a one-time basis during the 2021-23 biennium. Under Joint Finance, county conservation staffing grants are budgeted a total of $11,030,000 in 2021-22 and $11,280,000 in 2022-23, consisting of $7,314,200 nonpoint SEG and $3,715,800 GPR in 2021-22, and $7,480,800 nonpoint SEG and $3,799,200 GPR in 2022-23. Funding is anticipated to support the state's cost-share of second positions in all counties.

3. COUNTY CONSERVATION STAFF FOR CLIMATE CHANGE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,600,000	- $3,600,000	$0

Governor: Create an appropriation and provide $1,800,000 annually for grants to counties for conservation staff that focus primarily on climate change and climate change resiliency.

Specify that a county delineate funding requested for climate change resiliency staff in its annual grant request for county conservation staff. Further, expand eligible activities under county conservation staffing grants to include activities related to climate change and climate change resiliency. Under current law, county conservation staffing grants support: (a) implementation of county land and water resource management plans; (b) conservation practice engineering, design, and installation; (c) nonpoint grant administration; (d) farmland preservation program administration; and (e) livestock regulation.

Joint Finance: Provision not included.

4. NITROGEN OPTIMIZATION GRANTS [LFB Paper 158]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Create a continuing appropriation and provide $500,000 in 2021-22 for grants to agricultural producers in collaboration with eligible UW programs to conduct research projects on agricultural lands intended to reduce nitrate loading and improve water quality. Specify that agricultural producers receiving grants collaborate with an eligible UW program to monitor the project, collect data, and make recommendations for optimal use of nitrogen. Define eligible UW programs as the UW-Madison College of Agriculture and Life Sciences, the UW-Stevens Point Center for Watershed Science and Education, and UW-Madison Division of Extension. Specify that no grant recipient, with its collaborating program, may receive a grant of more than $125,000, and that no more than 50% of a grant may be provided to a UW collaborating program.

Joint Finance: Provision not included.

5. BIODIGESTER PLANNING GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$500,000	- $500,000	$0

Governor: Create an annual appropriation and provide $250,000 each year of the 2021-23 biennium from the environmental management account of the environmental fund for grants to support planning for installation of regional biodigesters. Require the Department to promulgate rules to administer the grant program.

Joint Finance: Provision not included.

6. WATER STEWARDSHIP CERTIFICATION GRANTS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$312,000	0.50	- $312,000	- 0.50	$0	0.00

Governor: Create a continuing appropriation with $250,000 beginning in 2022-23 for grants to agricultural producers to reimburse payments made to the Alliance for Water Stewardship to receive certification of water stewardship. Additionally, provide $26,600 in 2021-22 and $35,400 in 2022-23 with 0.5 position for grant administration. Specify that grants awarded for water stewardship certification may not cover implementation costs necessary to meet the certification standard.

The Alliance for Water Stewardship (AWS) is an independent nonprofit organization created by various national and international nonprofit conservation organizations and international governing bodies. AWS certification provides a detailed framework for program participants to engage in water stewardship projects. By standardizing the framework, AWS scoring criteria and resulting certification levels allow individuals, businesses, agricultural producers, and other organizations to demonstrate water stewardship.

Joint Finance: Provision not included.

7. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY

BR	$7,000,000

Governor/Joint Finance: Provide $7 million in additional bonding authority for cost-sharing grants in the soil and water resource management (SWRM) program. SWRM cost-sharing grants funded by bond revenues support landowner installation of structural best management practices at agricultural sites, 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.

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

8. FARMLAND PRESERVATION PLANNING GRANTS [LFB Paper 159]

Governor: Expand the segregated working lands fund appropriation under section 20.115(7)(tm) of the statutes for farmland preservation planning grants to counties to also support activities associated with implementing county farmland preservation plans. Implementation

activities are intended to include those that facilitate designation of agricultural enterprise areas and increase use of farmland preservation agreements. Specify that grants be provided on a reimbursement basis and that DATCP detail eligible costs through a contract with the grant recipient.

As of June 30, 2020, the working lands fund had a balance of $114,400. The SEG appropriation affected by the provision has never been authorized funding. The administration reports it intended to similarly modify the GPR appropriation under 20.115(7)(dm) of the statutes, which also supports farmland preservation planning grants. The bill as introduced does not include this change. Under the bill, the GPR appropriation is authorized $210,000 GPR each year. From 2017-18 to 2020-21, the GPR appropriation is expected to have lapsed a total of $646,200 in unexpended funding, or 77% of its authorized amount during that period.

Joint Finance: Provision not included. Farmland preservation planning grants would retain base funding of $210,000 GPR annually under the terms provided by current law.

Regulatory Programs

1. MEAT INSPECTION PROGRAM STAFF [LFB Paper 170]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$393,500	3.00	- $131,200	- 1.00	$262,300	2.00
FED	393,500	3.00	- 131,200	- 1.00	262,300	2.00
Total	$787,000	6.00	- $262,400	- 2.00	$524,600	4.00

Governor: Provide $177,600 GPR and $177,600 FED in 2021-22, and $215,900 GPR and $215,900 FED in 2022-23 with 3.0 GPR and 3.0 FED positions for meat inspection program staff.

DATCP's meat safety program conducts inspection of animal and poultry slaughtering and processing in establishments not otherwise inspected by the U.S. Department of Agriculture (USDA). State-inspected facilities are typically smaller operations. The state-funded portion of the inspection program is supported by GPR, and USDA provides matching FED. State inspection programs by law must enforce standards that are "at least equal to" federal food-safety standards, including having sufficient levels of staffing to meet required inspections of processing establishments.

Joint Finance: Provide $118,400 GPR and $118,400 FED in 2021-22, and $143,900 GPR and $143,900 FED in 2022-23 with 2.0 GPR and 2.0 FED four-year project positions for meat inspection staff.

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

GPR	$177,000

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

3. FOOD, LODGING AND RECREATION REGULATION

PR	$1,107,000

Governor/Joint Finance: Provide $553,500 in each year of the biennium for additional expenditures associated with the Division of Food and Recreational Safety, including $253,500 each year associated with updates to the Division's data management system. The Division of Food and Recreational safety regulates and collects license and other fees associated with: (a) food production, processing, and distribution, including dairy farms, food warehouses, restaurants, and grocery stores; and (b) lodging and recreation facilities, including hotels, campgrounds, and swimming pools. Total budgeted amounts from fees for food, lodging, and recreation regulation are $11.5 million each year of the biennium under the bill.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Transfer	$466,500	- $466,500	$0
PR-Transfer	0	450,000	450,000
Total	$466,000	- $16,500	$450,000

Governor: Transfer $466,500 in 2021-22 from the general fund to the dog licenses, rabies control, and related services program revenue appropriation. As of June 30, 2020, the appropriation had an unsupported overdraft of $249,700. The administration indicates the amount reflects the anticipated 2020-21 year-end deficit. DATCP has initiated rulemaking to modify fees to address the ongoing imbalance in revenues and expenditures. Currently, DATCP is convening an advisory group of retail dog sellers, dog breeders, humane societies, animal control facilities, veterinarians, and breed rescue groups to assist in revising fees.

The appropriation supports: (a) regulation and licensing of animal shelters and control facilities, and dog breeders and sellers; (b) assisting local governments in administering dog licensing and rabies control laws; and (c) training and certification of humane officers. The appropriation receives revenues from: (a) fees imposed on dog sellers, shelters, and animal control facilities; (b) a portion of dog license fees paid by owners to local units of government; (c) training and certification fees associated with its humane office training and certification program; and (d) training fees associated with rabies control programs.

Joint Finance: Transfer $450,000 PR in 2021-22 from the Veterinary Examining Board PR appropriation to the dog licenses, rabies control, and related services appropriation.

5. MARIJUANA REGULATION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$454,500	3.00	- $454,500	- 3.00	$0	0.00

Governor: Create a program within the Division of Agricultural Resource Management to regulate the cultivation, processing, and testing of marijuana and tetrahydrocannabinol (THC) in Wisconsin. For these purposes, create a program revenue continuing appropriation within the Division authorized to expend all fees associated with administration of the program. Estimate the appropriation at $203,400 in 2021-22 and $251,100 in 2022-23 with 3.0 positions for administration of the program. Further, expand the authorization for the Department's hemp regulation appropriation to allow use of hemp program revenues to regulate marijuana. Agency regulatory functions, taxation, changes to controlled substances laws, and other items related to marijuana legalization are discussed in greater detail under "Marijuana-Related Provisions."

Joint Finance: Provision not included.

6. INDUSTRIAL HEMP PROGRAM STAFF [LFB Paper 172]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$342,300	3.00	- $342,300	- 3.00	$0	0.00

Governor: Provide $146,600 in 2021-22 and $195,700 in 2022-23 with 3.0 permanent positions to maintain expiring project positions dedicated to industrial hemp regulation. Under 2019 Act 9, DATCP was authorized 3.0 PR project positions that expire on June 30, 2021. Positions are supported by a continuing appropriation authorized to expend all monies received from licensing, annual registration, and sampling fees paid by hemp growers and processors.

In 2018, the program's first year, DATCP issued 342 licenses and tested 309 samples. Participation increased in 2019 and 2020, with DATCP issuing 1,886 and 1,952 licenses, respectively, and testing approximately 2,200 samples each year. Standard budget adjustments delete $212,900 PR and 3.0 PR positions each year associated with the expiring project positions. Prior to positions being provided under 2019 Act 9, DATCP administered the program using staff reassigned from other program areas.

Joint Finance: Make no further changes to base staffing and funding for the program. (Under base funding and the item described under "Position Reallocation," the industrial hemp

program would be authorized 2.0 positions in the 2021-23 biennium, with budgeted expenditures of $198,200.) Require DATCP to study options for resolving the anticipated June 30, 2021, hemp program deficit of approximately $460,000, including modifying fees, relinquishing operations to the U.S. Department of Agriculture, or restructuring program operations. Require DATCP to report to the Joint Committee on Finance by March 30, 2022, on its recommendations for resolving the hemp program deficit.

7. VETERINARY EXAMINING BOARD STAFF [LFB Paper 173]

	Funding	Positions
PR	$156,800	1.00

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

8. BROADBAND CONSUMER PROTECTIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$144,600	1.00	- $144,600	- 1.00	$0	0.00

Governor: Provide a number of requirements for broadband service providers related to access for low-income subscribers, discrimination, advertising standards, adequacy of service, and interruption of service. Provide $64,300 in 2021-22 and $80,300 in 2022-23 with 1.0 position to the Division of Trade and Consumer Protection to support enforcement of this provision. Funding would be derived from fees imposed on telemarketers.

Discrimination. Prohibit a broadband service provider from denying access to broadband service based on the race or income of residents in a service area. Specify that it is a defense for claims of discrimination based on income if at least 30% households that have access to broadband in a provider's territory are low-income. (The bill does not define low-income.) Authorize DATCP to promulgate rules to implement non-discrimination requirements. Allow the Department of Justice to represent DATCP in enforcement of this section and recover reasonable attorney fees if a court finds such discrimination. Further, allow an individual to bring suit against a provider for violation of this section, and recover reasonable attorney fees if a court finds such discrimination.

Interruption of Service. Require broadband service providers to repair outages of broadband service within 72 hours, except if such interruption is related to an emergency or system-wide outage. Require a provider to credit a customer for one day of service if service interruption caused by the provider exceeds four hours in a given day. For service interruptions not caused by the provider, require a provider to credit a customer for each hour of interruption, if such interruption

exceeds four hours in a day. Require providers to notify customers prior to entering into an agreement to provide service of their rights to refunds in the event of service interruption. Require providers to give notice of at least seven days for any scheduled maintenance that causes a slowdown or interruption of service. Require providers to give notice at least 10 days prior to disconnecting service, except if disconnected at the request of a customer.

Adequacy of Service. Authorize the Department to establish by rule minimum standards for broadband service. Require providers to disclose to potential customers any factors that cause service speed to vary, including the number of users and devices connected. Require providers to give notice of at least 10 days before any factor determining originally disclosed service speeds changes. Allow a customer to terminate service and receive a full refund if service does not meet standards established by the Department by rule within one month of notification of deficiency to the provider by the customer, beginning with contracts created, renewed, or modified after the effective date of the bill.

Advertising and Rates. Require providers to offer service consistent with its advertisements and representations to customers. Require providers to disclose factors that may influence service speed when it advertises its service speeds. Require providers to notify subscribers at least 30 days prior to increasing service rates.

Rules and Penalties. Authorize the Department to promulgate rules to administer this provision. Impose a penalty of not more than $1,000 per violation and not more than $10,000 per occurrence for violations of this provision. Specify a failure to notify in writing more than one subscriber of a rate increase constitutes a violation. Allow DATCP or district attorneys to bring action to enforce this provision, and authorize the Department of Justice to act on behalf of DATCP in enforcing this section.

Joint Finance: Provision not included.

9. REQUIRE LICENSE FOR RETAILERS OF VAPOR PRODUCTS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$102,400	1.00	- $102,400	- 1.00	$0	0.00

Governor: Require retailers of vapor products to obtain a license from the municipality in which they operate, as required of cigarette and tobacco product retailers under current law. Impose penalties and requirements for this provision consistent with current requirements for licensing of cigarette and tobacco product retailers. Vapor products are defined under current law as noncombustible products that produce vapor or aerosol for inhalation from the application of a heating element to a liquid or other substances, regardless of whether the product contains nicotine; the bill would modify this definition to include liquid sold separately for use in these devices. [See "General Fund Taxes -- Excise Taxes."]

Specify that this provision be effective 90 days after enactment of the bill. Provide $102,400 beginning in 2022-23 with 1.0 position to the Division of Trade and Consumer Protection to support enforcement of this provision.

Joint Finance: Provision not included.

10. PLACEMENT OF CIGARETTE, TOBACCO, AND NICOTINE

Governor: Require retailers of cigarettes, nicotine products, and tobacco products to place such products in locations inaccessible to customers without assistance from the retailer. Exempt from this requirement products that are: (a) sold from a vending machine; (b) sold at a retail location receiving 75% or more of its revenue from sale of such products, and that prohibits entry by unaccompanied individuals younger than 21; or (c) cigars in an enclosed room that is not accessible to unaccompanied individuals younger than 21, that has separate ventilation, and that is under visual supervision or surveillance of the retailer. Impose penalties for violation of this provision consistent with current penalties for regulation of cigarettes, nicotine products, and tobacco products. Specify that this provision be effective on the first day of the seventh full month after enactment of the bill.

Joint Finance: Provision not included.

11. UNFAIR DRUG PRICING AND ADVERTISING

Governor: Prohibit unfair drug pricing practices in Wisconsin, defined as a drug pricing practice that causes, or is likely to cause, substantial injury to consumers that is not reasonably avoided by consumers or outweighed by benefits to consumers or competition. For the purposes of enforcing this provision, "drug" is defined as any drug regulated by the Pharmacy Examining Board as described under s. 450.01 (10) of the statutes, including prescription drugs, homeopathic drugs, supplements, or other substances used for the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or animals. Authorize DATCP to promulgate rules to enforce this provision. Additionally, authorize the Department to promulgate rules supporting its existing authority to regulate fraudulent drug advertising.

Specify that the Department, or a district attorney in consultation with the Department, may seek an injunction to enforce this section. Allow the Department to issue subpoenas or require documentation in investigation related to this provision. Further, allow a court to award damages to any person suffering monetary loss associated with violation of this provision.

Joint Finance: Provision not included.

12. LANDLORD-TENANT PROTECTIONS

Governor: Repeal current law prohibitions on local control related to regulation of residential rental practices, modify current law requirements related to disclosures by landlords, and repeal the authority for a landlord to terminate tenancy due to criminal activity.

Repeal prohibitions on local units of government from enacting ordinances that: (a) limit the types of information a landlord may obtain to consider a tenant; (b) prohibit a landlord from showing or renting a premises to a new tenant during the tenancy of an existing tenant; (c) impose requirements on security deposits, earnest money, or inspections that are more stringent than current law; (d) limit a tenant's responsibility for damage, waste, or neglect related to the premises; (e) require a landlord to disclose any information to tenants beyond current law requirements; (f) require a landlord to report information to the municipality beyond any required of all real property owners; (g) impose certain requirements or fees related to inspection of a rental premises; and (h) impose fees for occupancy or transfer of tenancy. Further, repeal the current prohibition on local units of government from imposing moratoria on eviction of commercial or residential tenants.

Modify provisions that require landlords, before entering into a rental agreement or accepting earnest money or a security deposit, to disclose to prospective tenants any building or housing code violation that represents a threat to the prospective tenant's health or safety, affects the dwelling unit and common spaces proposed to be rented, and that has not been corrected. Current law requires that: (a) such violations be a significant threat to the prospective tenant's health or safety; and (b) the landlord has actual knowledge of the violation. The bill would repeal the requirement that the landlord have knowledge of the violation and would repeal the condition that a violation be "significant" threat.

Repeal the authorization for a landlord to terminate a tenancy if the tenant, a member of the tenant's household, or a guest of the tenant, threatens the health or safety of other residents or the landlord, engages in criminal activity threatening the right to peaceful enjoyment of the premises, or engages in drug-related criminal activity. Specify that provisions in a lease related to termination for criminal activity contrary to current law do not render a lease invalid if the lease is for more than one year. Under current law, such provisions for termination due to criminal activity contrary to current law are invalid regardless of length of tenancy.

Joint Finance: Provision not included.

13. ENFORCEMENT COST RECOVERY

PR	$12,800

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

APPROPRIATION OBLIGATION BONDS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$834,040,000	$592,368,300	$592,368,300	$0	0.0%	- $241,671,700	- 29.0%

FTE Position Summary

There are no full time positions associated with appropriation obligation bonds.

Budget Change Items

1. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- PENSION BONDS

GPR	- $253,331,900
GPR-Lapse	272,504,500
Net GPR	$19,172,600

Governor/Joint Finance: Reduce funding by -$135,831,500 in 2021-22 and -$117,500,400 in 2022-23 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued to pay the state's Wisconsin Retirement System unfunded prior service liability as well as the accumulated sick leave conversion credit program liability. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds in the second year of each biennium must equal the maximum possible payment that could be made in that year or the following year. Compared to the base level funding of $317,261,300, smaller payments are scheduled in 2021-22 and 2022-23. Therefore, the GPR appropriation in 2021-22 and 2022-23 is decreased compared to base level funding.

Any moneys not needed to pay the actual amount of debt service lapse (revert) to the general fund and are shown as a GPR-Lapse. In 2020-21, an estimated $142,181,700 will lapse to the general fund. In 2021-22 and 2022-23, with the proposed reductions to the appropriation, the related lapse amounts are also reduced. DOA anticipates lapses of $750,000 in 2021-22 and $11,108,900 in 2022-23. The net effect of these adjustments would be an increase in net expenditures of $19,172,600, as shown in the table below.

Pension Bonds

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

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

2. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- TOBACCO BONDS

GPR	$11,660,200
GPR-Lapse	35,659,300
Net GPR	$47,319,500

Governor/Joint Finance: Provide $11,660,200 in 2022-23 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued in 2009 to finance the outstanding bonds of the Badger Tobacco Asset Securitization Corporation, under which the state regained the rights to its tobacco settlement payments. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds in the second year of each biennium must equal the maximum possible payment that could be made in that year or the following year. Compared to the base level funding of $99,758,700, a larger payment is scheduled in 2023-24. Therefore, the GPR appropriation in 2022-23 is increased compared to base level funding.

Any moneys not needed to pay the actual amount of debt service lapse (revert) to the general fund and are shown as a GPR-Lapse. In 2020-21, an estimated $22,735,700 will lapse to the general fund. DOA anticipates lapses of $5,000 in 2021-22 and $9,807,100 in 2022-23. The net effect of these adjustments would be an increase in net expenditures of $47,319,500, as shown in the table below.

Tobacco Bonds

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

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

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$240,000	$258,000	$258,000	$0	0.0%	$18,000	7.5%
FED	2,998,000	3,210,700	3,210,700	0	0.0	212,700	7.1
TOTAL	$3,238,000	$3,468,700	$3,468,700	$0	0.0%	$230,700	7.1%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
FED	9.60	7.00	7.00	0.00	- 2.60

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Funding	Positions
GPR	$18,000	0.00
FED	212,700	- 2.60
Total	$230,700	- 2.60

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

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$3,522,400	$3,512,800	$3,208,000	- $304,800	- 8.7%	- $314,400	- 8.9%
FED	105,400	105,400	105,400	0	0.0	0	0.0
PR	0	40,000	0	- 40,000	- 100.0	0	0.0
TOTAL	$3,627,800	$3,658,200	$3,313,400	- $344,800	- 9.4%	- $314,400	- 8.7%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	9.50	9.50	9.50	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	- $158,800

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

2. AGENCY BUDGET REDUCTION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	- $195,600	-$195,600

Joint Finance: Reduce the agency operations appropriation by $97,800 annually.

3. VACANT POSITIONS ADJUSTMENT [LFB Paper 175]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$149,200	- $149,200	$0

Governor: Provide $74,600 annually, including $55,000 for salaries and $19,600 for fringe benefits. BCPL had three vacant positions at the time the adjusted base budget and standard budget adjustments were calculated, reducing the salary and fringe allotments below levels at which the Board would normally fill the positions. The Board intends to fill all positions for the 2021-23 biennium. The provision would restore funding for permanent position salaries and fringe benefits deleted under standard budget adjustments.

Joint Finance: Recalculate full funding of continuing position salaries and fringe benefits to accommodate filled positions and incumbent salaries. Reallocate $76,500 annually from the Board's supplies and services line annually, providing $56,400 to the permanent position salary allotment and $20,100 to the fringe benefit allotment.

4. AIDS IN LIEU OF TAXES [LFB Paper 176]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$40,000	$40,000
PR	40,000	- 40,000	0
Total	$40,000	$0	$40,000

Governor: Create an annual PR appropriation to fund aids in lieu of property taxes on BCPL-owned land. Under s. 24.62(3) of the statutes, BCPL is required to pay aids in lieu of property taxes on all lands acquired by the Board after July 14, 2015, provided the lands were taxable or subject to payments in lieu of property taxes at the time of acquisition. BCPL pays an amount equal to the property taxes levied, or the state or federal aids payment made, in the year prior to acquisition. The bill provides $15,000 in 2021-22 and $25,000 in 2022-23 for this purpose. Aids payments would be supported by timber sales or other available income.

Joint Finance: Create a sum sufficient GPR appropriation for the payment of BCPL aids in lieu of taxes. Amend the statutes to allow BCPL to pay aids in lieu of taxes from the general fund, rather than the income of the school trust funds. Estimate aids at $15,000 in 2021-22 and $25,000 in 2022-23.

5. GIFTS AND GRANTS APPROPRIATION [LFB Paper 176]

Governor/Joint Finance: Create a continuing appropriation for gifts and grants received by the Board. Allow moneys in the appropriation to be expended for the purposes for which gifts

are made. BCPL staff indicate the provision would allow the Board to receive cash gifts and grants that would assist Board operations. Currently, the Board can receive any gifts designated for the school trust funds under the Board's management, but BCPL has limited ability to directly receive grants or donations to assist operations involving investments or trust lands.

BOARD ON AGING AND LONG-TERM CARE

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$3,266,400	$3,475,700	$3,329,400	- $146,300	- 4.2%	$63,000	1.9%
PR	4,159,800	4,186,100	4,107,400	- 78,700	- 1.9	- 52,400	- 1.3
TOTAL	$7,426,200	$7,661,800	$7,436,800	- $225,000	- 2.9%	$10,600	0.1%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	20.48	21.78	20.48	- 1.30	0.00
PR	24.02	24.72	24.02	- 0.70	0.00
TOTAL	44.50	46.50	44.50	- 2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	$63,000
PR	- 52,400
Total	$10,600

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

2. OMBUDSMAN PROGRAM STAFF [LFB Paper 180]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$146,300	1.30	- $146,300	- 1.30	$0	0.00
PR	78,700	0.70	- 78,700	- 0.70	0	0.00
Total	$225,000	2.00	- $225,000	- 2.00	$0	0.00

Governor: Provide $96,400 ($62,700 GPR and $33,700 PR) in 2021-22 and $128,600 ($83,600 GPR and $45,000 PR) in 2022-23 to fund 2.0 ombudsman positions (1.3 GPR and 0.7 PR), beginning in 2021-22.

The ombudsman program provides advocacy services to persons age 60 and older who are consumers of Wisconsin long-term care programs. Additionally, the ombudsman program: (a) investigates complaints regarding long-term care services; (b) resolves and mediates issues regarding long-term care services; (c) provides information and education on resident rights, restraints, and abuse reporting and prevention; and (d) works with enforcement agencies. Currently, the long-term care ombudsman program has 26.0 FTE positions, composed of 2.0 supervisors, 3.0 lead ombudsmen, 20.0 ombudsmen, and 1.0 intake specialist.

Joint Finance: Provision not included.

BONDING AUTHORIZATION

1. GENERAL OBLIGATION BONDING AUTHORITY SUMMARY SCHEDULE

Governor: Provide general obligation bonding authority of $3,070,114,800, including the Governor's recommendations for the state bonding program, as indicated.

Joint Finance: Provide general obligation bonding authority of $1,523,096,400, as indicated.

Agency and Purpose	Governor	Joint Finance Committee
Administration		
Energy Conservation Projects	$100,000,000	$25,000,000
Agriculture, Trade and Consumer Protection		
Soil and Water	7,000,000	7,000,000
Building Commission		
Other Public Purposes (All Agency Projects)	245,087,700	232,987,700
Housing State Agencies	187,715,000	74,086,000
Non-State Local Project Grant Program	0	10,000,000
North Central Health Care	0	5,000,000
WisCraft, Inc. – Beyond Vision Center – Milwaukee	5,000,000	5,000,000
Kenosha STEM Innovation Center	9,750,000	0
Wisconsin Museum of Nature and Culture – Milwaukee	40,000,000	40,000,000
Corrections		
Correctional Facilities	73,317,900	37,821,900
Juvenile Correctional Facilities	45,791,000	4,000,000
Health Services		
Mental Health Facilities	103,347,400*	60,367,400
Historical Society		
Historic Sites	9,661,000	8,321,000
Military Affairs		
Armories and Military Facilities	32,381,700	21,825,300
Natural Resources		
Contaminated Sediment Removal	25,000,000	4,000,000
Dam Safety Projects	6,000,000	10,000,000
Nonpoint Source	6,500,000	6,500,000
Urban Nonpoint Source Cost-Sharing	12,000,000	4,000,000
Knowles-Nelson Stewardship	700,000,000	90,000,000
Recreation Development	13,261,700	13,261,700
SEG Revenue Supported Facilities	33,583,500	33,583,500

Agency and Purpose	Governor	Joint Finance Committee
Public Instruction		
Wisconsin Education Services Program	$17,611,700	$17,611,700
Public Service Commission		
Broadband Grants	0	125,000,000
Transportation		
Freight Rail	20,000,000	20,000,000
Interstate 94 East-West	40,000,000	40,000,000
Critical Infrastructure Pilot Program	15,000,000	0
Alternative Contracting - Design-Build	20,000,000	20,000,000
Electric Vehicle Infrastructure	5,000,000	0
Harbor Assistance	15,300,000	15,300,000
State Highway Rehabilitation	278,500,000	0
University of Wisconsin System		
Academic Facilities	877,873,000	540,612,000
Self-Amortizing Facilities	104,962,000	33,875,000
Veterans Affairs		
Veterans Facilities	9,718,900	7,190,900
Self-amortizing Facilities	10,752,300	10,752,300
TOTAL General Obligation Bonds**	$3,070,114,800	$1,523,096,400

*Excludes $22.0 million for Mendota Juvenile Treatment Center that was funded by subsequent approval by the Joint Finance Committee and Building Commission.
**Excludes $2.0 billion of economic refunding bonds.

2. REVENUE OBLIGATION BONDING SUMMARY SCHEDULE

Governor: Provide revenue obligation bonding authority of $547,023,200, as indicated.

Joint Finance: Provide revenue obligation bonding authority of $152,958,200, as indicated.

Agency and Purpose	Governor	Joint Finance Committee
Environmental Improvement Program		
Clean Water and Safe Drinking Water	$385,000,000	$24,700,000
Transportation		
Transportation Facilities and Major Highway Projects	162,023,200	128,258,200
TOTAL Revenue Obligation Bonds	$547,023,200	$152,958,200
GRAND TOTAL General and Revenue Obligation Bonds	$3,617,138,000	$1,676,054,600

BUDGET MANAGEMENT AND COMPENSATION RESERVES

Budget Change Items

1. TRANSFER TO THE BUDGET STABILIZATION FUND

Joint Finance: Transfer $550,000,000 from the general fund to the budget stabilization fund in 2022-23. The table below shows the balance of the budget stabilization fund after the estimated year-end transfer in 2020-21, as well as the transfer in 2022-23 under the bill, notwithstanding any interest or other deposits that may accrue to the fund.

Estimated Budget Stabilization Fund Balance
(Millions)

Current Balance (As of May, 2021)	$762.4
Estimated Year-End 2020-21 Transfer	807.9
Balance After Estimated Transfer	$1,570.3
Transfer Under Joint Finance	550.0
Balance After All Transfers (2022-23)	$2,120.3

2. REQUIRED GENERAL FUND STRUCTURAL BALANCE

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

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

Governor: Provide, in the 2021-23 general fund condition statement, total compensation reserves of $88,072,600 in 2021-22 and $187,173,200 in 2022-23 for cost increases related to state and UW System employee salaries and fringe benefits. Total compensation reserve amounts by fund source and fiscal year are shown in the following table.

Fund Source	2021-22	2022-23
General Purpose Revenue	$54,066,100	$117,807,800
Federal Revenue	9,253,800	18,875,700
Program Revenue	15,391,900	31,395,800
Segregated Revenue	9,360,800	19,093,900
Total	$88,072,600	$187,173,200

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

The GPR compensation reserve amounts under the bill related to state and UW System employee fringe benefits include the following: (a) $17,511,700 in 2021-22 and $35,748,900 in 2022-23 to support prior period and inflationary increases for fringe benefits; (b) $2,462,700 in 2021-22 and $2,526,100 in 2022-23 to reduce the health insurance waiting period for new permanent and project employees by one month; (c) $1,081,100 annually to provide sick leave for limited-term employees of non-UW executive branch agencies; and (d) -$1,467,700 in 2021-22 and -$2,503,400 in 2022-23 associated with savings from employees opting out of the state's health insurance coverage net of the cost to provide $2,000 annual opt-out incentive payments. [For additional information regarding the proposed reduction to the health insurance waiting period, see "Employee Trust Funds." For additional information regarding the proposal to provide sick leave for limited-term employees, see "Administration -- Personnel Management."]

The GPR compensation reserve amounts under the bill related to salaries for employees include the following: (a) $21,717,000 in 2021-22 and $65,734,500 in 2020-23 intended to support a 2% general wage adjustment for state and UW System employees on January 1, 2022, as well as another 2% general wage adjustment (GWA) for state and UW System employees on January 1, 2023; (b) $5,000,000 annually to support market wage and parity adjustments for state employees in the classified service; (c) $3,879,900 annually to support an increase of minimum starting pay for all non-UW executive branch permanent and project employees to $15 per hour and an associated market stratification similar to that initially proposed by DOA in the 2019-21 compensation plan submitted to the Joint Committee on Employment Relations; (d) $2,388,800 in 2022-23 to fund an increase in night and weekend differential pay; (e) $1,880,100 in 2021-22 and $1,917,700 in 2022-23 to establish June 19 as a paid holiday for state and UW System executive branch employees; (f) $1,827,200 in 2021-22 and $1,842,400 in 2022-23 for a paid parental leave program for state and UW System executive branch employees based on six weeks of leave; (g) $121,400 in 2021-22 and $123,800 in 2022-23 to modify the vacation allowance structure for non-UW executive branch employees with between two and five years of service to improve employee retention; and (h) $52,700 in 2021-22 and $68,000 in 2022-23 to fund a certified nursing assistant and resident care technician pay progression. [For additional information regarding the proposals to establish June 19 as a paid holiday, create a paid parental leave program, and modify the vacation allowance structure, see "Administration -- Personnel Management."]

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

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

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

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

Joint Finance: Provide total funding to compensation reserves of $41,929,200 GPR ($66,285,800 all funds) in 2021-22 and $105,951,600 GPR ($167,258,900 all funds) in 2022-23. Amounts provided to compensation reserves by fund source are shown in the table below.

Compensation Reserves by Fund Source,
Joint Committee on Finance

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

Funding would be provided for the following items as identified above: (a) prior period and inflationary increases for fringe benefits; (b) savings from employees opting out of the state's health insurance coverage net of the cost to provide $2,000 annual opt-out incentive payments; (c) two general wage adjustments for state and UW System employees of 2% each, scheduled for January 1, 2022, and January 1, 2023; and (d) a pay progression system for nursing assistants and resident care technicians. In addition, provide $1,000,000 GPR annually to compensation reserves for market wage and parity adjustments; and $1,194,400 GPR in 2022-23 to increase night and weekend differential pay rates to $0.80 per hour each, beginning in January, 2023.

Provide $1,750,000 GPR annually to compensation reserves to fund 50% of the cost of a $5 per hour add-on for all hours worked by correctional officers and correctional sergeants at any adult correctional institution that meets the following criteria: (a) on or after the effective date of the bill, the share of vacant correctional officer and correctional sergeant positions at the institution is more than 40%; and (b) where the $5 add-on is implemented under this provision, the add-on would continue to be paid until the vacancy rate for such positions has been 40% or less for six consecutive months. For an institution that reached the threshold vacancy rate after the effective date of the bill, the add-on would begin to be paid after the Division of Personnel Management (DPM) in the Department of Administration determined the criteria had been met. Include the $5 add-on specifications as nonstatutory provisions, and direct that the administrator of DPM include the item in the proposed 2021-23 compensation plan or as a proposed amendment to the plan if the plan is adopted prior to the effective date of the bill.

Provide $703,600 GPR in 2021-22 and $598,900 GPR in 2022-23 to extend the retention incentive payment program for protective status employees of the Department of Corrections and the Department of Health Services, as structured in the 2019-21 compensation plan, through the 2021-23 biennium. One-time lump sum awards (bonuses) under the program would be provided as follows: (a) after completion of 10 years of service, $250; (b) after completion of 15 years of service, $500; (c) after completion of 20 years of service, $750; and (d) after completion of 25 years of service and every five years thereafter, $1,000.

Provide $661,900 GPR in 2021-22 and $2,360,300 GPR in 2022-23 to compensation reserves for the purpose of increasing judicial salaries by 3% in 2021-22 (effective January, 2022) and by 4% in 2022-23 (effective January, 2023). These increases would be in addition to general wage adjustments provided to state employees.

The following table identifies the components of the compensation reserves calculation, as recommended by the Governor, as well as the modifications made by the Committee.

GPR and All-Funds Compensation Reserves Components, As Modified by the Joint Committee on Finance

	Governor			Joint Finance Modifications			Compensation Reserves Total		
	2021-22	2022-23	2021-23 Biennium	2021-22	2022-23	2021-23 Biennium	2021-22	2022-23	2021-23 Biennium
Prior Period and Inflationary Increases for Fringe Benefits	$17,511,700	$35,748,900	$53,260,600	$0	$0	$0	$17,511,700	$35,748,900	$53,260,600
General Wage Adjustments	21,717,000	65,734,500	87,451,500	0	0	0	21,717,000	65,734,500	87,451,500
Market Wage and Parity Adjustments	5,000,000	5,000,000	10,000,000	-4,000,000	-4,000,000	-8,000,000	1,000,000	1,000,000	2,000,000
Minimum Pay Increase to $15 per Hour (with Market Stratification)	3,879,900	3,879,900	7,759,800	-3,879,900	-3,879,900	-7,759,800	0	0	0
Decrease Health Insurance Waiting Period	2,462,700	2,526,100	4,988,800	-2,462,700	-2,526,100	-4,988,800	0	0	0
Night and Weekend Differential Increase	0	2,388,800	2,388,800	0	-1,194,400	-1,194,400	0	1,194,400	1,194,400
Juneteenth Holiday	1,880,100	1,917,700	3,797,800	-1,880,100	-1,917,700	-3,797,800	0	0	0
Paid Parental Leave	1,827,200	1,842,400	3,669,600	-1,827,200	-1,842,400	-3,669,600	0	0	0
Sick Leave for Limited-Term Employees	1,081,100	1,081,100	2,162,200	-1,081,100	-1,081,100	-2,162,200	0	0	0
Vacation Allowance Modifications	121,400	123,800	245,200	-121,400	-123,800	-245,200	0	0	0
Nursing Assistant and Resident Care Technician Pay Progression	52,700	68,000	120,700	0	0	0	52,700	68,000	120,700
Opt-Out Incentive Savings	-1,467,700	-2,503,400	-3,971,100	0	0	0	-1,467,700	-2,503,400	-3,971,100
$5 Add-on for Correctional Vacancies	0	0	0	1,750,000	1,750,000	3,500,000	1,750,000	1,750,000	3,500,000
Long-Term Service Awards	0	0	0	703,600	598,900	1,302,500	703,600	598,900	1,302,500
Judicial Salary Increases	0	0	0	661,900	2,360,300	3,022,200	661,900	2,360,300	3,022,200
Compensation Reserves Total - GPR	$54,066,100	$117,807,800	$171,873,900	-$12,136,900	-$11,856,200	-$23,993,100	$41,929,200	$105,951,600	$147,880,800
Compensation Reserves Total - All Funds	$88,072,600	$187,173,200	$275,245,800	-$21,786,800	-$21,150,500	-$42,937,300	$66,285,800	$166,022,700	$232,308,500

BUILDING COMMISSION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$63,763,600	$99,569,500	$77,718,200	- $21,851,300	- 21.9%	$13,954,600	21.9%
PR	2,046,400	4,574,000	1,102,200	- 3,471,800	- 75.9	- 944,200	- 46.1
SEG	2,048,400	2,048,400	2,048,400	0	0.0	0	0.0
TOTAL	$67,858,400	$106,191,900	$80,868,800	- $25,323,100	- 23.8%	$13,010,400	19.2%

FTE Position Summary

There are no full time positions authorized for the Building Commission.

Budget Change Items

1. DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$35,805,900	- $21,851,300	$13,954,600
PR	2,527,600	- 3,471,800	- 944,200
Total	$38,333,500	- $25,323,100	$13,010,400

Governor: Increase funding by $12,069,800 GPR in 2021-22 and $23,736,100 GPR in 2022-23 to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for GPR-supported bonds. Increase funding by $661,100 PR in 2021-22 and $1,866,500 PR in 2022-23 for debt service on PR-supported bonds.

Joint Finance: Reestimate debt service by -$8,405,500 GPR and -$1,229,100 PR in 2021-22 and -$13,445,800 GPR and -$2,242,700 PR in 2022-23.

2. GENERAL OBLIGATION REFUNDING AUTHORITY

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

3. USE OF BOND PROCEEDS AND PREMIUMS FOR COSTS OF ADMINISTERING DEBT

Governor: Authorize the state to use bond proceeds for the costs of administering public debt and to use premium proceeds from the sale of bonds for costs incurred in contracting and administering public debt. Specify that the bonding authorization would not be reduced by the amount of premiums used for these expenses. Bonds are issued at a premium when the coupons on the bond maturities are above the market interest rates at the time of sale. In return for paying these higher coupon rates, the state receives proceeds in excess of the actual amount of principal borrowed, so that after consideration of the premium the state's true interest cost is consistent with market interest rates.

Under current law, premium proceeds are first used for the purposes for which the bonds were issued, in proportion to the par value of the bond issue. If premiums are so used, the bonding authorization for those purposes is reduced by the amount of premiums used.

Joint Finance: Provision not included.

4. INCOURAGE COMMUNITY FOUNDATION CONSTRUCTION GRANT

Governor/Joint Finance: Authorize the Building Commission to provide $3.0 million of GPR-supported bonding to assist the Incourage Community Foundation, Inc., in the remodeling of the former Daily Tribune building in the City of Wisconsin Rapids into an economic and community hub. Require that the state funding commitment be in the form of a grant to the Incourage Community Foundation, Inc. The grant would be funded from the Commission's existing $25.0 million authorization for construction projects with a public purpose.

Specify that before approving any state funding commitment for the remodeling of the former Daily Tribune Building, the Building Commission would be required to make a determination that the that the Incourage Community Foundation, Inc., has secured additional funding for the project of at least $3.0 million from non-state revenue sources. Require that if the Building Commission makes a grant to the Incourage Community Foundation, Inc., for the remodeling of the former Daily Tribune Building into an economic and community hub, the state would retain an ownership interest in the remodeled space equal to the amount of the state's grant

if, for any reason, the remodeled space is not used for an economic and community hub.

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

BUILDING PROGRAM

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
All Funds	$2,229,395,700	- $814,841,400	$1,414,554,300

Governor: Provide $2,229,395,700 from all funding sources of 2021-23 building program financing authority for: (a) specific enumerated projects ($1,703,871,200); and (b) all agency projects ($525,524,500).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) $1,877,161,700 from new general obligation bonding authority; (b) $9,537,800 from general obligation bonding authority that is currently authorized; (c) $13,000,000 of new transportation revenue bonding authority; (d) $43,160,700 from agency operating funds; (e) $47,188,500 from federal funds; and (f) $239,347,000 from gifts, grants, and other receipts.

The funding sources for the 2021-23 building program by agency, as recommended by the Governor, are shown in Table 1.

Joint Finance: Provide $1,414,554,300 from all funding sources of 2021-23 building program financing authority for: (a) specific enumerated projects ($976,129,800); and (b) all agency projects ($438,424,500).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) $1,134,643,300 from new general obligation bonding authority; (b) $30,624,800 from general obligation bonding authority that is currently authorized; (c) $13,000,000 of existing transportation revenue bonding authority; (d) $43,160,700 from agency operating funds; (e) $47,188,500 from federal funds; and (f) $145,937,000 from gifts, grants, and other receipts.

The funding sources for the 2021-23 building program by agency, as recommended by the Committee, are shown in Table 2. The major agency projects enumerated as part of the 2021-23 state building program, as recommended by the Governor and Committee, are listed in Table 3. Table 4 lists the projects included in the UW System's minor facilities renewal projects program.

TABLE 1

Governor's Recommended Funding Sources for the 2021-23 Building Program

	New General Obligation Bonds			Revenue	Existing General Obligation	Agency Operating	Gifts, Grants,		
	GPR	PR	SEG	Bonds	Bonds	Funds	and Other	Federal	Total
Administration	$0	$163,629,000	$0	$0	$0	$0	$0	$0	$163,629,000
Building Commission	54,750,000	0	0	0	0	0	153,750,000	0	208,500,000
Corrections	104,982,900	0	0	0	0	0	0	0	104,982,900
Health Services	98,507,000	0	0	0	0	0	0	0	98,507,000
Military Affairs	32,381,700	0	0	0	0	0	0	25,178,100	57,559,800
Natural Resources	13,261,700	0	20,526,500	0	2,274,100	0	0	0	36,062,300
University of Wisconsin System	877,873,000	54,962,000	0	0	0	0	73,078,000	0	1,005,913,000
Veterans Affairs	6,682,000	7,714,200	0	0	0	0	0	0	14,396,200
Historical Society	9,661,000	0	0	0	0	0	4,660,000	0	14,321,000
Subtotal	$1,198,099,300	$226,305,200	$20,526,500	$0	$2,274,100	$0	$231,488,000	$25,178,100	$1,703,871,200
All Agency									
Facilities Repair and Renovation	$130,871,700	$41,261,100	$9,315,200	$8,444,000	$4,432,800	$6,308,000	$5,619,000	$5,380,500	$211,632,300
Utilities Repair and Renovation	64,594,300	29,469,500	1,121,000	4,556,000	1,902,000	4,632,300	0	7,651,600	113,926,700
Health, Safety and Environmental Protection	37,042,200	1,589,900	2,306,400	0	161,400	177,800	0	4,458,900	45,736,600
Preventative Maintenance Program	50,000	0	0	0	0	325,000	0	0	375,000
Programmatic Remodeling and Renovation	5,387,500	1,765,500	314,400	0	259,400	19,579,000	1,773,000	2,446,600	31,525,400
Capital Equipment and Acquisition	7,142,000	0		0	508,100	80,200	467,000	2,072,800	10,270,100
Land and Property Acquisition	0	0		0	0	11,700,000	0	0	11,700,000
Energy Conservation	0	100,000,000		0	0	358,400	0	0	100,358,400
Subtotal	$245,087,700	$174,086,000	$13,057,000	$13,000,000	$7,263,700	$43,160,700	$7,859,000	$22,010,400	$525,524,500
TOTAL	$1,443,187,000	$400,391,200	$33,583,500	$13,000,000	$9,537,800	$43,160,700	$239,347,000	$47,188,500	$2,229,395,700

TABLE 2

Joint Committee on Finance Recommended Funding Sources for the 2021-23 Building Program

	New General Obligation Bonds			Existing General Obligation Bonds	Existing Revenue Bonds	Agency Operating Funds	Gifts, Grants, and Other	Federal	Total
	GPR	PR	SEG						
Building Commission	$60,000,000	$0	$0	$0	$0	$0	$99,000,000	$0	$159,000,000
Corrections	23,695,900	0	0	0	0	0	0	0	23,695,900
Health Services	55,527,000	0	0	0	0	0	0	0	55,527,000
Military Affairs	21,825,300	0	0	0	0	0	0	25,178,100	47,003,400
Natural Resources	13,261,700	0	20,526,500	2,274,100	0	0	0	0	36,062,300
University of Wisconsin System	540,612,000	33,875,000	0	21,087,000	0	0	33,078,000	0	628,652,000
Veterans Affairs	4,154,000	7,714,200	0	0	0	0	0	0	11,868,200
Historical Society	8,321,000	0	0	0	0	0	6,000,000	0	14,321,000
Subtotal	$727,396,900	$41,589,200	$20,526,500	$23,361,100	$0	$0	$138,078,000	$25,178,100	$976,129,800
All Agency									
Facilities Repair and Renovation	$120,871,700	$41,261,100	$9,315,200	$4,432,800	$8,444,000	$6,308,000	$5,619,000	$5,380,500	$201,632,300
Utilities Repair and Renovation	62,594,300	29,469,500	1,121,000	1,902,000	4,556,000	4,632,300	0	7,651,600	111,926,700
Health, Safety and Environmental Protection	37,042,200	1,589,900	2,306,400	161,400	0	177,800	0	4,458,900	45,736,600
Preventative Maintenance Program	50,000	0	0	0	0	325,000	0	0	375,000
Programmatic Remodeling and Renovation	5,387,500	1,765,500	314,400	259,400	0	19,579,000	1,773,000	2,446,600	31,525,400
Capital Equipment and Acquisition	7,042,000	0	0	508,100	0	80,200	467,000	2,072,800	10,170,100
Land and Property Acquisition	0	0	0	0	0	11,700,000	0	0	11,700,000
Energy Conservation	0	25,000,000	0	0	0	358,400	0	0	25,358,400
Subtotal	$232,987,700	$99,086,000	$13,057,000	$7,263,700	$13,000,000	$43,160,700	$7,859,000	$22,010,400	$438,424,500
TOTAL	$960,384,600	$140,675,200	$33,583,500	$30,624,800	$13,000,000	$43,160,700	$145,937,000	$47,188,500	$1,414,554,300

TABLE 3

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

	Governor	Jt. Finance
Administration		
Milwaukee – New State Office Building	$163,629,000	$0
Building Commission		
Non-State Local Project Grant Program	$0	$10,000,000
North Central Health Care	0	5,000,000
WisCraft, Inc. – Beyond Vision Center – Milwaukee	19,000,000	19,000,000
Kenosha STEM Innovation Center	19,500,000	0
Wisconsin Museum of Nature and Culture – Milwaukee	170,000,000	125,000,000
Subtotal	$208,500,000	$159,000,000
Corrections		
Central Generating Plant – Water System Infrastructure – Waupun	$7,114,900	$7,114,900
Oshkosh Correctional Institution – Secure Residential Treatment and Diversion Units	2,580,000	2,580,000
Milwaukee County – Juvenile Corrections Facility	45,791,000	0*
Wisconsin Secure Program Facility – New Health Services Unit – Boscobel	7,792,000	7,792,000
Dodge Correctional Institution – New Health Services Unit – Waupun	18,596,000	0
Green Bay Correctional Institution – New Health Services Unit	12,500,000	0
Jackson Correctional Institution – Health Services Unit Remodel and Expansion – Black River Falls	4,400,000	0
Taycheedah Correctional Institution – Security Improvements – Fond du Lac	6,209,000	6,209,000
Subtotal	$104,982,900	$23,695,900
Health Services		
Winnebago Mental Health Institute – Patient Admissions Area – Oshkosh	$16,795,000	$16,795,000
Sand Ridge Secure Treatment Center – Skilled Care Unit Remodel – Mauston	12,612,000	12,612,000
Central Wisconsin Center – Food Service Building Renovation – Madison	23,873,000	0
Mendota Mental Health Institute – Water System Improvements – Madison	11,200,000	11,200,000
Mendota Mental Health Institute – Heating Plant Renovation – Madison	19,107,000	0
Mendota Mental Health Institute – Utility Improvements – Madison	14,920,000	14,920,000
Subtotal	$98,507,000	$55,527,000
Historical Society		
Old World Wisconsin – Immersive Welcome Experience, Phase II – Waukesha County	$14,321,000	$14,321,000
Military Affairs		
Viroqua – New Readiness Center	$23,994,000	$23,994,000
Statewide – Tower Upgrades	21,112,800	10,556,400
Milwaukee – Readiness Center Renovation Phase IV	6,494,000	6,494,000
Marinette and Waupaca – New Motor Vehicle Storage Buildings	2,561,000	2,561,000
Fort McCoy – Physical Fitness Facility	2,068,000	2,068,000
Chippewa Falls – New Facility Maintenance Building	1,330,000	1,330,000
Subtotal	$57,559,800	$47,003,400
Natural Resources		
Rock Island State Park – Historic Boat House Exterior Repair – Door County	$1,441,900	$1,441,900
Lake Wissota State Park – Campground Toilet/Shower Building – Chippewa County	3,497,700	3,497,700
Mirror Lake State Park – Campground Toilet/Shower Building – Sauk County	1,462,200	1,462,200
Vernon Wildlife Area – Consolidated CWD Field Operations Facility – Waukesha County	1,970,900	1,970,900
Pattison State Park – Campground Toilet/Shower Building – Douglas County	1,458,900	1,458,900

	Governor	Jt. Finance
Natural Resources (continued)		
Potawatomi State Park – Public Entrance Visitor Station – Door County	$2,532,500	$2,532,500
Peninsula State Park – Campground Toilet/Shower Building – Door County	2,091,400	2,091,400
Hartman Creek State Park – Campground Toilet/Shower Building – Waupaca County	2,239,300	2,239,300
Collins Marsh Wildlife Area – New Field Station – Manitowoc County	1,688,400	1,688,400
Richard Bong State Recreational Area – Consolidated Field Operations Facility – Kenosha County	1,576,300	1,576,300
Fisheries Operations Headquarters – Field Operations Facility Replacement – Fitchburg	2,503,800	2,503,800
Horicon Marsh Wildlife Area – Centralized Field Equipment Facility – Dodge County	1,214,700	1,214,700
Grantsburg Ranger Station – Fire Equipment Maintenance Facility – Burnett County	3,319,200	3,319,200
Washburn – Fire Response Range Station Replacement – Bayfield County	3,591,900	3,591,900
Wisconsin Rapids Service Center – Consolidated Equipment Storage Facility	2,040,300	2,040,300
Dodgeville Service Center – Multifunctional Field Support Building	3,432,900	3,432,900
Subtotal	$36,062,300	$36,062,300
University of Wisconsin System		
Wisconsin Veterinary Diagnostic Laboratory -- Barron County	$0	$9,555,000
Systemwide – Instructional Space Projects Program, Group 1	15,217,000	0
Systemwide – Minor Facilities Renewal Projects Program, Group 1	56,629,000	56,629,000
Stevens Point – Albertson Hall Replacement	96,000,000	96,000,000
Madison – Music Hall Restoration	26,368,000	0
Oshkosh – Clow Hall/Nursing Education Renovation, Phase II	26,974,000	26,974,000
Milwaukee – Sandburg Hall West Tower Renovation	11,445,000	11,445,000
La Crosse – Residence Halls Elevator Tower Additions	9,642,000	9,642,000
Systemwide – Instructional Space Projects Program, Group 2	16,658,000	0
Systemwide – Minor Facilities Renewal Projects Program, Group 2	43,798,000	43,798,000
Whitewater – Winther Hall/Heide Hall Entry Additions	59,445,000	0
La Crosse – Mitchell Hall HVAC System Replacement	26,329,000	0
Madison – Engineering Drive Utilities Replacement	73,141,000	73,141,000
River Falls – Science and Technology Innovation Center	116,730,000	116,730,000
Green Bay – Cofrin Technology and Education Center	96,297,000	96,297,000
La Crosse – Prairie Springs Science Center, Phase II	92,799,000	0
Madison – Engineering Building Replacement, Phase I	150,000,000	0
Madison – College of Letters and Science Academic Building	88,441,000	88,441,000
Subtotal	$1,005,913,000	$628,652,000
Veterans Affairs		
Union Grove – Kitchen Remodel	$3,508,900	$3,508,900
King – Chiller Modifications	4,599,300	4,599,300
King – HVAC and Controls Upgrades	3,760,000	3,760,000
Southern Wisconsin Veterans Memorial Cemetery – Unheated Storage Building	1,264,000	0
Central Wisconsin Veterans Memorial Cemetery – Unheated Storage Building	1,264,000	0
Subtotal	$14,396,200	$11,868,200
All Agency		
Facility Maintenance and Repair	$211,632,300	$201,632,300
Utility Repair and Renovation	113,926,700	111,926,700
Health, Safety and Environmental Protection	45,736,600	45,736,600
Preventive Maintenance Program	375,000	375,000
Programmatic Remodeling and Renovation	31,525,400	31,525,400
Capital Equipment Acquisition	10,270,100	10,170,100
Land and Property Acquisition	11,700,000	11,700,000
Energy Conservation	100,358,400	25,358,400
Subtotal	$525,524,500	$438,424,500
Grand Total	$2,229,395,700	$1,414,554,300

*Joint Finance would enumerate an additional $4,000,000 as a modification to the 2017-19 building program.

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

Campus	Project Description
Group 1	UW System Priority #3 ($56,629,000 in bonding)
UW - Parkside	Heating and chill plant boiler replacement
UW - Madison	Fire alarm system renovation
UW - Madison	Fire protection system renovations
UW - Madison	Fire suppression system renovations
UW - Milwaukee	Great lakes research facility dock wall restoration
UW - Superior	Sports and activity fields redevelopment
UW - Madison	Armory and gymnasium exterior envelope repair
UW - Platteville	Fieldhouse HVAC and electrical system replacements
Group 2	UW System Priority #11 ($43,798,000 in bonding)
UW - Oshkosh	Harrington Hall HVAC system replacement
UW - Madison	Elevator modernization and replacements
UW - Madison	AAALAC (laboratory animal care) accreditation repairs
UW - Superior	Barstow science laboratory and applied research renovation
UW - Stout	Jarvis Hall technology wing laboratory infrastructure renovation
UW - Stout	Restroom renovations
UW - Oshkosh	Historic homes renovation

2. BONDING AUTHORIZATIONS FOR 2021-23 BUILDING PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$1,877,161,700	- $742,518,400	$1,134,643,300

Governor: Provide $1,877,161,700 of new general obligation bonding authority for 2021-23 building program projects.

Joint Finance: Provide $1,134,643,300 of new general obligation bonding authority for 2021-23 building program projects as shown in the table below.

2021-23 Building Program Bonding Authorizations

	Governor	Jt. Finance
Administration		
Energy Conservation Projects	$100,000,000	$25,000,000
Building Commission		
Other Public Purposes (All Agency Projects)	245,087,700	232,987,700
Housing State Agencies	187,715,000	74,086,000
Non-State Local Project Grant Program	0	10,000,000
North Central Health Care	0	5,000,000
WisCraft, Inc. – Beyond Vision Center – Milwaukee	5,000,000	5,000,000
Kenosha STEM Innovation Center	9,750,000	0
Wisconsin Museum of Nature and Culture – Milwaukee	40,000,000	40,000,000
Corrections		
Correctional Facilities	59,191,900	23,695,900
Juvenile Correctional Facilities*	45,791,000	0
Health Services		
Mental Health Facilities	98,507,000	55,527,000
Historical Society		
Historic Sites	9,661,000	8,321,000
Military Affairs		
Armories and Military Facilities	32,381,700	21,825,300
Natural Resources		
Recreation Development	13,261,700	13,261,700
SEG Revenue Supported Facilities	33,583,500	33,583,500
University of Wisconsin System		
Academic Facilities	877,873,000	540,612,000
Self-Amortizing Facilities	104,962,000	33,875,000
Veterans Affairs		
Veterans Facilities	6,682,000	4,154,000
Self-amortizing Facilities	7,714,200	7,714,200
GRAND TOTAL	$1,877,161,700	$1,134,643,300

*Joint Finance would authorize an additional $4 million as a modification to the 2017-19 building program.

3. MODIFICATIONS TO PRIOR BUILDING PROGRAMS

Governor/Joint Finance: Modify prior building programs as follows:

a. **2015-17 Building Program**

(1) Under projects financed by GPR-supported borrowing, increase the amount for the

"Central Wisconsin Center-life safety renovations Buildings 1 and 6 - Madison" project under the Department of Health Services from $15,808,000 to $22,448,400.

b. **2017-19 Building Program**

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

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

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

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

c. **2019-21 Building Program**

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

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

4. BONDING AUTHORIZATIONS FOR PREVIOUS BUILDING PROGRAMS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$42,653,100	$4,000,000	$46,653,100

Governor: Provide $42,653,100 of new general obligation bonding authority for projects authorized in previous building programs, as shown in the following table.

Joint Finance: Provide $46,653,100 which would represent an increase of $4,000,000.

Bonding Authorizations for Previous Building Programs*

	Governor	Jt. Finance
2019-21		
Corrections		
Correctional Facilities	$14,126,000	$14,126,000
Juvenile Corrections	0	4,000,000
Public Instruction		
State School and Center Facilities	17,611,700	17,611,700
2017-19		
Veterans Affairs		
Veterans Facilities	3,036,900	3,036,900
Self-amortizing Facilities	3,038,100	3,038,100
2015-17		
Health Services		
Mental Health Facilities	4,840,400	4,840,400
Total	$42,653,100	$46,653,100

*The Governor included $21,961,200 for the Mendota Juvenile Treatment Center, but since that project was funded by subsequent approvals of the Joint Finance Committee and Building Commission, that bonding is excluded.

5. STATE INDUSTRY AND LABOR BUILDING (GEF 1) REPLACEMENT

Governor: Allocate $4,000,000 of building trust funds to develop preliminary plans and specifications for the replacement of the GEF 1 state office building and the redevelopment of block 108 in Madison. According to the administration, the current facility has exceeded its useful life expectancy and many building components and systems, such HVAC, electrical, plumbing, and building envelop, have reached the point where critical maintenance upgrades are necessary.

Joint Finance: Provision not included.

6. STATE HISTORICAL SOCIETY HEADQUARTERS, PHASE II

Governor: Allocate $2,400,000 of building trust funds to develop preliminary plans and specifications for phase II of the renovation of the State Historical Society headquarters in Madison. According to the administration, several areas of the headquarters were made available as a result of relocating artifacts to the state archive preservation facility. These areas need to be repurposed and renovated for other needs. In 2020, a firm was hired to evaluate the building's history, identify existing problems, complete a preservation plan, and develop preliminary budgets for subsequent projects. The consultant will also complete a building use and program study to evaluate program needs and provide recommendations.

Joint Finance: Provision not included.

7. BEYOND VISION CENTER

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

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

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

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

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

8. KENOSHA STEM INNOVATION CENTER

Governor: Enumerate a $19,500,000 project for the Kenosha science, technology, engineering, and mathematics (STEM) innovation center under the 2021-23 state building program. Authorize the Building Commission to provide $9,750,000 of GPR-supported borrowing to the City of Kenosha to construct a STEM innovation center at the site previously occupied by the Chrysler facility in the city. The fiscal effect is included in Items #1 and #2.

Require that the state funding commitment be in the form of a grant to the City of Kenosha. Specify that, before approving any state funding commitment for the construction of the center, the

Building Commission make a determination that the City of Kenosha has secured additional funding for the project of at least $9,750,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the City of Kenosha for the construction of the STEM innovation center, the state would retain an ownership interest in the space equal to the amount of the state's grant if, for any reason, the space is not used as a science, technology, engineering, and mathematics innovation center.

Specify that the Legislature finds and determines that meeting the state's workforce needs, providing opportunities for residents of this state to learn new job skills, and supporting innovation and entrepreneurship in this state are of vital importance in expanding industries in this state, creating jobs, and improving the municipal, regional, and state economies and are statewide responsibilities of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist the city of Kenosha in the construction of a STEM innovation center located in the city of Kenosha.

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

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

Joint Finance: Provision not included.

9. WISCONSIN MUSEUM OF NATURE AND CULTURE

Governor: Enumerate a $170,000,000 project for the Wisconsin Museum of Nature and Culture under the 2021-23 state building program. Authorize the Building Commission to provide $40,000,000 of GPR-supported borrowing to the Milwaukee Development Corporation to construct a Wisconsin Museum of Nature and Culture to be located in the City of Milwaukee. The fiscal effect is included in Items #1 and #2.

Require that the state funding commitment be in the form of a grant to the Milwaukee Development Corporation. Specify that, before approving any state funding commitment for the construction of the museum, the Building Commission make a determination that the Milwaukee Development Corporation has secured additional funding for the project of at least $130,000,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the Milwaukee Development Corporation for the construction of the museum, the state would retain an ownership interest in the space equal to the amount of the state's grant if, for any reason, the space is not used as a museum of nature and culture.

Specify that the Legislature finds and determines that providing education, programming, and immersive exhibits concerning Wisconsin's natural history and the intersection of nature and culture

in Wisconsin and the world vastly enriches the lives of the citizens of this state and is a statewide responsibility of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist the Milwaukee Development Corporation in the construction of a new building to serve as a natural history museum known as the Wisconsin Museum of Nature and Culture in the City of Milwaukee.

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

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

Joint Finance: Modify the provision to enumerate a $125,000,000 museum with $40,000,000 of GPR-supported borrowing and $85,000,000 from non-state revenue sources. Further, change the recipient of the grant to Historic Haymarket Milwaukee, LLC and delete the reference to the museum being known as the Wisconsin Museum of Nature and Culture.

10. STATEMENT OF BUILDING PROGRAM CONTINUATION

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

11. PROJECT LOANS

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

12. WISCONSIN HISTORY MUSEUM

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

13. NON-STATE LOCAL PROJECT GRANT PROGRAM

Joint Finance: Provide $10,000,000 of general fund supported borrowing for a grant program

to assist facility construction of non-state organizations. Specify that the state would provide no more than $2,000,000 of the total cost of a non-state, local project. Require the organization to provide a 50% or greater match for the project before initial review by the Building Commission. Require municipalities where the facility would be located to apply for funding under this program on behalf of the organizations requesting funds under this program. Require the Building Commission to select grant recipients and amounts. Specify that the Building Commission may not award a grant for a construction project unless the Joint Committee on Finance approves the grant and finds that the project is in the public interest. Specify that, if the space is not used for one or more of the specified public purposes, the state shall retain an ownership interest in the constructed space equal to the amount of the grant. Prior to awarding a grant, specify that the Department of Administration must review and approve plans for the construction project but may not supervise any services or work, or let any contract for the project. The fiscal effect is included in Items #1 and #2.

14. NORTH CENTRAL HEALTH CARE

Joint Finance: Provide $5,000,000 of general fund supported borrowing to make a grant to renovate an existing mental health facility in Marathon County to provide 26 beds for expanded capacity for psychiatric and other behavioral health treatment. Include a finding of public purpose. Prior to awarding a grant, specify that the Department of Administration must review and approve plans for the construction project but may not supervise any services or work, or let any contract for the project. Specify that the facility must: (a) agree to renovate an existing mental health facility in Marathon County to provide 16 adult inpatient psychiatric beds, five beds for emergency stabilization, and five beds for detoxification and substance use treatment; (b) serve individuals, including those eligible for emergency detention, from Forest, Langlade, Lincoln, Marathon, Oneida, and Vilas Counties; (c) identify measures to serve the needs of residents with behavioral health needs, especially in reducing the burden on state-operated facilities; (d) report annually to the legislature on the services provided with grant funds; and (e) recognize that it is liable to repay the grant if it fails to maintain continued expanded services and the expanded numbers of beds for a minimum of 10 years. Provide that if the space that is renovated with the grant is not used for the specified purposes, the state would retain an ownership interest in the renovated space equal to the amount of the grant. Specify that notwithstanding current law governing bed capacity, the hospital could increase its approved bed capacity. The fiscal effect is included in Items #1 and #2.

15. PSYCHIATRIC BED GRANT

GPR-Transfer	$15,000,000

Joint Finance: Transfer $15,000,000 from the general fund in 2021-22 to the building trust fund and authorize the Building Commission to award a grant of $15,000,000 in 2021-22 from the building trust fund to a health system that applies for the grant and meets all of the following criteria: (a) the system has a hospital that is located in Eau Claire County, south of the Chippewa River, and northeast of the intersection of STH 37 and USH 12 and has a hospital in Chippewa County; (b) the health system agrees to expand psychiatric bed capacity by 22 beds between Eau Claire County hospital and the Chippewa County hospital, and to give preference in admissions to fill beds added with the grant to individuals who meet the criteria for emergency detention under Chapter 51 of the statutes and who are from Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas,

Dunn, Eau Claire, Iron, Jackson, La Crosse, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Price, Rusk, Sawyer, St. Croix, Taylor, Trempealeau, Vilas, Washburn, or Wood Counties; (c) the health system identifies measures that it believes will serve the needs of area residents with mental health needs, especially, as a critical component of the measures, in reducing the burden on the Winnebago Mental Health Institute; (d) the health system agrees to annually report to the Legislature the services provided with the resources funded by the grant, including the number of individuals diverted from the Winnebago Mental Health Institute; and (e) the health system recognizes that it is liable to repay the grant funds to the state if it fails to continue to maintain the expanded services and number of expanded psychiatric beds available, with the amount the health system is liable for repayment reduced proportionately each year for ten years of continuing expanded services. Include a finding of public purpose.

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

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,990,000	$1,990,000	$1,990,000	$0	0.0%	$0	0.0%
FED	1,324,000	1,322,400	1,322,400	0	0.0	- 1,600	- 0.1
PR	3,143,600	3,100,000	3,100,000	0	0.0	- 43,600	- 1.4
SEG	30,000	30,000	30,000	0	0.0	0	0.0
TOTAL	$6,487,600	$6,442,400	$6,442,400	$0	0.0%	- $45,200	- 0.7%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
FED	1.00	1.00	1.00	0.00	0.00
PR	6.00	6.00	6.00	0.00	0.00
TOTAL	7.00	7.00	7.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

PR	- $43,600
FED	- 1,600
Total	- $45,200

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

CHILDREN AND FAMILIES

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$973,317,600	$1,220,192,000	$993,563,800	- $226,628,200	- 18.6%	$20,246,200	2.1%
FED	1,570,480,400	1,646,099,200	1,624,100,300	- 21,998,900	- 1.3	53,619,900	3.4
PR	245,485,000	239,981,000	239,728,400	- 252,600	- 0.1	- 5,756,600	- 2.3
SEG	18,549,400	23,549,400	18,549,400	- 5,000,000	- 21.2	0	0.0
TOTAL	$2,807,832,400	$3,129,821,600	$2,875,941,900	- $253,879,700	- 8.1%	$68,109,500	2.4%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	232.92	240.10	232.92	- 7.18	0.00
FED	387.49	386.56	385.74	- 0.82	- 1.75
PR	179.51	179.51	179.51	0.00	0.00
TOTAL	799.92	806.17	798.17	- 8.00	- 1.75

Budget Change Items

TANF and Economic Support

1. TANF AND CCDF RELATED REVENUES AND EXPENDITURES

This item presents summaries of estimates of revenue available to fund economic support and TANF-funded programs in the 2021-23 biennium, and how funding for these programs would be budgeted under the Governor's bill (Table 1) and under the Joint Finance bill (Table 2). "TANF" refers to the federal temporary assistance for needy families program. "CCDF" refers to the Child Care Development Fund, which is comprised of funding the state receives under the federal Social Security Act and the Child Care and Development Block Grant (CCDBG).

Governor

Revenues. The administration estimates total revenues for TANF-related programs at $622.5

million in 2021-22 and $626.1 million in 2022-23. State funding includes $174.0 million; $160.4 million GPR (the state's TANF maintenance of effort amount), $4.5 million PR, and $9.1 million SEG) annually. The program revenue includes the state's share of overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, and child care licensing fees. The segregated revenue is from the utility public benefits fund. Ongoing federal funding is estimated at $448.5 million in 2021-22 and $452.1 million in 2022-23. Federal funds include monies from the TANF block grant, the child care development block grant, and recoveries of overpayments to Wisconsin Works (W-2) recipients. The carryover from the 2020-21 ending TANF balance is estimated at $290.5 million.

Expenditures. Under the Governor's bill, the total amount that would be budgeted for TANF-related programs would be $738.1 million in 2021-22 and $705.7 million in 2022-23. These amounts include all funds, and represent an increase from the base budget of $33.6 million in 2021-22 and an increase of $1.2 million in 2022-23. Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2021-23 biennium would be $95.3 million, which could be carried over into the 2023-25 biennium.

TABLE 1

Summary of TANF/CCDF Budget
Governor

	2019-20 Actual	2020-21 Adjusted Base	Governor's Budget 2021-22	Governor's Budget 2022-23	Change to Base 2021-22	Change to Base 2022-23	Item
Opening Balance (Carryover)	$341,067,500		$290,459,000	$174,828,200			
Revenue							
GPR Appropriations Base Funding	$160,231,700	$160,381,400	$160,381,400	$160,381,400	$0	$0	
FED -- TANF Block Grant	312,846,000	312,059,600	307,336,800	311,009,600	-4,722,800	-1,050,000	
FED -- CCDBG	134,706,700	126,889,000	136,819,100	136,819,100	9,930,100	9,930,100	
FED -- CCDF & TANF Recoveries	4,513,700	4,287,600	4,287,600	4,287,600	0	0	
PR -- Child Support Collections	4,876,500	2,749,000	2,749,000	2,749,000	0	0	
PR -- Child Care Fees	1,510,400	1,778,400	1,500,000	1,500,000	-278,400	-278,400	31
PR -- Social Services Block Grant	100,000	100,000	100,000	100,000	0	0	
PR -- Public Assistance Recoveries	36,700	160,600	160,600	160,600	0	0	
SEG -- Public Benefits Fund (SEG)	9,139,700	9,139,700	9,139,700	9,139,700	0	0	
Total Revenues	$627,961,400	$617,545,300	$622,474,200	$626,147,000	$4,928,900	$8,601,700	
Expenditures							
Wisconsin Works							
W-2 Benefits	$25,597,900	$31,732,200	$38,335,100	$45,703,200	$6,602,900	$13,971,000	2, 5
W-2 Worker Supplement	426,900	2,700,000	2,700,000	2,700,000	0	0	
W-2 Service Contracts	46,572,700	50,000,000	54,009,700	57,071,200	4,009,700	7,071,200	3
Subtotal	$72,597,500	$84,432,200	$95,044,800	$105,474,400	$10,612,600	$21,042,200	
Transitional/Transform Milwaukee Jobs	$5,435,200	$9,500,000	$12,100,000	$14,700,000	$2,600,000	$5,200,000	4, 5
Emergency Assistance	$4,717,800	$6,000,000	$10,829,500	$9,936,400	$4,829,500	$3,936,400	19
Child Care							
Direct Child Care Services	$327,019,100	$365,700,400	$311,236,600	$311,236,600	-$54,463,800	-$54,463,800	6-11
Quality Care for Quality Kids	16,135,500	16,683,700	33,847,900	34,484,700	17,164,200	17,801,000	12-15
Child Care Admin. and Licensing	37,200,800	42,439,200	42,687,900	41,992,600	248,700	-446,600	16
Subtotal	$380,355,400	$424,823,300	$387,772,400	$387,713,900	-$37,050,900	-$37,109,400	

	2019-20 Actual	2020-21 Adjusted Base	Governor's Budget 2021-22	Governor's Budget 2022-23	Change to Base 2021-22	Change to Base 2022-23	Item
Local Fraud Prevention	$441,200	$605,500	$605,500	$605,500	$0	$0	
Public Assistance & TANF Admin.	14,484,500	17,548,100	17,363,300	17,625,100	-184,800	77,000	20
Internet Assistance	0	0	10,000,000	10,000,000	10,000,000	10,000,000	25
Jobs for America's Graduates	0	0	500,000	500,000	500,000	500,000	26
GED Test Assistance	167,000	175,000	175,000	175,000	0	0	36
Legal Services	490,800	500,000	1,000,000	1,000,000	500,000	500,000	22
Adult Literacy	41,600	41,600	41,600	41,600	0	0	35
Grants to Boys & Girls Clubs	2,000,400	2,675,000	2,807,000	2,807,000	132,000	132,000	21
Grant to WI Community Services	375,900	400,000	400,000	400,000	0	0	
Fostering Futures	473,100	560,300	560,300	560,300	0	0	
Children First	646,400	1,140,000	1,140,000	1,140,000	0	0	
FAST	247,300	250,000	250,000	250,000	0	0	
Offender Reentry	234,800	250,000	250,000	250,000	0	0	24
Homeless Grants	359,600	500,000	1,000,000	1,000,000	500,000	500,000	23
Case Mgt. Services for Homeless Families	0	500,000	0	0	-500,000	-500,000	23
Substance Abuse Prevention Grant	465,300	500,000	500,000	500,000	0	0	
Child Abuse Prevention Grant	426,000	500,000	500,000	500,000	0	0	
Kinship Care Benefits & Assessments	23,822,300	28,159,200	28,727,100	31,441,800	567,900	3,282,600	18
Child Welfare Safety Services	4,867,100	9,314,300	9,314,300	9,314,300	0	0	30
Child Welfare Prevention Services	5,656,500	6,789,600	7,289,600	7,289,600	500,000	500,000	29
Funding Transfers to Other Agencies							
DHS -- SSI Caretaker Supplement	$18,524,200	$25,013,300	$18,564,700	$18,145,000	-$6,448,600	-$6,868,300	17
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	0	0	
DOR -- Earned Income Tax Credit	69,700,000	69,700,000	116,716,400	69,700,000	47,016,400	0	27, 28
Total Expenditures	$621,183,400	$704,530,900	$738,105,000	$705,723,400	$33,574,100	$1,192,500	
Year-End Closing Balance	$347,845,500		$174,828,200	$95,251,800			

Joint Finance

Table 2 summarizes the economic support and TANF-related revenue estimates and expenditures under Joint Finance.

As shown in Table 2, the opening balance and total revenues are estimated at $936.6 million in 2021-22 and $875.8 million in 2022-23. Compared to the Governor's proposal, this represents an increase in federal revenue of $19.9 million in 2021-22 and $27.1 million in 2022-23 received under the child care and development block grant (CCDBG) act. This assumes that $11.0 million in 2021-22 and $18.2 million in 2022-23 of supplemental CCDBG funding received under the American Rescue Plan Act (ARPA) of 2021 would be used for the JFC funding increases under Item 7 ("Wisconsin Shares Child Care Subsidy Program Cost Reestimate").

Under Joint Finance, overall expenditures would be $714.0 million in 2020-21 and $726.2 million in 2021-22. These amounts include all funds, and represent an increase from the base budget of $9.4 million in 2021-22 and $21.7 million in 2021-22 (and a decrease of $24.0 million in 2021-22 and an increase of $20.5 million in 2022-23 relative to the Governor's proposal). The changes in funding represent reestimates, and changes in the amounts that would be budgeted for some current programs, and decreased funding for other programs.

The projected TANF-related balance at the end of the 2021-22 biennium would be $149.7 million, which could be carried over into the 2021-23 biennium. Assuming that no additional

supplemental CCDBG funding will be available to support the allocations shown in the table and that the increase in W-2 spending in item 2, below, is not ongoing, it is estimated that ongoing expenditures would exceed ongoing revenue by approximately $83.2 million at the end of 2022-23.

TABLE 2

W-2 and TANF Related Revenue and Expenditures
Comparison of Governor and Joint Finance

	Governor		Joint Finance		Joint Finance Change to Governor		
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	Item
Opening Balance (Carryover)	$290,459,000	$174,828,200	$294,209,000	$222,619,100	$3,750,000	$47,790,900	
Revenue							
GPR Appropriations Base Funding	$160,381,400	$160,381,400	$160,381,400	$160,381,400	$0	$0	
FED -- TANF Block Grant	307,336,800	311,009,600	307,336,800	311,009,600	0	0	
FED -- CCDF	136,819,100	136,819,100	156,719,100	163,919,100	19,900,000	27,100,000	
FED -- CCDF & TANF Recoveries	4,287,600	4,287,600	4,287,600	4,287,600	0	0	
PR -- Child Support Collections	2,749,000	2,749,000	2,749,000	2,749,000	0	0	
PR -- Child Care Fees	1,500,000	1,500,000	1,500,000	1,500,000	0	0	32
PR -- Social Services Block Grant	100,000	100,000	100,000	100,000	0	0	
PR -- Public Assistance Recoveries	160,600	160,600	160,600	160,600	0	0	
SEG -- Public Benefits Fund (SEG)	9,139,700	9,139,700	9,139,700	9,139,700	0	0	
Total Revenues	$622,474,200	$626,147,000	$642,374,200	$653,247,000	$19,900,000	$27,100,000	
Expenditures							
Child Care							
Direct Child Care Services	$311,236,600	$311,236,600	$376,700,400	$383,900,400	$65,463,800	$72,663,800	6-11
Quality Care for Quality Kids	33,847,900	34,484,700	16,683,700	16,683,700	-17,164,200	-17,801,000	12-15
Child Care Admin. and Licensing	42,687,900	41,992,600	42,117,800	41,803,100	-570,100	-189,500	16
Child Welfare Programs							
Kinship Care Benefits & Assessments	$28,727,100	$31,441,800	$28,727,100	$31,441,800	$0	$0	18
Child Welfare Safety Services	9,314,300	9,314,300	10,314,300	10,314,300	1,000,000	1,000,000	30
Child Welfare Prevention Services	7,289,600	7,289,600	6,789,600	6,789,600	-500,000	-500,000	29
Child Abuse Prevention Grant	500,000	500,000	500,000	500,000	0	0	
Substance Abuse Prevention Grant	500,000	500,000	500,000	500,000	0	0	
Employment Programs							
W-2 Benefits	$38,335,100	$45,703,200	$37,000,000	$34,000,000	-$1,335,100	-$11,703,200	2, 5
W-2 Worker Supplement	2,700,000	2,700,000	2,700,000	2,700,000	0	0	
W-2 Service Contracts	54,009,700	57,071,200	54,009,700	57,071,200	0	0	3
Transitional/Transform Milwaukee Jobs	12,100,000	14,700,000	9,500,000	9,500,000	-2,600,000	-5,200,000	4, 5
Children First	1,140,000	1,140,000	1,140,000	1,140,000	0	0	
Housing Programs							
Emergency Assistance	$10,829,500	$9,936,400	$6,000,000	$6,000,000	-$4,829,500	-$3,936,400	19
Homeless Grants	1,000,000	1,000,000	500,000	500,000	-500,000	-500,000	23
Case Mgt. Services for Homeless Families	0	0	500,000	500,000	500,000	500,000	23
Administrative Support							
Public Assistance & TANF Admin.	$17,363,300	$17,625,100	$17,233,100	$17,482,300	-$130,200	-$142,800	20
Local Fraud Prevention	605,500	605,500	605,500	605,500	0	0	

	Governor		Joint Finance		Joint Finance Change to Governor		
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	Item
Grant Programs							
GED Test Assistance	$175,000	$175,000	$241,300	$241,300	$66,300	$66,300	36
Legal Services	1,000,000	1,000,000	500,000	500,000	-500,000	-500,000	22
Adult Literacy	41,600	41,600	118,100	118,100	76,500	76,500	35
Boys & Girls Clubs of America	2,807,000	2,807,000	2,807,000	2,807,000	0	0	21
Wisconsin Community Services	400,000	400,000	400,000	400,000	0	0	
Fostering Futures	560,300	560,300	560,300	560,300	0	0	
Families and Schools Together	250,000	250,000	250,000	250,000	0	0	
Offender Reentry	250,000	250,000	250,000	0	0	-250,000	24
Jobs for America's Graduates	500,000	500,000	500,000	500,000	0	0	26
Internet Assistance	10,000,000	10,000,000	0	0	-10,000,000	-10,000,000	25
Funding Transfers to Other Agencies							
DHS -- SSI Caretaker Supplement	$18,564,700	$18,145,000	$18,564,700	$18,145,000	$0	$0	17
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	0	0	
DOR -- Earned Income Tax Credit	116,716,400	69,700,000	63,600,000	66,600,000	-53,116,400	-3,100,000	27, 28
Total Expenditures	$738,105,000	$705,723,400	$713,964,100	$726,207,100	-$24,140,900	$20,483,700	
Year-End Closing Balance	$174,828,200	$95,251,800	$222,619,100	$149,659,000	$47,719,200	$54,263,800	

2. WISCONSIN WORKS -- SUBSIDIZED EMPLOYMENT BENEFITS [LFB Paper 200]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$20,573,900	- $13,038,300	$7,535,600

Governor: Provide $6,602,900 in 2021-22 and $13,971,000 in 2022-23 to fund projected costs of Wisconsin Works (W-2) benefits payments in the 2021-23 biennium. Base funding for W-2 benefits is $31,732,200, so that $38,335,100 in 2021-22 and $45,703,200 in 2022-23 in TANF funds would be budgeted for W-2 benefits payments under the bill.

The administration uses unemployment rates prepared by the National Association for Business Economics in a model that incorporates the relationship between unemployment rates and paid W-2 caseload as the basis for its projections.

Joint Finance: Reduce funding by $1,335,100 in 2021-22 and by $11,703,200 in 2022-23 to reflect reestimates based unemployment data, other economic indicators, and W-2 benefit and caseload information through March, 2021.

3. WISCONSIN WORKS -- SERVICE CONTRACTS [LFB Paper 200]

FED	$11,080,900

Governor/Joint Finance: Increase funding for W-2 contracts by $4,009,700 in 2021-22

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

4. TRANSFORM MILWAUKEE AND TRANSITIONAL JOBS [LFB Paper 201]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$7,800,000	- $7,800,000	$0

Governor: Increase funding for the Transform Milwaukee and Transitional Jobs Programs by $2,600,000 in 2021-22 and $5,200,000 in 2022-23 to expand the program statewide to the remaining 38 counties that do not have a transitional jobs program. Under the bill, the total funding that would be budgeted for these programs would be $12,100,000 in 2021-22 and $14,700,000 in 2022-23.

The program offers subsidized work to low-income individuals by reimbursing employers for costs of employing program participants. Transform Milwaukee and Transitional Jobs currently operate in 34 counties.

Joint Finance: Provision not included.

5. WORK EXPERIENCE PROGRAM DRUG TESTING -- MARIJUANA

Governor: Specify that, for purposes of the Department's work experience programs that require drug screening, testing, and treatment, a "controlled substance" does not include tetrahydrocannabinols in any form, including tetrahydrocannabinols contained in marijuana, obtained from marijuana, or chemically synthesized.

Under current law, substance abuse screening, testing, and treatment are eligibility requirements for work experience programs administered by DCF, including: (a) W-2 services for both custodial and non-custodial parents; (b) the Transform Milwaukee and Transitional Jobs programs; and (c) children first. The bill would remove marijuana from these requirements as part of the marijuana legalization provisions that are summarized under "Marijuana -- Related Provisions."

Joint Finance: Provision not included.

6. WISCONSIN SHARES CHILD CARE SUBSIDY PROGRAM COST REESTIMATE [LFB Paper 202]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $70,118,400	$70,118,400	$0

Governor: Reduce funding by $35,059,200 annually to reflect reestimates of the costs to maintain direct child care services under the Wisconsin Shares child care subsidy program. The administration indicates that, due in part to the COVID-19 pandemic that has limited the availability of child care, the program underspent its TANF allocation in 2019-20 by 10% (approximately $30.0 million) and is currently projected to underspend the 2020-21 allocation by a similar percentage. DCF anticipates that over the next two years, program spending will increase slowly as child care providers reopen and children return to school.

Wisconsin Shares provides child care assistance for low-income families to enable them to work or prepare for employment through W-2, or through a combination of work and education or training programs. Under the program, the state subsidizes the cost of child care charged by providers chosen by the parent. DCF uses market surveys to establish the maximum reimbursement amount Wisconsin Shares will pay for child care. Families must pay a portion of this amount (the copay), which depends on income, family size, and the number of children in care.

Joint Finance: Provision not included.

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

FED	$29,200,000

Joint Finance: Increase funding for direct child care subsidies by $11,000,000 in 2021-22 and by $18,200,000 in 2022-23 so that the reimbursement rates would fully pay the price of at least 65 percent of the slots for children within the licensed capacity of all child care providers (the 65th percentile).

8. WISCONSIN SHARES -- INCOME DISREGARD FOR DIRECT CARE WORKERS [LFB Paper 203]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$1,200,000	- $1,200,000	$0

Governor: Increase funding by $600,000 annually to support the costs of disregarding up to $10,000 of income of direct care workers when applying for and calculating Wisconsin Shares subsidies.

Initial eligibility for the child care subsidy program is limited to families with gross income of no more than 185% of the FPL ($40,626 for a family of three in 2021). In general, this includes all earned and unearned income of the individual, except: (a) assistance received for participation in W-2; (b) federal and state earned income tax credits and any federal income tax refund; (c) certain types of loans, in-kind income, and vendor payments; (e) income earned by a dependent child; (f) child support payments, if less than $1,250 per month; and (g) federal or state student financial aid or any scholarship used for tuition and books. However, under administrative rules, any income from sources that must be disregarded by federal or state law for purposes of determining eligibility for means-tested programs are not be counted as income.

The bill contains no statutory changes relating the use of this disregard, as DCF would implement this change as a matter of policy. Further, although not specified in the bill, the administration indicates that, for these purposes, a "direct care worker" would include a worker who is primarily paid for caregiving work, such as a personal care worker, home health aide, or certified nursing assistant.

Joint Finance: Provision not included.

9. WISCONSIN SHARES ELIGIBILITY AND BENEFITS -- DEDUCT CHILD SUPPORT PAYMENTS [LFB Paper 203]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$2,664,800	- $2,664,800	$0

Governor: Provide $1,332,400 annually to support administrative costs of implementing a program to deduct child support payments paid by applicants and enrollees from their gross income for the purpose of determining eligibility and benefits. The bill contains no statutory changes relating to this change in the treatment of gross income, as DCF has implemented the current practice as a matter of policy.

Currently, child support payments that exceed $1,250 per month are considered unearned income for the child, but earned income for the parent who pays the child support (payee). If a payee has a shared placement and applies for Wisconsin Shares, the child support is counted as earned income for the parent and unearned income for the child. Consequently, the child support payment is double-counted in the gross income calculation.

The additional funding would support several types of costs relating to this change: (a) reduced revenue from copayments, which would increase Wisconsin Shares issuance ($180,000 annually); (b) deducting child support payments from earned income of the payees ($848,900 annually); and (c) deducting child support payments from the unearned income of the child's financial assistance group ($303,500 annually). Additional costs for one-time information technology systems changes ($380,600 in 2021-22) are reflected below in "Child Care -- State Administration."

Joint Finance: Provision not included.

10. WISCONSIN SHARES -- DELINK YOUNGSTAR BONUS ADJUSTMENT FROM DIRECT SERVICES [LFB Paper 203]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $47,274,000	$47,274,000	$0

Governor: Reduce funding by $23,637,000 annually to delink the YoungStar quality rating and improvement program from Wisconsin Shares. As part of this item, quality ratings adjustment would no longer be tied directly to the Wisconsin Shares subsidy rates. Instead, YoungStar would be replaced by the Child Care Strong program that provides grants to providers as described below under "YoungStar."

This change is intended to control spending reported from the CCDBG, which requires that 70% of funding be expended for direct services for participating families. DCF has determined that YoungStar bonus adjustments paid directly to child care providers do not qualify as direct services. DCF indicates that under current law, increases in subsidies tend to increase the amount of quality adjustments paid because YoungStar bonuses are set by statute as a fixed percentage of Wisconsin Shares subsidies, thereby threatening to breach the 70% requirement.

Joint Finance: Provision not included.

11. WISCONSIN SHARES -- CONVERT YOUNGSTAR MICROGRANTS TO BONUS PAYMENTS [LFB Paper 204]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$4,600,000	- $4,600,000	$0

Governor: Provide $2,300,000 annually to provide annual bonus payments to child care providers rated 3-, 4-, and 5-stars under the YoungStar quality rating and improvement program. The funding would transfer from the YoungStar program under the TANF allocation for Quality Care for Quality Kids as described, below. The grants are intended to hold child care providers harmless from decreases in YoungStar bonuses resulting from delinking that program from Wisconsin Shares subsidies.

Joint Finance: Provision not included.

12. QUALITY CARE FOR QUALITY KIDS -- DELINK YOUNGSTAR FROM WISCONSIN SHARES SUBSIDY RATES [LFB Paper 204]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$30,674,000	- $30,674,000	$0

Governor: Provide $17,637,000 annually for child care quality initiatives under Quality Care for Quality Kids. The bill would delink the YoungStar quality rating and improvement program from Wisconsin Shares such that quality ratings adjustment would no longer be tied directly to the Wisconsin Shares subsidy rates. Instead, the Child Care Strong program would provide monthly payments and monthly per-child payments to child care providers that are certified, licensed, or established by a school board.

Further, as part of this item, eliminate base funding for microgrants (-$2,300,000 annually). Funding for direct services would be increased by this amount annually to fund subsidy grants to providers in order to hold them harmless from decreases in YoungStar bonuses.

Joint Finance: Provision not included.

13. QUALITY CARE FOR QUALITY KIDS -- CHILD CARE STRONG INITIATIVE [LFB Paper 204]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$106,032,800	- $106,032,800	$0

Governor: Provide $53,016,400 annually to fund child care quality improvement programs that provide monthly payments and monthly per-child payments to child care providers that are certified, licensed, or established by a school board. Create an annual GPR appropriation for this purpose. Authorize DCF to award up to 10% of the budgeted amount to child care providers, child care centers, and child care programs located in child care deserts, as defined by DCF. Further, provide that TANF funds allocated for Quality Care for Quality Kids may also be expended for the program.

Authorize DCF to promulgate emergency rules without the finding of an emergency to administrate the child care quality improvement program, including eligibility requirements, payment amounts, and restrictions on how recipients may spend grant awards.

Although not specified in the bill, the administration indicates that the program is intended to provide grants in amounts determined by DCF to: (a) all regulated providers; (b) providers serving 25% or more of their slots of child care to infants or toddlers; (c) all 3-, 4-, and 5-star providers based on the number of Wisconsin Shares children they care for; and (d) all 3-, 4-, and 5-star providers based on the number of children they care for that are not subsidized by Wisconsin Shares.

Joint Finance: Provision not included.

14. QUALITY CARE FOR QUALITY KIDS -- REWARD STIPENDS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$1,000,000	- $1,000,000	$0

Governor: Increase funding by $500,000 annually for child care stipends under the Rewarding Education with Wages and Respect for Education (REWARD) program. The REWARD program provides stipends to child care providers and teachers that meet certain requirements for education, employment, and longevity. Stipend amounts are based on the individual's career level in the Registry, which is a system that documents verified formal and informal education of individuals in the early care and education workforce. Base funding of $3,975,000 is provided for both REWARD and the teacher education and compensation helps (TEACH) program.

Joint Finance: Provision not included.

15. QUALITY CARE FOR QUALITY KIDS -- SOCIAL EMOTIONAL LEARNING INITIATIVE [LFB Paper 205]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$3,291,200	- $3,291,200	$0

Governor: Provide $1,327,200 in 2021-22 and $1,964,000 in 2022-23 to fund social emotional learning (SEL) for young children. This item would fund: (a) training and technical assistance to early childhood education programs provided by staff in each of five preschool development regions ($864,000 in 2021-22 and $1,152,000 in 2022-23); (b) regional lead staff that provide oversight of program coaches and trainers, support community integration teams, and support data collection and analysis ($476,700 in 2021-22 and $635,600 in 2022-23); (c) statewide management staff that would provide coordination and support for SEL and quality improvement, and represent SEL efforts on groups involved in child development issues ($219,800 in 2021-22 and $302,600 in 2022-23); and (d) statewide training, materials, an evaluation, technical support, and indirect costs ($301,700 in 2021-22 and $408,800 in 2022-23. In addition to the additional in the bill, base funding for SEL activities ($535,000) would also be used to partially support these costs.

Joint Finance: Provision not included.

16. CHILD CARE -- STATE ADMINISTRATION [LFB Paper 102]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	- $197,900	- 1.00	- $759,600	- 1.00	- $957,500	0.00

Governor: Increase funding by $248,700 in 2021-22 and decrease funding by $446,600 in 2022-23 and delete 1.0 position, beginning in 2021-22, for state administration of child care licensing and regulation activities, Wisconsin Shares, and child care quality improvement programs. This includes the following items.

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

Second, provide $380,600 in 2021-22 to support modifications to information technology systems to automatically deduct child support payments from Wisconsin Shares income eligibility determinations, as described under Item #8.

Third, decrease funding by $866,000 annually as a result of standard budget adjustments, including: (a) turnover reduction (-$359,500 annually); (b) removal of non-continuing elements (-$67,800 annually and -1.0 FED positions beginning in 2021-22); (c) full funding of continuing position salaries and fringe benefits (-$612,400 annually); and (d) full funding of lease and directed moves costs ($173,700 annually).

Overall, the total amount of funding that would be provided for state administration of child care programs would be $42,687,900 in 2021-22 and $41,992,600 in 2022-23.

Joint Finance: Reduce funding by $570,100 in 2021-22 and by $189,500 in 2022-23 to reflect: (a) the removal of Item #8 (-$380,600 in 2021-22); (b) increased turnover rate from 3% to 4% for state agency annual turnover reduction (-$119,800 annually); and (c) reallocation of funding (-$69,700 FED annually) to correctly account for the cost of rent under leases of office space. Overall, the total amount of funding that would be provided for state administration of child care programs would be $42,117,800 in 2021-22 and $41,803,100 in 2022-23.

17. CARETAKER SUPPLEMENT [LFB Paper 200]

FED	- $13,316,900

Governor/Joint Finance: Reduce funding by $6,448,600 in 2021-22 and by $6,868,300 in 2022-23 to reflect a reestimate of TANF-supported program costs for the caretaker supplement program, a program administered by the Department of Health Services (DHS) that provides monthly cash payments to individuals who receive supplemental security income (SSI) payments with dependent children. Under the program, in addition to receiving state and federal SSI benefit

payments, SSI recipients with dependent children receive a caretaker supplement of $250 per month for the first child and $150 per month for each additional child.

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

A total of $18,654,700 in 2021-22 and $18,145,000 in 2022-23, funded from TANF, would be budgeted to fund caretaker supplement payments and program administration costs.

18. KINSHIP CARE [LFB Paper 211]

FED	$3,850,500

Governor/Joint Finance: Provide $567,900 in 2021-22 and $3,282,600 in 2022-23 to increase monthly kinship care payments from $254 to $300 per child, beginning January 1, 2022. In total, the bill would provide $28,727,100 in 2021-22 and $31,441,800 in 2022-23 to fund these payments.

As an alternative to foster care and other out-of-home care placements, monthly kinship care payments are provided by counties, tribes, and DCF (in Milwaukee County) to qualifying adults to support costs of caring for their relative children. The current kinship care rate -- $254 per child per month -- equals the current Level 1 foster care payment rate, which would be increased to $300 per child per month under the bill.

19. EMERGENCY ASSISTANCE [LFB Paper 206]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$8,765,900	- $8,765,900	$0

Governor: Provide $4,829,500 in 2021-22 and $3,936,400 in 2022-23 to reestimate the costs of providing assistance to needy persons in cases of fire, flood, natural disaster, energy crisis, homelessness, and impending homeliness under the emergency assistance (EA) program. Of this amount, $929,500 in 2021-22 and $36,400 in 2022-23 would support the cost to continue the program under current law. Additional funding of $3,900,000 annually would support the program modifications discussed below. Under the bill, total funding for emergency assistance would be $10,829,500 in 2021-22 and $9,936,400 in 2022-23.

Eligibility Changes. Modify the eligibility requirements for the emergency assistance program as follows. First, increase the financial eligibility threshold from 115% of the federal poverty level ($25,254 for a family of three in 2021) to 200% ($43,920 for a family of three in 2021). Second, expand eligible families to include childless adults between 18 and 24 years of age.

Third, reduce the requirement that the applicant must not have received emergency assistance within the previous 12 months to six months. Finally, specify that a family delinquent on a rent payment, a mortgage payment, or a property tax payment is considered homeless for purposes of the emergency assistance program, and therefore eligible for aid, during a national emergency declared by the U.S. President or a state of emergency declared by the Governor.

Definition of Domestic Violence. Under current law, a person may qualify for EA if they are facing homelessness due to domestic violence, which is statutorily defined as any of the following engaged in by an adult against his or her former spouse, an adult with whom the person currently or formerly resides, or an adult with whom the person has a child in common: (a) intentional infliction of physical pain , physical injury or illness; (b) intentional impairment of physical condition; (c) violation of criminal code provisions relating to first, second, or third-degree sexual assault; or (d) a physical act that may cause the other person reasonably to fear imminent engagement in the conduct described under (a) through (c).

The bill would repeal the current definition of domestic violence. Instead, the bill would specify that evidence specified under the rules defining "domestic violence" by DCF for purposes of domestic abuse screening in the W-2 program would be sufficient for purposes of the EA program. This would broaden the definition to be any of the following acts affecting an individual by a spouse or former spouse, and adult with whom the individual has, or had a dating relationship, an adult with whom the individual has a child in common, an adult or minor family member, or an adult or minor with whom the person resides or formerly resided: (a) physical acts resulting in pain, illness or injury; (b) sexual abuse or assault; (c) threatened or attempted physical or sexual abuse; (d) emotional or mental abuse; (e) verbal abuse; (f) deprivation or destruction of physical or economic resources; (g) neglect or deprivation of medical care; (h) forced isolation; or (i) stalking or harassment.

Joint Finance: Provision not included.

20. STATE ADMINISTRATION OF WISCONSIN WORKS AND OTHER RELATED TANF PROGRAMS [LFB Paper 102]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	- $107,800	- 0.25	- $275,000	- 0.5	- $382,800	- 0.75

Governor: Reduce funding by $184,800 in 2021-22 and increase funding by $77,000 in 2022-23 to support the costs of administering TANF-related programs.

BRITS. Provide $410,000 in 2021-22 and $550,000 in 2022-23 for the benefit recovery investigative tracking system (BRITS), including: (a) $250,000 annually for the maintenance and enhancements of BRITS; and (b) one-time funding to complete a second phase in the development of BRITS ($160,000 in 2021-22 and $300,000 in 2022-23). BRITS is an information technology (IT) system used by DCF, DHS, and county income maintenance staff to assist in the recovery of

overpayments made under several public assistance programs. The program became operational in 2017, and additional features to the system are in development. The second phase of the project is estimated to cost approximately $2.3 million, of which $0.6 million would be funded by DCF and $1.7 million by DHS, based on collections caseloads. DCF indicates that completion of the project is required to bring the system into compliance with federal requirements.

Emergency Assistance. Provide $58,800 annually to implement program changes for the emergency assistance program.

Internet Assistance. Provide, $31,200 2021-22 and $41,600 in 2022-23 to fund 0.5 FTE position to support the Internet assistance program.

Homeless Case Management Services. Provide $600 in 2021-22 and $800 in 2022-23 to support staffing costs for the homeless case management services grant.

Standard Budget Adjustments. Reduce TANF funding by $685,400 in 2021-22 and by $574,200 in 2022-23 to reflect standard budget adjustments, including: (a) turnover reduction (-$118,900 annually); (b) removal of non-continuing elements (-$46,200 in 2021-22 and -$61,700 in 2022-23); (c) full funding of continuing position salaries and fringe benefits (-$423,700 annually and -0.75 FED project positions beginning in 2021-22); and (d) full funding of lease and directed moves costs ($2,000 annually). Finally, a funding decrease of $98,600 in 2021-22 and a funding increase of $28,100 in 2022-23 would be for staff costs associated with health insurance, retirement, and reserves.

Joint Finance: Reduce funding by $132,200 in 2021-22 and by $142,800 in 2022-23 to reflect: (a) the removal of the emergency assistance expansion in item 19 (-$58,800 annually); (b) the removal of the internet assistance program in Item 25 (-$31,200 in 2021-22 and -$41,600 in 2022-23 to fund 0.5 FTE beginning in 2021-22); (c) increased turnover rate from 3% to 4% for state agency annual turnover reduction (-$39,600 annually); (d) removal of staffing costs for homeless case management services grants (-$600 in 2021-22 and -$800 in 2022-23; and (e) reallocation of funding (-$2,000 FED annually) to correctly account for the cost of rent under leases of office space.

Overall, the total amount of funding that would be provided for state administration of TANF-related programs would be $17,233,100 in 2021-22 and $17,484,300 in 2022-23.

21. GRANTS TO BOYS AND GIRLS CLUBS OF AMERICA

FED	$264,000

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

Under current law, of the total amount budgeted for grants, up to $1,400,000 in each fiscal year must be budgeted for the Be Great: Graduate program in the amount of matching funds the program provides. The bill would increase this amount to $1,532,000 each year.

22. CIVIL LEGAL ASSISTANCE [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$1,000,000	- $1,000,000	$0

Governor: Increase the grant to Wisconsin Trust Account Foundation (WisTAF) from $500,000 to $1,000,000 annually and expand the legal services for which grant may be used, to include cases involving evictions. Repeal the $75,000 annual maximum award amount any program can receive. Repeal provisions that permit DCF to distribute unspent TANF funds that had previously been allocated for other purposes to WisTAF. Current law allows DCF to identify underspending in the federal block grant aids appropriation for TANF and provide such funds to WisTAF under certain conditions.

DCF is budgeted TANF funding to support WisTAF, a non-profit organization established by the Wisconsin Supreme Court that provides grants to civil legal aid organizations that increase access to legal services. These grants may not be used for litigation against the state and, under current law, may only be used to support specific civil legal services (related to domestic abuse, sexual abuse, or restraining orders for certain at-risk elderly and disabled individuals) for otherwise TANF-eligible individuals with incomes of less than 200% of the federal poverty level.

Joint Finance: Provision not included.

23. GRANT FOR CASE MANAGEMENT SERVICES FOR HOMELESS FAMILIES

Governor: Repeal the allocation that provides $500,000 annual supplemental funding for homeless case management grants in the Joint Committee on Finance program supplements appropriation. Instead, increase, from $500,000 to $1,000,000 annually, funding for grants to shelter facilities to provide intensive case management services to homeless families. Funding for these services is budgeted in DCF and transferred to the Department of Administration (DOA), which administers the program.

Under the program, current law authorizes DOA to award up to 10 grants of up to $50,000 each to any shelter program. Grantees may use these funds to provide case management services, including: (a) services related to financial management; (b) employment-related services; (c) services intended to ensure continuation of school enrollment for children; and (d) services related to the enrollment of unemployed or under-employed parents in the FoodShare employment and training program or the Wisconsin Works program. For additional information, see homeless case management services under "Administration -- Housing and Homelessness."

Joint Finance: Provision not included.

24. EXTEND OFFENDER REENTRY PILOT PROGRAM [LFB Paper 200]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$0	- $250,000	- $250,000

Governor: Extend the offender reentry pilot program by one year. The administration indicates that the extension is needed to account for delays caused by the COVID-19 pandemic.

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

Joint Finance: Provide base funding of $250,000 in 2021-22, but allow the pilot program to end as scheduled without an extension (-$250,000 in 2022-23).

25. INTERNET ASSISTANCE

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$20,000,000	0.50	- $20,000,000	- 0.50	$0	0.00
FED	20,000,000	0.00	20,000,000	0.00	0	0.00
Total	$40,000,000	0.50	- $40,000,000	0.00	$0	0.00

Governor: Create an internet assistance program and provide $20,000,000 ($10,000,000 GPR and $10,000,000 FED TANF) annually and 0.5 GPR position, beginning in 2021-22, to make payments on behalf of low-income individuals to assist with paying for Internet service. Create an annual GPR appropriation for this purpose.

Specify that assistance under this program may be provided only after other assistance program options have been exhausted. Permit DCF to contract for the administration of the program. Require DCF to promulgate rules to implement the program, including a financial eligibility requirement that the family income of a recipient not exceed 200% of the federal poverty level ($43,920 for a family of three in 2021). Specify that DCF may promulgate rules as emergency rules without the finding of an emergency or providing evidence that the rules are necessary for the preservation of the public peace, health, safety, or welfare.

Joint Finance: Provision not included.

26. JOBS FOR AMERICA'S GRADUATES

FED	$1,000,000

Governor: Provide $500,000 annually for grants to Jobs for America's Graduates (JAG) to

support programs that improve social, academic, and employment skills of TANF-eligible youth.

JAG is a state-based national nonprofit organization that assists youth in reaching economic and academic success. Services involve classroom instruction, adult mentoring, leadership development, guidance and counseling, job and postsecondary education placement services, links to community services, and 12-month follow-up services. JAG currently operates in Wisconsin in Dane, Jackson, Milwaukee, and Monroe counties.

Joint Finance: Modify the Governor's recommendation to require DCF to award the funding to the appropriate Wisconsin affiliate of JAG.

27. EARNED INCOME TAX CREDIT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$47,016,400	- $47,016,400	$0

Governor: Increase funding for the refundable portion of the earned income tax credit by $47,016,400 in 2021-22. The funding would support modifications to the tax credit, which would increase the amounts qualifying individuals could claim. [See "General Fund Taxes -- Refundable Tax Credits and Other Payments."]

Under the bill, the total TANF funding that would be budgeted to fund the refundable portion of the earned income tax credit would be $116,716,400 in 2021-22 and $69,700,000 in 2022-23.

Joint Finance: Provision not included.

28. EARNED INCOME TAX CREDIT -- SUM SUFFICIENT REESTIMATE [LFB Paper 334]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$0	- $9,200,000	- $9,200,000

Joint Finance: Reduce federal TANF funds transferred from DCF to the Department of Revenue for the refundable portion of the earned income tax credit by $6,100,000 in 2021-22 and $3,100,000 in 2022-23 to reflect reestimates of credit payments to eligible claimants. For additional information, see "General Fund Taxes -- Refundable Tax Credits and Other Payments."

29. CHILD WELFARE PREVENTION SERVICES [LFB Paper 214]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$1,000,000	- $1,000,000	$0

Governor: Increase funding for child welfare prevention services by $500,000 annually, and require DCF to allocate that same amount to the nurse family partnership visitation program in Milwaukee County.

The nurse-family partnership provides home visiting services to first-time, low-income mothers and their children. It includes one-on-one home visits by a trained registered professional nurse to participating clients. The visits begin early in the woman's pregnancy (with program enrollment no later than the 28th week of gestation) and conclude when the woman's child turns two years old. The program's goal is to improve prenatal and maternal health and birth outcomes, child health and development, and families' economic self-sufficiency and maternal life course development.

Joint Finance: Provision not included.

30. CHILD WELFARE SAFETY SERVICES [LFB Paper 214]

FED	$2,000,000

Joint Finance: Increase funding for child welfare safety services by $1,000,000 annually. Under current law, TANF funding of $5,282,400 in 2020-21 supports targeted safety support funds (TSSF) to reimburse county agencies for the costs of certain services and supports that may be used as part of a safety or protective plan. TSSF is available in Milwaukee County, 42 other counties, and one tribe where abuse or neglect issues have been identified, but the child protective services agency has determined that the child can remain at home safely. TANF funding of $4,031,900 also supports contracts in the Division of Milwaukee Child Protective Services (DMCPS) with Children's Hospital of Wisconsin-Community Service and SaintA, as well as services provided via a network of providers to provide in-home services for families through the intensive in-home services program.

31. TANF PROGRAM FUNDING REALLOCATION

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

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

32. TANF REALLOCATION

Governor: Redefine "allocation" to mean, with respect to any of the programs listed in the TANF schedule that fund a contract for services, the amount under the contract that DCF is obligated to pay. As a result, DCF would not need to seek permission from the Joint Committee on Finance, as required under current law, to reallocate funding if a program overspends the amount provided in the TANF schedule so long as DCF enters into a contract with a vendor under the program calling for an estimated amount of spending less than or equal to the amounts provided under the bill for TANF programs.

Joint Finance: Provision not included.

33. TRANSFER HEAD START STATE SUPPLEMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$12,528,200	- $12,528,200	$0

Governor: Provide $6,264,100 annually to reflect the transfer of funding and administrative responsibilities relating to the head start supplement grant program from the Department of Public Instruction (DPI) to DCF. The bill would decrease annual funding budgeted for grants in DPI by the same amount.

As under current law, grants would be awarded to federal Head Start sites to allow expansion of their programs to serve additional children. The federal Head Start program provides comprehensive educational, health, nutritional, social, and other services to economically disadvantaged preschool children and their families.

Joint Finance: Provision not included.

34. SKILLS ENHANCEMENT GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Increase funding for skills enhancement grants by $250,000 annually. Base funding for the program is $250,000, so $500,000 would be budgeted annually for DCF to provide as grants to community action agencies (CAAs).

CAAs use grant funds to assist eligible persons overcome barriers to employment and education, including access to transportation, child care, career counseling, job placement assistance, and financial support for education and training. These services are limited to individuals who work at least 20 hours per week and whose earned income is at or below 150

percent of the federal poverty level ($32,940 for a family of three in 2021).

Joint Finance: Provision not included.

35. ADULT LITERACY

FED	$153,000

Joint Finance: Provide $76,500 annually to support adult literacy grants to provide services to individuals with low literacy or limited English proficiency skills who are eligible to receive TANF. Together with base funding, a total of $118,100 annually would be allocated for such grants.

36. GED TEST ASSISTANCE

FED	$132,600

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

Child Welfare

1. ADOPTION ASSISTANCE AND STATE FOSTER CARE

GPR	- $419,100
FED	4,099,500
Total	$3,680,400

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

The state foster care program provides payments for maintenance and case management services for children who are in out-of-home care, whose parental rights have been terminated, and are under the guardianship of DCF, which has care and placement responsibilities. The state adoption assistance program funds payments to families who adopt children with special needs. Basic maintenance payments are based on uniform foster care rates specified in statute, and additional payments are based on each child's individual needs.

The following table summarizes, by source, the base funding for these payments and adoption service contracts, the funding increases that would be provided under this item, and the total funding that would be budgeted for these payments under the bill.

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

2. CHILDREN AND FAMILY AIDS [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$15,000,000	- $15,000,000	$0

Governor: Provide $5,000,000 in 2021-22 and $10,000,000 in 2022-23 to increase the children and families aids (CFA) allocation. Increase the statutory children and family aids allocations to reflect this and other items in the bill that would modify funding for the program so that $106,389,600 (all funds) in 2021-22 and $111,868,900 (all funds) in 2022-23 would be allocated for the program.

Joint Finance: Provision not included.

3. SUBSIDIZED GUARDIANSHIP

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

4. FOSTER CARE RATE INCREASE [LFB Paper 211]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$958,900	- $933,100	$25,800
FED	489,600	- 476,400	13,200
Total	$1,448,500	- $1,409,500	$39,000

Governor: Provide $365,400 ($241,900 GPR and $123,500 FED) in 2021-22 and

$1,083,100 ($717,000 GPR and $366,100 FED) in 2022-23 to increase monthly payments to foster parents by 2.5% in each calendar year. Increase the basic rate for Level One foster care to $300 per month beginning January 1, 2022. The source of the federal funding is reimbursement under Title IV-E of the Social Security Act.

The current monthly basic maintenance rates, by level of care, and the rates proposed by the Governor are shown below.

	Current Amount	Rates as of January 1 2022	2023
Level One	$254	$300	$300
Levels Two and Above			
Up to Age Five	$420	$431	442
Ages Five through 11	460	472	484
Ages 12 through 14	522	535	548
Ages 15 and Over	545	559	573

Joint Finance: Modify the Governor's recommended funding to maintain foster care Level Two and above monthly payment rates at current levels, but retain the provision to increase the Level One foster care monthly rate from $254 to $300 per child, beginning January 1, 2020. Reduce funding by $352,400 (-$233,300 GPR and -$119,100 FED) in 2021-22 and by $1,057,100 (-$699,800 GPR and -$357,300 FED) in 2022-23.

5. FOSTER CARE YOUTH DRIVERS LICENSING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$292,500	- $292,500	$0

Governor: Provide $89,700 in 2021-22 and $202,800 in 2022-23 and require DCF to establish or contract for a driver education program for youth in out-of-home care who are at least 15 years old. Require that the program provide assistance with identifying and enrolling in an appropriate driver education course and obtaining an operator's license. Authorize DCF to use funds from its general program operations GPR appropriation to pay fees and expenses an individual requires to enroll in a driver education course and to obtain an operator's license.

Joint Finance: Provision not included.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,040,300	- $1,000,000	$6,040,300
FED	- 238,600	1,000,000	761,400
PR	- 5,726,800	0	- 5,726,800
Total	$1,074,900	$0	$1,074,900

Governor: Provide $49,100 ($3,003,700 GPR, -$91,200 FED, and -$2,863,400 PR) in 2021-22 and $1,025,800 ($4,036,600 GPR, -$147,400 FED and -$2,863,400 PR) in 2022-23 to reflect reestimates of the cost of Division of Milwaukee Child Protective Services (DMCPS) aids payments and contracted services.

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

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

Joint Finance: Modify the Governor's recommendation by increasing FED (Title IV-E) funding by $1,000,000 in 2021-22 and reducing GPR funding by a corresponding amount.

7. DMCPS -- ADOPTION RECRUITMENT SERVICES FOR CHILDREN WITH SPECIAL NEEDS

GPR	$371,400
FED	228,600
Total	$600,000

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

Joint Finance: Modify the provision by providing this funding on a one-time basis in the

2021-23 biennium.

8. DMCPS OPERATIONS -- INITIAL ASSESSMENT POSITIONS [LFB Paper 212]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$390,400	3.68	- $390,400	- 3.68	$0	0.00
FED	33,900	0.32	- 33,900	- 0.32	0	0.00
Total	$424,300	4.00	- $424,300	- 4.00	$0	0.00

Governor: Provide $181,900 ($167,400 GPR and $14,500 FED Title IV-E) and in 2021-22 and $242,400 ($223,000 GPR and $19,400 FED Title IV-E) in 2022-23 to support 4.0 additional positions (3.68 GPR and 0.32 FED positions), beginning in 2021-22, for initial assessment of allegations of child abuse and neglect at DMCPS.

For each screened-in report of child abuse and neglect, DMCPS must initiate an investigation within 24 hours to determine whether the child is in need of protection or services. The investigation must determine within 60 days, based upon a preponderance of the evidence, whether abuse or neglect has occurred or is likely to occur. Initial assessment specialists, who receive referrals from the access unit, are responsible for determining: (a) if child abuse or neglect has already occurred, who did it, and the extent and the severity of the abuse or neglect if it has occurred; (b) the level of impending danger to a child in the family of future abuse or neglect; and (c) the types of services to be included in a safety plan for a child in order to prevent abuse or neglect from occurring in the future. The additional positions are intended to address staff turnover and reduce caseloads in the initial assessment unit.

Joint Finance: Provision not included.

9. FEDERAL LAW UPDATE -- QUALIFIED RESIDENTIAL TREATMENT PROGRAMS

Modify current law to conform to the federal the Family First Prevention Services Act (FFPSA), as described below. [The provisions are identical to the provisions of 2021 Senate Bill 161 and Assembly Bill 143.]

Federal Law. The FFPSA included several policy changes that limit federal reimbursement for congregate care and favor child placements in family foster homes. The act also provides uncapped Title IV-E funding for a portion of the costs of up to 12 months of services that are intended to prevent the need for children to enter out-of-home care. A state may elect to delay the provisions of the FFSPA regarding the limitation of reimbursement for congregate care. However, by doing so, the provisions for federal reimbursement of prevention services are similarly delayed. DCF requested delayed implementation until October 1, 2021.

Pursuant to the FFPSA, states may claim Title IV-E reimbursement for only up to two weeks'

worth of out-of-home care maintenance payments paid on behalf of an eligible child placed in a child care institution. This includes any private or public group home or care center that serves 25 or fewer children. Placements larger than 25 are prohibited under federal law. States may continue to claim administrative expenses after the two-week limit expires on maintenance payments.

Placements in certain child care institutions are exempt from the two-week limitation on maintenance claims, such as pre- and post- adjudication juvenile justice facilities and qualified residential treatment programs (QRTPs). A QRTP is a licensed, accredited program that uses a trauma-informed treatment model, has nurses on staff or on call, provides discharge planning and family-based aftercare for at least six months after a discharge, and to the extent appropriate, documents and facilitates outreach to and participation from a child's family members. An assessment by a "qualified individual," such as a trained professional or licensed clinician who is not an employee of the child welfare agency, must be conducted within 30 days after a child is placed at a QRTP to review the needs of the child, develop child-specific mental and behavioral health goals, and determine which placement setting is appropriate for the child. While conducting the assessment, the qualified individual must work in conjunction with the child's family and permanency team, comprised of family members and appropriate professionals.

Within 60 days of the start of the QRTP placement, a court must either approve or disapprove the placement, by considering the assessment and determining whether the child's needs can be met through placement in a family foster home, or whether, generally, a QRTP program provides the most effective and appropriate level of care for the child. If the appropriate placement is not in a family home, the assessment must specify the reasons why the child's needs cannot be met by their family or in a foster family home. A shortage of family foster homes is not an acceptable reason to find that the needs of the child cannot be met in a family foster home. If the assessment is not completed within 30 days of the placement at the QRTP, no claim may be made for Title IV-E reimbursement of maintenance payments.

Current State Law. Wisconsin law sets forth specific procedures and standards that apply when a child or juvenile is removed from the home and placed in out-of-home care in the child welfare system under Chapter 48 (the Children's Code) or the juvenile justice system under Chapter 938 (the Juvenile Justice Code). Generally, these systems are built upon a framework of intervention steps that favor preservation of the family unit with as little state intervention as possible. Removal of a child or juvenile from the home is permitted only if necessary to preserve the child's health and safety. Each child or juvenile who is placed in out-of-home care must have a written permanency plan, designed to ensure that the child or juvenile is reunified with his or her family whenever appropriate or quickly attains a placement or home providing long-term stability.

State law currently requires DCF to license and supervise, as well as promulgate rules governing, several types of entities that provide out-of-home care, such as foster homes, group homes, shelter care facilities, and residential care centers for children and youth. However, current Wisconsin law does not contemplate QRTPs, as defined under the FFPSA, as an option for a child's out-of-home care placement. Further, current law does not authorize DCF to license, regulate, or promulgate administrative rules governing entities that would constitute a QRTP, as defined under the FFPSA.

Bill Provisions. Create provisions and references to QRTPs under state law and authorize DCF to certify and further regulate QRTPs by rule. Consistent with the FFPSA, require both a specialized assessment by a qualified individual and certain findings by a court, for a child or juvenile to be placed in a certified QRTP at various stages of proceedings under the Children's Code or the Juvenile Justice Code.

Certification. Authorize DCF to certify a licensed residential care center for children and youth, group home, or shelter care facility to operate as a QRTP, if DCF determines that the entity meets the FFPSA's requirements for QRTPs and any other requirements established by DCF in administrative rules. The federal requirements include that a QRTP: (a) has a trauma-informed treatment model that is designed to address the needs, including clinical needs as appropriate, of children with serious emotional or behavioral disorders or disturbances; (b) is able to implement the treatment for the child, as identified in an assessment that must generally be completed within 30 days of the child's placement in a QRTP, described in more detail below; (c) has registered or licensed nursing staff and other licensed clinical staff on site; (d) facilitates participation of family members in the child's treatment program, to the extent appropriate and in accordance with the child's best interests; (e) facilitates outreach to the family members of the child, documents how the outreach is made; (f) maintains contact information for any known biological family and fictive kin of the child (individuals with whom the child has a close relationship, such as close family friends) and (g) provides discharge planning and family-based aftercare support for at least six months post-discharge.

Family Permanency Teams. Create and define a "family permanency teams" as a team of individuals assembled upon a child's placement in a QRTP to participate in permanency planning. Specify that, if a child is placed in a QRTP, the agency that placed the child or arranged the placement, or the agency assigned primary responsibility for providing services to the child, must invite all of the following individuals to participate in permanency planning, and may invite others at the agency's discretion: (a) all appropriate biological family members, relatives, and like-kin of the child, as determined by the agency; (b) appropriate professionals who serve as a resource for the child's family, such as teachers, medical or mental health providers who have treated the child, or clergy; and (c) others identified by a child over the age of 14 at the time that the agency responsible for preparing the permanency plan consults with the child, as required under current law. Define "Like-kin" to mean a person who has a significant emotional relationship with a child or the child's family and either: (i) prior to the child's placement in out-of-home care, the person had an existing relationship with the child or the child's family that is similar to a familial relationship; or (ii) during the child's placement in out-of-home care, the person developed a relationship with the child or the child's family that is similar to a familial relationship.

Permanency Plans. Require a permanency plan of a child placed in a QRTP to include specific information, including: (a) documentation of reasonable and good faith efforts to identify and include all required individuals on the family permanency team; (b) if reunification is the child's permanency goal, information demonstrating that the parent from whom the child was removed provided input on the members of the family permanency team or why that input was not obtained; (c) information showing that the standardized assessment, as determined by DCF, was used to determine the appropriateness of the QRTP placement; (d) the placement preferences of the family permanency team; (e) if placement preferences of the family permanency team are not

the placement recommended by the qualified individual who conducted the standardized assessment, the reasons why these preferences were not recommended; and (f) the recommendations of the qualified individual who conducted the standardized assessment.

Provide that, if a child is placed in a QRTP, the court, when conducting the child's permanency review hearings that are required to occur every six or 12 months, must consider certain information related to the continuing appropriateness of the QRTP placement and the agency's efforts to prepare the child to return home to be placed in other settings.

Require that a permanency plan for any child who is a parent or is pregnant include an out-of-home care prevention strategy for any child born to the parenting or pregnant child, and a list of the services or programs to be provided to, or on behalf of, the child to ensure that the child is prepared and able to be a parent. Specify that this requirement would apply to any child for whom a permanency plan is prepared, regardless of the type of placement.

Standardized Assessments by Qualified Individuals. Require that, if a child is held in custody at, or placed or proposed to be placed in, a certified QRTP at certain stages of proceedings under the Children's Code or the Juvenile Justice Code, t a qualified individual conduct a standardized assessment of the child's strengths and needs to determine appropriateness of a placement using a tool determined by DCF. After conducting the assessment, require the qualified individual to prepare a recommendation that includes all of the following: (a) whether the proposed placement will provide the child with the most effective and appropriate level of care in the least restrictive environment; (b) how the placement is consistent with the short-term and long-term goals for the child, as specified in the permanency plan; (c) the reasons why the child's needs can or cannot be met by the child's family or in a foster home, with a shortage or lack of foster homes considered an unacceptable reason for determining that the child's needs cannot be met in a foster home; and (d) the placement preference of the family permanency team and, if that preference is not the placement recommended by the qualified individual, why that recommended placement is not preferred.

Provide that the standardized assessment and qualified individual's recommendation must be submitted to the court, and to all persons required to receive a copy, no later than the date of the relevant hearing, the entry of a consent decree, or the filing of the request, depending on the applicable stage of the proceedings. However, specify that if that information is not available by the applicable deadline, the standardized assessment and qualified individual's recommendation must be submitted no later than 30 days after the date on which the placement was made. Further, in certain change-in-placement proceedings, require that the assessment and recommendation be submitted to the court, and provided to individuals entitled to notice, no later than the filing of the written notice of the proposed change or, if not available by that time, within 10 days of the notice's filing, unless the information is not available based on good cause shown, in which case it must be submitted no later than 30 days after the date on which the placement is made.

Require that the designated agency's court report, required under current law to be submitted to the court before entry of a dispositional order, contain a statement indicating whether the recommended placement is a certified QRTP and, if so, the results of the standardized assessment and the qualified individual's recommendation. If that information is not available at the time of

the report, require the agency to submit it by the date of the dispositional hearing or, if not available, no later than 30 days after the date on which the placement was made.

Required Judicial Findings When Placing a Child in a QRTP. Provide that if a child is held in custody at, or placed or proposed to be placed in, a QRTP at various stages of proceedings, the court must, after considering the standardized assessment and the qualified individual's recommendation, include the following findings in its order: (a) whether the needs of the child can be met through placement in a foster home; (b) whether placement of the child in a certified QRTP provides the most effective and appropriate level of care for the child in the least restrictive environment; (c) whether the placement is consistent with the short-term and long-term goals for the child, as identified in the permanency planning; and (d) whether the judge or court commissioner approves or disapproves the placement.

Provide that these judicial findings would apply during the following proceedings:: (i) temporary physical custody of a child removed from the home or taken into custody under s. 48.21 or 938.21, Stats.; (ii) a proposed change in the placement of a child held in temporary physical custody, including an emergency change in placement, under s. 48.217 or 938.217, Stats; (iii) entry of a consent decree under s. 48.32 or 938.32, Stats.; (iv) dispositional orders under s. 48.355 or 938.355, Stats.; (v) a proposed change in the placement of a child subject to a dispositional order, including an emergency change in placement, under s. 48.357 or 938.357, Stats.; and (vi) a proposed change in the placement of a child whose parents have had their rights terminated and who is subject to a guardianship order, including an emergency change in placement, under s. 48.437, Stats.

Specify that if the results of the standardized assessment and the qualified individual's recommendation are required but not available at the time of the order, the court must defer making the findings, though the court must issue an order with such findings no later than 60 days after the date on which the QRTP placement is made.

DCF Rulemaking and Oversight Authority. Authorize DCF to promulgate rules for the establishment, certification, operation, and monitoring of, and the placement of a child in, a QRTP. Authorize DCF to deny, suspend, restrict, and refuse to review, or otherwise withhold a QRTP's certification based on a failure to comply with certification requirements established by rule. Expand DCF's inspection authority to QRTPs, so that that DCF staff could visit and inspect a QRTPs and have unrestricted access for that purpose.

Authorize DCF to promulgate emergency rules that, if promulgated, could remain in effect until July 1, 2023, or the date on which permanent rules take effect, whichever is sooner. Exempt DCF from the requirements to make a finding of an emergency and to demonstrate the need for an emergency rule.

Effective Dates. Specify that most of these provisions would take effect on September 29, 2021, (or the day after the bill's publication, whichever is later. However, the following provisions relating to DCF's authority, would take effect on the day after the bill's publication: (1) DCF's authority to certify an entity as a QRTP; (2) DCF's authority to deny, suspend, restrict, refuse to renew, or otherwise withhold a QRTP's certification based on a failure to comply with certification requirements established by DCF rules; (3) DCF's authority to visit and inspect a certified QRTP,

including unrestricted access to the premises; and (4) DCF's authority to promulgate emergency rules.

Joint Finance: Provision not included.

10. QUALIFIED RESIDENTIAL TREATMENT PROGRAMS -- NURSING SERVICES AND CERTIFICATION

GPR	$377,800

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

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

Joint Finance: Modify the provision to provide this funding on a one-time basis in 2022-23.

11. MILWAUKEE QUALIFIED RESIDENTIAL TREATMENT PROGRAM FACILITY [LFB Paper 213]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,300,000	- $1,300,000	$0

Governor: Provide $1,300,000 in 2022-23 to create and staff a qualified residential treatment program facility in Milwaukee County to care for youth in out-of-home care that require special services who would otherwise require treatment in out-of-state facilities, since current in-state facilities cannot meet their treatment needs.

Of the funding provided under this item, the administration estimates that $1,050,000 would support the start-up costs for a 15-bed QRTP facility for a six-month period. In addition, $250,000 would support QRTP facility staff during a the six-month start-up period and six months of services. Facility staff would include an administrator, one office staff, one psychologist, one licensed practical nurse, one recreation manager, one school administrator, one teacher, one teacher assistant, one cook, one kitchen staff, 15 residential staff, and one maintenance staff. Thereafter, DCF anticipates that ongoing costs after the 2021-23 biennium would be $500,000 annually.

Joint Finance: Provision not included.

12. IN-HOME PREVENTION SERVICES [LFB Paper 214]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$17,226,800	- $17,226,800	$0
FED	7,458,600	- 7,458,600	0
Total	$24,685,400	- $24,685,400	$0

Governor: Provide $12,342,700 ($8,613,400 GPR and $3,729,300 FED) annually to create and implement a statewide in-home prevention services program. Create an annual GPR appropriation for this purpose.

Authorize DCF to do the following: (a) provide funding to county departments, nonprofit corporations, Indian tribes or licensed child welfare agencies under contract with DCF or a county department for services to prevent the removal of children from the home or to promote the safety of children in the home; (b) provide direct support for evidence-based services provided by DCF, county departments, Indian tribes, or licensed child welfare agencies that seek to prevent the removal of children from the home or to promote the safety of children in the home on a statewide, regional, or local level, and (c) develop criteria, standards, and review procedures for administration of these provisions, and to promulgate rules relating to eligibility to receive support for these services.

With respect to the provisions listed under (b), specify that the supports and services could include: (i) training, coaching, quality assurance, and funding for certification or licensing for implementation of the evidence-based services; and (ii) purchasing or subsidizing the purchase of the evidence-based services;

The in-home prevention program would qualify for federal Title IV-E reimbursement pursuant to the federal Family First Prevention Services Act by serving children at imminent risk of placement into out-of-home care and could serve populations and provide crisis medical and respite care that similar home visiting programs funded from the temporary assistance for needy families (TANF) block grant cannot due to financial and time limit restrictions in TANF-funded programs.

Provider Training. Provide $5,955,200 ($3,870,900 GPR and $2,084,300 FED) annually to fund training for child welfare workers and service providers on comprehensive in-home service models that connect families with prevention services, such as evidence-based parenting programs. Funding is provided to support training for approximately 1,000 workers and 200 supervisors annually, at an average cost of approximately $5,287 per worker and $1,466 per supervisor. This funding includes $375,000 (all funds) annually to support supplements for training in rural areas. DSPS intends to develop training for workers through the Wisconsin Child Welfare Professional Development System. The training is intended to shift practices which focus on removing the child from the home to focusing on preventing removal.

Direct Family Supports. Provide $6,187,500 ($4,612,500 GPR and $1,575,000 FED) annually to fund support services, in addition to evidence-based programs, to prevent the removal of children from their homes. The bill would fund direct family supports to 1,500 families annually,

at an average cost of approximately $4,125 per family.

Other Training. Provide $200,000 ($130,000 GPR and $70.000 FED) annually for DCF to develop and deliver county worker training.

State Staff. The administration indicates that DCF would reassign existing positions (2.0 FTE) in 2021-22 to provide training, locate providers, and implement new cost-reporting for programmatic and fiscal purposes.

Joint Finance: Provision not included.

13. CONGREGATE CARE PROVIDER TRAINING

GPR	$140,000
FED	60,000
Total	$200,000

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

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

14. CONSOLIDATE STATUTORY PROVISIONS FOR THE BUREAU OF YOUTH SERVICES

Governor: Consolidate a number of programs into a new program for youth services as follows.

First, repeal the statutory authority, program specifications, and appropriations for the brighter futures program, children's community programs, services for victims of sex trafficking, and homeless and runaway youth programs and replace those programs with grants for youth services to public agencies, nonprofit corporations, and Indian tribes to provide programs that accomplish one or more of the following purposes: (a) increasing youth access to housing; (b) increasing youth self-sufficiency through employment, education, and training; (c) increasing

youth social and emotional health by promoting healthy and stable adult connections, social engagement, and connection with necessary services; (d) preventing sex trafficking of children and youth; (e) providing treatment and services for documented and suspected victims of child and youth sex trafficking; (f) preventing and reducing the incidence of youth violence and other delinquent behavior; (g) preventing and reducing the incidence of youth alcohol and other drug use and abuse; (h) preventing and reducing the incidence of child abuse and neglect; (i) preventing and reducing the incidence of teen pregnancy.

Second require DCF to distribute $55,000 in each fiscal year to Diverse and Resilient, Inc., to provide programs that accomplish one or more of the purposes above.

Joint Finance: Provision not included.

15. CHILD WELFARE NEW WORKER TRAINING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$1,500,000	- $1,500,000	$0

Governor: Provide $1,000,000 in 2021-22 and $500,000 in 2022-23 from Title IV-E funds to design and support a new training program for child welfare workers. In 2021-22, this funding would support the development of an academy model under which training would be provided over six months. The administration anticipates that the new training model would be used beginning January, 2023. Funding in 2022-23 would support estimated ongoing costs of implementing the model, such as in-person training sessions.

Current administrative rules and procedures provide new child welfare workers up to two to complete their training.

Joint Finance: Provision not included.

16. INDEPENDENT LIVING SERVICES -- EXPAND PROGRAM ELIGIBILITY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$836,400	- $836,400	$0

Governor: Provide $293,000 in 2021-22 and $543,400 in 2022-23 to expand eligibility for independent living services. As a matter of policy, DCF would expand program eligibility to include: (a) youths who have been in a qualifying court-ordered placement for at least six months after age 16 and who are not adopted or entering guardianship; and (b) youths through age of 23. Currently, program eligibility is limited to youth who age out of out-of-home care and youth between the ages of 18 and 21 who were formerly in out-of-home care. The program is currently supported with federal funds. In federal fiscal year 2019-20, Wisconsin received $2,401,300 FED

to support independent living services under the Chafee Foster Care Program for Successful Transition to Adulthood grant program.

Independent living services assist to transition to adulthood. The program is intended to lower the risk of adverse economic and social outcomes, including homelessness, higher unemployment rates, lower educational enrollment, and higher rates of criminal involvement.

Joint Finance: Provision not included.

17. SIBLINGS CONNECTIONS PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$150,000	- $150,000	$0

Governor: Provide $75,000 annually to support costs of reuniting siblings who were separated in out-of-home care by providing them with opportunities to socialize through programs designed for this purpose, such as summer camp programs. The administration estimates that the cost of sending one child to a camp that provides programming for sibling reunifications is approximately $1,000 so the funding in the bill could support up to 75 children to reconnect with their siblings each year.

The bill would codify a nonstatutory grant program that provides funding to counties, nonprofit organizations, or tribes for the purpose of supporting foster parents and providing normalcy for children in out-of-home care. Further, the bill would add sibling reconnection as a qualifying expense for the grants.

Joint Finance: Provision not included.

Juvenile Justice

1. YOUTH AIDS AND OTHER YOUTH AIDS ALLOCATIONS [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$18,857,200	- $9,428,600	$9,428,600

Governor: Provide the following adjustments to community youth and family aids (youth aids):

Youth Aids Allocations. Increase total youth aids funding by $6,024,700 in 2021-22 and

$14,226,900 in 2022-23. Recommended increased funding includes: (a) $697,200 annually transferred from the Department's community intervention program appropriation to the youth aids appropriation; and (b) $5,327,500 in 2021-22 and $13,529,700 in 2022-23 related to the elimination of the serious juvenile offender program in the Department of Corrections.

Under the bill, total funding for youth aids would be: $48,396,000 for the last six months of 2021; $100,893,000 for 2022; and $52,497,100 for the first six months of 2023.

Specifically, the additional $697,200 annual increase to youth aids would be the net result of transfers between the youth aids appropriation and the community intervention program appropriation (renamed youth justice system improvements program under the bill, see Item #2 below). The specific reallocations would include: (a) transferring $3,072,000 from the community intervention program appropriation to the youth aids appropriation to increase youth aids allocations; and (b) removing the earmarks for purchasing community supervision services ($2,124,800) and emergency funding ($250,000) in the youth aids appropriation and transferring the funds to the community intervention program appropriation. The net change would increase the youth aids appropriation by $697,200 annually and decrease the community intervention program appropriation by $697,200 annually.

Further, the additional $5,327,500 in 2021-22 and $13,529,700 in 2022-23 would be provided for a new youth aids component. Create statutory language to specify that the Department must allocate an amount not to exceed $2,663,800 for the last six months of 2021, $9,428,600 for 2022, and $6,764,900 for the first six months of 2023 for costs incurred by a county for the care and maintenance of a juvenile placed under the supervision of a county department or the Department of Corrections in a juvenile detention facility, juvenile correctional facility, or a secured residential care center for children and youth. Allocation of this funding to counties has not yet been determined. [For additional information on this component, see "Department of Corrections -- Juvenile Corrections."]

In addition, remove the youth aids funding earmark for alcohol and other drug abuse (AODA) treatment programs ($1,333,400 annually). The funding would remain in the base allocation of the formula to be distributed to counties.

Modify statutory provisions relating to the calendar year allocation of youth aids funding by updating calendar year references from previous years to calendar years 2021, 2022, and 2023. Under current law, youth aids funding must not exceed $45,383,600 for the last six months of 2019, $90,767,200 for 2020, and $45,383,600 for the first six months of 2021.

Under current law, DCF must allocate youth aids funding based on statutory funding amounts assigned to calendar years. These allocations are as follows: (a) youth aids funding appropriated in the biennium for distribution to counties ($66,059,300 GPR and $2,175,800 FED); (b) youth aids increases provided under 1999 Act 9 ($4,000,000 GPR), which are paid to counties according to a three-factor formula; (c) youth aids increases provided under 2001 Act 16 ($2,106,500 GPR), which are paid to counties according to the three-factor formula and an additional override factor; (d) youth aids arrest supplements for small counties ($200,000 GPR); (e) funding earmarked for emergency funding ($250,000); (f) youth aids funding earmarked for counties participating in the corrective sanctions program ($2,124,800 GPR); (g) youth aids

funding earmarked for AODA treatment programs ($1,333,400 GPR); (h) youth aids increases provided under 2007 Act 20 ($12,500,000 GPR); and (i) youth aids increases associated with extending out-of-home placements to youth over the age of 18, as provided in 2014 Act 55 ($89,400 GPR), based on the proportional number of juveniles in correctional facilities during the most recent three-year period. Under the bill, all of the above allocations are maintained except item (g) is eliminated with funding retained within youth aids, and items (e) and (f) are also eliminated but funding transferred to the community intervention programs appropriation. Current youth aids funding also includes a -$72,000 structural imbalance. The recommended changes would increase total youth aids, eliminate the structural imbalance, and are intended to provide more flexibility in distribution and use of youth aids funding.

Carryover. Modify the state carryover provisions and related youth aids provisions to allow the Department to transfer 10% of its youth aids funds unspent by December 31st of each year to the youth aids funding for the YJSIP appropriation (see Item #2 below). Under current law, the Department can carry forward $500,000 or 10% of youth aids funds unspent by December 31st to the next two calendar years to the youth aids appropriation and may allocate those funds to counties with persistently high rates of juvenile arrests to improve community-based juvenile delinquency-related services. The bill removes the $500,000 carry forward option and changes the transfer from counties with persistently high rates of juvenile arrests for serious offenses to a newly created program revenue appropriation. Repeal statutory provisions regarding unspent emergency fund transfers.

Joint Finance: Provision not included. Instead, provide a total increase to the youth aids base allocation of $4,714,300 annually. Modify statutory language to specify youth aids amounts may not exceed $47,740,750 for the last six months of 2021, $95,481,500 for 2022, and $47,740,750 for the first six months of 2023.

2. YOUTH JUSTICE SYSTEM IMPROVEMENTS PROGRAM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$11,504,200	3.00	- $11,504,200	- 3.00	$0	0.00

Governor: Repeal the statutory language related to the Community Intervention Program and instead, create the Youth Justice System Improvements Program (YJSIP). Create a general purpose revenue (GPR) youth justice system improvements program, state operations appropriation and a program revenue (PR) youth aids funding for YJSIP appropriation for the program (the 10% state youth aids carryover is deposited into the PR appropriation). Provide $417,000 in 2021-22 and $11,087,200 in 2022-23 and 3.0 positions annually. Funding includes: (a) $187,000 in 2021-22 and $249,300 in 2022-23 to the new GPR appropriation for salaries and fringe benefits, and supplies and services for 3.0 advanced program policy positions; and (b) $230,000 in 2021-22 and $10,837,900 in 2022-23 to the renamed YJSIP program appropriation (formerly the community intervention program appropriation) for community-based grants, residential services grants, and training system improvements (which may include vocational and

job placement training or extra training for existing county staff or providers, for example). Recommended positions include: (a) 2.0 advanced program policy positions annually to support program improvements (including researching and establishing statewide standards for youth justice concepts and practices, and subsequently providing training on these standards); (b) 0.5 program policy positions annually for residential services grants; and (c) 0.5 program policy positions annually for community based grants. Allocation of this funding to counties has not yet been determined.

Funding for the program would be provided from the two new appropriations, as well as remaining funds from the current community intervention program appropriation, and would be used to: (a) fund programs that enhance diversion, prevention, or early intervention to reduce the number of justice-involved youth or promote successful outcomes for youth to determine eligibility for payments under this provision, (the Department would be required to have a county or other provider submit a plan for the expenditure of the payment); (b) address emergencies; and (c) fund activities required of the Department related to youth and families under youth aids provisions. Allocation of funding to counties has not yet been determined.

Joint Finance: Provision not included.

3. JUVENILE JUSTICE AIDS FOR 17-YEAR-OLDS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$20,000,000	- $20,000,000	$0

Governor: Provide $10,000,000 annually in a new sum sufficient appropriation for youth aids-related purposes, but only to reimburse counties, beginning on January 1, 2022, for costs associated with juveniles who were alleged to have violated a state or federal criminal law or any civil law or municipal ordinance at age 17.

Joint Finance: Provision not included.

Departmentwide and Child Support Enforcement

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$786,600	- $5,200	$781,400
FED	667,000	- 25,400	641,600
PR	1,126,800	- 252,600	874,200
Total	$2,580,400	- $283,200	$2,297,200

Governor: Provide $1,290,200 ($393,300 GPR, $333,500 FED, and $563,400 PR) annually to reflect the following standard budget adjustments: (a) turnover reduction (-$318,700 GPR, and -$321,400 PR annually); (b) full funding of continuing position salaries and fringe benefits (-$75,500 GPR, $253,400 FED, and $464,100 PR annually); (c) overtime ($737,200 GPR, $20,700 FED, and $4,200 PR annually); (d) night and weekend differential pay ($129,800 GPR, $11,300 FED, and $1,300 PR annually); and (e) full funding of lease and directed moves costs (-$79,500 GPR, $48,100 FED, and $415,200 PR annually).

These amounts do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program (-$1,606,300 FED in 2021-22 and -$1,621,800 FED in 2022-23) and the reduction of 1.75 FED positions, beginning in 2021-22, which are included in separate entries under "Economic Support and TANF-Funded Programs."

Joint Finance: Reduce funding by $141,600 (-$2,600 GPR, -$12,700 FED, and -$126,300 PR) annually to reflect: (a) increased turnover rate from 3% to 4% for state agency annual turnover reduction (-$106,200 GPR and -$107,100 PR annually); and (b) a reallocation of funding to properly reflect the cost of two leases ($103,600 GPR, -$12,700 FED, and -$19,200 PR annually).

2. LOCAL CHILD SUPPORT ENFORCEMENT [LFB Paper 225]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$8,000,000	- $4,500,000	$3,500,000
FED	15,529,400	- 8,739,400	6,790,000
Total	$23,529,400	$13,239,400	$10,290,000

Governor: Provide $11,764,700 ($4,000,000 GPR and $7,764,700 FED) annually to increase state support for local administration of the child support enforcement program. Base GPR support for local child support enforcement programs is $9,310,000. With this increase, GPR support for the program would increase to $13,010,000 in calendar years 2022 and 2023. The source of the federal funding would be matching funds under Title IV-D of the Social Security Act.

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

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

Joint Finance: Reduce funding by $6,619,700 (-$2,250,000 GPR and -$4,369,700 FED) annually.

3. PROGRAM REVENUE AND FEDERAL APPROPRIATIONS ADJUSTMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$10,467,400	- $1,108,000	$9,359,400
PR	- 40,200	0	- 40,200
Total	$10,427,200	- $1,108,000	$9,319,200

Governor: Provide $5,213,600 ($5,233,700 FED and -$20,100 PR) annually to reflect the net effect of adjustments to several program revenue and federal appropriations, as summarized in the following table.

Joint Finance: Reduce estimated funding by $554,000 FED annually to reflect corrected estimates of base funding for refugee assistance programs. The following table summarizes the funding change under Joint Finance.

Program Revenue and Federal Appropriations Funding Adjustments

			2021-22			2022-23		
			Funding Change			Funding Change		
	Source	Base	This Item	Other Items	Total	This Item	Other Items	Total
Children and Family Services								
Social Services Block Grant -- Children and Family Aids	PR	$7,356,100	-$100,000	$0	$7,256,100	-$100,000	$0	$7,256,100
Social Services Block Grant -- Operations	PR	2,063,000	79,900	19,800	2,162,700	79,900	19,800	2,162,700
Federal Project Aids	FED	2,894,800	948,500	0	3,843,300	948,500	0	3,843,300
Federal Program Aids	FED	12,152,700	111,700	0	12,264,400	111,700	0	12,264,400
Federal Program Local Assistance (Title IV-E)	FED	9,941,800	3,130,700	4,659,300	17,731,800	3,130,700	4,219,300	17,291,800
Federal Programs -- Local Assistance (Non-Title IV-E)	FED	4,110,100	-275,000	0	3,835,100	-275,000	0	3,835,100
Children and Family Aids -- Foster Care	FED	45,291,000	169,000	82,500	45,542,500	169,000	244,500	45,704,500
Child Welfare -- Aids to Localities	FED	2,817,300	-69,000	0	2,748,300	-69,000	0	2,748,300
Economic Support								
Refugee Assistance -- Federal Funds*	FED	6,181,100	663,800	-42,000	6,844,900	663,800	-42,000	6,844,900
Totals								
FED			$4,679,700			$4,679,700		
PR			-20,100			-20,100		
All Funds			$4,559,600			$4,659,600		

4. EQUITY GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,000,000	- $5,000,000	$0
SEG	5,000,000	- 5,000,000	0
Total	$10,000,000	- $10,000,000	$0

Governor: Provide $5,000,000 GPR in 2021-22 and $5,000,000 SEG in 2022-23 to create a grant program for public, private, and nonprofit entities in the state that promote diversity and advance equity and inclusion. Create two annual appropriations for this purpose.

In 2022-23, the program would be funded by the community reinvestment fund with revenues from the legalization of marijuana. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

5. EQUITY OFFICER POSITION

Governor: Reallocate a vacant position from within DCF to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. The bill does not identify a specific funding source or position to be reallocated. According to the Department, the tasks associated with the equity officer would be assigned to an existing position within the Secretary's Office without additional funding. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

CIRCUIT COURTS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$214,725,600	$211,916,200	$213,232,300	$1,316,100	0.6%	- $1,493,300	- 0.7%
PR	465,400	465,400	465,400	0	0.0	0	0.0
TOTAL	$215,191,000	$212,381,600	$213,697,700	$1,316,100	0.6%	- $1,493,300	- 0.7%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	527.00	543.00	543.00	0.00	16.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $5,936,000

Governor/Joint Finance: Provide adjustments to the base totaling -$2,968,000 annually in the 2021-23 biennium associated with full funding of continuing position salaries and fringe benefits.

2. CIRCUIT COURT BRANCHES FUNDING AND POSITIONS

	Funding	Positions
GPR	$3,126,600	16.00

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

for salaries, fringe benefits, and supplies and services.

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

3. CIRCUIT COURT COST PAYMENTS

GPR	$1,316,100

Joint Finance: Provide $438,700 GPR in 2021-22 and $877,400 GPR in 2022-23 in the circuit court costs appropriation (s. 20.625(1)(cg)) for additional support to counties. Under 2019 Act 184, the number of circuit court branches in Wisconsin will increase from 249 to 253 on August 1, 2021, from 253 to 257 on August 1, 2022, and from 257 to 261 on August 1, 2023. Since the Circuit Court cost program distributes funding based on the number of branches, increased funding is intended to maintain current per branch funding levels in the 2021-23 biennium.

4. JUDICIAL SALARY INCREASES

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

CORRECTIONS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,549,799,000	$2,616,130,100	$2,589,260,400	- $26,869,700	- 1.0%	$39,461,400	1.5%
FED	5,286,600	5,329,600	5,329,600	0	0.0	43,000	0.8
PR	242,979,800	246,338,500	244,576,900	- 1,761,600	- 0.7	1,597,100	0.7
TOTAL	$2,798,065,400	$2,867,798,200	$2,839,166,900	- $28,631,300	- 1.0%	$41,101,500	1.5%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	9,668.62	9,788.22	9,716.22	- 72.00	47.60
FED	1.00	1.00	1.00	0.00	0.00
PR	544.30	544.30	544.30	0.00	0.00
TOTAL	10,213.92	10,333.52	10,261.52	- 72.00	47.60

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$41,094,800	- $1,897,400	$39,197,400
PR	3,740,800	- 68,600	3,672,200
FED	43,000	0	43,000
Total	$44,878,600	- $1,966,000	$42,912,600

Governor: Provide $22,439,300 ($20,547,400 GPR, $1,870,400 PR, and $21,500 FED) annually related to the following standard budget adjustments: (a) full funding of salaries and

fringe benefits (-$31,986,200 GPR, -$54,100 PR, and $21,500 FED annually); (b) turnover reduction (-$12,423,100 GPR and -$457,600 PR annually); (c) overtime ($56,336,600 GPR and $2,106,100 PR annually); and (d) night and weekend differential ($8,620,100 GPR and $276,000 PR annually).

Also included under standard budget adjustments are minor transfers of positions within appropriations to align the positions more closely to organization structure, including the transfer of 34.15 positions (31.55 GPR and 2.60 PR), as follows: (a) removing 5.75 positions from the Wisconsin correctional center system, 4.0 positions from the monitoring center, 4.0 positions from the Division of Management Services, 3.0 positions from the Bureau of Finance and Administrative Services, 2.0 positions from the Bureau of Classification and Movement, 2.0 positions from Waupun Correctional Institution, 2.0 positions from Redgranite Correctional Institution, 1.40 positions from the Wisconsin Women's Correctional System, 1.1 positions from Badger State Industries, 1.0 position from Racine Correctional Institution, 1.0 position from probation, parole, and extended supervision, 1.0 position from the Bureau of Technology Management, 1.0 position from the Division of Adult Institutions' Central Office, 1.0 position from the Bureau of Finance and Administrative Services (Juveniles), 1.0 position from Lincoln Hills School, 0.9 positions from Oakhill Correctional Institution, 0.75 positions from correctional farms, 0.75 positions from Copper Lake School, and 0.5 positions from 980 Evaluations; and (b) transferring 11.0 positions to the Secretary's Office, 9.0 positions to the Office of Records Management, 3.0 positions to Racine Youthful Offender Correctional Facility, 2.2 positions to the Bureau of Health Services, 2.0 positions to the Bureau of Technology Management, 2.0 positions to the Secretary's Office (Juveniles), 1.0 position to Fox Lake Correctional Institution, 1.0 position to Dodge Correctional Institution, 1.0 position to New Lisbon Correctional Institution, 0.75 positions to Badger State Industries, 0.75 positions to Lincoln Hills School, 0.25 positions to Columbia Correctional Institution, 0.1 positions to correctional farms, and 0.1 positions to Prairie du Chien Correctional Institution.

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

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $948,700 GPR and $34,300 PR annually.

2. OVERTIME SUPPLEMENT [LFB Paper 235]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$53,327,000	- $11,327,000	$42,000,000
PR	1,380,200	- 1,380,200	0
Total	$54,707,200	- $12,707,200	$42,000,000

Governor: Provide $26,663,500 GPR and $690,100 PR annually for an overtime supplement. Under standard budget adjustments each budget cycle, funding associated with overtime (and night and weekend differential) is removed in the calculations of full funding of salaries and fringe benefits. The budget instructions related to overtime specify that the same dollar amounts only be restored through the standard budget adjustment for overtime. As a result, the bill would provide overtime in the amount provided for the prior biennium, adjusted by the new variable fringe rate ($56,336,600 GPR and $2,106,100 PR annually). Based on 2018-19 and 2019-20 actual hours, the bill would provide supplemental funding of $26,663,500 GPR and $690,100 PR annually. In total, the bill would provide $83,000,100 GPR and $2,796,200 PR annually to fund costs associated with overtime.

Joint Finance: Reduce funding by $5,663,500 GPR and $690,100 PR annually to provide an overtime supplement of $21,000,000 GPR annually.

3. NIGHT AND WEEKEND DIFFERENTIAL PAY SUPPLEMENT

GPR	$236,800
PR	110,000
Total	$346,800

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

4. DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $27,205,600	$2,308,600	- $24,897,000
PR	- 21,400	- 1,700	- 23,100
Total	- $27,227,000	$2,306,900	- $24,920,100

Governor: Adjust funding by -$7,687,400 GPR and -$9,400 PR in 2021-22 and -$19,518,200 GPR and -$12,000 PR in 2022-23 to reflect the current law reestimate of debt service costs. The reestimates include: (a) adult corrections (-$7,675,600 GPR and -$9,400 PR in 2021-22 and -$20,931,900 GPR and -$12,000 PR in 2022-23); and (b) juvenile corrections (-$11,800 GPR

in 2021-22 and $1,413,700 GPR in 2022-23).

Joint Finance: Adjust debt service by $1,169,500 GPR and $2,100 PR in 2021-22 and $1,139,100 GPR and -$3,800 PR in 2022-23 to reflect the reestimate of debt service costs.

5. RISK MANAGEMENT PREMIUM REESTIMATE

GPR	$5,559,600
PR	530,000
Total	$6,089,600

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

6. RENT

GPR	- $4,829,100
PR	- 1,579,600
Total	- $6,408,700

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

7. REALIGNMENT OF FUNDING AND POSITIONS

	Funding	Positions
GPR	$205,400	1.00
PR	- 205,400	- 1.00
Total	$0	0.00

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

Realignment of Funding and Positions

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

8. PROGRAM REVENUE REESTIMATES

PR	$2,803,500

Governor/Joint Finance: Provide $1,344,000 in 2021-22 and $1,459,500 in 2022-23 associated with funding adjustments identified in the table below. The table identifies the program revenue appropriations 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 those appropriations under this item and other items in the bill, and the total funding that would be budgeted for these purposes.

		2021-22			2022-23		
Purpose	2020-21 Base	Funding Adjustment	Other Budget Items	Total	Funding Adjustment	Other Budget Items	Total
Badger State Logistics	$8,192,900	$385,000	-$1,300	$8,576,600	$385,000	-$1,300	$8,576,600
Prison Industries	20,215,500	700,000	-200	20,979,700	700,000	3,400	20,979,700
Sex Offender Management	1,109,100	400,000	0	1,509,100	400,000	0	1,509,100
Telephone Company Commissions	2,404,600	1,000,000	0	3,404,600	1,000,000	0	3,404,600
Probation, Parole, Ext. Supervision	8,290,800	1,000,000	4,200	9,295,000	1,000,000	4,200	9,295,000
Global Positioning System Devices - Sex Offenders	318,600	50,000	31,200	399,800	50,000	51,900	420,500
Juvenile Alternate Care Services	4,852,100	-2,208,600	0	2,643,500	-2,099,300	0	2,752,800
Juvenile Utilities & Heating	348,000	17,600	0	365,600	23,800	0	371,800
Total PR Reestimates		$1,344,000			$1,459,500		

9. AGENCY EQUITY OFFICER

Governor: Reallocate a vacant position from within the Department to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. The bill does not identify a specific funding source or position to be reallocated. The Department has not yet identified the position and funding source for the reallocation. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

10. RENEWABLE ENERGY APPROPRIATION BUDGET REDUCTION

GPR	- $200,000

Joint Finance: Reduce the renewable energy appropriation budget by $100,000 GPR annually.

Adult Institutions

1. ADULT CORRECTIONAL FACILITY POPULATIONS [LFB Paper 240]

Governor: Estimate an average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 21,480 annually. From this projection, the following table identifies the adjusted estimated distribution of this population.

	March 5, 2021 Actual Population	Average Daily Population 2021-22	Average Daily Population 2022-23
Institutions*	17,520	18,597	18,597
Centers	1,731	2,879	2,879
Contract Beds**	313	4	4
Total	19,564	21,480	21,480

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (369 on March 5, 2021, and 402 for 2021-22 and 2022-23).

** Contract bed populations include inmates held in federal or other intergovernmental facilities. In addition, the Governor recommended budgeting for 200 contract beds for state inmates in Wisconsin County jails. These beds would be used as needed for quarantine or isolation purposes.

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

	June 11, 2021 Actual Population	Average Daily Population 2021-22	Average Daily Population 2022-23
Institutions & Centers*	19,105	20,296	22,405
Contract Beds**	308	4	26
Total	19,413	20,300	22,431

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (413 on June 11, 2021, and 402 for 2021-22 and 2022-23).

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

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $3,495,200	- $1,389,500	- $4,884,700

Governor: Provide -$7,358,200 in 2021-22 and $3,863,000 in 2022-23 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) -$1,173,700 in 2021-22 and -$650,000 in 2022-23 for food costs; (b) -$1,324,200 annually for variable non-food costs, such as inmate wages, bedding, clothing, kitchen utensils, and other supplies; and (c) -$4,860,300 in 2021-22 and $5,837,200 in 2022-23 for inmate non-food health services. The request for inmate health services assumes that per capita adult inmate cost will increase from an estimated $4,814 in 2020-21 to $5,269 in 2021-22 and $5,767 in 2022-23. Health care costs include pharmaceutical costs, third party administrator costs, and contracting costs with the University Hospital and Clinics, the UW Medical Foundation, Waupun Memorial Hospital, St. Agnes Hospital, and other community hospitals.

Joint Finance: Adjust funding by -$9,078,900 in 2021-22 and by $7,689,400 in 2022-23. This adjustment includes: (a) -$1,607,500 in 2021-22 and $1,297,700 in 2022-23 for food costs; (b) -$1,275,100 in 2021-22 and $1,011,600 in 2022-23 for variable non-food costs; and (c) -$6,196,300 in 2021-22 and $5,380,100 in 2022-23 for inmate health care.

3. PRISON CONTRACT BED FUNDING [LFB Paper 240]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $26,904,900	- $4,695,800	- $31,600,700

Governor: Provide an adjustment of -$13,514,500 in 2021-22 and -$13,390,400 in 2022-23 related to prison contract beds. The Department projects a total need of 200 contract prison beds annually. These beds would be used for the operational needs of the Department due to the public health emergency (for example, if individuals need to be quarantined or isolated); the overall population projections would not require contract beds in Wisconsin county jails. In addition, the Department projects an annual need of 500 beds the Division of Community Corrections would use for extended supervision sanctions and 28 beds the Department of Corrections would use for inmates in intergovernmental facilities, adult inmates in Division of Juvenile Corrections facilities, and temporary lock-ups of inmates from correctional centers. Base funding for the contract bed appropriation is $32,890,800 GPR.

Joint Finance: Reduce funding by -$1,878,300 in 2021-22 and by -$2,817,500 in 2022-23 and provide 628 contract beds in 2021-22 (including 100 contract beds for state inmates in Wisconsin county jails) and 578 contract beds in 2022-23 (including 50 contract beds in Wisconsin county jails).

4. FUEL AND UTILITIES

GPR	- $1,189,900

Governor/Joint Finance: Provide adjustments of -$629,600 in 2021-22 and -$560,300 in 2022-23 associated with expected changes in prices for fuel and utilities in adult correctional institutions. Current base funding for the fuel and utilities appropriation is $26,866,300.

5. EDUCATIONAL INITIATIVES [LFB Paper 241]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$4,175,800	9.00	- $3,175,800	- 9.00	$1,000,000	0.00

Governor: Provide $2,300,800 in 2021-22 and $2,450,000 in 2022-23 and 14.0 teacher positions annually to allow additional inmates to enroll in and complete adult basic education (ABE) programming, to reduce the ABE program waitlist, and to provide supplies and services to career technical education (CTE) programs. As of July 1, 2020, 2,075 individuals were participating in ABE and 2,326 were on the waitlist.

Recommended positions include: (a) 9.0 teacher positions; and (b) a reallocation of 5.0 vacant GPR teacher positions. Reduce funding in the Division of Adult Institutions by $287,500 and 5.0 positions annually. The table below identifies the funding and position reallocations. The Department indicates that one ABE teacher would be added at the Wisconsin Secure Program Facility, Taycheedah Correctional Institution, Oakhill Correctional Institution, Kettle Moraine Correctional Institution, Jackson Correctional Institution, New Lisbon Correctional Institution, Drug Abuse Correctional Center, Milwaukee Woman's Correctional Center, Winnebago Correctional Center, and St. Croix Correctional Center, and two teachers would be added to Columbia Correctional Institution and Robert Ellsworth Correctional Center.

Further, funding for adult institutions, central office is allocated to supplies and services to support CTE (vocational) programming for high-cost equipment upgrades to maintain current industry standards (such as welding equipment) and to purchase equipment for newly created programs to keep up with the current job market (such as a culinary arts program).

Division	Program	GPR Funding 2021-22	GPR Funding 2022-23	GPR Positions
Management Services	Bureau of Finance and Administrative Services	$17,400	$23,200	0.00
Adult Institutions	Central Office	1,500,000	1,500,000	0.00
Adult Institutions	Bureau of Health Services	3,000	0	0.00
Adult Institutions	Institutions	780,400	926,800	14.00
Adult Institutions	Green Bay Correctional Institution	-57,500	-57,500	-1.00
Adult Institutions	Columbia Correctional Institution	-115,000	-115,000	-2.00
Adult Institutions	Racine Correctional Institution	-57,500	-57,500	-1.00
Adult Institutions	New Lisbon Correctional Institution	-57,500	-57,500	-1.00
	TOTAL	$2,013,300	$2,162,500	9.00

Joint Finance: Provide funding only for career and technical education equipment purchase, maintenance, and replacement on a one-time basis at $500,000 annually for each year of the 2021-23 biennium.

6. EARNED RELEASE PROGRAM EXPANSION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$3,448,900	27.00	- $3,448,900	- 27.00	$0	0.00

Governor: Provide $1,901,700 in 2021-22 and $2,191,000 in 2022-23 and 33.0 treatment specialist positions annually to expand treatment capacity in the earned release program and substance use disorder programming to serve an estimated 990 additional individuals (approximately half of whom would be eligible for the earned release program). Recommended positions include: (a) 27.0 treatment specialist positions; and (b) a reallocation of 6.0 vacant GPR treatment specialist positions. Reduce funding in the Division of Adult Institutions by $321,900 and 6.0 positions annually. The table below identifies the funding and position reallocations.

The Department indicates that the 33.0 treatment specialists would be allocated to institutions and centers as follows: 8.0 at New Lisbon Correctional Institution, 5.0 at Robert Ellsworth Correctional Center, 4.0 at Oakhill Correctional Institution, 4.0 at Jackson Correctional Institution, 3.0 at St. Croix Correctional Center, 2.0 at Redgranite Correctional Institution, 2.0 at Stanley Correctional Institution, 1.0 at Taycheedah Correctional Institution, 1.0 at Racine Youthful Offender Correctional Facility, 1.0 at Fox Lake Correctional Institution, 1.0 at Columbia Correctional Institution, and 1.0 at the Drug Abuse Correctional Center.

		GPR Funding		GPR
Division	Program	2021-22	2022-23	Positions
Management Services	Bureau of Finance and Administrative Services	$41,000	$54,600	0.00
Adult Institutions	Bureau of Health Services	7,100	0	0.00
Adult Institutions	Institutions	1,853,600	2,136,400	33.00
Adult Institutions	Racine Correctional Institution	-107,300	-107,300	-2.00
Adult Institutions	Wisconsin correctional center system	-107,300	-107,300	-2.00
Adult Institutions	Milwaukee Secure Detention Facility	-107,300	-107,300	-2.00
	TOTAL	$1,579,800	$1,869,100	27.00

Joint Finance: Provision not included.

7. MEDICATION-ASSISTED TREATMENT [LFB Paper 242]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,600,000	- $800,000	$800,000

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

Joint Finance: Modify funding by -$400,000 annually to expand access to medication-assisted treatment by $400,000 annually.

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

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$6,528,400	35.60	- $2,231,900	- 17.00	$4,296,500	18.60

Governor: Provide $5,212,600 in 2021-22 and $5,599,400 in 2022-23 and 58.35 positions annually to operate the assisted needs living unit at Oakhill Correctional Institution. The 65-bed housing unit (15 hospital beds and 50 standard beds) will provide limited medical services to assist inmates with daily living activities. The project, which was authorized in 2017 Act 59, was designed to help the Department address an increased number of inmates requiring alternate accommodations, increased access to medical resources due to lack of physical mobility, diminishing cognitive ability, poor physical health, or other impairments that prevent an inmate from being fully independent. The facility is anticipated to open in October, 2021. Recommended positions include: 17.5 nursing assistants, 12.5 nurse clinicians, 12.5 correctional officers, 6.25 correctional sergeants, 2.0 food service leaders, 1.0 facilities maintenance specialist-advanced, 1.0 therapist (recreation), 1.0 licensed psychologist, 1.0 nursing supervisor, 1.0 clinical social worker, 1.0 medical program assistant associate (MPAA), 1.0 correctional program supervisor, and 0.6 advanced practice nurse prescriber. Reduce funding in the Division of Adult Institutions by $2,029,200 in 2021-22 and by $2,254,400 in 2022-23. The Department would reallocate 22.75 vacant GPR positions for this purpose (including 12.5 correctional officers, 6.25 correctional sergeants, 1.0 nursing supervisor, 1.0 nursing assistant, 1.0 facilities maintenance specialist-advanced, and 1.0 licensed psychologist). The table below identifies the funding and positions reallocations.

Division	Program	GPR Funding 2021-22	GPR Funding 2022-23	GPR Positions
Management Services	Bureau of Finance and Administrative Services	$72,400	$96,600	0.00
Management Services	Training Centers	201,000	48,100	0.00
Adult Institutions	Bureau of Health Services	105,600	206,300	-2.00
Adult Institutions	Institutions	292,300	386,500	0.00
Adult Institutions	Waupun Correctional Institution	-931,300	-944,700	-14.50
Adult Institutions	Green Bay Correctional Institution	-92,300	-103,900	-1.00
Adult Institutions	Wisconsin Women's Correctional System	-133,100	-147,800	-1.00
Adult Institutions	Fox Lake Correctional Institution	-104,000	-116,000	-1.00
Adult Institutions	Columbia Correctional Institution	-35,000	-46,000	0.00
Adult Institutions	Kettle Moraine Correctional Institution	-33,800	-44,400	0.00
Adult Institutions	Oakhill Correctional Institution	4,541,300	4,861,900	58.35
Adult Institutions	Dodge Correctional Institution	-121,400	-138,800	-1.00
Adult Institutions	Racine Correctional Institution	-54,200	-71,200	0.00
Adult Institutions	Wisconsin Resource Center	-11,400	-14,900	0.00
Adult Institutions	Oshkosh Correctional Institution	-137,000	-154,200	-1.25
Adult Institutions	Jackson Correctional Institution	-30,600	-40,100	0.00
Adult Institutions	Wisconsin Secure Program Facility	-25,900	-34,100	0.00
Adult Institutions	Racine Youthful Offender Correctional Facility	-22,700	-29,700	0.00
Adult Institutions	Redgranite Correctional Institution	-30,000	-39,400	0.00
Adult Institutions	New Lisbon Correctional Institution	-31,600	-41,500	0.00
Adult Institutions	Wisconsin correctional center system	-119,100	-135,800	-1.00
Adult Institutions	Chippewa Valley Correctional Treatment Institution	-18,700	-24,500	0.00
Adult Institutions	Prairie du Chien Correctional Institution	-21,300	-28,000	0.00
Adult Institutions	Stanley Correctional Institution	-37,400	-49,100	0.00
Adult Institutions	Milwaukee Secure Detention Facility	-38,400	-50,300	0.00
	TOTAL	$3,183,400	$3,345,000	35.60

Joint Finance: Modify funding and positions by -$1,145,600 in 2021-22, by -$1,086,300 in 2022-23, and by -17.00 positions annually to staff the Oakhill Correctional Institution assisted needs facility and to purchase a handicapped van. Modify the staffing structure to provide security positions for 10 months and non-security positions for 11 months (instead of nine months) and to eliminate the need for temporary pool code positions. Require Corrections to reallocate an additional 39.75 vacant GPR positions (for a total of 58.35 positions) and associated funding to staff the facility.

9. RACINE YOUTHFUL OFFENDER CORRECTIONAL FACILITY BEHAVIOR MODIFICATION UNIT [LFB Paper 244]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$919,500	4.00	- $919,500	- 4.00	$0	0.00

Governor: Provide $702,000 in 2021-22 and $823,500 in 2022-23 and 9.6 positions annually to establish and staff a behavior modification unit at Racine Youthful Offender Correctional Facility. The unit would have a capacity of 30 beds, and would be used for individuals

who have demonstrated rule-breaking behavior, struggle with impulsivity, or who are frequently placed in restrictive housing units. Recommended positions include: 5.0 correctional officers, 2.0 correctional sergeants, 1.0 licensed psychologist, 1.0 clinical social worker, and 0.60 teachers. Reduce funding in the Division of Adult Institutions by $303,000 annually. The Department would reallocate 5.6 vacant GPR positions for this purpose (including 5.0 correctional officers and 0.6 teachers). The table below identifies the funding and position reallocations.

Division	Program	GPR Funding 2021-22	GPR Funding 2022-23	GPR Positions
Management Services	Bureau of Finance and Administrative Services	$11,900	$15,900	0.00
Management Services	Training Centers	75,100	18,000	0.00
Adult Institutions	Bureau of Health Services	2,100	0	0.00
Adult Institutions	Institutions	111,200	148,300	0.00
Adult Institutions	Wisconsin Women's Correctional System	-60,600	-60,600	-1.00
Adult Institutions	Kettle Moraine Correctional Institution	-60,600	-60,600	-1.00
Adult Institutions	Dodge Correctional Institution	-121,200	-121,200	-2.00
Adult Institutions	Racine Youthful Offender Correctional Facility	537,400	683,300	9.60
Adult Institutions	Racine Youthful Offender Correctional Facility	-35,700	-42,000	-0.60
Adult Institutions	Milwaukee Secure Detention Facility	-60,600	-60,600	-1.00
	TOTAL	$399,000	$520,500	4.00

Joint Finance: Provision not included.

10. FULL FUNDING OF THE WISCONSIN SECURE PROGRAM FACILITY PROGRAMS BUILDING

GPR	$283,600

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

11. CENTRAL GENERATING PLANT POSITION

	Funding	Positions
PR	$19,500	1.00

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

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

12. INSTITUTIONAL REPAIR AND MAINTENANCE

GPR	$603,800

Governor/Joint Finance: Provide $198,600 in 2021-22 and $405,200 in 2022-23 for repair and maintenance costs associated with services and materials for adult institutions. Recommended funding is based on an estimated construction cost index of approximately 4% annually. Base funding for institutional repair and maintenance is $4,915,900 annually.

13. WINDOWS TO WORK EXPANSION [LFB Paper 245]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $100,000	$400,000

Governor: Provide $250,000 annually to expand the Windows to Work program to allow for an additional 90 participants per year. The Windows to Work program is a pre- and post-release program designed to address criminogenic needs that can lead to recidivism. While still incarcerated, inmates participate in programming including cognitive intervention, general work skills and expectations, financial literacy, community resources, job seeking, applications, and resumes. Post-release includes assistance in job search and job retention activities for approximately 12 months after release. In 2019-20, the Windows to Work program had 418 newly enrolled participants (admitted into the program at a participating institution during their incarceration) and 115 transfer participants (enrolled at participating institutions, but transferred to a new coach for the post-release portion of the program). The program is currently budgeted at $1,692,200.

Joint Finance: Modify funding by -$50,000 annually to expand Windows to Work by $200,000 annually.

14. LAW ENFORCEMENT INVESTIGATIVE SERVICES [LFB Paper 246]

Governor: Modify statutory language to require the Department to reimburse counties or municipalities (including cities, villages, or towns) for expenses relating to actions or proceedings that are commenced in counties with prisons or juvenile correctional facilities. Specify that these actions include expenses relating to law enforcement investigative services provided for matters involving a prisoner in a state prison or a juvenile in a juvenile correctional facility within its jurisdiction. Reimbursement claims of counties or municipalities containing state prisons or juvenile correctional facilities must be made by clerks of counties, cities, villages, and towns.

Create statutory language to provide that the clerk of any town or city (including 1st Class cities (Milwaukee)) that is entitled to reimbursement must make a certified claim against the state, without direction from the county board or common council, in all cases in which reimbursement is directed upon forms prescribed by the Department of Administration. The forms must contain information required by the clerk and must be filed annually with the Department of Corrections, on or before June 1st.

Under current law, reimbursement claims of counties containing state prisons or juvenile correctional facilities may only be made by county clerks for certain expenses incurred or paid by the county in reference to all matters growing out of actions and proceedings involving prisoners in state prisons or juveniles in juvenile correctional facilities. The proposed changes would broaden the requirements to include expenses relating to actions and law enforcement investigative services, and to allow any jurisdiction (county, city, village, or town) to submit a claim for reimbursement.

In addition, reallocate $142,000 GPR annually from the Division of Adult Institutions' general program operations appropriation to the reimbursement claims of counties or municipalities containing state prisons appropriation. Currently, the Department is reimbursing the Village of Allouez for local law enforcement investigative services provided to Green Bay Correctional Institution ($60,000 annually, as required by 2019 Act 9) as well as Dodge County for local law enforcement investigative services provided to the various correctional facilities within the county (approximately $82,000 annually, based on actual costs, as agreed upon by the county and the Department). The reallocation would move these amounts to the reimbursement claims appropriation.

Joint Finance: Provision not included.

15. PREGNANT OR POSTPARTUM INDIVIDUALS IN CORRECTIONAL FACILITIES

Governor: Establish limits on the use of restraints on individuals in the custody of a correctional facility, known to be pregnant, unless a representative of a correctional facility makes an individualized determination that restraints are reasonably necessary to ensure safety and security, in which case the representative may use only the least restrictive effective type of restraint that is most reasonable under the circumstances. In addition, provide that a representative may not: (a) restrain an individual known to be pregnant with leg irons, waist chains, or other devices that cross or otherwise touch the individual's abdomen, or handcuffs or other devices that cross or otherwise touch the individual's wrists when affixed behind the back, while being transported; (b) confine an individual known to be pregnant in solitary confinement for punitive purposes; or (c) restrain an individual who is in labor or who has given birth in the preceding three days, unless specific circumstances are present. All staff who may come in contact with a pregnant or postpartum individual at a correctional facility must receive annual training on the requirements of this provision.

Further, provide that: (a) every woman under 50 years of age is offered testing for pregnancy; (b) every pregnant individual is offered testing for sexually transmitted infections (including HIV); (c) every pregnant individual on a methadone treatment regimen is provided continuing treatment; (d) every pregnant individual and every individual who has given birth in the past six weeks is provided appropriate, relevant educational materials and resources, and has access to doula services, if there is no charge to the correctional facility; (e) every pregnant individual and every individual who has given birth in the past six months has access to a mental health assessment and evidence-based mental health treatment (including psychotropic medication

and therapeutic care for depression), if needed, and is advised orally and in writing of all applicable laws and policies governing an incarcerated pregnant or postpartum person; and (f) every person who has given birth in the past 12 months whose body is producing breast milk has access to necessary supplies and has the opportunity to express breast milk, as needed.

For the purposes of the pregnant or postpartum individuals in correctional facilities provisions, provide the following definitions:

"Correctional facility" has the same meaning as provided elsewhere in statute ((a) a state prison, unless the institution is the prisoner's place of residence and no one is employed there to ensure the prisoner's incarceration; (b) a juvenile detention facility, a secured residential care center for children and youth, or a juvenile correctional facility, unless the facility is a private residence in which the juvenile is placed and no one is employed there to ensure the juvenile remains in custody; or (c) a jail, Huber facility, work camp, reforestation camp, or lock up facility).

"Doula" means a nonmedical, trained professional who provides continuous physical, emotional, and informational support during pregnancy, labor, birth, and the postpartum period.

"Doula services" means childbirth education and support services, including emotional, physical, and informational support provided during pregnancy, labor, birth, and the postpartum period.

"Postpartum" means the period of time following the birth of an infant to six months after the birth.

"Restrain" means to use a mechanical, chemical, or other device to constrain the movement of a person's body or limbs.

Joint Finance: Provision not included.

Community Corrections

1. OPENING AVENUES TO REENTRY SUCCESS EXPANSION [LFB Paper 255]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,260,200	- $5,260,200	$0

Governor: Provide $2,254,400 in 2021-22 and $3,005,800 GPR in 2022-23 to expand the Opening Avenues to Reentry Success (OARS) program to allow for an average daily population increase of 167 participants in currently-served counties. The OARS program began as a pilot program in 2011, providing intensive case management and mental health services to serious

mentally ill offenders. To qualify for participation, an offender must: (a) volunteer for participation; (b) be referred to the program by Correctional staff; (c) be assessed at medium- or high-risk to reoffend; (d) be diagnosed with a serious mental illness; (e) have at least six months of post-release supervision remaining on their sentence; (f) be in a county where OARS programming is provided (currently 51 counties); and (g) have at least six months of post-release supervision remaining on their sentence. Services are provided based on each offender's needs and may include intensive case management and supervision, assistance with obtaining and maintaining safe affordable housing, resources for medication and access to psychiatric care, treatment addressing criminogenic needs, access to local transportation, budgeting, and financial resources, employment, and education. In 2019-20, the OARS program had 396 participants, with an average daily population of 216 participants. The program is currently budgeted at $4,128,400.

Joint Finance: Provision not included.

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

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$6,223,500	43.00	- $1,629,100	- 15.00	$4,594,400	28.00
PR	67,300	0.00	0	0.00	67,300	0.00
Total	$6,290,800	43.00	- $1,629,100	- 15.00	$4,661,700	28.00

Governor: Provide $2,099,500 GPR, $23,300 PR, and 28.0 GPR positions in 2021-22 and $4,124,000 GPR, $44,000 PR, and 43.0 GPR positions to monitor sex offenders who are on GPS tracking. The Department is statutorily required to monitor certain sex offenders, including sex offenders on lifetime supervision (who are tracked until they are deceased). As a result, the total number of individuals tracked by the Department continues to increase. The Department projects the GPS-monitored population to increase by 379 individuals by the end of 2021-22 and by an additional 239 individuals by the end of 2022-23.

The 28.0 positions recommended in 2021-22 would include: (a) 12.0 probation and parole agents; (b) 8.0 corrections communications operators; (c) 3.0 office operations associates; (d) 2.0 corrections field supervisors; (e) 2.0 corrections program specialists; and (f) 1.0 program support supervisor. The additional 15.0 positions recommended in 2022-23 would include: (a) 7.0 additional probation and parole agents; (b) 4.0 additional corrections communications operators; (c) 2.0 additional office operations associates; (d) 1.0 additional corrections field supervisor; and (e) 1.0 corrections communications supervisor.

Joint Finance: Adjust all Division of Community Corrections staffing (including staffing to monitor the GPS-tracked sex offender population), to reflect the 2020 workload study recommendations. Modify funding by -$683,200 GPR and -5.0 GPR positions in 2021-22, and by -$945,900 GPR and -15.0 GPR positions in 2022-23. Require Corrections to reallocate and reclassify 29.0 vacant GPR positions and associated funding for additional correctional field

supervisor positions. These changes (identified in the table, below) reflect the 2020 workload study staffing recommendations and provide staff and supplies and services to supervise estimated increases in the GPS-tracked population over the 2021-23 biennium. The workload study largely concluded that probation and parole agents' time spent on each case is lower than identified in the 2014 workload study, and that the current correctional field supervisor staffing is significantly below the recommended ratio to agents.

Joint Finance

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

3. GLOBAL POSITIONING SYSTEM (GPS) TRACKING REESTIMATE

GPR	$462,200
PR	15,800
Total	$478,000

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

4. ALTERNATIVE TO REVOCATION EXPANSION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,117,500	- $3,117,500	$0

Governor: Provide $1,039,200 in 2021-22 and $2,078,300 in 2022-23 to expand available options for residential community alternatives to revocation by 50 additional beds. Available options for placement in a community alternative to revocation include placement in a specialized treatment program (such as sex offender treatment or domestic violence treatment), a residential services program (halfway house), or a residential treatment center. The Department currently contracts for 373 residential community beds that the Division of Community Corrections may use for alternative to revocation placements.

Joint Finance: Provision not included.

5. COMMUNITY CORRECTIONS STAFFING [LFB Paper 256]

GPR	$86,300

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

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

6. HUBER PROGRAM ELIGIBILITY EXPANSION

Governor: Modify statutory language to provide that a probationer, parolee, or person on extended supervision who is detained in a county jail, tribal jail, or county house of correction, or a person subject to a confinement sanction for a violation of a condition or rule of probation, parole, or extended supervision may be considered for participation in the Huber program. In addition, specify that any person sentenced to county jail for crime, nonpayment of a fine or forfeiture, or contempt of court subject to a confinement sanction or a probationer, parolee, or person on extended supervision who is detained pending disposition of revocation proceedings, investigation of a rule violation, or for a short-term sanction, may be considered for participation in the Huber program.

The Huber program grants individuals privilege to leave the jail during necessary and reasonable hours to: (a) seek employment or engage in employment training; (b) work at employment or perform community service work; (c) conduct any self-employed occupation (including housekeeping and attending to the needs of the person's family); (d) attend certain court proceedings or an educational institution; (e) obtain medical treatment, including counseling or

therapy, or an assessment for those purposes; (f) attend a parenting education program; or (g) meet with the probation, extended supervision, or parole officer.

Under current law, only individuals sentenced to a county jail for crime, nonpayment of a fine or forfeiture, contempt of court, subject to a confinement sanction, and certain probationers detained in a county jail or another county facility for a probation violation are eligible for Huber release privileges. Under the bill, the eligibility criteria is expanded to parolees and persons on extended supervision being held pending the disposition of revocation proceedings, investigation of a rules violation, or as a short-term sanction.

Joint Finance: Provision not included.

Adult Sentencing

1. REVOCATION AND SANCTIONS

Governor: Provide modifications to extended supervision, probation, and parole revocation and sanction provisions, as follows:

a. 30- or 90-Day Sanctions. Provide that if a person on probation, parole, or extended supervision violates a condition or rule of that probation, parole, or extended supervision, the Department of Corrections may initiate a proceeding before Department of Administration's (DOA's) Division of Hearings and Appeals (DHA) to sanction the person for the violation. Specify that the hearing must be held no later than 21 days after the Department initiates the proceeding. Specify that the reviewing authority (DHA or the Department if a hearing is waived) may impose a sanction of imprisonment not to exceed 90 days, if: (1) the person committed three or more independent violations during the term of probation, parole, or extended supervision; (2) the violated condition was one prohibiting the person from contacting a specified individual; (3) the person was required to register as a sex offender; (4) when the violation occurred, the person also allegedly committed a crime; and (5) the person failed to report or make him/herself available for supervision for a period of more than 60 consecutive days. In all other circumstances, specify that the reviewing authority may impose a sanction of imprisonment not to exceed 30 days. A person subject to a proceeding under this provision may waive the right to a hearing by signing a statement admitting the violation, in which case the reviewing authority may impose a 30- or 90-day sanction. If a hearing is to be held, modify statutory language to require the administrator of DHA to assign a hearing examiner to preside over the sanctions proceedings. Specify that a person is not eligible to earn good time credit on any period of confinement under this section. Include references to the created sanctions for violation of conditions of probation, parole, or extended supervision statutes in Huber law provisions (county jail temporary leave provisions).

Specify that if a person is confined in a county jail pending revocation, the Department must reimburse the county for actual costs in confining the person from the Department's services for

community corrections appropriation and contracts and agreements appropriation.

b. Revocation of Extended Supervision. Modify the language to provide that the Department may initiate proceedings before DHA, but the reviewing authority may not revoke the extended supervision of the person unless the criteria specified above (see (1) through (5)) applies. If the individual is revoked under these circumstances, the reviewing authority must order the person returned to prison for any specified period that does not exceed the time remaining on the bifurcated sentence.

Repeal statutory language that allows the Department of Corrections to confine a person for up to 90 days as a sanction for a violation, if a person released to extended supervision signs a statement admitting a violation of a condition or rule of extended supervision, and that provides reimbursement, if the person is held in a county jail. Renumber remaining subsection language, that specifies persons on extended supervision remain under the custody of the Department, and may be taken into custody for the investigation of alleged violation.

c. Revocation of Probation. Modify current law to provide that the Department may initiate proceedings before DHA but the hearing examiner may not revoke probation under this provision unless specified criteria applies (see *a.*). Modify statutory language to provide that if probation is revoked, the Department must do one of the following: (a) if the probationer has not already been sentenced, order the probationer brought before the court for sentencing; or (b) if the probationer has already been sentenced, order the probationer to prison. Specify that the circuit court may act on the imposition of a sentence upon revocation of probation under these provisions, despite any pending appeal.

Repeal statutory language that allows the Department Corrections to confine a probationer for up to 90 days as a sanction for a violation, if the parolee signs a statement admitting to a violation of a condition of probation, and that provides reimbursement, if the probationer is held in a county jail.

d. Revocation of Parole. Modify current law to provide that the Department may initiate proceedings before DHA, but the hearing examiner, administrator, or Secretary may not revoke parole unless specified criteria applies (see *a.*). Specify that the hearing examiner may order audiovisual or recorded depositions in these hearings. In addition, require the DHA administrator to review the order. If a parolee waives the final administrative hearing, the Secretary must enter an order revoking or not revoking parole.

Repeal statutory language that allows the Department Corrections to confine a parolee for up to 90 days as a sanction for a violation, if the parolee signs a statement admitting to a violation of a condition or rule of parole, and that provides reimbursement, if the parolee is held in a county jail.

e. Mandatory Release. Modify current law related to a parolee released on mandatory release to provide that the reviewing authority may not revoke parole under this provision unless specified criteria applies (see *a.*). If the individual is revoked under these circumstances, the reviewing authority must order the person returned to prison for any specified period that does not exceed the time remaining on a bifurcated sentence.

f. Applicability. Treatment of the created or modified revocation and sanction provisions first apply to a person who is alleged to have violated a condition or rule of probation, parole, or extended supervision on the effective date of the bill.

g. Definitions. For the purposes of mandatory release, release to extended supervision, and sanctions for violation of conditions of probation, parole, or extended supervision provisions, renumber and reorganize the "reviewing authority" definition and modify the definition of "division" to mean the Division of Hearings and Appeals in the Department of Administration (for the sanctions for violating conditions of probation, parole, and extended supervision provisions).

For the purposes of mandatory release and release to extended supervision provisions, modify the "time remaining on the bifurcated sentence" and "remainder of the sentence is" definitions to reflect any earned compliance credit time. In addition, specify that "crime" has the same meaning as defined elsewhere in statute ("...conduct which is prohibited by state law and punishable by fine or imprisonment or both. Conduct punishable only by a forfeiture is not a crime.").

Joint Finance: Provision not included.

2. EARNED RELEASE PROGRAM CRITERIA AND ELIGIBILITY

Governor: Modify statutory language to change the name of the Wisconsin substance abuse program to the Wisconsin earned release program and to change the language of "substance abuse" to "substance use disorder" under program provisions. In addition, make the following modifications to the program:

a. Earned Release Program Eligibility. Modify current law to allow the Department of Corrections, rather than the sentencing court, to determine eligibility in the earned release program. In considering program eligibility, specify that the Department must considerer a prior determination by the sentencing court, if applicable. Repeal statutory language that allows an inmate sentenced before July 26, 2003, to petition the sentencing court to determine earned release program eligibility. [Under the bill, the Department would be able to make program eligibility determinations for these individuals.] However, modify statutory language to specify that the court must inform a person of the availability of the earned release program.

b. Earned Release Program - Vocational Readiness Training Program. Expand the earned release program to include not only substance use disorder programs, but also vocational readiness training programs. For the purposes of the Wisconsin earned release program, define "vocational readiness training program" to mean an educational, vocational, treatment, or other evidence-based training program to reduce recidivism. Specify that the Department must provide vocational readiness training programs as an eligible program for earned release at any correctional facility the Department deems appropriate.

The Department must inform the sentencing court when an eligible inmate serving a bifurcated sentence has completed a substance use disorder treatment program or a vocational readiness training program. Upon being informed, as under current law, the court must modify the

inmate's sentence by shortening the confinement portion of a sentence and lengthening the extended supervision period by a corresponding amount.

Specify that, for individuals serving an indeterminate sentence, upon successful completion of a substance use disorder or vocational readiness training program the parole commission must parole an inmate, regardless of time served, and must require the parolee to participate in an intensive supervision program for drug abusers, as a condition of parole. Conversely, the Department may place intensive sanction program participants in a substance use disorder treatment program (although the Department is not required to notify the court, and the court is not required to modify the participant's sentence, in this circumstance).

c. Appropriations and Savings Transfers. Create a continuing, program revenue training programs for inmates, recidivism reduction services, and community supervision appropriation to provide vocational readiness training programs that qualify for the earned release program, to provide services to individuals on probation, or who are soon to be or are currently on parole or extended supervision, and to reduce caseloads for community supervision officers.

Specify that the Department must transfer, from the GPR general programs operation and the corrections contracts and agreements appropriations to the new PR appropriation, the amount of cost savings attributable to the GPR appropriations, as identified in the annual revocation of probation, parole, and extended supervision report and the vocational readiness training programs report. In addition, transfer the amount of cost savings attributable to the GPR general program operations appropriation and the corrections contracts and agreements appropriation to the new PR appropriation from reduced days of incarceration resulting from the earned compliance credit provisions, as identified in the annual earned compliance credit and early discharge from extended supervision report.

Specify that the Department must transfer, from the GPR services for community corrections (probation, parole and extended supervision) appropriation to the new PR appropriation, the amount of cost savings from reduced days of community supervision that resulted from the earned compliance credit and early discharge from extended supervision, as identified in the earned compliance credit and early discharge from extended supervision report.

d. Administrative Rules. Specify that the Department of Corrections must update its administrative rules to implement earned release for completion of a vocational readiness training program, including specification of eligibility to participate criteria for persons sentenced before the effective date of this provision.

Joint Finance: Provision not included.

3. EARNED RELEASE COMPLIANCE CREDIT

Governor: Establish the earned compliance credit to require a person with a qualifying offense, upon revocation of extended supervision or parole, to be given credit toward the service of his or her sentence for each day the person spent on extended supervision or parole without violating a condition or rule of extended supervision or parole, prior to the violation that resulted

in the revocation. Define "qualifying offense" to mean any offense but not including: (1) a crime against life and bodily security (Chapter 940 of the statutes); (2) sexual assault of a child; (3) repeat acts of sexual assault of the same child; (4) physical abuse of a child; (5) sexual exploitation of a child; (6) trafficking of a child; (7) causing a child to view or listen to sexual activity; (8) incest with a child; (9) child enticement; (10) use of a computer to facilitate a child sex crime; (11) soliciting a child for prostitution; (12) sexual assault of a child placed in substitute care; or (13) sexual assault of a child by a school staff person or a person who works or volunteers with children

Specify that earned compliance credit amounts must be calculated and applied by the appropriate reviewing authority (DOA's Division of Hearings and Appeals, or the Secretary of the Department of Corrections if the individual has waived a revocation hearing).

Specify that the earned release compliance credit does not apply to any time between the date of the most recent violation and the date of the revocation. In addition, the credit does not apply to a person required to register as a sex offender and may only be used for the time spent in the community for qualifying offenses, if a person is serving more than one sentence. However, specify that a convicted offender made available to another jurisdiction must be credited with service of his or her Wisconsin sentence, including any earned compliance credit, for the duration of custody in the other jurisdiction.

Specify that a person who is serving a sentence for a qualifying offense and who is in custody upon revocation of extended supervision or parole on the effective date of this provision may petition to be given earned compliance credit. Upon proper verification of the facts alleged in the petition, the earned compliance credit must be applied retroactively. If the Department is unable to determine whether credit should be given, or otherwise refuses to award retroactive credit, the person may petition the sentencing court for relief. Specify that this provision applies regardless of the sentencing date. Individuals subject to the sex offender registry remain ineligible for the earned release credit under this provision.

Modify statutory language to include the earned compliance credit to the revoked parolee tolling period provisions. Under current law, the sentence of a revoked parolee or person on extended supervision resumes running on the day he or she is received at a correctional institution, subject to sentence credit for the period of custody in a jail, correctional institution, or any other detention facility, pending revocation.

Joint Finance: Provision not included.

4. EXTENDED SUPERVISION MODIFICATIONS

Governor: Provide modifications to extended supervision provisions and create an early discharge from extended supervision sentencing adjustment option, as follows:

a. Early Discharge from Extended Supervision. Provide that a court may modify a person's sentence by reducing the term of extended supervision and ordering early discharge if: (1) the Department petitions the court to discharge the person from extended supervision for a qualifying offense; (2) the person has completed three years or 50% of his or her term of extended

supervision for the qualifying offense, whichever is less; (3) the person has satisfied all conditions of extended supervision set by the sentencing court and by the Department for the qualifying offense; (4) the person has fulfilled all financial obligations to his or her victims; and (5) the person is not required to register as a sex offender. Specify that if the person is serving more than one sentence, early discharge only applies to the terms of extended supervision imposed for qualifying offenses.

Define "qualifying offense" to mean any offense but not including: (1) a crime against life and bodily security (Chapter 940 of the statutes); (2) sexual assault of a child; (3) repeat acts of sexual assault of the same child; (4) physical abuse of a child; (5) sexual exploitation of a child; (6) trafficking of a child; (7) causing a child to view or listen to sexual activity; (8) incest with a child; (9) child enticement; (10) use of a computer to facilitate a child sex crime; (11) soliciting a child for prostitution; (12) sexual assault of a child placed in substitute care; or (13) sexual assault of a child by a school staff person or a person who works or volunteers with children.

Establish court procedure for when a court receives a petition for early discharge from extended supervision. Specify that a court may discharge a person from extended supervision if all of the following apply: (1) the Department petitions the court to discharge the person from extended supervision for a qualifying offense; (2) the person has completed three years or 50% of his or her term of extended supervision for the qualifying offense, whichever is less; (3) the person has satisfied all conditions of extended supervision that were set by the sentencing court for the qualifying offense; (4) the person has satisfied all rules and conditions of supervision that were set by the Department for the qualifying offense; (5) the person has fulfilled all financial obligations to his or her victims; and (6) the person is not required to register as a sex offender.

Provide that the rules of evidence do not apply in early discharge from extended supervision proceedings. In addition, modify statutory requirements of a court to explain an imposed bifurcated sentence to also include an explanation, in writing, of the conditions under which the court may reduce a person's extended supervision under early discharge from extended supervision provisions.

b. Victim Notification of Sentence Adjustment Petitions. Specify that the Clerk of Circuit Court must sent a notice of hearing on an early discharge to the victim of the crime, if the victim submitted a card requesting notification. The notice must inform the victim that he or she may appear at any hearing scheduled and of the manner in which the victim may provide a statement concerning the early discharge from extended supervision. The Clerk must make a reasonable attempt to send a notice of hearing to the victim's last known address, postmarked at least 10 days before the date of the hearing.

Specify that the Director of State Courts must design and prepare cards for a victim to send to the Clerk of the Circuit Court for the county in which the person serving the term of extended supervision was convicted and sentenced. The card must have space for the victim to provide his or her name, address, the name of the offender, and any other information the Director deems necessary. The cards must be provided to Clerks and victims without charge. Completed cards may be sent to the Clerk for the county in which the person serving a term of extended supervision was convicted and sentenced. All records that relate to victim mailing addresses are not subject to

inspection or copying under access of records provisions.

Modify statutory language on the basic bill of rights for victims and witnesses to require reasonable attempts to notify the victim of early discharge from extended supervision sentence adjustment petitions and youthful offender sentence adjustment petitions. Remove references to repealed provisions concerning sanctions after admitting a violation from victim notification provisions.

c. Release to Extended Supervision after Revocation. Modify statutory language to provide that a person released to extended supervision is subject to all imposed conditions and rules until the expiration of the time remaining on the bifurcated sentence. Under current law, this provision applies until the expiration of the remaining extended supervision portion of the bifurcated sentence (the total length of the bifurcated sentence, less time served by the person in confinement before release to extended supervision).

d. Definitions. For the purposes of early discharge from extended supervision provisions, "victim" has the same meaning as defined elsewhere in statute.

Joint Finance: Provision not included.

5. MAXIMUM SENTENCE MODIFICATIONS FOR A CLASS D FELONY

Governor: Reduce the maximum bifurcated sentence for a Class D felony from 25 years to 20 years. In addition, repeal statutory language that specifies the maximum term of extended supervision for a Class D felony under a bifurcated sentence is 10 years, and instead, include Class D felony to the list of felonies for which the term of extended supervision may not exceed five years.

Under current law, the total maximum bifurcated sentence (a term of confinement in prison followed by a term of extended supervision) for a Class D felony, committed on or after February 1, 2003, is 25 years, including a 15 year maximum term of confinement and a 10 year maximum term of extended supervision. Under the bill, the total maximum bifurcated sentence would be reduced to 20 years, including a 15 year maximum term of confinement and a five year maximum term of extended supervision.

Joint Finance: Provision not included.

6. ANNUAL REPORTING REQUIREMENTS

Governor: Require the Department of Corrections to submit the following annual reports:

a. Revocation of Probation, Parole, and Extended Supervision Report. Specify that the report must include: (1) the rate of recidivism among probationers, parolees, and persons on extended supervision, by region and demographics, including the level of the recidivism event; (2) the number of and reason for the revocations; (3) the number and lengths of short-term sanctions imposed under sanctions for violation of conditions of probation, parole, or extended supervision

statutes; and (4) an accounting of the cost savings for the preceding 12-month period that resulted from the use of short-term sanctions in lieu of revocations provisions.

b. Earned Release Compliance Credit and Early Discharge from Extended Supervision Report. Specify that the report must provide data from the preceding 12-month period and must include: (1) the demographics of individuals who received the earned compliance credit or were discharged early by region; (2) the demographics and the rate of recidivism among those individuals; and (3) an accounting of the cost savings from reduced days of incarceration or reduced days of parole or extended supervision that resulted from the earned compliance credit or early discharge from extended supervision provisions.

c. Vocational Readiness Training Programs Report. Specify that the report must provide data on participation in substance use disorder and vocational readiness training programs qualifying for earned release. In addition, the report must include: (1) a list of available vocational readiness training programs and the number of participants in each program; (2) the number of eligible inmates on the wait list for participation in a vocational readiness training program, and the department's methodology for selecting wait list participants; (3) the rate of recidivism among individuals who earned release through completion of a vocational readiness program, the type of recidivism event, and a regional and demographic breakdown of the data; and (4) an accounting of the cost savings for the preceding 12-month period that resulted from reduced terms of confinement in prison for participants in the earned release program who were released after completion of a vocational readiness training program. For purposes of the report, define "recidivism" to mean any of the following: (1) a return to prison upon revocation of extended supervision, parole, or probation; or (2) a conviction for a crime that was committed within 3 years of release from confinement.

For the reports described in a., b., and c. require that the reports be submitted to the Governor, the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees, and the Director of State Courts, no later than June 15th of each year.

d. Earned Release Program: Aging and Elderly Populations Report. Specify that the report must include the number of, cost of healthcare and other accommodations for, and trends and projections for the aging and elderly population of inmates in Wisconsin prisons. Require the report to include the feasibility of: (1) establishing and operating state run facility for elderly inmates; (2) adopting electronic monitoring as an alternative to incarceration for elderly inmates; and (3) eligibility for medical assistance for individuals who would qualify for alternatives to revocation.

Specify that the report must be submitted to the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees, no later than the first day of the 12th month beginning after the effective date of the bill.

e. Risk Assessment Report. Provide that the Department of Corrections conduct a review of, and submit a report on the Department's evidence-based risk assessment tool and the available alternatives and the cost savings that would result from the use of alternatives. The Department must include a review of the efficacy of an evidence-based risk assessment tool that uses ongoing or recurring evaluations of an individual's ability to meet the conditions of supervision.

f. Training of Community Supervision Officers Report. Provide that the Department of Corrections conduct a review of, and submit a report on, the Department's training of community supervision officers and include an evaluation of best practices and outcomes of training models used in other states.

Specify that the reports described in e. and f. must be submitted to the Governor, Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees, and the Director of State Courts, no later than the first day of the 12th month beginning after the effective date of the bill.

g. Conditions of Supervision Report. Provide that the Department of Corrections review the efficacy of its standard conditions and rules of supervision. The report must include the number of violations reported for each condition and rule, and a comparison of the Department's standard conditions and rules of supervision to the conditions and rules of supervision in other states.

Specify that the report must be submitted to the Governor, Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees, and the Director of State Courts, no later than July 1, 2022.

Joint Finance: Provision not included.

7. EXPUNGEMENT OF CRIMINAL RECORDS

Governor: Modify expungement of criminal records and related provisions, as follows:

a. Expungement of Criminal Record Modifications. Modify the current expungement statutes to remove the provisions related to differentiated treatment of persons under the age of 25, and instead provide that a court may order a criminal case be expunged after a conviction by one of the following methods: (1) at the time of sentencing, the court may order the record expunged upon successful completion of the sentence, if the court determines that the person will benefit and society will not be harmed by the disposition; or (2) the person may file a petition in the county of conviction requesting the record be expunged, if at least one year has passed since successful completion of his or her sentence. Under the bill, a person has successfully completed the sentence if: (1) the person completed all periods of incarceration, parole, or extended supervision to which he or she was sentenced; (2) paid all fines, costs, fees, surcharges, and restitution assessed; (3) completed any court-ordered community services; (4) the person has not been convicted of a subsequent crime; and (5) if probation was imposed, the probation has not been revoked. Specify that if a sentence is completed involving incarceration or probation, the detaining or probationary authority shall issue and forward to the court of record a certificate of discharge that indicates whether the person successfully completed his or her sentence. If the person has been incarcerated, the detaining authority must forward a copy of the certificate to the Department of Corrections. In addition, specify that if the court has ordered the record expunged and the person successfully completed the sentence, the record shall be expunged, as ordered.

In addition, a person is ineligible for expungement if there are criminal charges pending against the person, the person has exceeded the maximum number of petitions allowed (two), or

the conviction at issue: (1) is for a crime for which the maximum period of imprisonment is more than six years (Class H felony or higher); (2) is a violation of traffic crimes (Chapters 341 to 348); or (3) the court ordered the record ineligible for expungement at sentencing. Current law provisions prohibiting expungement for a violent felony remains unchanged under the bill.

Provide that the court must review the petition and determine if the person is eligible. If the court determines the person is eligible, the petition is forwarded to the district attorney. If the district attorney requests a hearing within 90 days after reviewing the petition, the court must schedule a hearing to review the petition. If the district attorney waives the hearing, or at least 90 days has passed, the court may review the petition with or without a hearing. If a hearing is held, the sentencing judge must be the judge to review the petition, if practicable. Specify that the court may order the record expunged if the person will benefit and society will not be harmed by the disposition. If the record is not expunged, the person may file a second petition, along with a $100 fee to the Clerk of Circuit Court, only if two years have passed since the first petition was filed. No person may file more than two petitions per record.

Under current law, a court may expunge a criminal record if: (1) the person is under the age of 25 at the time of the commission of the offense for which the person has been found guilty; (2) the offense is not a violent felony and carries a maximum period of imprisonment of six years or less (Class H felony or less); (3) the person has not been previously convicted of a felony; and (4) the court ordered at the time of sentencing that the record be expunged upon successful completion of the sentence (if the court determines the person will benefit and society will not be harmed by the disposition). The court must order at the time of sentencing that the record be expunged upon successful completion of the sentence if the offense was for a violation of certain invasion of privacy provisions and the person was under the age of 18 at the time the crime was committed. The current law expungement provisions do not apply to certain specified crimes.

Under current law, a person has successfully completed the sentence if the person has not been convicted of a subsequent offense and, if on probation, the probation has not been revoked and all probation conditions have been satisfied. Upon successful completion of the sentence, the detaining or probationary authority must issue a certificate of discharge which must be forwarded to the court, having the effect of expunging the record. If the person has been imprisoned, the detaining authority must forward a copy of the certificate of discharge to the Department of Corrections. Current law specifies that a court may also expunge a record for certain crimes upon motion to the court.

b. Victim Notification and Rights. Include expungement proceedings and hearings as events for which victims and witnesses have the right to require reasonable attempts to be made to notify the victim of hearings or court proceedings. Specifically, the district attorney must make a reasonable attempt to notify the victim of the petition (including obtaining the victim address information from the Clerk of the Circuit Court), and must inform the victim that he or she may waive the requirement and that, if waived, the court may review the petition without a hearing. In addition, specify that the district attorney must inform the victim of manners in which he or she may provide written statements concerning the petition and that, if the victim does not waive the hearing requirement, he or she may appear at the hearing. If the victim waives the hearing requirement, the district attorney may inform the court that there is no objection to waving the

requirement.

c. Employment Discrimination Due to Criminal Record. Provide that employment discrimination because of conviction record includes requesting an individual, on an application form or otherwise, to supply information regarding a crime for which the record has been expunged. Specify that a request to supply information regarding criminal convictions must not be construed as a request to supply information regarding a crime for which the record has been expunged.

Specify that it is employment discrimination for an employer to engage in any act of employment discrimination on the basis of an expunged conviction record. Specify that this provision also applies to discrimination by licensing agencies in licensing provisions. Specify that a record for a crime expunged is not considered a conviction for employment purposes or for purposes of the issuance of a license by a licensing agency. These provisions do not apply to the extent that they conflict with federal law.

d. Applicability. The treatment of the created or modified expungement of criminal records provisions first apply to a conviction for which sentencing has occurred, but for which the record has not been ordered or expunged on the effective date of these provisions.

e. *Definitions.* For the purposes of the expungement provisions, define "record" to mean a criminal case file.

The expungement provisions are identical to 2019 Assembly Bill (AB) 33 and Assembly Amendment 1 of AB 33, except for additional clarifying language in the applicability section of the budget bill. 2019 AB 33 passed the Assembly, but was not taken up by the Senate.

Joint Finance: Provision not included.

8. REDUCTION OF MANDATORY MINIMUM SENTENCES

Governor: Provide that a sentencing court may reduce a term of confinement, below the applicable mandatory minimum, if the person serving a bifurcated sentence subject to a mandatory term of confinement qualifies for reduction under: (a) challenge incarceration program provisions; (b) earned release program provisions; (c) extraordinary health condition provisions; (d) sentence adjustment provisions; or (e) positive adjustment time provisions.

Under current law, an individual serving a bifurcated sentence may petition the sentencing court for a reduction of the confinement portion of his or her sentence, under certain circumstances. However, a 2020 Wisconsin Court of Appeals decision (*State v. Grazma*) held that these circumstances do not allow sentence reductions below mandatory minimum confinement times.

Joint Finance: Provision not included.

9. SENTENCING REVIEW COUNCIL

Governor: Establish a Sentencing Review Council in the Department of Justice. Specify that membership and appointments to the Council be determined by the Governor. [No Council membership size or qualifications are identified in the bill.] Specify that the Council must: (a) study criminal penalties and make recommendations for reforming the criminal code; (b) study whether sentences for similar offenses and circumstances are consistent and make recommendations to ensure equity; (c) study and make recommendations regarding the state's bifurcated sentencing structure; and (d) review and make recommendations regarding sentences for violations committed by individuals age 18 to 25.

Require the Sentencing Review Council to submit a report on its findings and recommendations to the Attorney General and to the appropriate standing committees of the Legislature, no later than July 1, 2022.

Joint Finance: Provision not included.

10. DRUG PARAPHERNALIA

Governor: Exclude any materials used or intended for use in the testing for the presence of fentanyl or a fentanyl analog in a substance from the definition of "drug paraphernalia."

Under current law, "drug paraphernalia" includes all equipment, products, and materials of any kind that are used, designed for use, or primarily intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing (including testing for fentanyl or fentanyl analog), analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or introducing into the human body a controlled substance or controlled substance analog. Current law excludes hypodermic syringes, needles, and other objects used in parenterally injecting substances into the human body, and any items that are designed for use with tobacco products.

Joint Finance: Provision not included.

11. IMMUNITY FOR CERTAIN CONTROLLED SUBSTANCES OFFENSES

Governor: Modify the immunity from criminal prosecution provisions to provide that an "aider" may not have his or her parole, probation, or extended supervision revoked for the possession of drug paraphernalia, a controlled substance, controlled substance analog, or of a masking agent under the circumstances surrounding or leading to the commission of an act that qualifies a person as an aider, if the aider's attempt to obtain assistance occurs immediately after the aider believes the other person is suffering from an overdose or other adverse reaction.

Specify that no aided person may have his or her parole, probation, or extended supervision revoked under the circumstances surrounding or leading to the commission of an "aider" act if the aided person completes a training program as a condition of his or her parole, probation, or extended supervision or, if programming is unavailable or would be financially prohibitive, if the

aided person agrees to be imprisoned in the county jail for not less than 15 days. In addition, specify that if an aided person is subject to prosecution for the possession of drug paraphernalia, a controlled substance, controlled substance analog, or of a masking agent under circumstances surrounding or leading to the commission of an act that qualifies a person as an aider, the district attorney must offer the aided person a deferred prosecution agreement that includes the completion of a treatment program. This provision does not apply to an aided person who is on parole, probation, or extended supervision and fails to meet the above-mentioned treatment program or county jail conditions.

Under current law, an "aider" means a person who: (a) brings another person who is, or is reasonably believed to be, suffering from an overdose to a fire station or healthcare facility and makes contact with staff; (b) summons and makes contact with a law enforcement officer, ambulance, emergency medical services practitioner, or other health care provider in order to assist another person who is, or is reasonably believed to be, suffering from an overdose; or (c) calls "911," or where the number is not available, calls a number for an emergency medical service provider and makes contact with an individual answering the number, with the intent to obtain assistance for another person who is, or is reasonably believed to be, suffering from an overdose.

This provision permanently restores the expanded immunities temporarily provided under 2017 Act 33. The provisions under Act 33 expired on August 1, 2020.

Joint Finance: Provision not included.

12. SENTENCE ADJUSTMENT FOR YOUTHFUL OFFENDERS

Governor: Create and modify statutory language to provide a sentence adjustment option for youthful offenders, defined as persons who committed a crime before he or she turned 18 years old, as follows:

Modify statutory language to include sentence adjustment for youthful offender provisions in the list of sentence adjustments entitling an individual to release to extended supervision provisions, and in parole provisions.

Specify that the petition for release and release to extended supervision for felony offenders serving life sentences provisions do not apply to a youthful offender sentenced to life imprisonment for a crime committed on or after December 31, 1999, and before the effective date of this provision. In addition, modify work release, special action parole release, military parole, and obsolete district attorney records provisions to include provisions related to certain life imprisonment sentences for youthful offenders.

Create statutory language to establish a sentence adjustment for youthful offenders. Specify that a court may reduce a term of imprisonment, including certain life imprisonment sentences for a youthful offender who has served 15 years of his or her term of imprisonment if the court finds that the interests of justice warrant a reduction. In making its determination, the court must consider: (a) sentencing factors and mitigating factors; and (b) the youthful offender's subsequent growth, behavior, and rehabilitation while incarcerated.

Specify that the Department must provide written notice of the eligibility to the qualifying youthful offender, the sentencing court, the district attorney for the county in which the youthful offender was sentenced, and the State Public Defender one year before the youthful offender becomes eligible for sentence adjustment. Notice includes notice of right to counsel and notice that a State Public Defender may be appointed. Right to counsel begins at the service of notice.

Provide that subsequent to notice, and upon request by the youthful offender or the youthful offender's attorney, the court must make documents from the sentencing hearing available to the youthful offender or his or her attorney, including the presentence investigation report and the sentencing transcript.

Specify that a qualifying youthful offender may file a petition for a sentence adjustment under this provision. The petitioner must file the petition and any affidavits or supporting documents for the petition in the sentencing court, no more than 90 days before the youthful offender's eligibility date. A copy of the petition must be served on the district attorney in the county in which the youthful offender was sentenced. Upon receipt of the petition, the district attorney must notify any victims of the crime.

Provide that the court must hold a hearing within 120 days of a youthful offender sentencing adjustment petition, unless all parties agree to an extension for the hearing date. The court must consider relevant information, including expert testimony and other information about the youthful offender's participation in available programming, work reports, conduction, or psychological evaluations. The youthful offender has the right to: (a) attend the hearing; (b) be represented by council; and (c) testify, present evidence, and cross examine witnesses. In addition, modify the basic bill of rights for victims and witnesses to provide that the victim must be given the opportunity to provide a statement concerning sentencing, disposition, or parole. Specify that these hearings must be recorded, and that the decision of the court on the petition is the final adjudication, subject to appeal.

Provide that, if the court finds that the interests of justice warrant a sentence adjustment, the court may amend the judgment of conviction according to one of the following:

a. if the youthful offender is serving a sentence for a crime committed before December 31, 1999, reduce the parole eligibility date and modify the conditions of parole. The court may also reduce the sentence, but must provide for at least three years of parole supervision after release from prison.

b. upon request by the youthful offender, for a crime committed before December 31, 1999, covert an indeterminate sentence to a bifurcated sentence (in which case the court must set a date for release to extended supervision that is no later than the original parole eligibility date, and the court may also modify the conditions of parole or extended supervision).

c. for a crime committed on or after December 31, 1999, reduce the term of confinement in prison and modify the conditions of extended supervision. The court may also reduce the total length of the bifurcated sentence (in which case the court must provide for at least three years of extended supervision) (modify the "determinate sentence" definition under sentence, terms, and escape provisions to include this provision).

d. for a life sentence without the possibility of parole or release to extended supervision, convert the sentence to a life sentence with the possibility of parole or release to extended supervision and set a date for parole eligibility or release to extended supervision and conditions for parole or extended supervision accordingly.

Specify that a youthful offender is eligible to file a subsequent petition no earlier than five years after a hearing is held, unless the court sets an earlier date. In addition, specify that a youthful offender may file no more than five petitions during his or her sentence. Specify that nothing in the sentence adjustment for youthful offenders limits the youthful offender's right to resentencing, sentence adjustment, or sentence modification on other grounds.

Modify statutory language to provide that a State Public Defender must provide legal services in cases involving sentence adjustments for youthful offenders.

Modify statutory language to include sentence adjustment for youthful offenders as an exception to the mandatory minimum sentence for child sex offenses extended supervision eligibility determination provisions. In addition, modify statutory language to include sentence adjustment for youthful offenders to the list of provisions subject to extension or reduction of term of imprisonment sections of bifurcated sentence of imprisonment and extended supervision provisions.

Modify statutory language on increased penalty for habitual criminality to provide that an actor is a persistent repeater if the offense for which he or she is presently being sentenced was committed after he or she attained the age of 18.

Create statutory language to provide that: (a) when a court sentences a youthful offender to life imprisonment for a crime committed on or after July 1, 1988, but before September 21, 1999, the court must set a date on which the youthful offender is eligible for parole; or (b) when a court sentences a youthful offender to life imprisonment for a crime committed on or after December 31, 1999, the court must set a date on which the youthful offender is eligible for release to extended supervision. When sentencing a youthful offender to life imprisonment under (a) or (b), the court is required to inform the youthful offender of the procedure for petitioning for a sentence adjustment and must consider, in addition to all other relevant factors, all of the following: (a) that, because children are less criminally culpable and more amenable to reform, youthful offenders are constitutionally different from adults for the purposes of sentencing; (b) that the sentencing goals of deterrence, retribution, and incapacitation are secondary to the goal of rehabilitation when sentencing youthful offenders; and (c) that unless the state proves beyond a reasonable doubt that the youthful offender is permanently incorrigible and is therefore unable to be rehabilitated, youthful offenders must have a meaningful opportunity to obtain release from prison based on maturity and rehabilitation. Modify statutory language to add this provision to the list of exceptions for certain sentence of life imprisonment, parole eligibility determination, and extended supervision eligibility determination provisions. As a result, the bill would eliminate life without the possibility of parole or extended supervision release for a youthful offender. In addition, create mitigation for youth statutory language to provide these relevant factors as mitigating factors that a court must consider when making a sentencing decision for a person who has not attained the age of 18 years at the time the crime was committed.

No later than the first day of the sixth month beginning after enactment of the bill, the Department of Corrections would be required to provide written notice of sentence adjustment for youthful offender eligibility to all youthful offenders who have served at least 14 years of their terms of imprisonment.

Provide that the youthful offender sentence adjustment provisions first apply to a conviction for which sentencing has occurred on the effective date of this provision. However, the treatment of sentence adjustments for youthful offenders first applies to a youthful offender who is serving a term of imprisonment on the effective date of this paragraph.

Joint Finance: Provision not included.

Juvenile Corrections

1. NEW COUNTY AND STATE FACILITY AND CLOSURE OF LINCOLN HILLS DEADLINES

Governor: Modify the July 1, 2021, deadline for closing Lincoln Hills and Copper Lake schools and for constructing secure residential center for children and youth (SRCCs) and a new state-run juvenile correctional facility. Instead, Corrections would transfer juveniles as soon as a substitute placement that meets the needs of the juvenile are ready. Once all juveniles are transferred to SRCC's or the new state facility, Lincoln Hills and Copper Lakes Schools would be closed.

Under 2017 Act 185 as modified by 2019 Act 8, the current juvenile correctional facility owned and operated by the Corrections (Lincoln Hills and Copper Lake schools) must be closed on the earlier date of either when all of the juveniles that are held there are transferred to the new county-run SRCC or a new state-run juvenile correctional facility or July 1, 2021.

Joint Finance: Provision not included.

2. STATUTORY DAILY RATES [LFB Paper 262]

Governor: Remove statutory daily rates for placements at juvenile correctional facilities from the statutes. Instead, allow the Department to establish a per person daily rate for care of juveniles transferred to its care. The modification is intended to address the existing deficit in the juvenile correctional services appropriation by allowing rates to respond more quickly to changes in population. 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.

Under current law, daily rates for juvenile care in a given biennium are specified in statute by fiscal year for juvenile correctional facilities. Further, the daily rate for the juvenile correctional facilities currently includes a $6 add-on to address the juvenile operations appropriation deficit. The statutory daily rate for the period January 1, 2021, to June 30, 2021, is set at $615.

Joint Finance: Provision not included. Instead, establish the daily rate at $1,154 in 2021-22 and $1,178 in 2022-23 based on reestimated populations and expenditures.

3. JUVENILE CORRECTIONAL SERVICES DEFICIT [LFB Paper 261]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$11,341,600	- $11,341,600	$0

Governor: Provide $11,341,600 in 2021-22 in a new GPR appropriation to address an existing deficit in the juvenile correctional services program revenue appropriation if the amount in the juvenile correctional services appropriation is insufficient. In addition, modify current law to allow the Secretary of Corrections (rather than require the Governor) to charge an additional $6 daily amount for care provided by the Department in order to address a deficit in the juvenile correctional services appropriation until the deficit is eliminated.

Joint Finance: Provision not included.

4. JUVENILE POPULATION ESTIMATES [LFB Paper 260]

Governor: Under the bill, the juvenile correctional facility average daily population (ADP) is estimated as shown in the table below. The juvenile facilities include Lincoln Hills School (LHS) (males), Copper Lake School (CLS) (females), the Mendota Juvenile Treatment Center (MJTC), and the Grow Academy, an agriculture science-based experiential education program held at a facility in Oregon, Wisconsin. The population projections below assume: (a) the elimination of the serious juvenile offender program for new dispositional orders on the effective date of the bill; (b) the increase of the age of juveniles subject to juvenile delinquency proceedings from 10 to 12; and (c) the modification of the closing date of LHS/CLS from July 1, 2021 to after all juveniles are transferred to appropriate alternative placements.

Facilities	March 5, 2021 Actual Population	Average Daily Population 2021-22	Average Daily Population 2022-23
Lincoln Hills School	52	72	73
Copper Lake School	5	9	10
Mendota Juvenile Treatment Center	16	16	16
Grow Academy	4	2	2
Total Juvenile Correctional Facility	77	99	101

Joint Finance: Reestimate the juvenile ADPs to be 86 annually at the juvenile correctional

facilities.

Facilities	Reestimated ADPs 2021-22	2022-23
Lincoln Hills School	59	59
Copper Lake School	6	6
Grow Academy	2	5
Mendota Juvenile Treatment Center	19	19
Total Juvenile Correctional Facility	86	86

5. POPULATION AND INFLATIONARY COSTS [LFB Paper 260]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $696,600	- $311,100	- $1,007,700

Governor: Modify population-related funding for juvenile corrections by -$384,900 in 2021-22 and -$311,700 in 2022-23, as follows: (a) -$37,600 in 2021-22 and -$26,200 in 2022-23 for food costs at juvenile correctional facilities; (b) -$21,800 in 2021-22 and -$20,000 in 2022-23 for variable non-food costs (such as clothing, laundry, and personal items); and (c) -$325,500 in 2021-22 and -$265,500 in 2022-23 for juvenile health costs.

Joint Finance: Based on population reestimates, modify population related funding by -$140,900 in 2021-22 and -$170,200 in 2022-23. The total reduction to base funding would be -$525,800 in 2021-22 and -$481,900 in 2022-23, associated with: (a) food costs (-$91,800 in 2021-22 and -$88,100 in 2022-23); (b) variable non-food costs (-$38,500 in 2021-22 and -$38,700 in 2022-23); and (c) juvenile health costs (-$395,500 in 2021-22 and -$355,100 in 2022-23).

6. MENDOTA JUVENILE TREATMENT CENTER RE-ESTIMATE [LFB Paper 262]

PR	- $2,805,400

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

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

7. SERIOUS JUVENILE OFFENDER FUNDING [LFB Paper 262]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $15,019,100	$17,152,200	$2,133,100

Governor: Provide -$4,561,300 in 2021-22 and -$10,457,800 in 2022-23 to reflect population reestimates related to: (a) elimination of the Serious Juvenile Offender (SJO) program beginning with acts first committed on or after the day after publication of the bill; and (b) providing additional Youth Aids to counties. [See "Children and Families -- Juvenile Justice."]

Eliminate the SJO program as an available disposition for a juvenile adjudicated delinquent under the juvenile justice code. The Serious Juvenile Offender Program would continue for youth under that disposition prior to the effective date of the elimination. The estimated ADP for the SJO population would be 70 in 2021-22 and 49 in 2022-23. The estimated juvenile correctional facility daily rate used to calculate SJO funding for these juveniles would be $1,007 in 2021-22 and $1,009 in 2022-23. Base funding for the program is $17,792,800 GPR annually. The following ADPs for the SJO appropriation, are projected for the 2021-23 biennium:

Average Daily Population

	Serious Juvenile Offenders		
Type of Care	January, 2021	2021-22	2022-23
Juvenile Corrections Facilities	27	17	0
Community Supervision Program	56	53	49
Total ADP	83	70	49
Alternate Care*	17	19	17

* 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.

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

Joint Finance: Provision not included. As a result, restore funding of $4,561,300 in 2021-22 and $10,457,800 in 2022-23. In addition, increase SJO funding by $720,600 in 2021-22 and $1,412,500 in 2022-23. The following ADPs for the SJO appropriation, are projected for the 2021-23 biennium:

Reestimated SJO Average Daily Population

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

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

8. EXTENDED JUVENILE JURISDICTION

Governor: Create extended juvenile jurisdiction (EJJ) for juveniles who are alleged delinquent for the commission of certain acts. If a juvenile meets the requirements for waiver of juvenile court jurisdiction, the district attorney or the juvenile may instead petition the juvenile court to place the juvenile under EJJ or the court may initiate such a proceeding on its own motion. In order to grant EJJ, the court must find: (a) the juvenile qualifies for waiver and the juvenile qualifies for a correctional placement, if adjudged delinquent for the alleged acts; and (b) that a correctional placement is insufficient to protect public safety or for rehabilitation of the juvenile. These findings must be made on clear and convincing evidence at a hearing to the court. If the court grants EJJ, the juvenile would be entitled to a jury trial and the court may, after trial, impose any juvenile disposition that it deems appropriate. The EJJ would be available as a dispositional alternative starting July 1, 2022. The EJJ program would replace the SJO program (above).

Create a new juvenile disposition that may be used only for juveniles subject to EJJ. The extended juvenile disposition would be available only to juveniles who are given a juvenile correctional placement and for whom the court finds that the correctional placement alone is insufficient to protect public safety or for rehabilitation of the juvenile. In this case, the court may impose an extended juvenile disposition, which has the same force and effect as a criminal sentence, after a juvenile correctional placement terminates on the juvenile's 19th birthday. The extended juvenile disposition may not extend beyond the juvenile's 23rd birthday unless the juvenile is adjudicated delinquent for first-degree intentional homicide, in which case the extended juvenile disposition may extend to the juvenile's 25th birthday. The extended juvenile disposition would be stayed in the original juvenile dispositional order until a hearing is held between the juvenile's 18th and 19th birthdays. At the hearing, the court must dismiss the extended juvenile disposition unless it finds, by clear and convincing evidence presented at the hearing, that the juvenile continues to pose a risk to the public, considering the juvenile's risk and treatment needs at the time of the hearing.

If the court upholds the extended juvenile disposition after the hearing, the court determines whether to impose probation or confinement in jail or prison and imposes the sentence. If the juvenile is on aftercare supervision, the court may only impose probation. Corrections is charged

with promulgating rules for release to extended juvenile supervision or discharge of individuals on an extended juvenile disposition. An extended juvenile disposition would not be subject to the requirements of bifurcated sentencing, but a juvenile who violates a condition of probation or extended supervision under an extended juvenile disposition may have his or her probation or extended supervision revoked after a hearing held by the Division of Hearings and Appeals in DOA. If probation is revoked, the juvenile may be sent back to the court to determine the term of confinement in jail or prison.

In summary, the Corrections run EJJ program would replace the SJO program and process for extending the jurisdiction of a juvenile disposition beyond age 17. A juvenile with a juvenile disposition would generally be under county supervision until age 18, at which point, after a hearing and a decision to continue juvenile jurisdiction, the youth would be transferred to state supervision.

Joint Finance: Provision not included.

9. JUVENILE CORRECTIONAL FACILITIES

Governor: Authorize Corrections to establish and operate a secured residential care center for children and youth (SRCC). Remove the requirement for Corrections to establish one or more Type 1 juvenile correctional facilities. Further, remove the classification of Mendota Juvenile Treatment Center (MJTC) as a Type 1 juvenile correctional facility and eliminate the term "Type 1 juvenile correctional facility." The bill allows a juvenile to be placed under the supervision of Corrections in a SRCC run by the Department.

Under current law, the juvenile court may place a juvenile in a Type 1 juvenile correctional facility under the supervision of Corrections or an SRCC under the supervision of a county department of human or social services if the juvenile is adjudged delinquent for an act that would be punishable by a sentence of six months or more if committed by an adult or is found to be a danger to the public. Corrections currently operates a Type 1 juvenile correctional facility known as the Lincoln Hills and Copper Lakes Schools, and DHS operates a Type 1 juvenile correctional facility known as MJTC.

Under current law, Corrections must close the Lincoln Hills and Copper Lakes Schools and establish and operate one or more new Type 1 juvenile correctional facilities by no later than July 1, 2021. By this same date (removed under the bill), each county must establish or contract with another county to access an SRCC to hold juveniles who are placed under county supervision in secured custody. A SRCC may have less restrictive physical security barriers than a Type 1 juvenile correctional facility and must provide trauma-informed, evidence-based programming and services.

Joint Finance: Provision not included.

10. ELIMINATE TYPE 2 STATUS

Governor: Eliminate Type 2 status and Type 2 facilities from the Juvenile Justice Code.

Under current law, any secured or nonsecured facility that holds a juvenile with a Type 2 status is referred to as a Type 2 juvenile correctional facility or a Type 2 residential care center for children and youth (collectively, Type 2 facility). A Type 2 facility is operated in a manner that is less restrictive than a Type 1 juvenile correctional facility or an SRCC. Under current law, Corrections may place a juvenile under its supervision under Type 2 status, and the juvenile court may place a juvenile under the supervision of a county department in a Type 2 residential care center for children and youth. A juvenile subject to Type 2 status may be placed in a Type 2 facility or under aftercare or community supervision. The juvenile is subject to certain conditions for maintaining Type 2 status. If the juvenile violates the conditions of Type 2 status, the juvenile may be moved to a Type 1 juvenile correctional facility or an SRCC without a change in placement hearing.

Joint Finance: Provision not included.

11. COMMUNITY SUPERVISION AND AFTERCARE SUPERVISION

Governor: Eliminate state run community supervision and require county departments to provide aftercare supervision for any juvenile who is released from a juvenile correctional facility or a SRCC.

Under current law, when a juvenile who is placed under the supervision of Corrections under the Juvenile Justice Code is released from a juvenile correctional facility, Corrections provides community supervision for the juvenile until Corrections discharges the juvenile from supervision. When a juvenile who is placed under the supervision of a county department is released from a juvenile correctional facility or an SRCC, the county department provides aftercare supervision for the juvenile until the county department discharges the juvenile from supervision.

Joint Finance: Provision not included.

12. JUVENILE HEARINGS OPEN TO THE GENERAL PUBLIC

Governor: Eliminate the exception that allows the general public to attend any hearing relating to a juvenile who has been alleged to be delinquent for committing a violation that would be a felony if committed by an adult if the juvenile has been adjudicated delinquent previously and that previous adjudication remains of record and unreversed or relating to a juvenile who has been alleged to be delinquent for committing a violation. Generally, the public is excluded from juvenile hearings unless a public fact-finding hearing is demanded by a juvenile and their counsel.

Joint Finance: Provision not included.

13. AGE OF JUVENILE JURISDICTION

Governor: Modify current law, first effective for acts committed on the day after publication of the bill, to specify that persons who have not attained the age of 18 years are subject to the procedures specified in the Juvenile Justice Code and, on being adjudicated delinquent,

subject to an array of dispositions under that code including placement in a juvenile correctional facility. Similarly, modify from 17 to 18 the age at which a person who is alleged to have violated a civil law or municipal ordinance is subject to the jurisdiction and procedures of the circuit court or, if applicable, the municipal court.

Under current law, a person 17 years of age or older who is alleged to have violated a criminal law is subject to adult procedures and sentencing under the Criminal Code, which may include a sentence of imprisonment in the Wisconsin state prisons. Subject to certain exceptions, a person under 17 years of age who is alleged to have violated a criminal law is subject to the procedures specified in the Juvenile Justice Code and, on being adjudicated delinquent, is subject to an array of dispositions under that code including placement in a juvenile correctional facility. [For information on funding provided to counties associated with the age of juvenile jurisdiction, see "Children and Families -- Juvenile Justice."]

Joint Finance: Provision not included.

14. ORIGINAL JURISDICTION OF THE ADULT COURT OVER A JUVENILE

Governor: Eliminate original adult court jurisdiction over a juvenile. Under current law, the adult court has original jurisdiction over a juvenile who meets any of the following criteria:

1. A juvenile who is over the age of 10 and is alleged to have committed or attempted to commit first-degree intentional homicide or committed first-degree reckless homicide or second-degree homicide.

2. A juvenile who is alleged to have committed assault or battery while placed in a secured juvenile facility or to have committed battery against a probation, aftercare, community supervision, parole, or extended supervision officer.

3. A juvenile who is alleged to have attempted or committed a violation of any state criminal law in addition to an offense listed under item 1 or item 2, if the violations may be joined into a single criminal case.

4. A juvenile who has previously come under the jurisdiction of the adult court.

This provision would first become effective for acts committed on or after the day after publication of the bill.

Joint Finance: Provision not included.

15. WAIVER PETITION FOR ADULT COURT JURISDICTION OVER A JUVENILE

Governor: Modify current law, first effective for acts committed on the day after publication of the bill, to specify that a petition to waive a juvenile into adult court may be filed if the juvenile is at least 16 years old and is alleged to have violated any state law that would be a felony if committed by an adult. Further, specify that a 14-year-old or 15-year-old may be waived

into adult court if he or she is alleged to have committed a violation that would grant original adult court jurisdiction over a juvenile under current law, or that would allow for a 14-year-old to be waived by petition into adult court under current law, except for the manufacture, distribution, or delivery of a controlled substance.

Under current law, a district attorney or a juvenile may apply to the juvenile court to waive its jurisdiction in any of the following situations: (a) If the juvenile is alleged to have committed felony murder, second-degree reckless homicide, first- or second-degree sexual assault, taking hostages, kidnapping, armed robbery, armed burglary, robbery of a financial institution, or the manufacture, distribution or delivery of a controlled substance on or after the juvenile's 14th birthday; (b) if the juvenile is alleged to have committed, on or after the juvenile's 14th birthday, a violation at the request of or for the benefit of a criminal gang, that would constitute a felony if committed by an adult; or (c) if the juvenile is alleged to have violated any state criminal law on or after the juvenile's 15th birthday. The judge may also initiate a petition for waiver in any of these situations, if the judge disqualifies himself or herself from any future proceedings on the case.

Joint Finance: Provision not included.

16. MINIMUM AGE OF DELINQUENCY

Governor: Modify current law to specify that children who have attained the age of 12 years or over, rather than 10 years or over, may be subject to the procedures specified in the Juvenile Justice Code and, on being adjudicated delinquent, subject to an array of dispositions under that Code. Modify current law to specify that for certain crimes a juvenile age 12 or older, rather than 10 or older, may be subject to adult court jurisdiction. Children under 12 would still be under the jurisdiction of children in need of protective services.

Create nonstatutory language that specifies that for purposes of conducting a criminal history and child abuse record search "nonclient resident" and "household member" include a person who has attained 10 years of age.

Joint Finance: Provision not included.

17. LONG-TERM PLACEMENTS IN JUVENILE DETENTION FACILITIES

Governor: Eliminate as an available disposition under the Juvenile Justice Code the placement of a juvenile in a juvenile detention facility or juvenile portion of a county jail for more than 30 days effective one year after Corrections sends notice to the Legislative Reference Bureau that Lincoln Hills School and Copper Lake School are closed.

Under current law, the juvenile court may place a juvenile that has been adjudicated delinquent in a juvenile detention facility or juvenile portion of a county jail for up to 30 days or, if the facility is eligible, up to 365 days. A juvenile detention facility is eligible to accept a juvenile for more than 30 days if: (a) prior to January 1, 2018, the county board of supervisors of the county operating the facility has adopted a resolution authorizing such a placement; and (b) the county

has not been awarded a grant under the juvenile corrections grant program, which provides funding for the establishment of a secured residential care center for children and youth.

Joint Finance: Provision not included.

18. JUVENILE DETENTION PLACEMENT AS SANCTION

Governor: Eliminate placement in a juvenile detention facility as a sanction or for short-term detention unless the juvenile court finds that the juvenile poses a threat to public safety and the underlying offense for which the juvenile court order was imposed is not a status offense. A status offense is defined as an offense committed by a juvenile that would not be an offense if committed by an adult (for example, truancy).

Under current law, a juvenile adjudged delinquent or to have committed a civil law or municipal ordinance violation, including a habitual truancy violation, who violates a condition of his or her dispositional order is subject to various sanctions, including placement in a juvenile detention facility or a place of nonsecure custody for not more than 10 days. In addition, a juvenile adjudged delinquent who violates a condition of his or her delinquency order or aftercare supervision may, without a hearing, be placed in a juvenile detention facility or a place of nonsecure custody for not more than 72 hours (short-term detention) during an investigation of the violation and potential sanctions or as a consequence of that violation.

Joint Finance: Provision not included.

19. USE OF RESTRAINTS ON A CHILD IN COURT

Governor: Prohibit the use of restraints on anyone under the age of 18 when appearing before the juvenile court or criminal court. Prohibited restrains would include items such as handcuffs, chains, irons, or straitjackets, cloth and leather restraints, or other similar items. Upon a request of the district attorney, corporation counsel, or other appropriate county official, a court may order the use of restraints on a child if, after a hearing, it issues written findings of fact showing that the use of restraints is necessary under certain conditions. In such a situation, require the court to make all of the following findings:

a. that the use of restraints is necessary due to one of the following factors: (1) to prevent physical harm to the child or another person; (2) the individual has a history of disruptive courtroom behavior that has placed others in potentially harmful situations or the child presents a substantial risk of inflicting physical harm on himself or herself or others as evidenced by recent behavior; or (3) there is a reasonable belief that the child presents a substantial risk of flight from the courtroom;

b. that there are no less restrictive alternatives to restraints that will prevent flight or physical harm to the child or another person, including the presence of court personnel, law enforcement officers, or bailiffs.

Specify that the restraints allow an individual limited movement of the hands to read and

handle documents and writings necessary during a hearing. Further, require that any restraints used on a child must allow limited movement of the hands and prohibits the use of fixed restraints that are attached to a wall, floor, or furniture.

Joint Finance: Provision not included.

20. YOUTH WITH ADULT SENTENCES CONTRACT BED FUNDING [LFB Paper 262]

GPR	$5,175,700

Joint Finance: Based on reestimated populations and daily rate, increase contract bed funding by $2,562,300 GPR in 2021-22 and $2,613,400 GPR in 2022-23.

21. REIMBURSEMENT CLAIMS OF COUNTIES CONTAINING JUVENILE CORRECTIONAL FACILITIES [LFB Paper 102]

GPR	$28,000

Joint Finance: Reestimate the reimbursement claims of counties containing juvenile correctional facilities by $14,000 annually. Base funding for the appropriation is $81,000.

COURT OF APPEALS

Budget Summary							
				Joint Finance Change to:			
				Governor		Base	
Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Amount	Percent	Amount	Percent
GPR	$23,320,800	$22,662,900	$22,662,900	$0	0.0%	- $657,900	- 2.8%

FTE Position Summary					
				Joint Finance Change to:	
Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Governor	2020-21 Base
GPR	75.50	75.50	75.50	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	- $657,900

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

2. JUDICIAL SALARY INCREASES

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

DISTRICT ATTORNEYS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$102,045,400	$113,607,300	$107,999,500	- $5,607,800	- 4.9%	$5,954,100	5.8%
PR	7,765,000	8,322,300	9,137,300	815,000	9.8	1,372,300	17.7
TOTAL	$109,810,400	$121,929,600	$117,136,800	- $4,792,800	- 3.9%	$7,326,400	6.7%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	449.00	458.90	456.40	- 2.50	7.40
PR	44.50	38.50	42.50	4.00	- 2.00
TOTAL	493.50	497.40	498.90	1.50	5.40

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$4,241,000	0.00	- $727,800	0.00	$3,513,200	0.00
PR	1,372,300	- 2.00	0	0.00	1,372,300	- 2.00
Total	$5,613,300	- 2.00	- $727,800	0.00	$4,885,500	- 2.00

Governor: Provide adjustments to the base totaling $2,120,500 GPR and $706,200 PR, and -2.0 PR positions in 2021-22, and $2,120,500 GPR and $666,100 PR, and -2.0 PR positions in 2022-23. Adjustments are for: (a) turnover reduction (-$1,091,900 GPR annually); (b) removal of non-continuing elements from the base (-$120,000 PR and -2.0 PR positions in 2021-22 and -$160,100 PR and -2.0 PR positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits ($2,981,900 GPR and $817,600 PR annually); (d) reclassifications and semiautomatic pay progression ($135,000 GPR and $8,600 PR annually); and (e) night and

weekend differential pay ($95,100 GPR annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $363,900 GPR annually.

2. PAY PROGRESSION [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,713,800	- $4,293,000	$1,420,800

Governor: Provide $1,923,800 in 2021-22 and $3,790,000 in 2022-23 to support pay progression plan for assistant district attorneys (ADAs) and deputy district attorneys (DDAs). The ADA and DDA pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary ($54,434 as of January 3, 2021) and the highest annual salary ($131,456 as of January 3, 2021). The value of one hourly salary step equals $4,534 annually. Notwithstanding the creation of a 17 hourly salary step pay progression plan, the supervising DAs are authorized to: (a) deny annual salary increases to individual ADAs and DDAs; and (b) increase the salary of individual ADAs and DDAs by up to 10% per year. Funding requested is approximately equal to one step in each year of the biennium.

Joint Finance: Modify ADA pay progression by -$1,452,300 in 2021-22 and -$2,840,700 in 2022-23, which results in net funding of $471,500 in 2021-22 and $949,300 in 2022-23. Adopt a non-statutory provision for the 2021-23 biennium to exempt the affected agencies from the requirement that pay progression be provided beginning with the first pay period after July 1. Funding is intended to provide for a half step increase starting January 1, 2022 and 2023.

3. ADDITIONAL GPR PROSECUTOR POSITIONS [LFB Paper 271]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$1,607,100	9.90	- $587,000	- 2.50	$1,020,100	7.40
PR	- 815,000	- 4.00	815,000	4.00	0	0.00
Total	$792,100	5.90	$228,000	1.50	$1,020,100	7.40

Governor: Provide $751,300 GPR in 2021-22, $855,800 GPR in 2022-23, and 9.9 GPR positions, to provide additional prosecutors to District Attorney offices across the state. In addition, modify funding by -$407,500 PR annually and -4.0 PR positions.

a. New State Prosecutor Positions. Provide $313,400 GPR in 2021-22, $417,900 GPR in 2022-23, and 5.5 GPR-funded positions annually, to provide additional ADAs requested by the

following six offices:

County	Additional GPR ADA Positions	Current Prosecutor Position Authority*	Resulting Prosecutor Position Authority
Columbia	1.00	5.00	6.00
Fond du Lac	1.00	8.00	9.00
Manitowoc	1.00	6.00	7.00
Marathon	1.00	12.00	13.00
Monroe	1.00	4.00	5.00
Sheboygan	0.50	9.00	9.50
Total	5.50		

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

b. *Convert PR-Funded ADA Position Authority.* Provide $407,500 GPR and 4.0 GPR positions, and -$407,500 PR and -4.0 PR positions annually, to convert funding for certain prosecutor positions from program revenue to general purpose revenue. The 4.0 recommended GPR positions include 1.0 ADA position in Fond du Lac County and 3.0 ADA positions in Milwaukee County. The administration indicates that federal and county grant funding currently supporting the positions may not be available during the 2021-23 biennium.

c. *Increase Existing Part-Time ADA Position Authority*: Provide $30,400 GPR and 0.4 GPR positions annually, to increase part-time prosecutor position in Green County (0.6 to 1.0 position).

Joint Finance: Provide the positions and funding as identified in (a) and (c) above. In addition, provide $114,000 GPR annually and 1.0 ADA position in Sauk County and 0.5 ADA position in Lafayette County.

4. DEPUTY DISTRICT ATTORNEY ALLOCATION

Governor: Allow counties with a population between 200,000 and 750,000 to appoint up to four, instead of three, deputy district attorneys. This provision would affect Brown, Dane, and Waukesha counties.

Joint Finance: Provision not included.

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$12,506,400	$11,877,000	$11,892,000	$15,000	0.1%	- $614,400	- 4.9%
PR	29,849,000	29,995,400	29,995,400	0	0.0	146,400	0.5
TOTAL	$42,355,400	$41,872,400	$41,887,400	$15,000	0.0%	- $468,000	- 1.1%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	26.94	26.94	25.94	- 1.00	- 1.00
PR	28.24	28.24	26.24	- 2.00	- 2.00
TOTAL	55.18	55.18	52.18	- 3.00	- 3.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	$93,100
PR	148,200
Total	$241,300

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

2. STATE AGENCY BUDGET REDUCTION

GPR	- $225,600

Joint Finance: Reduce the ECB general program operations appropriation by $112,800 annually.

3. DEBT SERVICE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $457,100	$240,600	- $216,500
PR	- $1,800	0	- 1,800
Total	- $458,900	$240,600	- $218,300

Governor: Reestimate debt service funding by -$30,800 GPR in 2021-22 and -$426,300 GPR in 2022-23 and -$900 PR annually. Base level funding is $2,270,700 GPR and $900 PR annually.

Joint Finance: Provide $132,200 GPR and in 2021-22 and $108,400 GPR in 2022-23 to reflect updated debt service estimates.

4. FUEL AND UTILITIES REESTIMATE

GPR	- $265,400

Governor/Joint Finance: Delete -$135,400 in 2021-22 and -$130,000 in 2022-23 to reestimate the Board's fuel and utilities budget to reflect anticipated changes in prices and statistically normal weather conditions. Base level funding is $948,300 annually.

5. DELETE VACANT POSITIONS

	Positions
GPR	- 1.0
PR	- 2.0
Total	- 3.0

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

ELECTIONS COMMISSION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$9,411,400	$9,745,300	$9,572,600	- $172,700	- 1.8%	$161,200	1.7%
FED	1,989,800	1,886,700	1,886,700	0	0.0	- 103,100	- 5.2
PR	2,000	500,700	500,700	0	0.0	498,700	24,935.0
SEG	200	200	200	0	0.0	0	0.0
TOTAL	$11,403,400	$12,132,900	$11,960,200	- $172,700	- 1.4%	$556,800	4.9%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	25.75	25.75	25.75	0.00	0.00
FED	6.00	3.00	3.00	0.00	- 3.00
PR	0.00	3.00	3.00	0.00	3.00
TOTAL	31.75	31.75	31.75	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Funding	Positions
GPR	$161,200	0.00
FED	- 343,500	- 6.00
Total	- $182,300	- 6.00

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

2. REIMBURSEMENT FOR SPECIAL PRIMARY AND ELECTION COSTS

Governor: Require the Elections Commission to reimburse counties and municipalities for costs incurred in the administration of special primaries and special elections for state or national office. Create a sum sufficient GPR appropriation to provide reimbursements.

As a sum sufficient appropriation, the Commission would be authorized to spend any amount necessary for reimbursements, subject to the following restrictions. Costs would be eligible for reimbursement if the Commission determined: costs are reasonable; rates did not exceed the rates paid for similar costs at a primary or election that is not a special primary or election; and, in the case where the election coincides with a primary or election that is not a special primary or election, the cost does not exceed the amount that would be incurred if the primaries or elections did not coincide. Only the following costs would be reimbursable: (a) rental payments for polling places; (b) election day wages paid to election officials working at the polls; (c) costs for the publication of required election notices; (d) printing and postage costs for absentee ballots and envelopes; (e) costs for the design and printing of ballots and poll books; (f) purchase of ballot bags or containers, including ties or seals for chain of custody purposes; (g) costs to program electronic voting machines; (h) purchase of memory devices for electronic voting machines; (i) wages paid to conduct a county canvass; and (j) data entry costs for a statewide voter registration system. The bill would incorporate the provisions of 2021 Assembly Bill 21/Senate Bill 21.

Joint Finance: Provision not included.

3. SPECIAL ELECTION DATES FOR FEDERAL OFFICES

Governor: Require that a vacancy in the office of U.S. Senator or Representative be filled as soon as practicable as follows: (a) at a special election to be held on the third Tuesday in May following the date of the vacancy with a special primary to be held concurrently with the spring primary on the third Tuesday in February; (b) at a special election to be held on the second Tuesday in August following the date of the vacancy with a special primary to be held on the third Tuesday in May; or (c) at a special election to be held on the Tuesday after the first Monday in November following the date of the vacancy with a special primary to be held on the second Tuesday in August. Under the bill, a November special election would not be held in any year in which the general election is held for that office; instead, the vacancy would be filled at the partisan primary and general election.

The administration indicates that the provision would clarify scheduling for these elections. Further, the administration indicates that the provision is intended to ensure special elections "are scheduled with sufficient time to comply with federal requirements for sending ballots to military and overseas voters." Federal law requires states to transmit absentee ballots to military and overseas voters no later than 45 days before an election for federal office. Under current law, if a vacancy occurs in the office of U.S. Senator or Representative prior to the second Tuesday in April in a year in which a general election is held, the vacancy must be filled at a special primary and special election. Statute does not prescribe the specific dates for such a special primary or special election. Also under current law, if the vacancy occurs between the second Tuesday in April and the second Tuesday in May of that year, the office must be filled at the partisan primary and general

election.

Joint Finance: Provision not included.

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

	Funding	Positions
FED	$240,400	3.00
PR	236,700	3.00
Total	$477,100	6.00

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

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

5. SECURITY AND MAINTENANCE APPROPRIATION CREATION [LFB Paper 101]

PR	$262,000

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

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

Joint Finance: Modify the appropriation language to authorize the Elections Commission to use program revenue funds for "the purpose of election security and system maintenance," rather than for "the purpose of election security and maintenance of the statewide voter registration system."

6. RECOUNT FEES

Governor: Modify the appropriation for recount fees from an annual to a continuing PR

appropriation. Under current law, the Elections Commission is required to reimburse counties for the actual costs of conducting a recount. The appropriation is funded by fees collected from the candidate that filed the recount petition.

Joint Finance: Provision not included.

7. AUTOMATIC VOTER REGISTRATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$172,700	- $172,700	$0

Governor: Provide $156,100 in 2021-22 and $16,600 in 2022-23 to register all eligible electors as soon as practicable using the process described below.

Agreement with DOT. Require the Commission and the Department of Transportation (DOT) to revise the existing agreement between the agencies relating to matching voter information to provide for the electronic transfer of information to facilitate the registration of all eligible electors. The Department would be required to begin transferring information no later than the first day of the ninth month after the effective date of the bill.

The agreement must provide for the transfer of the following, no less often than weekly: (a) the full name of each individual who holds a current operator's license or identification card issued by DOT; (b) the individual's name history, current address, address history, date of birth, and license or card number; (c) a copy of the document the individual provided as proof of citizenship; (d) a statement indicating that DOT verified the citizenship; and (e) the most recent date that each item of information was provided or obtained by DOT.

Require that the application forms for a license or identification card inform the applicant that information will be made available to the Elections Commission and allow the applicant to elect not to share the information. Specify that the Commission maintain the confidentiality of all information obtained from DOT and only use the information for the purpose of registrations. Further, specify that this provision would not preclude DOT from sharing this information with the Commission for the current law purposes of online voter registration or for any other purpose other than automatic voter registration. [See "Transportation -- Motor Vehicles."]

Assistance from DOA. Require the Department of Administration to assist with information technology systems development to facilitate the registration of eligible electors. [See "Administration -- Information Technology."]

List Maintenance. Require the Commission to compare the information from DOT with the voter registration list and use all feasible means to facilitate the registration of eligible electors based on the following procedures:

a. Enter each individual's name on the registration list, provided that the Commission has obtained from reliable sources the required information and the individual appears to be

eligible to vote but is not registered. Attempt to obtain from reliable sources the necessary information required to complete an individual's registration. Attempt to contact the individual if necessary to obtain the information needed to complete registration. Under current law, municipal and county clerks, rather than the Commission, are responsible for maintaining the voter registration list.

b. Mail a notice to each individual added to the registration list. The notice must be printed in English, Spanish, and other languages as determined by the Commission. The notice must inform the individual that his or her name has been added to the registration list, provide the individual's current address, inform the individual that he or she may request to be deleted and provide instructions for doing so, provide instructions for notifying the Commission of a change in name or address, and provide instructions for obtaining a confidential listing.

c. Attempt to contact electors to resolve discrepancies if the information from DOT does not match the voter registration list. If the Commission is unable to contact the elector, the information in the registration list would be maintained.

d. If a name is removed from the registration list or the status of the elector is changed from eligible to ineligible, other than to remove a duplicate entry or change the status of a deceased individual to ineligible, mail a notice of the change by first class postcard informing the person that he or she may apply to be added again if the person is a qualified elector.

e. In addition, any individual may file a request with the Commission to be excluded or deleted from the registration list and may later revoke the request. The Commission must ensure that an individual who has filed a request to be excluded or deleted from the list is excluded or removed and is not added at a later time unless the request is revoked.

Report to Legislature. No later than July 1, 2023, require the Commission to report the following to the appropriate standing committees of the Legislature and to the Governor: (a) progress in implementing a system to ensure the complete and continuous registration of all eligible electors, including the operability and utility of information integration with DOT; and (b) an assessment of the feasibility and desirability of the integration of registration information with information maintained by other state agencies, including at a minimum the Departments of Health Services, Children and Families, Workforce Development, Revenue, Safety and Professional Services, and Natural Resources; the University of Wisconsin System; the Technical College System Board; and the technical colleges within each technical college district.

Joint Finance: Provision not included.

8. VOTER REGISTRATION MODIFICATIONS

Governor: Require municipal clerks and their agents to promptly add to the statewide registration list the names of qualified electors who register late in person. Specify that, consistent with current law provisions relating to electronic voter registration: (a) the municipal clerk is not required to inform an elector who registers to vote electronically that proof of residence is required; and (b) the municipal clerk must record an indication that information was verified by the

electronic system in lieu of proof of residence. Require the Commission to maintain records of electronic registrations and make the records available for inspection by the municipal clerk, clerk's agent, or board of election commissioners.

Under current law, an elector who registers to vote electronically is not required to provide proof of residence if, at the time of registration, the elector provides the number of a current and valid operator's license or identification card issued by the Department of Transportation, together with the elector's name and date of birth, and the Commission is able to verify the information using the electronic system.

Joint Finance: Provision not included.

9. STUDENT PROOF OF IDENTIFICATION FOR VOTING

Governor: Modify provisions related to identification cards used for voting to: (a) specify that an expired identification card issued by an accredited university or college may be used if the student provides proof of current enrollment; (b) remove the requirement that a student presenting an unexpired identification card issued by an accredited university or college must establish that he or she is currently enrolled at the university or college; and (c) require that every technical college and University of Wisconsin System institution issue student identification cards that qualify as identification for the purpose of voting no later than August 1, 2021.

The administration indicates that the modifications to student ID requirements are intended to reflect recent federal case law. Under current statute, an unexpired student ID meeting certain criteria may be used for voting if the student also establishes current enrollment. However, in July, 2020, the U.S. Court of Appeals for the Seventh Circuit held that the requirement to present proof of enrollment with an unexpired identification card was unconstitutional and is, therefore, unenforceable. As a result, under current practice, if a qualifying student ID is unexpired, proof of enrollment is not required. However, if the student ID is expired, the voter must also provide a valid proof of enrollment document.

Joint Finance: Provision not included.

10. TEMPORARY IDENTIFICATION CARDS FOR VOTING -- VALID PERIOD

Governor: Extend the period for which identification card receipts issued by the Department of Transportation for the purposes of voting remain valid as a temporary identification card, from 60 days to 180 days. [See "Transportation -- Motor Vehicles."]

Joint Finance: Provision not included.

11. EARLY CANVASSING OF ABSENTEE BALLOTS

Governor: Authorize municipal clerks and municipal board of election commissioners to begin canvassing absentee ballots the day before an election. Under current law, absentee ballots

may not be canvassed until election day.

The early canvassing of absentee ballots would be subject to the following requirements: (a) the municipality must use automatic tabulating equipment to process absentee ballots; (b) prior to early canvassing, the municipality must notify the Elections Commission in writing and must consult with the Commission concerning administration; (c) early canvassing may be conducted only between 7:00 a.m. and 8:00 p.m. on the day before the election, and ballots may not be tallied until after polls close on election day; (d) members of the public must have the same right of access to a place where absentee ballots are being canvassed early as is provided under current law for canvassing absentee ballots on election day; (e) when not in use, equipment used and the areas where programmed media and absentee ballots are stored must be secured with tamper-evident security seals in a double-lock location; (f) subject to criminal penalty as a Class I felony, no person may act in any manner that would give him or her the ability to know or provide information on the results from the ballots before the close of polls on election day; and (g) certain notices must be provided before each election at which the municipality intends to early canvass absentee ballots. The bill specifies that certain actions required to canvass absentee ballots, such as tallying the returns for each office, may not be completed prior to election day.

Joint Finance: Provision not included.

12. CENTRAL COUNTING AT COUNTY SEAT

Governor: Specify that proceedings at each central counting location must be under the direction of the county clerk, or an election official designated by the county clerk, if the central counting location is at the county seat. Under current law, proceedings at a central counting location at the county seat are under the direction of the municipal clerk, or an election official designated by the clerk, unless the municipal clerk delegates the responsibility to supervise the location to the county clerk.

Joint Finance: Provision not included.

13. IN-PERSON ABSENTEE VOTING

Governor: Eliminate the restriction on how soon a person may complete an absentee ballot in person and modify the deadline for submitting an absentee ballot in person to 7:00 pm on the Friday before the election. Under current law, an individual may complete an absentee ballot in person no earlier than 14 days before the election and no later than the Sunday before the election.

Joint Finance: Provision not included.

14. RESIDENCY REQUIREMENT FOR VOTING

Governor: Specify that an otherwise eligible voter must be a resident of Wisconsin and of the municipality where the elector is voting for 10 consecutive days before an election, rather than for 28 days as under current law.

Joint Finance: Provision not included.

15. VOTER BILL OF RIGHTS

Governor: Create a statutory "voter bill of rights" and require that municipal clerks and boards of election commissioners post it at each polling place.

The bill of rights would inform voters that they have the right to: (a) vote if registered and eligible to vote; (b) inspect a sample ballot before voting; (c) cast a ballot if in line when the polling place closes or, if voting by in-person absentee ballot on the last day for which such voting is allowed, when the municipal clerk's office closes; (d) cast a secret ballot; (e) get help casting a ballot if disabled; (f) get help voting in a language other than English as provided by law; (g) get a new ballot, up to three ballots in all, if the voter makes a mistake on the ballot and has not yet cast the ballot; (h) cast a provisional ballot as provided by law; (i) have the voter's ballot counted accurately; (j) vote free from coercion or intimidation; and (k) report any illegal or fraudulent election activity.

Joint Finance: Provision not included.

EMPLOYEE TRUST FUNDS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$112,800	$75,100	$75,100	$0	0.0%	- $37,700	- 33.4%
SEG	99,388,800	102,565,500	101,849,600	- 715,900	- 0.7	2,460,800	2.5
TOTAL	$99,501,600	$102,640,600	$101,924,700	- $715,900	- 0.7%	$2,423,100	2.4%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
SEG	274.20	274.20	275.20	1.00	1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Funding	Jt. Finance (Chg. to Gov) Positions	Net Change Funding	Net Change Positions
SEG	$1,668,700	- 3.00	- $386,200	0.00	$1,282,500	- 3.00

Governor: Provide adjustments to the base totaling $929,600 and -3.0 positions in 2021-22 and $739,100 and -3.0 positions in 2022-23. Adjustments are for: (a) turnover reduction (-$579,500 annually); (b) removal of noncontinuing elements from the base (-$38,000 and -3.0 positions in 2021-22 and -$228,500 and -3.0 positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits ($1,414,700 annually); (d) overtime ($45,600 annually); (e) night and weekend differential pay ($72,300 annually); and (f) full funding of lease and directed moves costs ($14,500 annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce

funding under the turnover reduction standard budget adjustment by $193,100 annually.

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

GPR	- $37,700

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

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

SEG	$741,500

Governor/Joint Finance: Provide $317,300 in 2021-22 and $424,200 in 2022-23 for supplies and services expenses for ongoing operational information technology (IT) costs related to systems modernization. Funding is based on ongoing costs for five recent IT upgrades, less the prior operational expenses for each (totaling $66,500 annually), as follows: (a) software for data extraction, transformation, and loading ($9,500 in 2021-22 and $116,400 in 2022-23); (b) website redesign ($110,900 annually); (c) project and work management software ($69,500 annually); (d) automated call distribution software ($64,100 annually); and (e) appointment scheduling software ($63,300 annually).

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

	Funding	Positions
SEG	$266,500	3.00

Governor: Provide $38,000 in 2021-22 and $228,500 in 2022-23 and 3.0 project positions annually (2.0 trust funds specialists and 1.0 accountant) with an end date of May 1, 2026, to replace project positions that expire in May, 2022. The trust funds specialist project positions would provide support services to employers participating in the health, life, and income continuation insurance programs. The accountant project position would support internal control and data integrity measures to provide accurate and timely financial services.

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

Joint Finance: Specify that the 3.0 positions be permanent positions.

5. CYBERSECURITY [LFB Paper 280]

	Funding	Positions
SEG	$170,300	1.00

Joint Finance: Provide $74,500 in 2021-22 and $95,800 in

2022-23 and 1.0 position annually for cybersecurity.

6. POLICY AND OVERSIGHT OF DISABILITY PROGRAMS

Governor: Create statutory provisions establishing the long-term disability insurance (LTDI) program, which is currently authorized under administrative rule. Transfer oversight authority relating to the income continuation insurance (ICI) program and the LTDI program from the Group Insurance Board (GIB) to the Employee Trust Funds (ETF) Board. Specify that the transfer of oversight for these disability benefit programs would include tangible personal property, contracts, rules, and pending matters primarily related to the income continuation insurance program and long-term disability insurance program, as determined by the Secretary of ETF. Specify that the ETF Board may apportion excess moneys available through operation of the ICI and LTDI programs to reduce premium payments in following contract years or to establish reserves to stabilize costs in subsequent years.

Under current law, the GIB has authority over the ICI program (an optional plan with short- and long-term disability benefits) and the LTDI program, while the ETF Board has authority over the disability annuity program under s. 40.63 of the statutes and the duty disability program. Under the bill, the ETF Board would be responsible for overseeing all disability programs administered by ETF. In addition, under current law, the GIB is required to apportion excess moneys for all group insurance plans to reduce premium payments in following contract years or to establish reserves to stabilize costs in subsequent years. The bill would specify that this requirement regarding program reserves, which is currently applicable to the ICI and LTDI programs as overseen by the GIB, would be permissive rather than mandatory.

Joint Finance: Provision not included.

7. GIFTS AND GRANTS APPROPRIATION

Governor: Create a continuing PR appropriation for gifts and grants to receive all moneys from gifts, grants, and bequests to carry out the purposes for which they are made or received. Specify that a gift, grant, or bequest provided to the appropriation would not be subject to approval by the Joint Committee on Finance under s. 20.907(1) of the statutes.

The statutory provision related to Committee approval specifies that, "Unless otherwise provided by law, all gifts, grants, bequests, and devises to the state or to any state agency for the benefit or advantage of the state, whether made to trustees or otherwise, shall be legal and valid when approved" by the Committee. Because gifts and grants appropriations are provided by law, the proposed authorizing language relating to Committee approval would be redundant and have no legal effect. Under the bill, the appropriation would function in the same manner as gifts and grants appropriations of other agencies. In addition, under current law and under the bill, all state agencies are required to report to the Committee and to the Department of Administration by December 1 of each year regarding expenditures made by the agency during the preceding fiscal year from nonfederal funds received as gifts, grants, bequests, or devises.

Under 2019 Act 9 (the 2019-21 biennial budget act), the Department's appropriation for gifts

and grants, which was not in use, was repealed. The intent of the provision is to recreate the appropriation that previously existed.

Joint Finance: Provision not included.

8. CONSOLIDATE RETIREMENT BOARDS

Governor: Eliminate the nine-member Wisconsin Retirement Board and 13-member Teachers Retirement Board and transfer the duties of the boards to the 13-member ETF Board. Specify that the transfer to the ETF Board would include the transfer of orders, pending matters, contracts, and property associated with the Wisconsin Retirement Board and Teachers Retirement Board.

Specify that membership of the ETF Board include the current two ex officio members (the Governor or the Governor's designee on the GIB and the administrator of the Division of Personnel Management in the Department of Administration or his or her designee), in addition to the following 11 members, elected by the groups specified or appointed by the Governor:

a. Elected Members

- One Wisconsin Retirement System (WRS) participant who is a public school teacher, elected by employees meeting the same criteria;

- One WRS annuitant who retired from covered service, elected by annuitants meeting the same criteria;

- One WRS annuitant who retired from covered service as a public school teacher, elected by annuitants;

- One WRS protective occupation participant or protective occupation annuitant, elected by participants meeting the same criteria;

- One WRS participant who is an educational support personnel employee, elected by employees meeting the same criteria; and

- One public member who is not a WRS participant or beneficiary and who has experience with actuarial analysis, audit functions, or finance relating to employee benefit plans or experience with significant administrative responsibility for a major insurer, elected by participating employees. Specify that it is the intent of the Legislature that this elected member would represent the interests of taxpayers in the state and would not be representative of public employee or employer interests.

b. Appointed Members

- One WRS participant who is a UW System employee or state employee;

- One WRS participant who is an administrator of a public school in the state;

- One WRS participant who is an elected member of a participating local employer's governing body;

- One WRS participant who is an administrator for a participating local unit of government and who is not employed by a public school district; and

- One WRS participant who is a public school teacher in a county that is different from the county of the member who is elected as a public school teacher.

Specify that the members of the ETF Board who are elected or appointed would serve four-year terms and that the current members of the board would continue to serve until the following specified, staggered dates: (a) until April 30, 2022, the UW System teacher appointed by the Teachers Retirement Board and two of the members appointed by the Wisconsin Retirement Board (the member that must be either a state employee or the public member of the board and the member that must be a city or village chief executive or governing board member, a city or village finance officer, a town or county governing board chair or member, a clerk or deputy clerk, or the public member of the board); (b) until April 30, 2023, two of the members appointed by the Teachers Retirement Board (one Milwaukee public school teacher and one local school administrator or school board member); (c) until April 30, 2024, the member appointed by the Wisconsin Retirement Board with no specific membership requirements and the public representative appointed by the Governor; (d) until April 30, 2025, the remaining member appointed by the Teachers Retirement Board (public school teacher or technical college district teacher) and the remaining member appointed by the Wisconsin Retirement Board (an employee of a participating city or village, an employee of a participating local employer other than a city or village, or a state employee); and (e) until April 30, 2026, the annuitant member elected by retired WRS participants and the active WRS participant who is either a technical college or educational support personnel employee elected by employees who meet the same criteria.

Modify the composition of the State of Wisconsin Investment Board to: reduce the number of WRS participants appointed for a six-year term from two to one, to be appointed by the ETF Board rather than each of the two retirement boards; and specify that one member of the Investment Board would be the Secretary of ETF or the Secretary's designee.

Under current law, the Wisconsin Retirement Board and Teachers Retirement Board are advisory boards responsible for approving administrative rules, authorizing benefit payments, hearing appeals of disability determinations, and appointing members to the State of Wisconsin Investment Board. At meetings held in September, 2020, each of the retirement boards recommended merging the boards with the ETF Board.

Joint Finance: Provision not included.

9. OFFICE OF INTERNAL AUDIT

Governor: Create an Office of Internal Audit, administratively attached to ETF, under the direction and supervision of an internal auditor appointed by the ETF Board in the classified service, to provide independent assurance that the public employee trust fund assets under control

of ETF are safeguarded for the purpose of ensuring the fulfillment of benefit commitments. Specify that the internal auditor and any staff appointed by the auditor would report directly to the ETF Board. Further, specify the following responsibilities for the internal auditor: (a) develop and implement policies, principles, and directives for the Office; (b) determine the qualifications of staff for the Office and appoint such staff in the classified service; (c) plan and conduct audit activities, including external audits, risk assessments, research projects, and management reviews under the direction of the ETF Board, in accordance with policies, principles, and directives determined by the Board; and (d) monitor ETF's compliance with applicable legal requirements and contracts entered into by ETF and the ETF Board. Specify that the internal auditor may review any activity, information, or record of ETF that relates to administration of the trust funds. Provide that the individual holding the position of internal auditor in ETF on the day before the effective date of the bill would continue to serve in that position until an internal auditor is appointed by the ETF Board, and that individuals holding positions as staff internal auditors would continue to serve in those positions until staff of the Office of Internal Audit are appointed by the internal auditor, in the manner specified in the bill.

The Department currently has an administrative Office of Internal Audit, which reports functionally and administratively to the Secretary of ETF. The Office is authorized 4.0 classified positions in 2020-21.

Joint Finance: Provision not included.

10. DISTRIBUTION OF TRUST FUND EARNINGS

Governor: Specify that the net gain or loss of the variable retirement investment trust of the WRS be distributed to each participating account in the same ratio as each account's average balance within the trust is out of the total average balance of all participating accounts in the trust. Further, specify that distributions from the market recognition account to each participating account in the core retirement investment trust of the WRS be made in the same ratio as each account's average balance is out of the total average balance of all participating accounts in the trust. Under current law, distributions are required to be made on the basis of the average daily balances of each participating account and the average daily balance of all participating accounts in each of the trusts. The administration indicates that the bill would align statutes with the current practice of calculating a simple average balance using beginning and end-of-year balances.

Joint Finance: Provision not included.

11. HEALTH INSURANCE WAITING PERIOD

Governor: Specify that state employers must pay the employer contribution toward health insurance premiums for an employee other than a limited-term employee beginning on the first day of the second month after the date on which the person begins employment with the state. Under current law, state employers begin paying the employer contribution on the first day of the third month after the date on which the person begins employment. The bill would not modify current law with respect to limited-term employees, requiring that employers begin to contribute

toward health insurance premiums on the first day of the seventh month after the date on which the employee first becomes a WRS participant.

In relation to this provision, compensation reserves provided for the 2021-23 biennium for state employee salaries and fringe benefits assume increases of $2,462,700 GPR in 2021-22 and $2,526,100 GPR in 2022-23 associated with the reduced health insurance waiting period.

Joint Finance: Provision not included.

12. STUDY OF SCHOOL DISTRICT HEALTH INSURANCE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$500,000	- $500,000	$0

Governor: Create a biennial appropriation for a study of mandatory participation by school districts in a group health insurance plan offered by the GIB. Provide expenditure authority of $500,000 in 2021-22 to the newly-created appropriation. Specify that the source of funding for the appropriation would be moneys credited to the public employee trust fund administrative account under s. 40.04(2) of the statutes. The public employee trust fund administrative account is funded from: charges allocated to employers that participate in ETF programs based on the cost to administer those programs; and associated investment income.

Require the GIB, in consultation with the actuary that performs actuarial services for the group health program, to conduct a study of the potential costs and savings to school districts and current plan participants if all school districts were required to participate in a group health insurance plan offered by the GIB. Further, require the GIB to submit a written report of the study to the Governor and the Joint Committee on Finance no later than June 30, 2022. Require the Commissioner of Insurance to establish a committee called the "School District Group Health Insurance Task Force" consisting of the following members appointed by the Governor: (a) one representative from the Office of the Commissioner of Insurance, who would serve as the chairperson; (b) one representative from the Department of Administration; (c) one representative from the Department of Public Instruction; (d) one representative from ETF; (e) one administrator of a school district; (f) one member of a school board; (g) one official of a public employee union; (h) three employees of public schools; and (i) one representative of a health plan. Require the Commissioner of Insurance and the Secretary of ETF to develop an implementation plan based on consultation with the task force and review of the actuarial report which, if enacted, would require all school districts to participate in a group health insurance program offered by the GIB by January 1, 2024. Require the Commissioner of Insurance and the Secretary of ETF to submit the implementation plan to the Governor and the Joint Committee on Finance by December 31, 2022.

Under current law, a local public employer may offer to its employees a health plan offered by the GIB. If a local employer participates in a GIB health plan, the employer may not pay more than 88% of the average premium cost of plans offered. A local employer may determine the amount, if any, it chooses to contribute to employee health savings accounts (HSA). An HSA may

be established for funding health care expenses for an individual if the individual participates in a high-deductible health plan (HDHP). Alternatively, a local employer may establish its own health plan for employees through a fully-insured arrangement with an insurer or by self-insuring for health care costs. If a local employer provides health care coverage separately from the GIB-offered plans, the employer may determine how much it contributes towards the cost of health plan premiums. An employer could also choose to make contributions to HSAs for employees participating in an HDHP offered by GIB. Under 2017 Act 59 (the 2017-19 biennial budget act), school districts were required to report annually to the Department of Administration regarding employee health care, including health care plan design, premium contributions, self-insurance contributions, deductibles, copayments, coinsurance, and other methods by which employees contribute to health care costs. As of January 1, 2021, seven of 421 school districts (less than 2%) participate in a group health plan offered by the GIB.

Joint Finance: Provision not included.

13. DOMESTIC PARTNER BENEFITS ADMINISTERED BY ETF

Governor: Specify that, under Chapter 40 of the statutes (Public Employee Trust Fund), a WRS participant may register a domestic partnership with ETF, defined as a relationship between two individuals that satisfies all of the following: (a) each individual is at least 18 years old and otherwise competent to enter into a contract; (b) neither is married to, or in a domestic partnership with, another individual; (c) they are not biologically more closely related than would be allowed by law in the case of marriage; (d) they consider themselves to be members of each other's immediate family; (e) they agree to be responsible for each other's basic living expenses; and (f) they share a common residence. [Domestic partnerships are not defined in terms of the gender or sex of the partners and may, therefore, be between members of the opposite sex or members of the same sex.] Repeal the statutory provision excluding domestic partners from the standard sequence for deferred compensation survivorship benefits. Repeal statutory provisions excluding domestic partners and children of domestic partners from health insurance coverage; duty disability benefits; and domestic relations orders issued by a court assigning all or part of a participant's accumulated assets held in a deferred compensation plan to a domestic partner or former domestic partner to satisfy a family support obligation. Specify that the provisions relating to the standard sequence for deferred compensation survivorship benefits and the treatment of duty disability death benefits would first apply to a surviving domestic partner of a participant who dies on July 1, 2021, or the effective date of the bill, whichever is later.

Under 2017 Act 59, Chapter 40 domestic partnership registrations were closed to new applications, effective September 23, 2017, and the following Chapter 40 benefits that had been extended to domestic partners were discontinued: health insurance coverage for domestic partners and their dependent children (health insurance coverage was continued for domestic partner survivors of employees or retirees whose date of death occurred prior to January 1, 2018); inclusion in the standard sequence for deferred compensation survivorship benefits; authority for a court to issue a domestic relations order assigning all or part of a participant's accumulated assets held in a deferred compensation plan to a domestic partner or former domestic partner to satisfy a family support obligation; option to purchase long-term care insurance policies through the GIB; and duty

disability survivorship benefits (unless the date of the disability occurred prior to January 1, 2018).

Joint Finance: Provision not included.

14. REHIRED ANNUITANT TEACHERS

Governor: Specify that the requirement to suspend an annuity and become an active participant in the WRS would not apply to an annuitant who is a teacher if the following conditions are met: (a) at the time the person terminates employment with a school district, the person does not have an agreement with any school district that is a participating WRS employer to return to employment as a teacher or enter into a contract to provide employee services as a teacher; and (b) the person elects on a form provided by ETF to not become a participating WRS employee. Specify that the current break-in-service requirement of 75 days would not apply to a participant who is a teacher if at least 15 days have elapsed between the termination of employment and becoming a teacher as an employee or contractor. Further, specify that the provisions relating to rehired annuitant teachers would apply prospectively to participants who terminate employment on or after the effective date of the bill.

Under current law, any WRS participant (including a teacher) who retires on or after July 2, 2013, must suspend their annuity and become a participating WRS employee if they are employed in covered employment, or enter into a contract with a WRS employer, and are expected to work at least two-thirds of what is considered full-time employment by ETF. Also under current law, any WRS participant who retires on or after July 2, 2013, has a break-in-service requirement of 75 days between termination of employment and becoming a participating employee with a WRS employer. This separation from WRS employment must occur for an individual who applied for an annuity or lump sum payment to continue to qualify for an annuity or to retain the lump sum payment.

Joint Finance: Provision not included.

EMPLOYMENT RELATIONS COMMISSION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,840,400	$2,635,500	$1,714,800	- $920,700	- 34.9%	- $125,600	- 6.8%
PR	291,200	291,200	291,200	0	0.0	0	0.0
TOTAL	$2,131,600	$2,926,700	$2,006,000	- $920,700	- 31.5%	- $125,600	- 5.9%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
GPR	6.00	9.00	6.00	- 3.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $20,000

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

2. RETIREMENT OF STAFF

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$67,400	- $67,400	$0

Governor: Provide $33,700 annually for salary and fringe benefit expenses associated with the planned retirement of a staff attorney. The Commission is authorized 6.0 positions, of which 3.0 are classified as attorneys. The Commission anticipates the continuation of the employee's

payroll through December, 2021. In addition, the Commission "may require employment of two junior attorneys" to maintain the workload currently performed by the experienced retiring attorney.

Joint Finance: Provision not included.

3. COLLECTIVE BARGAINING MODIFICATIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$491,800	2.00	- $491,800	- 2.00	$0	0.00

Governor: Provide $212,200 in 2021-22 and $279,600 in 2022-23 and 2.0 positions annually to implement expanded collective bargaining rights for state and local government employees. Funding would be for: (a) permanent position salaries, $150,000 in 2021-22 and $200,000 in 2022-23; (b) fringe benefits, $52,200 in 2021-22 and $69,600 in 2022-23; and (c) supplies and services, $10,000 annually.

Frontline Workers. Define "frontline worker" to mean an employee who the Commission finds has regular job duties that: (a) include interacting with members of the public or with large populations of people; or (b) directly involve the maintenance of public works.

Specify that municipal frontline workers, and municipal employees in a collective bargaining unit that contains a frontline worker, may collectively bargain over wages, hours, and conditions of employment. The bill would amend statutory provisions relating to methods for peaceful settlement of disputes currently applicable to municipal transit employees (mediation, grievance arbitration, voluntary impasse resolution, and interest arbitration) to include collective bargaining units containing frontline workers. Under current law, only municipal public safety employees and certain municipal transit employees are able to collectively bargain over wages, hours, and conditions of employment.

Specify that state frontline workers, and state employees in a collective bargaining unit that contains a frontline worker, may collectively bargain over the following matters to the point of impasse: (a) wage rates, the assignment and reassignment of classifications to pay ranges, determination of an incumbent's pay status resulting from position reallocation or reclassification, and pay adjustments upon temporary assignment of classified employees to duties of a higher classification or downward reallocations of a classified employee's position; (b) fringe benefits consistent with prohibited subjects of bargaining; (c) hours; and (d) conditions of employment. Under current law, only state public safety employees are able to collectively bargain to the point of impasse over (a), (b), (c) and (d). [Statutes regarding settlement of state employee disputes under grievance arbitration and mediation generally reference collective bargaining agreement disputes and labor disputes. These statutes would apply to collective bargaining units containing frontline workers.]

Provide that the Commission may place frontline workers in a collective bargaining unit with employees who are not frontline workers if the Commission determines it is appropriate. Specify that, if the Commission places frontline workers in a collective bargaining unit with employees who are not frontline workers, the collective bargaining unit would be treated as if all employees in the unit are frontline workers. Under the bill, the Commission may not determine that a public safety employee or municipal transit employee is a frontline worker, may not place public safety employees in a collective bargaining unit with employees who are not public safety employees, and may not place municipal transit employees in a collective bargaining unit with employees who are not municipal transit employees.

Pension Contributions. Under the bill, state and municipal employees in collective bargaining units containing frontline workers could bargain over the employer "pickup" of employee-required pension contributions. Under current law and under the bill, state and municipal employers are prohibited from paying employee-required retirement contributions on behalf of a public safety employee if the employee first becomes an employee of the state or municipality on or after July 1, 2011. The bill does not amend these prohibitions or create similar language that would apply to collective bargaining units containing frontline workers.

Health Care Coverage. Under the bill, state employees in collective bargaining units containing frontline workers could bargain over fringe benefits, consistent with prohibited subjects of bargaining. Under current law and under the bill, state public safety employees have the right to collectively bargain over fringe benefits such as health insurance. Also under the bill, municipal employees in collective bargaining units containing frontline workers could bargain over fringe benefits, including health insurance premiums, other costs, and the design and selection of health care coverage plans, except that municipal employers that participate in a health plan offered by the Group Insurance Board would be prohibited from paying more than 88% of health insurance premiums. Under current law and under the bill, municipal public safety employees have the right to collectively bargain over health insurance premiums, but are prohibited from collectively bargaining over other costs and payments associated with health care coverage plans and the design and selection of health care coverage plans.

Union Dues Provisions. Amend the definition of "fair-share agreement" for municipal employment relations to include an agreement between a municipal employer and a labor organization that represents a frontline worker, which would require all or any of the employees in the collective bargaining unit containing a frontline worker to pay their proportionate share of the cost of the collective bargaining process and contract administration measured by the amount of dues uniformly required of all members. Under current law, the definition of "fair-share agreement" only applies to such agreements between a municipal employer and a labor organization that represents public safety or transit employees.

Amend the definition of "fair-share agreement" for state employment relations to include an agreement between a state employer and a labor organization that represents a frontline worker, which would require all of the employees in the collective bargaining unit containing a frontline worker to pay their proportionate share of the cost of the collective bargaining process and contract administration measured by the amount of dues uniformly required of all members. Amend the definition of "maintenance of membership agreement" for state employment relations to include

an agreement between a state employer and a labor organization that represents a frontline worker, which would require all of the employees in the collective bargaining unit containing a frontline worker whose dues were being deducted from earnings at the time the agreement took effect to continue to have dues deducted for the duration of the agreement, and which would also require that dues will be deducted from the earnings of all such employees who are hired on or after the effective date of the agreement. Under current law, the definitions of "fair-share agreement" and "maintenance of membership agreement" only apply to such agreements between a state employer and a labor organization that represents public safety employees.

Election of Representatives. Specify that the representative for any collective bargaining unit containing state or municipal employees must be chosen by a vote constituting the majority of the employees who are voting in the election. Under current law, the representative of a collective bargaining unit that does not contain public safety or municipal transit employees must be chosen by a vote constituting at least 51% of the total membership of the unit. The bill would extend the standard that currently applies to electing representatives for collective bargaining units that contain public safety or municipal transit employees to all state and municipal collective bargaining units, regardless of the types of employees represented.

Annual Certification. Repeal the requirement that the Commission conduct an annual election to certify the representative of each collective bargaining unit that contains state or municipal employees who are not public safety or municipal transit employees.

Right to Consultation. Provide that general state and municipal employees who are not in a collective bargaining unit containing a frontline worker have the right to have their employer consult with them, through a representative of their own choosing, with no intention of reaching an agreement, with respect to wages, hours, and conditions of employment. Specify that the right to be consulted may be exercised when the employer proposes or implements policy changes affecting wages, hours, or conditions of employment or, if no changes are proposed or implemented, at least quarterly.

State Employers. For the purposes of state employment labor relations, define "employer" to mean the State of Wisconsin, including an authority, and define "authority" to mean: the Wisconsin Aerospace Authority, Health and Educational Facilities Authority, Bradley Center Sports and Entertainment Corporation, UW Hospitals and Clinics Authority, Wisconsin Housing and Economic Development Authority, Fox River Navigational System Authority, Wisconsin Economic Development Corporation, or Lower Fox River Remediation Authority. Under the bill, employees of these entities would have the same collective bargaining rights as employees of state agencies.

Under current law and under the bill, responsibility for state employer functions is assigned to the Department of Administration's Division of Personnel Management for all collective bargaining units other than those of the UW System and the charter school established by UW-Parkside. The Board of Regents of the UW System and the Chancellor of UW-Madison are responsible for state employer functions relating to UW System and UW-Madison employee collective bargaining units. The governing board of the charter school established by UW-Parkside is responsible for state employer functions relating to the collective bargaining unit containing

instructional staff employed by the Board of Regents of the UW System who provide services for the charter school.

Miscellaneous Provisions. Provide that a collective bargaining agreement may modify, waive, or replace any of the provisions of s. 118.22 of the statutes relating to renewal of teacher contracts as they apply to teachers in the collective bargaining unit, but neither the employer nor the bargaining agent for the employees would be required to bargain such modification, waiver, or replacement. Require that, if a school board wishes to increase the total base wages of its general municipal employees (those that are not in a collective bargaining unit containing a frontline worker) by a greater percentage than the change in the consumer price index, it must adopt a resolution to that effect, and the resolution may not take effect unless it is approved in a referendum called for that purpose. Specify that actions taken under statutory provisions relating to State Superintendent interventions in low-performing school districts and schools must be consistent with applicable collective bargaining agreements. Specify that the responsibility of a school board of a common or union high school district to establish rules scheduling the hours of a normal school day does not eliminate a school district's duty to bargain with its employees' collective bargaining representative over any calendaring proposal which is primarily related to wages, hours, or conditions of employment. Modify school district annual reporting requirements regarding payroll and related benefit costs to reflect the right of employees to collectively bargain.

Require a long-term care district, with respect to a newly-hired employee, to abide by the terms of a collective bargaining agreement between a county and a collective bargaining unit that is in effect and covers an individual on the date the individual begins employment with the district until the agreement expires or until adoption of a collective bargaining agreement with the district that covers the individual, whichever occurs first, if: (a) the county that previously employed the individual had participated in creating the district; (b) at the time of the offer, the county had not withdrawn or been removed from the district; and (c) the individual while employed by the county performed duties relating to the same or a substantially similar function for which the individual is offered employment by the district.

Initial Applicability. For employees who are covered by a collective bargaining agreement that contains provisions inconsistent with the provisions of the bill, those bill provisions would first apply on the day on which the agreement expires or is terminated, extended, modified, or renewed, whichever occurs first.

Joint Finance: Provision not included.

4. LOCAL GOVERNMENT EMPLOYEE GRIEVANCE PROCEDURE MODIFICATIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$255,900	1.00	- $255,900	- 1.00	$0	0.00

Governor: Provide $111,100 in 2021-22 and $144,800 in 2022-23 and 1.0 position annually to serve as an impartial hearing officer under modified grievance procedures for local government employees. Funding would be for: (a) permanent position salaries, $75,000 in 2021-22 and $100,000 in 2022-23; (b) fringe benefits, $26,100 in 2021-22 and $34,800 in 2022-23; and (c) supplies and services, $10,000 annually.

Require that any civil service system that is established under any provision of law, and any grievance procedure established between June 30, 2011, and October 1, 2011, must contain: (a) a grievance procedure that addresses employee terminations, employee discipline, and workplace safety; and (b) a just cause standard of review for employee terminations, including a refusal to renew a teaching contract with a teacher employed by a school board, technical college district board, cooperative educational service agency board, or county children with disabilities education board.

Require that any grievance procedure created by a local governmental unit between June 30, 2011, and October 1, 2011, must contain a provision indicating that the grievant is entitled to representation throughout the grievance process, and a provision indicating that the employer must pay all fees and costs associated with the grievance process, except for fees and costs for representation. Specify that, with regard to the current requirement that a grievance procedure include a hearing before an impartial hearing officer, the hearing officer must be from the Employment Relations Commission.

Under current law, in provisions that are codified in general municipality law pursuant to 2011 Act 10, statute requires a local governmental unit (a political subdivision of the state, a special purpose district in the state, an agency or corporation, of a political subdivision or special purpose district, or a combination or subunit of any of the foregoing) that did not have a civil service system on June 29, 2011, to establish a grievance system no later than October 1, 2011. To comply with the required grievance system, a local governmental unit could establish either: (1) a civil service system under any provision authorized by law, to the greatest extent practicable, if no specific provision for the creation of a civil service system applies to that local governmental unit; or (2) a grievance procedure. Any civil service system that is established under any provision of law, and any grievance procedure that is created under the above provisions, must contain at least all of the following provisions: (a) a grievance procedure that addresses employee terminations; (b) employee discipline; and (c) workplace safety. Statute does not specify that a just cause standard of review be applied to employee terminations. If a local governmental unit creates a grievance procedure under these provisions, the procedure must contain at least all of the following elements: a written document specifying the process that a grievant and an employer must follow; a hearing before an impartial hearing officer; and an appeal process in which the highest level of appeal is the governing body of the local governmental unit.

Joint Finance: Provision not included.

5. GENERAL PROGRAM OPERATIONS REDUCTION

GPR	- $105,600

Joint Finance: Reduce the Commission's general program operations appropriation by $52,800 annually.

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$18,996,200	$55,526,100	$14,967,200	- $40,558,900	- 73.0%	- $4,029,000	- 21.2%
SEG	16,000,000	15,000,000	15,000,000	0	0.0	- 1,000,000	- 6.3
TOTAL	$34,996,200	$70,526,100	$29,967,200	- $40,558,900	- 57.5%	- $5,029,000	- 14.4%
BR		$385,000,000	$24,700,000				

FTE Position Summary

Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.

Budget Change Items

1. LEAD SERVICE LINE REPLACEMENT [LFB Paper 290]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$40,000,000	- $40,000,000	$0

Governor: Provide $40,000,000 in 2021-22 in a new continuing appropriation in the safe drinking water loan program of the Environmental Improvement Fund (EIF) to allocate to projects involving forgivable loans (grants) to cover up to 50% of the cost of replacing private lead service lines connected to public water systems. Create a legislative finding and determination that the prevalence of lead service lines in connection to public water systems poses a public health hazard and that processes for reducing lead entering drinking water from such pipes requires additional treatment of wastewater. Further, declare it is in the public interest, and the public policy of the state, to assist private users of public water systems in replacing lead service lines.

Water service lines, also known as laterals, connect a building to the water mains in the

street, and carry drinking water from the public water system to the individual building. Water services lines were often constructed with lead as late as the 1980s in some areas. Lead in water service lines can leach into drinking water and damage the health of people drinking the water. In general, maintenance or replacement of the portion of the lateral that extends from the water main to the curb stop is the responsibility of the public water system, and the remaining portion of the lateral that extends from the curb stop to the building is the responsibility of the property owner.

The current safe drinking water loan program provides financial assistance to local governments that own public water systems or to the private owner of a community water system that serves a local government. The current program does not provide financial assistance to private users of public water systems.

In 2016-17 and 2017-18, the safe drinking water loan program awarded principal forgiveness loans (grants) totaling $26,857,900 for 42 municipalities to replace private lead service lines. Further, the Water Infrastructure Financing Transfer Act (WIFTA) authorizes the state to transfer up to $63.8 million from the clean water fund to the safe drinking water loan program to provide principal forgiveness for projects to replace private lead service lines beginning in 2021-22. However, both initiatives were funded by federal grants to the state. Both programs require that lead service line replacements occur only where public lead water mains have been replaced in the past or are to be replaced at the same time as private lead service lines.

Joint Finance: Provision not included.

2. REVENUE BONDING AUTHORITY [LFB Paper 291]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$385,000,000	- $360,300,000	$24,700,000

Governor: Increase revenue obligation bonding authority by $385,000,000 for the clean water fund and safe drinking water loan program within the EIF. The clean water fund program provides low-interest loans to municipalities for planning, designing, constructing or replacing a wastewater treatment facility, or for nonpoint source pollution abatement or urban storm water runoff control projects. The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction, or modification of public water systems.

State revenue obligation bonds are issued to pay a required minimum 20% state match to the federal capitalization grant for each program. Debt service payments are made from loan repayments. Under current law, the program is authorized to issue up to $2,526,700,000 in revenue obligation bonds. The bill would increase that amount to $2,911,700,000. In the EIF biennial finance plan published in late 2020, the Departments of Administration (DOA) and Natural Resources (DNR) indicated this level of bonding would be required to support capitalization grant matches and other financial assistance estimated for project applications through the next three state fiscal years (through June 30, 2024).

Joint Finance: Increase the revenue obligation bonding authority for the environmental improvement fund by $24,700,000, rather than $385,000,000 as proposed by the Governor. Authorization would increase from $2,526,700,000 to $2,551,400,000. Amounts are intended to support state matches on federal capitalization grants anticipated in the 2021-23 biennium.

3. ELIMINATE LAND RECYCLING LOAN PROGRAM

Governor: Repeal authorization for the land recycling loan program (LRLP) in the EIF, and remove statutory references to the program. Revert remaining funding to the clean water fund program.

The LRLP was created within the clean water fund by 1997 Wisconsin Act 27 to provide financial assistance to local governments for the investigation and remediation of contamination at sites or facilities owned by the local government if the contamination has affected, or threatens to affect, groundwater or surface water. The program was funded with up to $20 million from clean water fund loan repayments. No financial assistance agreements have been entered into since 2008. The program made $13.5 million in financial assistance disbursements and made a $6.2 million loan to the dry cleaner environmental response program. $299,657 remains available for the LRLP.

Joint Finance: Provision not included.

4. DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $3,470,100	- $558,900	- $4,029,000
SEG	- 1,000,000	0	- 1,000,000
Total	- $4,470,100	- $558,900	- $5,029,000

Governor: Reestimate GPR general obligation debt service by -$852,600 in 2021-22 and -$3,617,500 in 2022-23. This includes adjustments of: (a) -$968,700 in 2021-22 and -$2,141,900 in 2022-23 for the clean water fund; and (b) $116,100 in 2021-22 and -$475,600 in 2022-23 for the safe drinking water loan program.

In addition, delete $1,000,000 EIF SEG in 2022-23 from the annual appropriation for clean water fund debt service. Annual clean water fund SEG debt service would be $8,000,000 in 2021-22 and $7,000,000 beginning in 2022-23.

Environmental Improvement Fund Debt Service -- Governor

		2021-22		2022-23	
	Base	Change to Base	Total	Change to Base	Total
Clean Water Fund					
GPR	$5,214,200	-$968,700	$4,245,500	-$2,141,900	$3,072,300
SEG	8,000,000	0	8,000,000	-1,000,000	7,000,000
Subtotal	$13,214,200	-$968,700	$12,245,500	-$3,141,900	$10,072,300
Safe Drinking Water Loan Program					
GPR	$4,283,900	$116,100	$4,400,000	-$475,600	$3,808,300
Total	$17,498,100	-$852,600	$16,645,500	-$3,617,500	$13,880,600

Joint Finance: Reestimate GPR general obligation debt service in AB 68/SB 111 by -$216,600 in 2021-22 and -$342,300 in 2022-23. This includes adjustments of -$221,400 in 2021-22 and -$314,700 in 2022-23 for clean water fund debt service and $4,800 in 2021-22 and -$27,600 in 2022-23 for safe drinking water loan program debt service. Retain the deletion of $1,000,000 EIF SEG in 2022-23 for clean water fund debt service.

Environmental Improvement Fund Debt Service -- Joint Finance

		2021-22			2022-23		
	Base	Change to Base	Change to Bill	Total	Change to Base	Change to Bill	Total
Clean Water Fund							
GPR	$5,214,200	-$1,190,100	-$221,400	$4,024,100	-$2,456,600	-$314,700	$2,757,600
SEG	8,000,000	0	0	8,000,000	-1,000,000	0	7,000,000
Subtotal	$13,214,200	-$1,190,100	-$221,400	$12,024,100	-$3,456,600	-$314,700	$9,757,600
Safe Drinking Water Loan Program							
GPR	$4,283,900	$120,900	$4,800	$4,404,800	-$503,200	-$27,600	$3,780,700
Total	$17,498,100	-$1,069,200	-$216,600	$16,428,900	-$3,959,800	-$342,300	$13,538,300

5. LOAN PROGRAM APPLICATION CHANGES

Governor: Repeal the requirement that a municipality or other applicant submit a notice of intent to apply for clean water fund or safe drinking water loan program financial assistance at least six months prior to the beginning of the fiscal year in which financial assistance will be sought.

Additionally, under the safe drinking water loan program, delete the requirement that applications for safe drinking water financial assistance must be submitted by June 30 for financial assistance to be awarded in the succeeding fiscal year. Instead, require DNR to establish application submittal instructions at least annually and provide them to prospective applicants, as

well as provide any application deadlines that the Department may impose.

Repeal the requirement that a municipality submit an engineering report before receiving safe drinking water financial assistance. Instead, provide DNR discretion over engineering reporting requirements. Specify if an engineering report is required by DNR, it must be submitted no later than when the applicant submits a financial assistance application.

Repeal the requirement that DOA release safe drinking water financial assistance allocated to a project if the applicant has not closed the loan by the June 30 following the year in which the award was made.

Under current law, most applications for clean water fund financial assistance may be submitted on a continuing basis, while applications for safe drinking water financial assistance must be submitted by June 30 in the fiscal year prior to when financial assistance is sought. The bill would eliminate the safe drinking water loan application date and allow the program application period to function similarly to the clean water fund. DNR reports the provisions are intended to more closely align the application process for both programs and remove inconsistencies in how the programs are structured.

Joint Finance: Provision not included.

ETHICS COMMISSION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,850,000	$1,912,400	$1,985,600	$73,200	3.8%	$135,600	7.3%
PR	1,051,200	1,254,000	1,031,400	- 222,600	- 17.8	- 19,800	- 1.9
TOTAL	$2,901,200	$3,166,400	$3,017,000	- $149,400	- 4.7%	$115,800	4.0%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
GPR	4.55	4.55	4.70	0.15	0.15
PR	3.45	4.45	3.30	- 1.15	- 0.15
TOTAL	8.00	9.00	8.00	- 1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	$62,400
PR	- 24,800
Total	$37,600

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

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

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$0	0.00	$73,200	0.15	$73,200	0.15
PR	227,600	1.00	- 222,600	- 1.15	5,000	- 0.15
Total	$227,600	1.00	- $149,400	- 1.00	$78,200	0.00
PR-REV	$263,800		- $241,100		$22,700	

Governor: Provide to the lobbying administration appropriation: $97,600 PR in 2021-22 and $130,000 PR in 2022-23 for salary and fringe benefits; and 1.0 PR unclassified position annually to serve as a deputy administrator. The source of funding for the appropriation is lobbying fees. The Commission indicates that the deputy administrator would process complaints, conduct research and analysis, prepare recommendations for the Commission, and assist with the supervision of agency staff. Under current law, the Ethics Commission may employ an administrator and an assistant administrator in the unclassified service. However, the agency is currently only provided authority of 1.0 unclassified position for the administrator.

Specify the following modifications to lobbying fees: (a) a one-time surcharge of $55 on principal registration and lobbyist authorization fees accrued for the 2021-22 legislative session; and (b) a principal registration and lobbyist authorization fee increase of $55 per legislative session starting in 2023-24. Under current law, the Commission charges $375 per session for principal registration and $125 for lobbyist authorization. Under the bill, fees would be increased to $430 for principal registration and $180 for lobbyist authorization. These fees were last modified in 1995.

Joint Finance: Provision not included. Instead, provide $63,400 GPR and $34,200 PR in 2021-22, $84,500 GPR and $45,500 PR in 2022-23, and 1.0 unclassified position annually (0.65 GPR and 0.35 PR) to serve as a deputy administrator. Delete 1.0 classified ethics specialist position (0.5 GPR and 0.5 PR), effective October 1, 2021. Reduce expenditure authority associated with the deleted position by $32,000 GPR and $32,000 PR in 2021-22 and $42,700 GPR and $42,700 PR in 2022-23. Increase the principal registration fee from $375 to $385 and increase the lobbyist authorization fee from $125 to $135, beginning in the 2023-24 legislative session.

FINANCIAL INSTITUTIONS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$2,000,000	$0	- $2,000,000	- 100.0%	$0	0.0%
PR	39,019,400	40,908,900	37,112,600	- 3,796,300	- 9.3	- 1,906,800	- 4.9
SEG	1,626,800	1,974,200	1,974,200	0	0.0	347,400	21.4
TOTAL	$40,646,200	$44,883,100	$39,086,800	- $5,796,300	- 12.9%	- $1,559,400	- 3.8%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
PR	138.54	142.04	138.54	- 3.50	0.00
SEG	3.00	3.00	3.00	0.00	0.00
TOTAL	141.54	145.04	141.54	- 3.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $1,238,600	- $221,000	- $1,459,600
SEG	347,400	0	347,400
Total	- $891,200	- $221,000	- $1,112,200

Governor: Provide adjustments to the base totaling -$445,600 annually associated with: (a) turnover reduction (-$290,900 PR annually); (b) full funding of continuing position salaries and fringe benefits (-$307,200 PR annually and $145,100 SEG annually); and (c) full funding of lease and directed move costs (-$21,200 PR annually and $28,600 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce

funding under the turnover reduction standard budget adjustment by -$110,500 PR annually.

2. SMALL BUSINESS RETIREMENT SAVINGS PROGRAM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$2,000,000	0.00	- $2,000,000	0.00	$0	0.00
PR	144,200	1.00	- 144,200	- 1.00	0	0.00
Total	$2,144,200	1.00	- $2,144,200	- 1.00	$0	0.00

Governor: Provide $2,000,000 GPR and $63,200 PR in 2021-22 and $81,000 PR in 2022-23 and 1.0 PR position annually to establish and administer the Small Business Retirement Savings Program for certain privately-employed individuals who are not offered an employer-sponsored retirement plan. Funding would be used for: (a) start-up costs modeled on similar programs in other states ($2,000,000 GPR in 2021-22); (b) position salaries and fringe benefits ($53,200 PR in 2021-22 and $71,000 PR in 2022-23); and (c) supplies and services ($10,000 PR annually). The position would be used to staff the Small Business Retirement Savings Board. This recommendation is related to the final report of the Governor's Task Force on Retirement Security.

a. Small Business Retirement Savings Program - General. Establish a Small Business Retirement Savings Program, a GPR general program operations appropriation, and a PR program operations appropriation for all moneys received for the program. In addition, add the Small Business Retirement Savings Program to the list of moneys received by the Department exempt from the general program operations appropriation annual lapse to the general fund.

b. Small Business Retirement Savings Board. Create a Small Business Retirement Savings Board to establish and oversee the Small Business Retirement Savings Program. Specify that the Board consist of nine members: (a) the State Treasurer (or his or her designee); (b) the Secretary of Financial Institutions (or his or her designee); (c) one member who has favorable reputation for skill, knowledge, and experience in the field of retirement savings and investments, appointed by the Governor; (d) one member who has a favorable reputation for skill, knowledge, and experience relating to small business, appointed by the Governor; (e) one member who is a representative of an association representing employees or who has a favorable reputation for skill, knowledge, and experience in the interests of employees in retirement saving, appointed by the Speaker of the Assembly; (f) one member who has a favorable reputation for skill knowledge, and experience in the interests of employers in retirement saving, appointed by the President of the Senate; (g) one member who has a favorable reputation for skill, knowledge, and experience in retirement investment products or plan designs, appointed by the State Treasurer; (h) one member appointed by the State of Wisconsin Investment Board (SWIB); and (i) one member appointed by a majority vote of the other eight members. All members listed (c) through (i) are appointed for four-year terms, however, the initial terms of the two Governor-appointed members, the President of the Senate-appointed member, and the SWIB-appointed member expire on May 1, 2023.

Modify statutory language to include the Small Business Retirement Savings Board in the

list of entities exempt from statutory contractual services determinations, and to expand purchasing powers to allow the Board to enter into vendor contracts. Specify that the Board may: (a) create or impose any requirement or condition not inconsistent with the requirements of the program that the Board considers necessary for the effective functioning and widespread utilization of the program; (b) enter into contracts or other arrangements for necessary services; (c) promulgate rules; and (d) exercise any other powers necessary to establish, oversee, or otherwise carryout the purposes of the program. Require DFI to provide assistance to the Board, including staff, equipment, and office space.

Specify that the Board must solicit competitive sealed proposals, then select and contract with a vendor to provide investment, accounting and record keeping, and any other professional services considered necessary by the Board to administering the program. The Board must design the program to: (a) allow eligible employees to contribute to their accounts through payroll deductions and require participating employers to withhold employee wages, through payroll deductions, employees' account contributions, and remit those contributions directly to the investment administrator; (b) allow the investment administrator to pool accounts as the trustee of account contributions and earnings; (c) limit the investment advisor fee to a fixed monthly amount approved by the Board and keep the administrative costs of the program low; (d) not require a minimum account balance, if the employee makes contributions each pay period; (e) allow account consolidation and rollover; and (f) allow an account owner to continue the account after separating from employment with a participating employer, if the account owner has a positive balance.

c. Employer Participation and Responsibilities. Specify that a private employer may participate in the program if: (a) the employer does not offer a retirement savings plan to all employees; (b) the employer provides notice to the Board and certifies that the employer has 50 or fewer employees; and (c) the employer has at least one Wisconsin resident employee. After electing to participate, the employer must provide notice to each eligible employee of the right to decline participation in the program, and must enroll eligible employees in the program, unless an employee declined to participate.

d. Employee Enrollment and Contribution Options. Specify that the program must allow enrolled eligible employees the option to make contributions to a Roth IRA account, or any other investment account type, if other account types are offered. Within each account type, the program must provide at least five investment options, including: (a) a stable value or capital preservation fund; (b) an automatically rebalanced target date index or age-based fund; and (c) low-costs funds focused on income generation, asset growth, and balancing risk and return. The investment administrator must offer each enrolled eligible employee a tool to identify risk tolerance and projected retirement date, as an aid to the employee, prior to selecting investment account(s). The program requires the first $1,000 of an enrolled eligible employee's contributions to be deposited in a stable value or capital preservation fund, and thereafter, contributions must be deposited into a target date index or age-based fund, unless the employee selects a different investment option. In addition, during the employee's first year of enrollment, the employer must deduct five percent of the employee's gross wages each pay period, increasing by one percent per year until a maximum rate of 10 percent is reached, unless the employee directs otherwise (no rate may be less than one percent). The payroll deduction is remitted to the investment administrator as the employee's account contribution.

e Recordkeeping. Specify that the Board must establish recordkeeping requirements (including the nature and extent of the services and performance metrics for measuring compliance) for the investment administrator, and require the maintenance of separate records and accounting for each account.

f. Abandoned Accounts. Specify that an account is considered abandoned if: (a) there has been no account activity for at least six months and the account balance is less than $250; or (b) there has been no account activity for at least two years. The investment administrator must close abandoned accounts and disburse the account balance to the individual who established the account.

g. Definitions. For the purpose of the Small Business Retirement Savings Program, create statutory language to define "account," "Board," "eligible employee," "investment administrator," "participating employer," and "Roth IRA."

Joint Finance: Provision not included.

3. ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) SAVINGS ACCOUNT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$400,000	- $400,000	$0

Governor: Provide $200,000 annually to implement and administer a qualified Achieving a Better Life Experience (ABLE) savings account program under section 529A of the Internal Revenue Code for qualified expenses incurred by individuals with disabilities. Currently, the Department administers two section 529 college savings plans for Wisconsin residents: Edvest and Tomorrow's Scholar.

Under current federal law, states may create a qualified ABLE program, which provides tax-exempt savings accounts, used for qualified disability expenses (including education, housing, and transportation costs). In addition, state law allows a deduction for an eligible contribution deposited into an ABLE account of any state. Wisconsin currently does not operate its own ABLE program, but allows state residents to make contributions to the ABLE programs of other states.

Require the Department to implement and administer an ABLE program, either directly or by entering into a formal or informal agreement with another state, or with an entity representing an alliance of states, for the residents of Wisconsin. The Department would be required to review ABLE state partnership programs offered by other states and determine the best option for Wisconsin residents (either implementing a program directly, or entering into an agreement for a program) no later than the first day of the 10th month, beginning after the effective date of the bill.

Specify that if an agreement is entered into, a party contracting with the Department may be required to: (a) develop and implement the ABLE program in accordance with section 529A of

the Internal Revenue Code requirements and modify the program, as necessary, to allow participants to qualify for the federal income tax benefits or treatment provided under section 529A; (b) engage the services of vendors; (c) work with organizations with expertise in supporting individuals with disabilities and their families; and (d) take any other action necessary to implement and administer the program.

In addition, specify that the Department is required to: (a) include information on ABLE accounts on its Internet site; (b) keep personal and financial information related to ABLE accounts confidential; and (c) pay for all expenses incurred under this provision from the Department's general program operations appropriation. The Department may also promulgate rules to implement and administer the program. Stipulate that any amount remaining in a Wisconsin ABLE account upon the account's termination must be returned to the account owner's estate.

Joint Finance: Provision not included.

4. OFFICE OF THE STUDENT LOAN OMBUDSMAN

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$345,500	2.00	- $345,500	- 2.00	$0	0.00

Governor: Provide $148,100 in 2021-22 and $197,400 in 2022-23 and 2.0 positions annually to create and staff an Office of the Student Loan Ombudsman. The increased expenditure authority would be used for: (a) salary and fringe benefits ($118,100 in 2021-22 and $157,400 in 2022-23); and (b) supplies and services ($30,000 in 2021-22 and $40,000 in 2022-23). Increased position authority would be used for an administrative manager and an agency liaison. This recommendation is related to the final report of the Governor's Task Force on Student Debt.

a. Office of the Student Loan Ombudsman Creation and Duties, and Annual Reports. Create an Office of the Student Loan Ombudsman in the Department of Financial Institutions and establish a Student Loans subchapter V of Chapter 224. Specify that the office must: (a) provide timely assistance to student loan borrowers; (b) receive, review, and attempt to resolve complaints from student borrowers, and student loan servicers and other participants in student loan lending; (c) compile and analyze data on borrower complaints; (d) assist borrowers in understand their rights and responsibilities under the terms of student education loans; (e) provide information regarding the problems and concerns of borrowers and make recommendations for resolving them; (f) analyze and monitor federal, state, and local laws, ordinances, regulations, rules, and policies relating to borrowers and recommend necessary changes; (g) review the complete student education loan history for a borrower who provides written consent for review; (h) provide outreach and assist borrowers and potential borrowers, public institutions of higher education, student loan servicers, and any other participants in student loan lending with student education loan servicing concerns; (i) seek the assistance of an exempt organization to resolve borrower complaints; and (j) take any other action necessary to fulfill the duties of the office.

Specify that the exempt organization described under (i) must provide information, in a timely manner, requested by the office necessary to investigate and resolve complaints, including steps taken by the exempt organization to resolve the complaint, or documentation regarding complaint resolution. Annually, the exempt organization must report to the office the number of complaints received and the number of complaints resolved by the organization.

Specify that the office must submit a report by January 1 of each year to the standing committee of each house of the Legislature having jurisdiction over higher education matters. The report must include: (a) a description of actions taken in implementing the student loans regulations created under the bill; (b) an assessment of the overall effectiveness of the office (including complaint information); and (c) recommendations regarding additional steps for the Department to gain regulatory control over licensing and enforcement with respect to student loan servicers.

b. Office Investigations and Examinations. Specify that the office may conduct examinations and investigations: (a) for the purposes of initial licensing, renewal, suspension, or revocation or of investigation to determine compliance with student loan regulations created in the bill, the office may access, receive, and use certain materials belonging to a licensee or person under examination; and (b) for the purposes of investigating violations or complaints or of examination, the office may review, investigate, or examine any licensee or person subject to regulation as often as necessary (including the right to direct, subpoena, order the attendance of and examine under oath any person whose testimony may be required, or order the person to produce certain documents relevant to the inquiry). The office may control access and take possession of documents and records of the person under examination or investigation, during which period a person may not remove or attempt to remove any of the documents and records, expect pursuant to court order or with consent of the office. However, specify that the licensee or owner of the documents and records may have access to them as necessary to conduct ordinary business affairs, unless the office has reasonable grounds to believe the documents have been, or are at risk of being altered or destroyed for purposes of concealing a violation. Specify that a person subject to investigation or examination may not knowingly withhold, abstract, remove, mutilate, or destroy information relating to regulated information, and must pay for the costs of the investigation (funds are credited to the general program operations appropriation).

Specify that the office may: (a) retain professionals and specialists as examiners, auditors, or investigators to conduct or assist in the conduct of examinations or investigations; (b) enter into agreements or relationships with other government officials or regulatory associates to improve efficiencies and reduce regulatory burden; (c) use, hire, contract for, or employ available analytical systems, methods, or software to examine or investigate relevant persons; (d) accept and rely on examination or investigation reports made by other government officials; and (e) accept audit reports made by an independent certified public accountant.

Specify that in the case of a violation, the office may: (a) issue an order requiring a student loan servicer to cease and desist from a violation, correct the conditions resulting from the violation, and take actions to prevent future violations (a student loan servicer that violates an order must forfeit not more than $1,000 for each violation, for each day the violation continues); (b) require the servicer to reimburse persons injured by the violation; (c) commence administrative

proceedings or civil actions to restrain, by injunction, a person from violating provisions created in the bill, to recover any fees or penalties owned, or to seek available relief on behalf of borrowers; and (d) suspend, revoke, or refuse to renew the license. In addition, the office may promulgate rules to implement student loan regulation.

c. Licensing Student Loan Servicers. Create statutory language to prohibit a person from directly or indirectly engaging in servicing student education loans in Wisconsin without a license from the Department, unless the person is a state-regulated financial service provider or the Higher Educational Aids Board. To obtain an initial license, a student loan servicer must submit a written application to the office, accompanied by: (a) a financial statement prepared by a certified public accountant, public accountant, a general partner (if the applicant is a partnership), a corporate officer (if the applicant is a corporation), or a member authorized to execute such documents (if the applicant is a limited liability company or association); (b) any history of criminal convictions concerning the applicant, officers, directors, and principal employees of the applicant, and each individual shareholder, member, or partner who (directly or indirectly) controls 10% or more of the ownership interests of the applicant; (c) a $1,000 license fee; and (d) a $800 investigation fee. All fees received by the office are nonrefundable and credited to the general program operations appropriation.

Specify that the office must investigate the financial condition and responsibility, financial and business experience, character, and general fitness of each applicant (which may include criminal history background checks). The office may issue a license if: (a) the applicant's financial condition is sound; (b) the applicant's business will be conducted honestly, fairly, equitably, carefully, and efficiently and in a manner commanding the confidence and trust of the community; (c) no person on behalf of the applicant has knowingly made an incorrect statement of material fact in the application or any report or statement; and (d) the applicant has met any other requirements determined by the office.

Specify that student loan servicer licenses expire at the close of business on September 30 of the odd-numbered year following issuance, unless renewed, surrendered, suspended, or revoked. In addition, specify that a licensee must provide written notification of surrender to the office and surrender the license for each location in which the licensee has ceased to engage in the business of student education loan servicing in Wisconsin, no later than 15 days after the licensee ceases to engage in such business. The written notice must identify the location where the records of the licensee will be stored and the name, address, and telephone number of an individual authorized to provide access to the records. Specify that a license surrender does not reduce or eliminate the licensee's civil or criminal liability arising from acts or omissions occurring prior to the surrender, including any administrative actions undertaken by the office.

Specify that a license may be renewed for a 24-month period upon filing a renewal application containing all required documents and fees on or before September 1 of the year in which the license expires (if after September 1, a $100 late fee is required). If the renewal application is filed on or before the date the license expires, the license continues in effect until the office issues the renewal license or until the licensee is notified in writing of the office's refusal to issue the renew license and grounds on which the refusal is based (the grounds for refusal are the same as the initial license grounds for refusal). An applicant or licensee must notify the office, in writing,

of any change to information provided in the initial or renewal applications, no later than 10 business days after the occurrence of the event that results in the change. [The bill does not specify a renewal fee amount.]

Specify that a licensee may not act as a student loan servicer in Wisconsin under any name or place of business other than that identified in the license. In addition, a licensee may not change the location of the licensee's place of business without prior written notice to the office. Only one place of business may be maintained under the same license, but the office may issue more than one license to a licensee. A license is not transferable or assignable.

d. License Abandonment, Suspension, Revocation, and Refusal. Specify that the office may suspend, revoke, or refuse to renew a license if: (a) the licensee violated a provision, rule, or lawful order of the office; (b) a fact or condition exists that would have clearly warranted a denial of the license, if it existed at the time of the original application; (c) the licensee made a material misstatement in the application or in information furnished to the office; or (d) the licensee failed to pay a required fee.

Specify that the office is required to suspend a license if the office finds the licensee fails to comply, after appropriate notice, with a subpoena or warrant issued by the Department of Workforce Development (DWD), a county child support agency related to paternity or child support proceedings, or who is delinquent in making court-ordered payments related to certain child or former spouse support. A licensee whose license is suspended is entitled to a notice and hearing as provided under administrative enforcement of support, denial, nonrenewal, restriction and suspension of licenses statutes.

In addition, require the office to revoke a license if the Department of Revenue certifies that the licensee is liable for delinquent taxes. A licensee whose license is revoked is entitled to a notice and hearing under license denial, renewal, discontinuation, suspension and revocation based on tax delinquency statutes. The office is further required to revoke a license if DWD certifies that the licensee is liable for delinquent unemployment insurance contributions. A licensee whose license is revoked is entitled to a notice and hearing as provided under license denial, nonrenewal, discontinuation, suspension and revocation based on delinquent unemployment insurance contribution statutes.

Specify that a person whose license has been suspended, revoked, or refused renewal may request a hearing within 30 days after the date of suspension, revocation, or refusal. The office may appoint a hearing examiner to conduct a hearing. The right to request a hearing does not apply to the above-mentioned situations. No licensing fee abatement may be made if the license is suspended, revoked, or surrendered in connection with a suspension or revocation proceeding.

Specify that an application may be considered abandoned if the applicant fails to respond to any request for information or rule promulgated, as long as the office notifies the applicant, in writing, that the application will be considered abandoned if the applicant fails to submit the information within 60 days after the date on which the request for information is made. Filing fees paid prior to the date an application is abandoned may not be refunded. Abandonment of an application does not preclude the applicant from submitting a new application.

e. Recordkeeping. Create statutory language to require a student loan servicer to maintain adequate records of each student education loan transaction. Unless otherwise required, a student loan servicer must maintain these records for not less than two years following the final payment on the loan, or the assignment of the loan, whichever occurs first. Specify that, upon request, a student loan servicer must make the records available or send the records to the office by registered or certified mail (return receipt requested), or by an express delivery carrier that provides a dated delivery receipt, no later than five business days after the request is made (the office may grant additional time).

f. Nonconforming Payments. For the purposes of student loan servicers, create statutory language to define "nonconforming payment" to mean a payment on a student education loan that is different from the required payment. Specify that upon receipt of a nonconforming student education loan payment, a student loan servicer must: (a) ask the borrower how the borrower prefers to apply the nonconforming payment; (b) note the borrower's preference; and (c) apply the nonconforming payment in the manner preferred by the borrower. Require that the servicer apply any future nonconforming payments in the same manner preferred by the borrower, until the borrower indicates otherwise.

Specify that a student loan servicer must respond to a written inquiry from a borrower or the representative of a borrower within 30 days after receiving the inquiry. A student loan servicer must comply with this requirement, unless otherwise provided.

g. Other General Student Loan Servicer Duties. Specify that if there is a sale, assignment, or other transfer of the servicing of a student education loan that results in a change in the identity of the person to whom a student loan borrower is required to send payments or direct any communication concerning the loan: (a) the servicer must require the new loan servicer to honor all benefits originally represented to the borrower during repayment of the loan and preserve the availability of those benefits (including those for which the borrower has not yet qualified) as a condition of the sale, assignment, or transfer of the loan; (b) within 45 days of the sale, assignment, or transfer, the servicer must transfer all information regarding the borrower, the borrower's account, and the borrower's loan to the new servicer; and (c) the sale, assignment, or transfer of the servicing of the loan must be complete at least seven days before the next loan payment is due.

Specify that a student loan servicer must adopt policies and procedures to verify that the servicer has received any information regarding the borrower, the account of the borrower, and the loan of the borrower. Servicers may not: (a) employ a scheme, device, or artifice to defraud or mislead any student loan borrower (directly or indirectly); (b) engage in unfair or deceptive practices or misrepresent or omit any material information in connection with the servicing of a loan, with information or reports filed with a governmental agency, or with an investigation conducted by the office or another governmental agency; (c) obtain property by fraud or misrepresentation; (d) misapply loan payments; (e) provide inaccurate information to a credit bureau; (f) fail to report payment history of a borrower to a nationally recognized consumer credit bureau at least annually, if the servicer regularly reports to a credit bureau; (g) refuse to communicate with an authorized representative of a borrower; (h) fail to evaluate a borrower for an income-based repayment program prior to forbearance or default, if a program is available; or

(i) violate any applicable federal law or regulation related to student education loan servicing.

Specify that a student loan borrower injured by violation may bring legal action against the student loan servicer for: (a) actual damages sustained as a result of the violation (including emotional distress or mental anguish, with or without accompanying physical injury proximity caused by the violation); (b) a monetary award equal to two times the amount of actual damages, if the borrower establishes it is more likely than not (preponderance of the evidence) that the violation was willful or intentional; (c) the costs of the action, together with reasonable attorney's fees, as determined by the court, in the case of a successful action; and (d) any other remedies that may be available.

h. Other definitions. Modify statutory language to include the Office of the Student Loan Ombudsman to entities included in the definition of "division."

For the purposes of this student loan regulation, create statutory language to define "board," "exempt organization," "licensee," "office," "servicing," "state-regulated financial service provider," "student education loan," "student loan borrower," and "student loan servicer."

i Implementation. Require the Department to determine whether it can fully implement the provisions created in the bill no later than October 1, 2021, and to notify the Legislative Reference Bureau (LRB) by that date. If the notice states the Department cannot fully implement the created provisions, the Department must provide notice to the LRB of the date on which the created provisions will be fully implemented (although the date may not be later than January 1, 2023). The Legislative Reference Bureau must publish a notice in the Wisconsin Administrative Register that specifies this date. The "division" definition provisions and the Office of the Student Loan Ombudsman provisions take effect on October 1, 2021, or on the date specified in the notice published in the Wisconsin Administrative Register, whichever is later.

Joint Finance: Provision not included.

5. CHILDREN'S SAVINGS AND INVESTMENT PROGRAM

Governor: Require the Department to collaborate with one or more philanthropic organizations to develop a statewide children's savings and investment program, funded and administered by the philanthropic organization(s). Specify that the program must allow the balance of an account established under the program to be transferred to a college savings account established under the College Savings Program.

Joint Finance: Provision not included.

6. PUBLIC SERVICE LOAN FORGIVENESS NOTIFICATION

Governor: Require the Department to collect and maintain information regarding loan forgiveness programs available to individuals employed by the state or a local unit of government. Specify that the information collected must be made available to the state, local units of government, and employees of the state and local units of government on the Internet or by other

means. In addition, require all Wisconsin public employers (including a local unit of government, school district, sewer district, drainage district, long-term care district, and other public or quasi-public corporations) to provide the collected public service loan forgiveness programs information to their employees (electronically or by other means). Specify that the requirements take effect on January 1, 2022.

Joint Finance: Provision not included.

7. SECURITIES AND INVESTMENT FIRM FEE INCREASES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$7,862,800	- $7,862,800	$0

Governor: Increase the initial license application and renewal fees for a broker-dealer or investment adviser from $200 to $300 and increase the initial license application and renewal fees for an agent representing a broker-dealer or issuer or an investment adviser representative from $80 to $100. The current law exception that no fee is required for an agent representing a broker-dealer or issuer or an investment adviser representative eligible for the veterans fee waiver program remains unchanged.

In addition, increase the federal covered adviser initial and renewal notice filing fees from $200 to $300 and increase the filing fee for a broker-dealer, investment adviser, or federal covered adviser maintaining a Wisconsin branch office from $80 to $100 for each branch office.

Specify that the fee changes first apply to filings received by the Division of Securities, and first take effect on the first day of the third month after publication of the bill. The Department indicates that these changes will increase revenue by $3,369,800 in 2021-22 and by $4,493,000 in 2022-23, which will be deposited in the Department's general program operations appropriation.

Under current law, with some exceptions, all moneys received by the Department, other than by the Office of Credit Unions and the Division of Banking, and 88 percent of all moneys received by the Office of Credit Unions and the Department's Division of Banking is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year under the appropriation transfers to the general fund. The $7,862,800 attributable to the fee increase will transfer to the general fund.

Joint Finance: Provision not included.

8. FINANCIAL INTEGRITY INFORMATION TECHNOLOGY MODERNIZATION [LFB Paper 300]

PR	$1,350,800

Governor: Provide $332,800 in 2021-22 and $1,018,000 in 2022-23 to the Department's general program operations appropriation to consolidate multiple older financial applications into one centralized cashiering application, capable of integrating with the state's accounting system

(State Transforming Agency Resources (STAR)). The increased expenditure authority would be used to: (a) research vendor options and develop applications in 2021-22 ($322,800); and (b) implement procured software to improve the accuracy and processing of receipts collected by the Department in 2022-23 ($935,000 in one-time costs, and $83,000 in on-going costs).

Joint Finance: Modify the provision to provide on-going costs ($83,000) as one-time rather than on-going.

9. NOTARY INFORMATION TECHNOLOGY MODERNIZATION [LFB Paper 300]

PR	$812,000

Governor: Provide $806,000 in 2021-22 and $6,000 in 2022-23 to the Department's general program operations appropriation to modernize notary information technology systems. Under 2019 Act 125, notarial acts were expanded to allow notarization using communication technology. The Act also created a remote notary council to adopt and implement standards related to remote notarization. The increased expenditure authority would be used to purchase upgraded information technology software to: (a) process and track notary applications and payments more effectively; (b) streamline the notary public database updates; and (c) consolidate software applications to increase efficiency.

Joint Finance: Modify the provision to provide on-going costs ($6,000) as one-time rather than on-going.

10. NOTARY APPLICATION FEE INCREASES [LFB Paper 301]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$520,800	- $520,800	$0

Governor: Increase the four-year notary public application fee for non-attorneys from $20 to $40 and increase the permanent notary public application fee for attorneys from $50 to $100. Specify that the fee changes first apply to applications filed and first take effect on the first day of the third month after publication of the bill. The Department indicates that these changes are intended to make Wisconsin's notary fees more consistent with notary fees in surrounding states, and are estimated to increase revenue by $223,200 in 2021-22 and by $297,600 in 2022-23.

Under current law, with some exceptions, all moneys received by the Department, other than by the Office of Credit Unions and the Division of Banking, and 88 percent of all moneys received by the Office of Credit Unions and the Department's Division of Banking is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year under the appropriation transfers to the general fund. The $520,800 attributable to the fee increase will transfer to the general fund.

Joint Finance: Provision not included.

11. AGENCY EQUITY OFFICER

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$75,600	0.50	- $75,600	- 0.50	$0	0.00

Governor: Provide $31,000 in 2021-22 and $44,600 in 2022-23 and 0.5 positions annually to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

12. INTERAGENCY AND INTRA-AGENCY PROGRAMS AND FEDERAL FUNDS APPROPRIATIONS

Governor: Create a continuing program revenue interagency and intra-agency programs appropriation to allow the Department to expend moneys received from other state agencies or from the Department for the purposes received. Further, create a continuing federal funds appropriation to expend federal moneys for the purposes received, except for federal funds credited to the credit union examinations, federal funds appropriation.

Joint Finance: Provision not included.

13. ANNUAL TRANSFER TO THE SECRETARY OF STATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	- $80,000	$80,000	$0

Governor: Increase the transfer from the Department's general program operations appropriation to the Secretary of State's program fees appropriation from $150,000 to $190,000.

Under current law, with some exceptions, all moneys received by the Department, other than by the Office of Credit Unions and the Division of Banking, and 88 percent of all moneys received by the Office of Credit Unions and the Department's Division of Banking is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year under the appropriation transfers to the general fund. Annually, $150,000 of the amounts received under this appropriation is transferred to the Secretary of State. This provision would reduce the amount transferred to the general fund by $40,000 annually.

Joint Finance: Provision not included.

14. WORKER MISCLASSIFICATION INFORMATION

Governor: Require the Department to provide informational materials and resources on worker misclassification to each person who files articles of incorporation, articles of organization, statement of qualification, or certified limited partnership documents with the Department. The requirement is one of several in the bill applicable to various state agencies with regulatory responsibilities. [For additional information, see the position misclassification outreach item summarized under "Workforce Development -- Equal Rights."]

Joint Finance: Provision not included.

15. GENERAL PROGRAM OPERATIONS BUDGET REDUCTION

PR	- $2,610,000

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

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
SEG	$250,800	$250,800	$250,800	$0	0.0%	$0	0.0%

FTE Position Summary

There are no state authorized positions for the Fox River Navigational System.

GENERAL FUND TAXES

1. GENERAL FUND TAX CHANGES

Governor: The following table shows the general fund tax changes recommended by the Governor, along with their fiscal effects in the 2021-23 biennium. The table does not include tax law changes that are estimated to have a minimal fiscal effect. The table also does not include changes to refundable tax credits, because they are paid from appropriations rather than recorded as reductions in tax revenues.

The table also includes the estimated fiscal effects of general fund tax law changes under 2021 Acts 1 and 2, which were enacted on February 18, 2021. Both acts addressed general fund tax law changes, including certain provisions recommended by the Governor. Act 1 adopted a number of provisions affecting how the Department of Revenue (DOR) administrates state tax laws and modified various general fund tax law provisions. A memorandum providing a detailed description of the Act 1 provisions was sent from the Legislative Fiscal Bureau to members of the Wisconsin Legislature on February 17, 2021, entitled "Assembly Substitute Amendment 3 to Assembly Bill 2." Act 2 modified the treatment of capital gains and quarterly estimated payments as they applied to S corporations and partnerships electing to be taxed at the entity level.

2021-23 General Fund Tax Changes
(Millions)

	2021-22	2022-23	2021-23 Biennium
Income and Franchise Taxes			
IRC Update - Tax Cuts and Jobs Act	$264.200	$275.900	$540.100
Limit MAC for Manufacturers	258.900	228.500	487.400
Limit Capital Gains Exclusion	202.100	148.400	350.500
Caregiver Tax Credit	-100.400	-102.500	-202.900
Broker-Dealer Apportionment	37.000	37.000	74.000
Work Opportunity Credit	-27.800	-24.100	-51.900
Child and Dependent Care Credit	-9.800	-9.800	-19.600
Medical Care Insurance for Self-Employed	-9.500	-9.500	-19.000
Limit Private School Tuition Deduction	6.400	6.500	12.900
Low-Income Housing Credit	-1.450	-7.250	-8.700
Repeal NOL Carryback	2.000	4.100	6.100
Limit Dividends Received Deduction	2.900	3.100	6.000
First-Time Homebuyer Account Subtraction	0.000	-4.100	-4.100
Flood Insurance Tax Credit	-0.800	-0.800	-1.600
National Guard and Reserve Subtraction	-0.430	-0.430	-0.860
AmeriCorps Award Subtraction	-0.136	-0.136	-0.272
Federalize College Savings Accounts	-0.100	-0.100	-0.200

	2021-22	2022-23	2021-23 Biennium
General Sales and Use Tax			
Recreational Marijuana Sales Tax	-	$33.600	$33.600
Exemption for Diapers	-$7.300	-8.800	-16.100
Exemption for Battery Storage	-3.800	-4.400	-8.200
Exemption for Sweetened Dried Fruit	-0.400	-0.500	-0.900
Exemption for Prairie/Wetland Services	-0.200	-0.300	-0.500
Repeal Clay Pigeon Game Bird Exemption	0.150	0.200	0.350
Repeal Exemption for Farm Raised Deer	0.090	0.120	0.210
Excise Taxes			
Marijuana Excise Taxes	-	52.880	52.880
Increase Vapor Products Tax	12.700	16.600	29.300
Increase Tax on Little Cigars	2.300	3.000	5.300
Total Tax Changes AB 68/SB 111	$626.624	$637.184	$1,263.808
Total Tax Changes Act 1*	-$208.075	-$62.975	-$271.050
Total Tax Changes Act 2	-0.810	-0.860	-1.670
Total Tax Changes	$417.739	$573.349	$991.088

*Act 1 also included the Governor's recommendation for: (a) medical care insurance for self-employed; and (b) federalize college savings accounts. The estimated tax reductions included under Act 1 have been reduced by these amounts.

Joint Finance: The following table shows the general fund tax law changes recommended by the Governor and the Joint Committee on Finance, along with their estimated 2021-23 fiscal effects. The table also shows the estimated fiscal effects of 2021 Acts 1 & 2, which were enacted on February 18, 2021.

Estimated Biennial Fiscal Effects of Budget Provisions and 2021 Acts 1 & 2
Governor and Joint Finance
(Millions)

	2021-23 Governor	2021-23 Jt. Finance	Change to Governor
Income and Franchise Taxes			
Reduce 3rd Bracket to 5.30%	-	-$2,366.000	-$2,366.000
Update Withholding 1/1/2022	-	-331.200	-331.200
IRC Update - Tax Cuts and Jobs Act	$540.100	-	-540.100
Limit MAC for Manufacturers	487.400	-	-487.400
Limit Capital Gains Exclusion	350.500	-	-350.500
Caregiver Tax Credit	-202.900	-	202.900
Broker-Dealer Apportionment	74.000	-	-74.000
Work Opportunity Credit	-51.900	-	51.900
Child and Dependent Care Credit	-19.600	-9.800	9.800
Limit Private School Tuition Deduction	12.900	-	-12.900
Low-Income Housing Credit	-8.700	-	8.700
Repeal NOL Carryback	6.100	-	-6.100
Limit Dividends Received Deduction	6.000	-	-6.000
First-Time Homebuyer Account Subtraction	-4.100	-	4.100
Flood Insurance Tax Credit	-1.600	-	1.600
Guard/Reserve/Military Subtraction	-0.860	-40.400	-39.540
AmeriCorps Award Subtraction	-0.272	-0.272	-
General Sales and Use Tax			
Recreational Marijuana Sales Tax	33.600	-	-33.600
Exemption for Diapers	-16.100	-	16.100
Exemption for Battery Storage	-8.200	-	8.200
Exemption for Sweetened Dried Fruit	-0.900	-0.900	-
Exemption for Prairie/Wetland Services	-0.500	-	0.500
Repeal Clay Pigeon Game Bird Exemption	0.350	-	-0.350
Repeal Exemption for Farm Raised Deer	0.210	-	-0.210
Excise Taxes			
Marijuana Excise Taxes	52.880	-	-52.880
Increase Vapor Products Tax	29.300	-	-29.300
Increase Tax on Little Cigars	5.300	-	-5.300
Total Tax Changes AB 68/SB 111	$1,283.008	-$2,748.572	-$4,031.580
Total Tax Changes Act 1*	-$290.250	-$290.250	-
Total Tax Changes Act 2	-$1.670	-$1.670	-
Total Tax Changes	$991.088	-$3,040.492	-$4,031.580

*Act 1 also included the Governor's recommendation for: (a) medical care insurance for self-employed; and (b) federalize college savings accounts. These two provisions have been consolidated into the fiscal effect of Act 1.

Income and Franchise Taxes

1. INDIVIDUAL INCOME TAX RATE REDUCTION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$0	- $2,366,000,000	- $2,366,000,000

Joint Finance: Reduce the tax rate in the third individual income tax bracket from 6.27% to 5.30%, beginning in tax year 2021. Estimate reduced individual income tax collections of $1,371,700,000 in 2021-22 and $994,300,000 in 2022-23.

2. WITHHOLDING TABLE ADJUSTMENTS [LFB Paper 309]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$0	- $331,200,000	- $331,200,000

Joint Finance: Direct the Secretary of the Department of Revenue to promulgate guidance no later than October 1, 2021, updating the individual income tax withholding tables to reflect the tax rates, brackets, and sliding scale standard deduction in effect for tax year 2022. Specify that these withholding table changes first take effect on January 1, 2022. Estimate a one-time reduction in individual income tax revenues of $331,200,000 in 2021-22.

3. INTERNAL REVENUE CODE UPDATE [LFB Paper 306]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$540,100,000	- $540,100,000	$0

Governor: Update references to the Internal Revenue Code (IRC) under the individual and corporate income/franchise taxes. For tax years beginning after December 31, 2020, adopt the following IRC provisions of the Tax Cuts and Jobs Act of 2017 (TCJA): (a) loss limitation for taxpayers other than corporations; (b) amortization of research and experimental expenditures; (c) accounting rules for accrual method taxpayers; (d) limitation on the deduction for business interest; (e) limitation on the deduction for employee entertainment and meal expenses; (f) limitation on the deduction of Federal Deposit Insurance Corporation (FDIC) premiums; and (g) modification of the limitation on the deduction for highly paid individuals. Overall, individual income and corporate income/franchise taxes would increase by an estimated $264,200,000 in 2021-22,

$275,900,000 in 2022-23, $267,900,000 in 2023-24, and $258,800,000 in 2024-25. The estimated fiscal effect of each provision in the 2021-23 biennium is shown below.

2021-23 Biennium Fiscal Effect
(Millions)

TCJA Provision	2021-22	2022-23
Loss limitation for taxpayers other than corporations	$72.9	$58.2
Amortization of research and experimental expenditures	63.2	101.5
Accounting rules for accrual method taxpayers	7.9	3.5
Limitation on deduction for business interest	99.3	95.3
Limitation on the deduction for entertainment and meal expenses	10.0	7.8
Limitation on deduction for FDIC premiums	6.5	6.3
Modification of the limitation for highly paid individuals	4.4	3.3
Total	$264.2	$275.9

Joint Finance: Provision not included.

4. MANUFACTURING AND AGRICULTURE TAX CREDIT LIMITATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$487,400,000	- $487,400,000	$0

Governor: Limit the amount of qualified production activities income (QPAI) from manufacturing activities a claimant may use as the basis for claiming the manufacturing and agriculture tax credit (MAC), as described below. The limit would not apply to income derived from agricultural activities.

Under current law, for corporate filers, the MAC is equal to 7.5% multiplied by the lesser of a claimant's: (a) eligible QPAI, as defined under the IRC, derived from manufacturing or agricultural property in Wisconsin; (b) income apportioned to Wisconsin for state corporate income/franchise tax purposes; or (c) income determined as taxable under state combined reporting provisions. For business owners who file under the individual income tax, the credit is equal to 7.5% of the claimant's eligible QPAI, as defined under the IRC, that is derived from manufacturing or agricultural property in Wisconsin. There is no maximum amount of MAC that can be claimed in a tax year. However, the credit may not be used by individual filers to offset taxes on other sources of income. Further, the amount of income on which the MAC is calculated must be reduced by the amount of QPAI that is claimed under the credit for taxes paid to another state.

Pass-through entities, such as partnerships, limited liability companies (LLCs), and tax-option (S) corporations, cannot claim the MAC under current law. Instead, the credit computed by

those entities can pass through to the partners, members, or shareholders. Partnerships, LLCs, and S corporations that elect to be taxed at the entity level may not claim the MAC (and neither can their owners).

The bill would limit the amount of QPAI from manufacturing activities a claimant may use to compute the MAC to no more than $300,000. This provision would effectively provide for a maximum MAC claim of $22,500 for income derived from manufacturing activities. For example, a sole proprietor or a C corporation could only claim a total of $22,500 on their own manufacturing income. According to DOR, a pass-through entity would be able to compute the credit up to a maximum of $22,500, and pass through that amount in the aggregate to its partners, members, or shareholders. As a result, an individual would be able to claim a maximum of $22,500 for each pass-through business in which the individual has an ownership interest, such that an individual could potentially claim more than $22,500 in the aggregate.

The provision would first apply for taxable years beginning after December 31, 2020. The administration estimates that the provision would increase state tax revenues by $258,900,000 in 2021-22 and $228,500,000 in 2022-23.

Joint Finance: Provision not included.

5. LIMITATION ON EXCLUSION FOR NONFARM CAPITAL GAINS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$350,500,000	- $350,500,000	$0

Governor: Limit the current law exclusion for 30% of an individual's net long-term, nonfarm capital gains as follows, beginning in tax year 2021. Prohibit individuals with federal adjusted gross income (AGI) above the following thresholds from claiming the exclusion: (a) $400,000 for single and head-of-household filers; (b) $533,000 for married-joint filers; and (c) $266,500 for married-separate filers. However, if an individual's federal AGI, less 30% of the capital gains otherwise eligible for the aforementioned exclusion, is below the applicable AGI threshold listed above, the individual's exclusion would be reduced by the amount by which their federal AGI exceeds the applicable threshold amount. Increase individual income tax collections by an estimated $202,100,000 in 2021-22 and $148,400,000 in 2022-23 and annually thereafter.

Under current law, a capital gains exclusion is provided for 60% of the net capital gain from the sale of farm assets and 30% of the net capital gain from the sale of other assets, provided those assets are held more than one year or are acquired from a decedent. Gains from assets held one year or less are fully taxed. The Governor's recommendation would not limit the net capital gain exclusion from the sale of farm assets.

[The Governor's budget was introduced on February 16, 2021. However, 2021 Act 2 was signed into law on February 18, 2021. Act 2 provides that the current law capital gains exclusion described above also applies to S corporations that elect to pay tax at the entity level (partnerships

making the entity-level tax election may also claim this exclusion under current law). It is unclear whether the Governor's proposed limitation on the exclusion would also apply to these S corporations and partnerships. A technical amendment would be necessary to specify that the limitation also applies to S corporations and partnerships electing to pay tax at the entity level.]

Joint Finance: Provision not included.

6. FAMILY CAREGIVER TAX CREDIT [LFB Paper 310]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $202,900,000	$202,900,000	$0

Governor: Beginning in tax year 2021, create a nonrefundable individual income tax credit for 50% of the qualified expenses incurred by a family caregiver to benefit a qualified family member. Specify that a qualified family member would mean an individual who: (a) is 18 years of age or older during the relevant tax year; (b) requires assistance with one or more daily living activities, as certified in writing by a physician (defined as an individual who specializes in family practice, general internal medicine, general pediatrics, obstetrics and gynecology, or psychiatry); and (c) is the claimant's family member (defined as a spouse or an individual related by blood, marriage, or adoption within the 3rd degree of kinship).

Define qualified expenses to mean amounts paid by a claimant in the relevant tax year for items that relate directly to the care or support of a qualified family member, including: (a) the improvement or alteration of the claimant's primary residence to enable or assist the qualified family member to be mobile, safe, or independent; (b) the purchase or lease of equipment to enable or assist the qualified family member to carry out one or more activities of daily living; and (c) the acquisition of goods or services, or support, to assist the claimant in caring for the qualified family member, including employing a home care aide or personal care attendant, adult day care, specialized transportation, legal or financial services, or assistive care technology. However, specify that qualified expenses do not include: (1) general food, clothing, or transportation expenses; (2) ordinary household maintenance or repair expenses that are not directly related to, or necessary for, the care of the qualified family member; or (3) any amount that is paid or reimbursed by insurance or other means.

Specify that the maximum credit that may be claimed in each tax year with regard to a particular qualified family member is $500 ($250 for married-separate filers). Provide that, if more than one individual may claim the family caregiver credit for a particular qualified family member, the maximum credit would have to be apportioned among all eligible claimants based on the ratio of their qualified expenses to the total amount of qualified expenses incurred on behalf of that particular qualified family member, as determined by DOR.

Stipulate that no credit would be allowed for married-joint claimants with federal AGI above $170,000, and that no credit would be allowed for all other filers with federal AGI above $85,000. Provide that, for married-joint claimants with federal AGI above $150,000, the credit amount for

which they would otherwise be eligible would be reduced by the ratio of the amount by which their federal AGI exceeds $150,000 divided by $20,000. Specify that, for all other filers with federal AGI greater than $75,000, the credit amount for which they would otherwise be eligible would be reduced by the ratio of the amount by which their federal AGI exceeds $75,000 divided by $10,000. The resulting credit amount computed would be subject to the $500 limit ($250 for married-separate filers).

Specify that no family caregiver tax credit would be allowed unless it were claimed within four years of the unextended due date of the income tax return to which the claim relates. Prohibit nonresidents and part-year residents of Wisconsin from claiming the credit. Direct that no credit would be allowed for a tax year covering a period of less than 12 months, except for a tax year that was closed because of the death of the taxpayer. Specify that current law provisions which apply to the individual income tax relating to DOR's enforcement authority, and to assessments, refunds, appeals, collection, interest, and penalties, would also apply to this credit. Reduce individual income tax collections by an estimated $100,400,000 in 2021-22 and by $102,500,000 in 2022-23 and annually thereafter.

Joint Finance: Provision not included.

7. BROKER-DEALER APPORTIONMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$74,000,000	- $74,000,000	$0

Governor: Modify the administrative code as it pertains to income and franchise taxes as follows. Under current law, interstate broker-dealers, investment companies, investment advisors, and underwriters determine the percentage of their income subject to taxation in Wisconsin based on gross receipts from sales in Wisconsin compared to total company gross receipts. Gross receipts generally include gross earnings on commissions, sales of trading assets, account maintenance fees, margin interest, underwriting services, receipts on investment contracts, and other gross receipts, less certain returns and allowances.

The administration indicates that the current apportionment formula can distort the income attributable to Wisconsin for these companies because asset trading can generate large receipts with low risk and profit margins. For example, hedging an investment by simultaneously selling put and call options for the same stock bears little economic risk, but increases a broker's trading receipts. At high volumes, such receipts attributable to other states can outweigh gross receipts from activities occurring in Wisconsin for purposes of the current apportionment formula, thereby subjecting substantially less income to tax in Wisconsin even when large amounts of profit are generated from activities occurring in this state. For this reason, the administrative code permits DOR to substitute net gains (net of commissions) from the sales of trading assets, for purposes of apportionment, when gross receipts results in a substantial distortion of the receipts factor under current law.

The bill would amend the administrative code to change the receipts factor to include net gains, rather than gross receipts, to apportion income from trading assets by interstate broker-dealers, investment advisors, investment companies, and underwriters. Also, the bill would repeal the administrative code provision permitting DOR to substitute net gains for gross receipts, as this would be superfluous under the bill. The administration indicates that current law/rule has led to tax filers contesting that a distortion exists. Under the bill, only one apportionment method would be permitted, limiting appeals of contested audits by taxpayers.

The administration estimates that changing the apportionment factor to use net gains rather than gross receipts would increase income and franchise tax revenues by $37,000,000 in 2021-22 and annually thereafter. These provisions would take effect on the first day of the month following the month in which the bill takes effect, and would first apply to taxable years beginning after December 31, 2020.

Joint Finance: Provision not included.

8. WORK OPPORTUNITY TAX CREDIT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $51,900,000	$51,900,000	$0

Governor: Create a nonrefundable income and franchise tax credit for taxable years beginning after December 31, 2020, called the work opportunity tax credit (WOTC), modeled on a federal tax credit of the same name, as described below. The administration estimates that the state WOTC would reduce state tax revenues by $27,800,000 in 2021-22 and $24,100,000 in 2022-23.

The WOTC is a federal tax credit available to employers for hiring individuals from certain targeted groups who have faced significant barriers to employment, including: (a) recipients of certain aid programs (TANF, SNAP, and SSI); (b) qualified veterans; (c) qualified ex-felons; (d) residents of designated communities (empowerment zones, enterprise communities, and renewal communities); (e) persons having physical or mental disabilities that have been referred for vocational rehabilitation; (f) qualified summer youth employees; (g) long-term family assistance recipients; and (h) qualified long-term unemployment recipients. Currently, the Department of Workforce Development (DWD) is responsible for the administration of the federal WOTC, including the certification process described below, promoting the program to employers, and reporting program data to the U.S. Department of Labor (USDOL). DWD receives grant funding from USDOL to administer the federal program.

Employers may claim the federal WOTC for up to 40% of the wages paid to those employed at least 400 hours and up to 25% for those employed for at least 120 hours, but less than 400. In general, the maximum qualified first-year wages are capped at $6,000 and no credit is allowed for the second year of employment. Thus, in general, the maximum credit is $2,400 for those employed 400 hours or more (40% of $6,000) and $1,500 for those employed at least 120 hours but less than 400 (25% of $6,000).

However, the wage limit differs based on the type of targeted group member. For example, for disabled veterans, qualifying wages are capped at $12,000, and thus the maximum federal credit is $3,000 (25% of $12,000) for those employed for at least 120 hours but less than 400 hours and is $4,800 (40% of $12,000) for those employed for 400 or more hours. For unemployed disabled veterans, wages are capped at $24,000, and for unemployed veterans, wages are capped at $14,000. For long-term family assistance recipients, the WOTC may be earned for the first two years of employment, except that wages are capped at $10,000, and employers may claim up to 40% for those employed at least 400 hours in the first year ($4,000 maximum credit) and 50% for those employed at least 400 hours in the second ($5,000 maximum credit).

The bill would create a similar state tax credit for employers that would have to be claimed at the same time as the federal credit, equal to up to one of the following amounts: (a) 20% of qualified first-year wages, as defined in the federal WOTC, paid during the taxable year to a targeted group member, as defined under the federal WOTC, who has performed at least 400 hours of services for the claimant in this state; (b) 12.5% of the qualified first-year wages paid during the taxable year to a targeted group member who has performed at least 120 hours, but less than 400 hours, of services for the claimant in this state; or (c) 25% of the qualified second-year wages paid during the taxable year to a long-term family assistance recipient (as defined under the federal WOTC) who has performed at least 400 hours of services for the claimant in this state. Claims could not exceed the wage limits discussed above that are set under the federal WOTC. Claimants would not be able to claim the state WOTC for wages paid for services performed outside this state. "Claimant" would mean a person who is an employer of a targeted group member and who files a claim for the work opportunity credit.

Partnerships, LLCs, and S corporations would not be permitted to claim the credit, but the eligibility for, and the amount of, the credit would be based on their payment of the wages. A partnership, LLC, or S corporation would have to compute the amount of credit that each of its partners, members, or shareholders could claim and provide that information to each of them. The partners, members, and shareholders would be able to claim the credit in proportion to their ownership interests.

DOR would be authorized to administer the credit, and take any action, conduct any proceeding, and proceed as authorized under state income and franchise tax laws. State tax provisions related to timely claims, assessments, refunds, appeals, collection, interest, and penalties would apply to the credit.

Under current law, the federal WOTC will sunset after tax year 2025. Under the bill, the state WOTC would also sunset after 2025. The bill would incorporate the following requirements and limitations of the federal WOTC for purposes of the state WOTC.

First, the bill would set the following rules for certifications. An individual could not be treated as a member of a targeted group unless: (a) on or before the day on which that individual begins work for the employer, that employer has received a certification from a designated local agency (such as a state employment security agency) that the individual is a member of a targeted group; or (b) on or before the day the individual is offered employment with the employer, a pre-screening notice is completed by the employer with respect to such individual, and not later than 28 days after the individual begins work for the employer, the employer submits such notice,

signed by the employer and the individual under penalties of perjury, to the designated local agency as part of a written request for a certification. “Pre-screening notice” would mean a document which contains information provided by the individual on the basis of which the employer believes that the individual is a member of a targeted group. If an individual has been certified by a designated local agency as a member of a targeted group, and that certification is incorrect because it was based on false information provided by the individual, then the certification would have to be revoked. Wages paid by the employer after the date on which notice of revocation is received by the employer could not be treated as qualified wages. If a designated local agency denies a request for certification of membership in a targeted group, the agency would have to provide to the individual making such request a written explanation of the reasons for such denial.

A veteran would be treated as having the required aggregate periods of unemployment for being a qualified veteran, if the veteran is certified by such agency as being in receipt of unemployment compensation under state or federal law for a period of either: (a) not less than six months during the one-year period ending on the hiring date; or (b) not less than four weeks (but less than six months) during the one-year period ending on the hiring date.

Second, remuneration paid by an employer to an employee during any taxable year would be taken into account only if more than one-half of the remuneration paid is for services performed in a trade or business of the employer.

Third, certain individuals would not be eligible. No wages would be taken into account with respect to any individual if, prior to the hiring date, the individual had been employed by the employer at any time. Further, in the case of an individual who has performed at least 120 hours, but less than 400 hours, of service for the employer, the wage limit would be 25% rather than 40% (as discussed above). No wages would be taken into account with respect to any individual unless such individual has performed at least 120 hours of service for the employer. Further, no wages would be taken into account with respect to an individual who: (a) bears a relationship to the taxpayer, as defined under the IRC (including a child, brother, father, or mother), or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than 50% in value of the outstanding stock of the corporation, or, if the taxpayer is an entity other than a corporation, to any individual who owns, directly or indirectly, more than 50% of the capital and profits interests in the entity; (b) if the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears a relationship to a grantor, beneficiary, or fiduciary of the estate or trust, as defined under the IRC; (c) is a dependent (as defined under the IRC) of the taxpayer; or, if the taxpayer is a corporation, of an individual described above in "(a);" or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate or trust.

Finally, in the case of a successor employer, the determination of the amount of the credit with respect to wages paid by the successor employer would be made in the same manner as if such wages were paid by the predecessor employer. No credit would be determined with respect to remuneration paid by an employer to an employee for services performed by such employee for another person unless the amount reasonably expected to be received by the employer for such services from such other person exceeds the remuneration paid by the employer to such employee for such services.

Joint Finance: Provision not included.

9. INDIVIDUAL INCOME TAX CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES [LFB Paper 311]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $19,600,000	$9,800,000	- $9,800,000

Governor: Create a nonrefundable state individual income tax credit for household and dependent care expenses, beginning in tax year 2021. Specify that the credit equals 50% of the amount of the federal household and dependent care expenses tax credit (set forth under the IRC) that a claimant is eligible to claim on the claimant's federal income tax return for the same tax year. Sunset the current law deduction for household and dependent care expenses beginning in tax year 2021. This provision would reduce individual income tax collections by an estimated $9,800,000 in 2021-22 and 2022-23.

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

Joint Finance: Include provision, but specify that the provision first takes effect beginning in tax year 2022. Reduce estimated individual income tax collections relative to current law by $9,800,000 in 2022-23.

10. MODIFY THE MEDICAL CARE INSURANCE DEDUCTION FOR SELF-EMPLOYED INDIVIDUALS

Governor: Modify the current law deduction for medical care insurance premiums paid by self-employed individuals as follows, beginning in tax year 2021. Direct that the deduction would be limited to the individual's total wages, salary, tips, unearned income, and net trade or business earnings that are taxable in Wisconsin. Modify the current law proration calculation for nonresidents and part-year residents to provide that the deduction would be reduced according to the percentage of the person's total wages, salary, tips, unearned income, and net trade or business earnings that are subject to Wisconsin tax. Repeal obsolete statutes related to deductions for medical care insurance that refer to previous tax years. The administration estimates that state adoption of these provisions would reduce individual income tax revenues by $9,500,000 annually beginning in 2021-22.

Under state law prior to 2021 Act 1, a deduction was provided for medical care insurance

premiums paid by self-employed individuals that was limited to an individual's aggregate net earnings from a trade or business that were subject to Wisconsin tax. Nonresidents or part-year residents of Wisconsin were required to reduce the amount of the deduction according to the proportion of their total net earnings from a trade or business which were taxable in Wisconsin.

[The Governor's budget was introduced on February 16, 2021. Provisions identical to those described above were subsequently signed into law under 2021 Act 1 on February 18, 2021. As a result, this provision, if also adopted in the budget bill, would have no additional impact on state tax revenues.]

Joint Finance: Provision not included.

11. LIMITATION ON PRIVATE SCHOOL TUITION DEDUCTION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$12,900,000	- $12,900,000	$0

Governor: Limit the current law deduction for tuition expenses paid for a student to attend an eligible institution, beginning in tax year 2021. Prohibit individuals with Wisconsin AGI at or above the following thresholds from claiming the deduction: (a) $100,000 for single and head-of-household filers; (b) $150,000 for married-joint filers; and (c) $75,000 for married-separate filers. Increase individual income tax collections by an estimated $6,400,000 in 2021-22 and $6,500,000 in 2022-23 and annually thereafter.

Under current law, an individual may deduct up to $4,000 per year per pupil enrolled in kindergarten through grade eight, and $10,000 per year per pupil enrolled in grades nine through twelve. The pupil must be a dependent of the claimant for federal income tax purposes and must be enrolled in kindergarten or grades one through twelve of a private school (as defined in state law) which meets all the criteria for a private school. The deduction is disallowed if the tuition expenses are paid using a distribution from a 529 account. Under current law, the deduction is not limited based on the taxpayer's AGI.

Joint Finance: Provision not included.

12. LOW-INCOME HOUSING TAX CREDIT [LFB Paper 314]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $8,700,000	$8,700,000	$0

Governor: Extend the period that the state housing tax credit may be claimed from six to 10 years, and increase from $42 million to $100 million the total amount the Wisconsin Housing and Economic Development Authority (WHEDA) may certify to be claimed annually. Further,

allow the Authority to waive the current requirement that a development receiving credits under this provision be financed with federal tax-exempt bonds if the Authority determines allowable bonding authority under the federal volume cap will be insufficient to finance developments in any given year.

The effect of the provision would be to: (a) increase the amount of credits awarded each year from $7 million to $10 million, increasing the credits available to developments by 43%; and (b) increase the length of time credits are claimable, increasing value of awarded credits by 67%. The administration estimates the provision would decrease state income and franchise tax revenue by $1,450,000 in 2021-22, $7,250,000 in 2022-23, $13,050,000 in 2023-24, and $18,850,000 in 2024-25, fully phasing in to a decrease of $58 million in 2031-32. Combined with the $42 million limit under current law, the credit is estimated to decrease state tax revenues by $100 million annually beginning in 2031-32. The bill as introduced does not specify the initial applicability of changes to the credit, and could allow prior recipients to claim credits for the additional four-year period. The administration indicates that it intends this provision would first apply to credits awarded after the bill's enactment.

The state housing tax credit is a nonrefundable credit claimable against individual income, corporate income/franchise, and insurance premiums taxes. The state housing tax credit is administered by WHEDA, which awards it as a match to the federal 4% low-income housing tax credit, up to the state credit's $1.4 million per project limit. The federal 4% low-income housing tax credit provides a federal tax credit equal to 4% of the cost of a project each year for 10 years, generally equal to at least 30% of the present value of construction costs associated with a project, and is available on a noncompetitive basis to all properties that qualify. Properties receiving state and federal housing tax credits must reserve at least 20% of units for households with incomes below 50% of county median income, or 40% of units for households with average incomes below 60% of county median income, for at least 30 years.

Joint Finance: Provision not included.

13. REPEAL OPERATING LOSS CARRYBACK

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$6,100,000	- $6,100,000	$0

Governor: Repeal current law provisions under the individual income tax that allow net operating losses to be carried back for two tax years as an adjustment to federal AGI, beginning in tax year 2021. Net operating loss carrybacks are not allowed under the state's corporate income/franchise tax, and generally, are not allowed for federal tax purposes. Generally, a net operating loss results when a taxpayer's business deductions exceed the taxpayer's gross income. This provision would not affect current law provisions that allow taxpayers to carry forward net operating losses for up to 20 years. This provision would increase individual income tax collections by an estimated $2,000,000 in 2021-22, $4,100,000 in 2022-23, $2,000,000 in 2023-24, $500,000 in 2024-25, and a minimal amount thereafter. Over time, the revenue gain due to the elimination

of loss carrybacks would be offset by the revenue loss due to larger amounts of loss carry forwards.

Joint Finance: Provision not included.

14. DIVIDENDS RECEIVED DEDUCTION LIMIT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$6,000,000	- $6,000,000	$0

Governor: Specify that corporations may not use the dividends received deduction in computing a net business loss under the state corporate income/franchise tax. Under current law, in determining gross income, corporations may deduct from income dividends received from a corporation with respect to its common stock if the corporation receiving the dividends owns, directly or indirectly, during the entire taxable year, at least 70% of the total combined voting stock of the payor corporation. The bill would specify that this deduction may not be used in computing a net business loss (which may be carried forward for use in up to 20 future tax years under current law). It is estimated that this provision would increase corporate income/franchise tax revenues by an estimated $2,900,000 in 2021-22 and $3,100,000 in 2022-23.

Joint Finance: Provision not included.

15. FIRST-TIME HOMEBUYER SAVINGS ACCOUNTS [LFB Paper 317]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $4,100,000	$4,100,000	$0

Governor: Create a program, administered by DOR, allowing an individual to become an account holder by creating an account, either individually or jointly with his or her spouse, to pay or reimburse the eligible costs of a first-time home buyer. Require the accounts to be created at any financial institution, defined as any bank, trust company, savings institution, savings bank, savings and loan association, industrial loan association, consumer finance company, credit union, or any benefit association, insurance company, safe deposit company, money market mutual fund, or similar entity authorized to do business in Wisconsin. Specify that eligible costs would mean the down payment and allowable closing costs, defined as disbursements listed in a settlement statement for the purchase of a single-family residence in Wisconsin by an account owner or beneficiary. Limit the program to individuals who reside in Wisconsin and have not owned or purchased, either individually or jointly, a single-family residence (defined as a residence intended for occupation by a single family unit that is purchased by a beneficiary for use as his or her principal residence) during the 36-month period prior to the month of purchase of a single family residence that is located in Wisconsin.

When an account is created, require the account holder to designate a single account

beneficiary who is a first-time home buyer and who may be the account holder. Allow the account holder to change the beneficiary at any time. Allow individuals to jointly own accounts with their spouses. Provide that an individual may be the account holder of more than one account, but prohibit the account holder from having more than one account that designates the same beneficiary. Permit an individual to be the beneficiary of more than one account. Limit account contributions to cash and marketable securities, and allow persons other than account holders to contribute to accounts. However, stipulate that only the account holder may take the subtraction being created under the bill for first-time homebuyer account contributions.

Authorize account holders to withdraw funds from accounts to: (a) pay eligible costs for the benefit of the beneficiary; or (b) to reimburse the beneficiary for eligible costs that the beneficiary incurred and paid. Prohibit account holders from using account funds to pay any expenses incurred by the account holder in administering the account, but permit financial institutions to deduct service fees from accounts. Require account holders each year to submit the following information related to the account to DOR, on forms prepared by the Department, with the account holder's income tax return: (a) a list of account transactions during the tax year, including the account's beginning and ending balances; (b) the 1099 form issued by the financial institution relating to the account; and (c) a list of eligible costs, and other costs, for which account funds were withdrawn during the tax year. Authorize account holders to withdraw and transfer funds to a different financial institution without incurring a withdrawal penalty or affecting the account holder's Wisconsin AGI, provided the transfer occurs immediately and the funds are deposited in a first-time home buyer savings account at that institution. Require account holders to dissolve an account not later than 120 months (10 years) after its creation, and require financial institutions to distribute any proceeds in dissolved accounts to the account holder. Require proceeds to be distributed to the account holder's estate if the account holder dies while funds remain in the account.

Create the following adjustments to federal AGI when calculating Wisconsin AGI under the state individual income tax. Authorize account holders to subtract from federal AGI the amount of any deposits by the account holder into their accounts, as well as any interest, dividend, or other gain accruing in the account if the interest, dividends, or other gain is redeposited into the account. Limit the subtraction for each account holder to $5,000 of deposits per year, or $10,000 of deposits per year if the account holder is a married-joint filer, for each account that the account holder creates and to which the account holder makes a deposit (the amount of interest, dividends, or other gains accruing to and subsequently redeposited in the account that may be subtracted from taxable income is not limited). Specify that the subtraction does not apply for any amounts which are transferred to an account at another financial institution as described above. Prohibit an account holder from claiming the subtraction for more than a total of $50,000 of deposits into any account for each beneficiary. Require account holders to increase their AGI to include any distribution of proceeds from a dissolved account, and require account holders' estates to increase the AGI of the estate to include any distribution to an account holder's estate after the death of an account holder. In addition, require account holders to increase their AGI to reflect any amount withdrawn from an account for any reason other than payment or reimbursement of eligible costs, unless the withdrawal is the result of a transfer to an account at a different financial institution, as described above, or unless the disbursement is pursuant to a filing for bankruptcy protection. Impose a penalty of 10% on any amounts added to AGI under the preceding provisions.

For federal tax purposes, no deduction for contributions is, or would be, allowed, and the interest earnings accruing to accounts would be subject to federal income tax. Since the accounts would be taxable on the "front end," no federal tax would be imposed at the time of withdrawal. Nor would withdrawals trigger a state tax liability, provided the proceeds are used for eligible costs.

Require DOR to prepare and distribute any forms that an account holder would be required to submit and any other forms that the Department believes would be necessary to administer the program and the program's adjustments to income, described above. In addition, require DOR to prepare and distribute program informational materials to financial institutions and potential home buyers. Finally, require DOR to impose a penalty on withdrawals from accounts that would be additions to income, as described above, and direct the Department to administer the penalty as it assesses, levies, and collects income and franchise taxes.

Specify that the preceding provisions would first apply beginning in tax year 2022. This provision would reduce individual income tax collections by an estimated $4,100,000 in 2022-23, $7,000,000 in 2023-24, and $7,500,000 in 2024-25.

Joint Finance: Provision not included.

16. INDIVIDUAL INCOME TAX CREDIT FOR FLOOD INSURANCE PREMIUMS [LFB Paper 312]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $1,600,000	$1,600,000	$0

Governor: Create a nonrefundable individual income tax credit for flood insurance premiums beginning in tax year 2021. Provide that a claimant may claim a credit equal to 10% of the amount of premiums the claimant paid during the tax year for flood insurance. Define flood insurance as a flood insurance policy that covers the principal dwelling of the claimant. Specify that the credit amount could not exceed $60 per tax year.

Specify that no flood insurance premiums tax credit would be allowed unless it were claimed within four years of the unextended due date of the income tax return to which the claim relates. Prohibit nonresidents and part-year residents of Wisconsin from claiming the credit. Direct that no credit would be allowed for a tax year covering a period of less than 12 months, except for a tax year that was closed because of the death of the taxpayer. Specify that current law provisions which apply to the individual income tax and relate to DOR's enforcement authority, and to assessments, refunds, appeals, collection, interest, and penalties, would also apply to this credit. This provision would reduce individual income tax collections by an estimated $800,000 annually, beginning in 2021-22.

Joint Finance: Provision not included.

17. INDIVIDUAL INCOME TAX EXCLUSIONS FOR CERTAIN ACTIVE DUTY MILITARY INCOME [LFB Paper 318]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $860,000	- $39,540,000	- $40,400,000

Governor: Modify the current law exclusion under the state individual income tax for amounts received by certain reserve members of the U.S. Armed Forces. Specify that the exclusion also applies to amounts received by individuals who are called into active federal service under 10 USC 12304b of federal law, relating to preplanned missions in support of the combatant commands. The administration indicates that this provision is intended to apply beginning in tax year 2021, but no such date of initial applicability is specified in the bill. [A technical amendment would be necessary to accomplish the administration's intended date of initial applicability.]

In addition, beginning in tax year 2021, create an exclusion under the state individual income tax for any amount of pay (as defined under current law provisions governing the National Guard and State Defense Force) received from the state of Wisconsin by a member of the Wisconsin National Guard after being called into state active duty (as defined under the preceding provisions of current law). Provide that the exclusion applies to amounts paid to the individual for the period of time during which they are on state active duty, to the extent such amounts are not otherwise excluded under current law. An exclusion is provided under current law for any amount of basic, special, and incentive pay income or compensation (as defined under federal law) received from the federal government by a member of a reserve component of the U.S. Armed Forces, if that member is called into active duty under certain other provisions of federal law or into special state service, as authorized under federal law. The exclusion applies to amounts paid to the reserve member during the period of time in which the member is on active duty.

This provision would reduce individual income tax revenues by an estimated $430,000 on an annual basis, beginning in 2021-22.

Joint Finance: Include provision, but with a modification to specify that all basic, special, and incentive pay income received from the federal government by a member of the U.S. Armed Forces while that member is serving on active duty, including income received by individuals who are called into active federal service under 10 USC 12304b of federal law relating to preplanned missions in support of the combatant commands, is excluded from taxable income (to the extent not already excluded under current law). Remove the provision associated with state active duty pay received by a member of the Wisconsin National Guard, as described above. Estimate reduced individual income tax collections relative to current law of $20,200,000 annually, beginning in 2021-22.

18. CREATION OF INDIVIDUAL INCOME TAX EXCLUSION FOR AMERICORPS AWARDS

GPR-Tax	- $272,000

Governor/Joint Finance: Provide that any amount of a national service educational award

certified by the Corporation for National and Community Service (which includes the AmeriCorps program) and disbursed under specific provisions of federal law during the taxable year could be excluded from an individual's taxable income, beginning in tax year 2021. Stipulate that the exclusion would not be allowed for an amount that is subtracted under: (a) the current law deduction for tuition expenses and mandatory student fees; or (b) the federal deduction for student loan interest. This provision would reduce individual income tax collections by an estimated $136,000 on an annual basis, beginning in 2021-22.

19. FEDERALIZE PROVISIONS RELATED TO COLLEGE SAVINGS ACCOUNTS AND EXPAND REQUIREMENT TO ADD NON-QUALIFIED EXPENSES BACK TO TAXABLE INCOME [LFB Paper 307]

Governor: Beginning in tax year 2019, specify that sections 221 (e) (1) and 529 of the IRC in effect for federal purposes, relating to qualified tuition programs, are automatically adopted for Wisconsin income tax purposes. The administration estimates that state adoption of these provisions would reduce state tax revenues by $100,000 annually, beginning in 2021-22.

In addition, modify the current law addition to taxable income of amounts initially contributed to a college savings account that are subsequently not used for qualified higher education expenses. Specify that such an addition must be made regardless of when the initial amount was contributed to the account. Under current law, amounts contributed to a college savings account after December 31, 2013, which incur a federal penalty because they were subsequently not used for qualified higher education expenses, must be added back to taxable income. This addition only applies to contributions for which a state subtraction was taken, as allowed under current law (and as would remain allowed under the bill). The bill would clarify that, if a federal penalty applies to a college savings account contribution made before January 1, 2014, which was subsequently not used for qualified higher education expenses, any such amount which was initially subtracted must be added back to Wisconsin taxable income.

The bill would provide that the aforementioned sections of the federal IRC relating to qualified tuition programs are automatically adopted for state tax purposes beginning retroactively to tax year 2019. At the time of introduction, it was anticipated that federal provisions would be adopted under the bill to allow college savings account distributions to be used for: (a) eligible apprenticeship program expenses; and (b) up to $10,000 of principal or interest on qualified student loans of the account's beneficiary, or their sibling.

[State law had not adopted the IRC provisions described above as of February 16, 2021, when the Governor's budget was introduced. However, these provisions were adopted for state tax purposes under 2021 Act 1 on February 18, 2021, resulting in the same annual fiscal effect described above for 2021-22 and 2022-23. As a result, this provision, if adopted in the budget bill, would have no additional impact on state tax revenues.]

Joint Finance: Provision not included.

20. ADDITION TO TAXABLE INCOME OF ABLE ACCOUNT AMOUNTS RETURNED TO OWNER'S ESTATE

Governor: Provide a statutory modification to stipulate that any amount remaining in a Wisconsin Achieving a Better Life Experience (ABLE) account upon the account's termination that is returned to the account owner's estate would be added back to taxable income. Current law provides identical treatment for any such amounts that remain in the account of a qualified ABLE program of any other state (at present, no Wisconsin ABLE program exists). The provisions of state law that would authorize the creation of an ABLE program in Wisconsin are set forth under separate sections of the bill. [See "Financial Institutions."]

Joint Finance: Provision not included.

Sales and Use Taxes

1. IMPOSE SALES TAX ON RECREATIONAL MARIJUANA

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$33,600,000	- $33,600,000	$0

Governor: Impose the state sales and use tax on retail sales of usable marijuana. Retail excise taxes imposed on marijuana, described below under "Excise Taxes," would be included in the sales price subject to the state sales and use tax.

Under current law, sales of marijuana are subject to the sales tax as tangible personal property. However, taxes generally are not collected and remitted on such sales, as marijuana is an illegal substance. The bill would legalize the sale of marijuana for medical and recreational purposes. As a result, sales tax would be collected by retailers on legal marijuana sales. However, the bill would provide an exemption from the general sales and use tax for sales of medical marijuana, if the purchaser holds a valid tax exemption certificate that indicates they are a member of the medical marijuana registry.

The provision would take effect on the effective date of the bill. However, the administration indicates that it does not estimate a fiscal effect until 2022-23, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made. The administration estimates the sales and use tax on legal sales of recreational marijuana would increase state tax revenues by $33,600,000 beginning in 2022-23 and annually thereafter.

The legalization of the sale of marijuana and the creation of the medical marijuana registry would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

Joint Finance: Provision not included.

2. SALES TAX EXEMPTION FOR DIAPERS [LFB Paper 320]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $16,100,000	$16,100,000	$0

Governor: Provide an exemption from the general sales and use tax for sales of diapers, not including adult undergarments for incontinence. The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates that this exemption would reduce state tax revenues by $7,300,000 in 2021-22 and $8,800,000 in 2022-23 and annually thereafter.

Joint Finance: Provision not included.

3. SALES TAX EXEMPTION FOR ENERGY SYSTEMS [LFB Paper 322]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $8,200,000	$8,200,000	$0

Governor: Expand the current law exemption from the state sales and use tax to include tangible personal property used to store or facilitate the storage of electrical or heat energy produced by a solar, wind, or biogas renewable energy system.

Under current law, an exemption from the sales and use tax exists for a product that has as its power source wind energy, direct radiant energy received from the sun, or gas generated from anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or 600 British thermal units per day. The exemption also applies to the sale of electricity or energy produced by these products, but does not apply to an uninterruptible power source that is designed primarily for computers.

The bill modifies current law so the exemption applies to solar, wind, and waste energy systems that produce usable electrical or heat energy, rather than solely to products whose power source is solar, wind, or waste energy. The bill specifies that tax exempt solar power systems, wind energy systems, and waste energy systems would include tangible personal property sold with the systems that is used primarily to store or facilitate the storage of electrical or heat energy produced by the systems. Therefore, the exemption would apply to products producing power from renewable energy sources, as well as products used to store that energy, relative to current law.

The bill would also make the following modifications to the current law exemption:

a. Specify that, to qualify for the exemption, energy systems must <u>continuously</u>, rather

than per day, produce at least 200 watts of alternating current or 600 British thermal units;

b. Clarify that tax exempt energy produced by the systems includes electrical and heat energy; and

c. Specify that the production of electrical or heat energy must come directly from sun, wind, or gas generated from anaerobic digestion of animal manure or other agricultural waste.

The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates that this exemption would decrease state tax revenues by $3,800,000 in 2021-22 and $4,400,000 in 2022-23 and annually thereafter.

Joint Finance: Provision not included.

4. SALES TAX EXEMPTION FOR SWEETENED DRIED FRUIT [LFB Paper 321]

GPR-Tax	- $900,000

Governor/Joint Finance: Provide a sales and use tax exemption for sweetened dried fruit. The administration indicates that the intent of the provision is for dried cranberries and similar items to have the same sales tax treatment as other dried fruits.

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

The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates that this exemption would decrease state tax revenues by $400,000 in 2021-22 and $500,000 in 2022-23 and annually thereafter.

5. SALES TAX EXEMPTION FOR PRAIRIE OR WETLAND PLANNING SERVICES [LFB Paper 322]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- $500,000	$500,000	$0

Governor: Provide a sales and use tax exemption for landscape planning and counseling

services that pertain to the restoration, reclamation, or revitalization of prairie, savanna, or wetlands, if such services are provided under a separate and optional fee distinct and identifiable from other taxable services.

Under current law, all services are exempt from the state sales and use tax unless specifically made taxable by statute. State law specifies that the sale of landscaping and lawn maintenance services is taxable, including: (a) landscape planning and counseling; (b) lawn and garden services, such as planting, mowing, spraying, and fertilizing; and (c) shrub and tree services. The bill would specify that landscaping and lawn maintenance services do not include planning and counseling services, if the planning and counseling services are provided for a separate and optional fee from any other services and the services are for the restoration, reclamation, or revitalization of prairie, savanna, or wetlands to improve: (1) biodiversity; (2) the quality of land, soils, or water; or (3) other ecosystem functions.

The bill would define a "separate and optional fee" as a fee charged to receive a distinct and identifiable product if either of the following would apply.

a. The fee is in addition to fees that the seller charges for other distinct and identifiable products sold to the same buyer, the fee is separately set forth on the invoice given by the seller to the buyer, and the seller does not require the buyer to pay the fee if the buyer chooses not to receive the additional distinct and identifiable product for which the fee applies.

b. The seller charges a single amount for multiple distinct and identifiable products and offers the buyer the option of paying a lower amount if the buyer chooses not to receive one or more of the distinct and identifiable products. The separate and optional fee would have to be a single amount the seller charges for the multiple distinct and identifiable products, less the reduced amount the seller charges to the buyer because the buyer chooses not to receive one or more of the products.

The bill would specify that the exemption for qualifying planning and counseling services provided for a separate and optional fee does not apply to tangible personal property physically transferred, or transferred electronically, to the customer in conjunction with those services. [A technical amendment is needed to remove cross-references to services that are unnecessary in accomplishing the intent of this provision.]

The provision would take effect on the first day of the third month following publication of the bill. The administration estimates that this exemption would reduce state tax revenues by $200,000 in 2021-22 and $300,000 in 2022-23 and annually thereafter.

Joint Finance: Provision not included.

6. REPEAL SALES TAX EXEMPTION FOR CLAY PIGEONS AND GAME BIRDS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$350,000	- $350,000	$0

Governor: Repeal the exemption from the general sales and use tax for clay pigeons and live game birds sold to licensed bird hunting preserves and for clay pigeons sold to an eligible shooting facility. An eligible shooting facility is one that is: (a) required to collect and remit sales tax on its charges for shooting at the facility; or (b) a nonprofit that charges for shooting at the facility but is otherwise exempt from remitting sales tax on such charges under the current law exemptions for occasional sales or for a nonprofit gun club that provides safety classes to at least 25 individuals annually.

The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates the repeal of this exemption would increase state tax revenues by $150,000 in 2021-22 and $200,000 in 2022-23 and annually thereafter.

Joint Finance: Provision not included.

7. REPEAL SALES TAX EXEMPTION FOR FARM-RAISED DEER

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$210,000	- $210,000	$0

Governor: Repeal the exemption from the general sales and use tax for farm-raised deer sold to a person who is operating a hunting preserve or game farm in this state. This provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates the repeal of this exemption would increase state tax revenues by $90,000 in 2021-22 and $120,000 in 2022-23.

Joint Finance: Provision not included.

Excise Taxes

1. IMPOSE WHOLESALE AND RETAIL EXCISE TAXES ON RECREATIONAL MARIJUANA

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$52,880,000	- $52,880,000	$0

Governor: Impose an excise tax on marijuana producers at a rate of 15% of the sales price on wholesale sales or transfers in this state of marijuana to marijuana processors. The wholesale excise tax would also apply to a microbusiness that transfers marijuana to a processing operation

within the microbusiness. Additionally, impose an excise tax on marijuana retailers at a rate of 10% of the sales price on retail sales of usable marijuana. Specify that the excise tax on retail sales would not apply to sales of usable marijuana to individuals who hold a tax exemption certificate indicating that they are members of the medical marijuana registry.

These provisions would take effect on the effective date of the bill. However, the administration indicates that it does not estimate a fiscal effect associated with this provision until 2022-23, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made. The administration estimates that the imposition of wholesale and retail excise taxes on marijuana would result in collections of $65,100,000 and $67,100,000, respectively, beginning in 2022-23 and annually thereafter (total excise tax collections of $132,200,000 in 2022-23). The bill would specify that 60% of all moneys received from marijuana excise taxes would be deposited into the newly established Community Reinvestment Fund, and an estimated $79,320,000 SEG-REV would be deposited into that fund in 2022-23. The administration estimates that the remaining excise taxes deposited in the general fund would increase state tax revenues by $52,880,000 in 2022-23 and annually thereafter.

Following is a summary of the taxes imposed on recreational marijuana under the bill and the estimated tax amounts to be generated in 2022-23.

	Amount
15% Excise tax on wholesale sales	$65,100,000
10% Excise tax on retail sales	67,100,000
Sales Tax	33,600,000
Total	$165,800,000
Deposited to the SEG Community Reinvestment Fund	$79,320,000
Deposited to the General Fund	86,480,000
Total	$165,800,000

The legalization of the sale and taxation of marijuana and the creation of the Community Reinvestment Fund would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

Joint Finance: Provision not included.

2. IMPOSE TOBACCO PRODUCTS TAX ON VAPOR PRODUCTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$29,300,000	- $29,300,000	$0

Governor: Impose the tobacco products tax on vapor products at the rate of 71% of the manufacturer's list price to distributors in this state and expand the definition of vapor products

subject to tax.

Under current law, vapor products are taxed at a rate of 5¢ per milliliter of the liquid. A taxable vapor product is defined as a noncombustible product that produces vapor or aerosol for inhalation from the application of a heating element to a liquid or other substance that is depleted as the product is used, regardless of whether the liquid or other substance contains nicotine. Under this definition, the tax on vapor products applies to a liquid or other substance that functions as part of a vapor product or is sold with a vapor product as one packaged item. Liquids sold separately from a heating element are not subject to the tax.

The bill would modify the definition of a vapor product to mean a noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that can be used to produce vapor from a solution or other substance, regardless of the product's shape or size or whether the product contains nicotine. A vapor product would include an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device, and would include any cartridge or other container of a solution or other substance that is intended to be used with such a device, regardless of whether the solution or other substance contains nicotine. Therefore, in contrast to current law, the tax on vapor products would also apply to liquid sold separately from the above mentioned devices. In addition, since the tax rate would no longer be based on milliliters, the tax would be imposed on devices that are sold without liquid.

A vapor product would not include certain products regulated as a drug or device under federal law, of which it has been determined that the health benefits outweigh the known risks. DOR indicates the intent of this provision is to exempt products approved for smoking cessation by the Food and Drug Administration from the definition of taxable vapor products.

The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates imposing the tobacco products tax on vapor products would increase state tax revenues by $12,700,000 in 2021-22 and $16,600,000 in 2022-23 and annually thereafter.

Joint Finance: Provision not included.

3. IMPOSE CIGARETTE TAX ON LITTLE CIGARS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	$5,300,000	- $5,300,000	$0

Governor: Change the tobacco products tax imposed on little cigars to be set at the same rate as the excise tax rate currently imposed on cigarettes as follows.

Current law makes no distinction between little cigars and other cigars for purposes of the tobacco products tax. The bill would specifically define cigars and little cigars. A little cigar would

mean a cigar that has an integrated cellulose acetate filter and is wrapped in a substance containing tobacco. A cigar would mean a roll, of any size or shape, of tobacco for smoking that is made wholly or in part of tobacco, regardless of whether the tobacco is pure, flavored, adulterated, or mixed with an ingredient if the roll has a wrapper made wholly or in part of tobacco. Little cigars would be enumerated in the definition of tobacco products.

Under current law, an excise tax is imposed on tobacco products, including cigars and little cigars, at the rate of 71% of the manufacturer's established list price to distributors, not to exceed 50¢ per cigar or little cigar. While the tax on cigars would remain taxed at the same rate imposed under current law, the bill would impose a tax on little cigars at a rate of 126 mills per little cigar ($1.26 per 10), regardless of weight. [A mill equals one-tenth of one cent. Therefore, a rate of 126 mills per little cigar = $2.52 per pack of 20.] For little cigars, the tax rate would be the same as that levied on cigarettes weighing not more than three pounds per thousand under current law. In addition, the cigar tax limit under current law of 50¢ per cigar or little cigar would no longer apply to the taxation of little cigars under the bill.

The following administrative and enforcement procedures under current law governing the taxation of cigarettes would also apply to the administration and enforcement of the tax on little cigars: (a) the imposition of an inventory tax on little cigars held in inventory for sale or resale; (b) the affixing of stamps to each package of little cigars prior to their first sale in Wisconsin to denote tax paid; (c) discounts for purchasers of tax stamps at 0.8% of the tax paid; and (d) penalties, including imprisonment, for possessing little cigars for which no tax has been paid; (e) the placement of security with DOR, in the amount determined by the Department, if taxes are not paid; (f) the requirement that manufacturers, distributors, and sellers of little cigars obtain a seller's permit; (g) prohibiting the transfer of stamps to another person; (h) refunds for unusable stamps; (i) the option for distributors to claim a bad debt deduction for little cigar taxes written off as uncollectible; (j) the treatment of a little cigar permittee as a preferred creditor of any tax amounts owed by a purchaser of little cigars; (k) record-keeping requirements at each level of the little cigar distribution chain; (l) the treatment as theft, any little cigar tax monies fraudulently withheld, appropriated, or otherwise used; (m) the prohibition of house to house sales of little cigars; (n) the treatment of any sale of little cigars without a permit as a public nuisance; and (o) the restriction of municipalities from adopting any little cigar regulations that are not in strict conformity with state law. The inventory tax in "a" would be calculated by multiplying the number of little cigars and the number of un-affixed stamps held in inventory by the difference between the prior tax rate and the new tax rate.

The provision would take effect on the first day of the third month beginning after publication of the bill. The administration estimates that imposing the cigarette tax on little cigars would increase state tax revenues by $2,300,000 in 2021-22 and $3,000,000 in 2022-23 and annually thereafter. As noted, an inventory tax on little cigars would be imposed under the Governor's recommendation. However, the administration did not include any revenues associated with the imposition of the inventory tax. The administration estimated a minimal change in tribal refunds as a result of this provision.

Joint Finance: Provision not included.

4. DEFINE MANUFACTURER'S LIST PRICE

Governor: Define manufacturer's list price as the total price of tobacco products charged by the manufacturer or other seller to an unrelated distributor. The total price would include all charges by the manufacturer or other seller that are necessary to complete the sale, and could not be reduced by any cost or expense incurred by the manufacturer or other seller, such as fees, delivery, freight, transportation, packaging, handling, marketing, federal excise taxes, and import fees or duties, regardless of whether such cost or expense is separately stated on an invoice. The total price also could not be reduced by the value or cost of discounts or free promotional or sample products. A manufacturer or other seller would be considered related to a distributor if the two parties have significant common purposes and have either substantial common membership or, directly or indirectly, have substantial common direction or control. [A technical amendment is needed to accomplish the Governor's intent that this definition would also apply to vapor products.]

Current law does not specifically define manufacturer's list price for purposes of the tobacco products tax. The administration indicates an explicit statutory definition is needed to clarify in state law the calculation of the excise taxes on these products. This provision is intended to take effect on the first day of the third month beginning after publication of the bill. [A technical amendment is needed to specify the delayed effective date of this provision.]

Joint Finance: Provision not included.

Refundable Tax Credits and Other Payments

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $423,909,800	$37,385,000	- $386,524,800

Governor: Decrease funding by $211,954,900 annually for the sum sufficient appropriation for refundable electronics and information technology manufacturing (EITM) zone tax credits and estimate $0 of tax credit claims during the 2021-23 biennium. The EITM zone tax credit program provides a refundable payroll tax credit based upon 17% of the EITM zone payroll of full-time employees employed by the claimant. In addition, if the Wisconsin Economic Development Corporation (WEDC) determines that a certified business makes a significant capital expenditure in the EITM zone, it can certify the business to receive additional tax benefits, in an amount to be determined by WEDC, but not exceeding 15% of the business's capital expenditures in the EITM zone in the taxable year.

The reestimate reflects the administration's review of the jobs, payroll, and capital expenditure targets established under the contract that WEDC entered into with three Wisconsin corporations that are affiliated with Hon Hai Precision Industry Co., Ltd (Foxconn). By letter dated

October 12, 2020, WEDC relayed its determination that Foxconn and its affiliated entities were not eligible for EITM zone tax credits both because they did not conform to the scope of the project set out under the contract and because they failed to employ the requisite minimum number of full-time employees by the end of 2019. Based on Foxconn's reported investment and employment levels, the administration believes that WEDC's non-eligibility determinations will likely continue because Foxconn also does not appear to be on track to earn tax credits based on its calendar year 2020 activities. As a result, the administration estimates that no EITM zone tax credits will be earned and claimed during the 2021-23 biennium.

Joint Finance: Modify the proposed funding to reflect reestimates of credits that could be earned under the amended contract with Foxconn dated April 20, 2021, and provide $29,060,000 in 2021-22 and $8,325,000 in 2022-23.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$39,600,000	- $46,200,000	- $6,600,000
PR	0	- 9,200,000	- 9,200,000
Total	$39,600,000	- $55,400,000	- $15,800,000

Governor: Increase estimated GPR expenditures for the state earned income tax credit (EITC) by $22,200,000 in 2021-22 and $17,400,000 in 2022-23. Under current law, the state EITC is paid from two sources: (a) a sum sufficient GPR appropriation; and (b) federal funding from the Temporary Assistance to Needy Families (TANF) program. TANF funding may be used under current law to finance the refundable portion of the state EITC, while GPR is used to finance the nonrefundable portion. Compared to base GPR funding of $26,200,000, total GPR funding for the EITC is estimated at $48,400,000 in 2021-22 and $43,600,000 in 2022-23. [In its January 26, 2021, report on general fund revenues and expenditures, the Legislative Fiscal Bureau reestimated base GPR funding for this credit from $26,200,000 to $45,300,000 for 2020-21.]

Joint Finance: Reestimate the total amount of credit payments at $86,000,000 in 2021-22 and $90,000,000 in 2022-23. Relative to the Governor's recommendation, reduce funding for estimated EITC credit claims by $26,000,000 GPR and $6,100,000 TANF in 2021-22 and $20,200,000 GPR and $3,100,000 TANF in 2022-23.

3. EXPAND EARNED INCOME TAX CREDIT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$101,283,600	- $101,283,600	$0
PR	47,016,400	- 47,016,400	0
Total	$148,300,000	- $148,300,000	$0

Governor: Expand the state EITC for eligible claimants with one qualifying child and with two qualifying children, beginning in tax year 2021. Specify that the percentage of the federal EITC that may be claimed as a state credit would be increased to 16% for claimants with one qualifying child and to 25% for claimants with two qualifying children, beginning in tax year 2021.

Under current law, the state EITC is provided as a percentage of the federal EITC that varies based on the claimant's number of qualifying children. The credit percentages are 4% for one qualifying child, 11% for two qualifying children, and 34% for three or more qualifying children. The state EITC is not available to taxpayers without qualifying children.

Increase estimated state GPR expenditures by $27,283,600 in 2021-22 and by $74,000,000 in 2022-23. Increase PR expenditures from the TANF program by $47,016,400 in 2021-22 related to the expanded credit. However, PR expenditures for the EITC would revert back to base level funding of $69,700,000 in 2022-23. According to the administration, TANF funds would be used to finance other budgetary priorities of the administration in 2022-23.

Joint Finance: Provision not included.

4. HOMESTEAD TAX CREDIT REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $10,920,000	- $13,080,000	- $24,000,000

Governor: Decrease estimated expenditures under the homestead tax credit program by $4,460,000 in 2021-22 and $6,460,000 in 2022-23. Compared to base funding of $71,000,000, estimated expenditures would be $66,540,000 in 2021-22 and $64,540,000 in 2022-23. Included in the reestimate is an increase each year of $340,000 under provisions of 2021 Act 1. [In its January 26, 2021, report on revenues and expenditures, the Legislative Fiscal Bureau reestimated base funding for this credit from $71,000,000 to $68,000,000 for 2020-21.]

Under current law, the homestead credit is provided as a property tax relief mechanism for lower-income homeowners and renters. The credit is refundable, such that if the amount of the credit exceeds a claimant's tax liability, a check is issued to the claimant for the difference.

Joint Finance: Reestimate total GPR expenditures for the homestead tax credit at $60,000,000 in 2021-22 and $58,000,000 in 2022-23. Reduce funding for estimated credit claims by $6,540,000 annually, relative to the Governor's recommendation.

5. HOMESTEAD TAX CREDIT EXPANSION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$68,900,000	- $68,900,000	$0

Governor: Expand the homestead tax credit beginning in tax year 2021 as follows. Increase the income threshold above which no credit is allowed (maximum income level) to $30,000, and reduce the rate at which the credit phases out (phase-out rate) to 6.655%. In addition, direct that the following formula factors of the credit are to be indexed for inflation annually beginning in tax year 2023: (a) the income threshold for the maximum credit; (b) the maximum income level to receive the credit; and (c) the maximum allowable property taxes or rent constituting property taxes. Calculate the indexing adjustment in each year as an increase based on the percentage change in the consumer price index (CPI). Calculate the percentage as the change in the 12-month average of the index for the period ending in July of the previous year, relative to the claim, and beginning with the previous August, and the 12-month average of the index for the period August, 2020, through July, 2021. Prohibit the adjustment from occurring unless the percentage is a positive amount. Define the CPI as the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the federal Department of Labor. Specify that the provisions modifying the credit's maximum income level and phase-out rate first apply to claims filed for taxable years beginning after December 31, 2020. In addition, statutory modifications would be made to clarify the current law provisions under which a claimant cannot claim the credit if the claimant does not have earned income during the calendar year, unless the claimant or the claimant's spouse is disabled or is over the age of 61. This provision would increase estimated state GPR expenditures by $35,000,000 in 2021-22, $33,900,000 in 2022-23, $41,400,000 in 2023-24, and $47,400,000 in 2024-25. [A technical amendment would be necessary to accomplish the administration's intent concerning the clarification of the earned income requirement under current law (described above), and the effective date of the proposed expansion of the credit.]

Under current law, the maximum income level is $24,680, and the phase-out rate is 8.785%. The other formula factors of the credit under current law are as follows: (a) the maximum allowable property taxes or rent constituting property taxes is $1,460; (b) the income threshold for the maximum credit is $8,060; and (c) the percentage of property taxes reimbursed is 80%. These factors produce a maximum credit of $1,168. The formula factors were last modified in tax year 2010.

Joint Finance: Provision not included.

6. ENTERPRISE ZONE TAX CREDIT REESTIMATE [LFB Papers 102 and 333]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $30,000,000	$24,600,000	- $5,400,000

Governor: Decrease funding by $13,000,000 in 2021-22 and by $17,000,000 in 2022-23 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 WEDC has, to date, contracted tax credit awards. With the adjustments, estimated total funding would decrease from base funding of $81,700,000 to $68,700,000 in 2021-22 and $64,700,000 in 2020-21. 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.

Joint Finance: Reestimate the amount of GPR funding necessary to pay for enterprise zone tax credit claims at $87,900,000 in 2021-22 and $70,100,000 in 2022-23. Compared to the Governor's recommendation, the reestimate is higher by $19,200,000 in 2021-22 and $5,400,000 in 2022-23.

7. ENTERPRISE ZONE TAX CREDIT LIMIT

Governor: Modify the procedure used for designating zones under the enterprise zone tax credit program to generally conform with the law previous to 2017 Act 369, as described below.

Under current law, WEDC may designate an unlimited number of enterprise zones, with each designation subject to approval by the Joint Committee on Finance under a 14-day passive review process. WEDC must notify the Committee in writing of its intent to designate a new enterprise zone, including a description of the new zone and the purpose for which WEDC proposes to designate the new zone. Further, the Committee must approve a zone before WEDC may designate a new enterprise zone, but WEDC may designate an unlimited number of zones, so long as each zone is so approved by the Committee. The bill would repeal these provisions. Instead, the bill would allow WEDC to designate new zones under the enterprise zone tax credit program without the approval of the Committee, but would specify that no more than 30 zones may be designated in total (the same limit in effect prior to Act 369).

The bill would restore the pre-Act 369 provision that, if WEDC revokes all certifications for tax benefits within a previously designated enterprise zone, WEDC may cancel the designation of that enterprise zone. After canceling the designation of an enterprise zone, WEDC may designate a new enterprise zone subject to the proposed 30-zone limit. According to WEDC, as of the day of introduction of the bill, there were 25 zones open under contract, of which 22 were currently active that may still be verified for additional credits. Specify that these provisions would apply retroactively to zones that have closed prior to the effective date of the bill.

The Governor's recommendation does not include any estimated increased (or decreased) expenditures as a result of this provision.

Joint Finance: Provision not included.

8. ENTERPRISE ZONE TAX CREDIT BASE YEAR CALCULATION

Governor: Modify the enterprise zone tax credit program so that, for contracts executed after December 31, 2021, the base year for comparing the number of employees and the amount of payroll that may be eligible for the job creation, job retention, and retention of financial services technology business credits would be the 12-month period prior to the date on which the claimant was certified. Under current law, "base year" means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone takes effect. For example, if a contract is executed and the zone takes effect in September, 2021, and the awardee has a taxable year

beginning in January, the base year would be January, 2020, through January, 2021 (which ends nine months prior to the start of the enterprise zone).

The administration indicates that the change would improve assessment of enterprise zone job creation and retention to better reflect conditions immediately preceding the date the contract was executed. Further, the change would align the enterprise zone base year definition with WEDC's policies and procedures for the business development job creation and job retention tax credit, which specify that the base for comparison is the 12 months immediately prior to certification date of the award.

Joint Finance: Provision not included.

9. REFUNDABLE RESEARCH CREDIT -- SUM SUFFICIENT REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$15,700,000	$15,700,000

Joint Finance: Reestimate the amount of GPR funding necessary to pay for the refundable portion of research tax credit claims under current law from base funding of $9,000,000 to $15,300,000 in 2021-22 and $18,400,000 in 2022-23. Compared to the Governor's recommendation, the reestimate is higher by $6,300,000 in 2021-22 and $9,400,000 in 2022-23.

10. REFUNDABLE RESEARCH CREDIT [LFB Paper 331]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$21,200,000	- $9,700,000	$11,500,000

Governor: Modify the partially refundable research tax credit (including the engine and energy efficiency credits), as computed under current law, to increase the refundable portion from 10% of the credit amount to 20% of the credit amount. Specify that these provisions would first apply to new research credit claims for tax years beginning after December 31, 2020. Estimate increased expenditures for refundable research credit claims of $10,600,000 annually beginning in 2021-22.

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

Joint Finance: Provide $2,300,000 in 2021-22 and $9,200,000 in 2022-23 to increase the

refundable portion of the research tax credit (including the engine and energy efficiency credits) from 10% to 15% of the credit amount. Relative to the Governor's recommendation, estimated funding provided for tax credit claims is lower by $8,300,000 in 2021-22 and $1,400,000 in 2022-23. Specify that this provision first applies to new research credit claims for tax years beginning after December 31, 2020.

11. ILLINOIS-WISCONSIN RECIPROCITY REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$20,800,000	- $2,800,000	$18,000,000

Governor: Increase the estimated payment under the Illinois-Wisconsin individual income tax reciprocity agreement by $7,800,000 in 2021-22 and $13,000,000 in 2022-23 to reflect anticipated payments to Illinois in the 2021-23 biennium. Compared to base funding of $106,700,000, total funding is estimated at $114,500,000 in 2021-22 and $119,700,000 in 2022-23.

Joint Finance: Relative to the Governor's recommendation, increase the estimated payment under the Illinois-Wisconsin individual income tax reciprocity agreement by $4,800,000 in 2021-22, and decrease the estimated payment by $7,600,000 in 2022-23. Estimate total funding at $119,300,000 in 2021-22 and $112,100,000 in 2022-23.

12. VETERANS PROPERTY TAX CREDIT REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,900,000	$100,000	$11,000,000

Governor: Increase funding for the veterans and surviving spouses property tax credit by $4,800,000 in 2021-22 and $6,100,000 in 2022-23. Compared to base funding of $36,000,000, total funding for the credit is estimated at $40,800,000 in 2021-22 and $42,100,000 in 2022-23.

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

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

Joint Finance: Relative to the Governor's recommendation, increase estimated expenditures under the veterans and surviving spouses property tax credit by $200,000 in 2021-22, and decrease estimated expenditures by $100,000 in 2022-23. Estimate total credit expenditures at $41,000,000 in 2021-22 and $42,000,000 in 2022-23.

13. VETERANS PROPERTY TAX CREDIT EXPANSION FOR RENTERS [LFB Paper 330]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,000,000	- $10,000,000	$0

Governor: Expand the veterans and surviving spouses property tax credit by providing the credit to eligible renters beginning in tax year 2021. An eligible claimant could claim the credit for 100% of their rent constituting property taxes. "Rent constituting property taxes" would have the same definition as under the current law property tax rent credit (generally 25% of rent if heat is not included in rent, or 20% of rent if heat is included). For married-separate filers, each spouse could claim the credit based on 50% of the total rent constituting property taxes paid during the taxable year for the eligible veteran's principal dwelling.

Under current law, a renter may claim the credit if they make property tax payments directly to the municipality (if the landlord does not remit such payments on their behalf). This provision would increase estimated state GPR expenditures by $4,900,000 in 2021-22 and $5,100,000 in 2022-23.

Joint Finance: Provision not included.

14. BUSINESS DEVELOPMENT TAX CREDIT SUM SUFFICIENT REESTIMATE [LFB Papers 102 and 333]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $3,200,000	- $7,400,000	- $10,600,000

Governor: Reduce funding by $900,000 in 2021-22 and $2,300,000 in 2022-23 for the sum sufficient appropriation for business development tax credits to reestimate anticipated claims during the biennium. The reestimate reflects the administration's 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 decrease from base funding of $19,100,000 to $18,200,000 in 2021-22 and $16,800,000 in 2022-23. Businesses certified by WEDC can earn credits for a portion of wages paid to employees, training costs for employees, personal property investments, real property investments, and wages paid to employees performing corporate headquarters functions in Wisconsin.

Joint Finance: Reestimate the amount of GPR funding necessary to pay for the business development tax credit at $12,900,000 in 2021-22 and $14,700,000 in 2022-23. Compared to the Governor's recommendation, the reestimate is lower by $5,300,000 in 2021-22 and $2,100,000 in 2022-23.

15. BUSINESS DEVELOPMENT TAX CREDIT FOR RENEWABLE ENERGY [LFB Paper 332]

Governor: Create a new tax credit under the refundable business development tax credit program, administered by WEDC, equal to up to 25% of the claimant's energy efficiency or renewable energy project expenditures on real or personal property located in Wisconsin. Specify that, when making an award, WEDC would have to ensure that the percentage of expenditures taken into account positively correlates to the scale of the project. According to the administration, WEDC would award larger credit percentages for larger projects, up to a maximum of 25%. The credit would first apply to awards made on and after January 1, 2022. The administration did not estimate a fiscal effect associated with this provision.

Joint Finance: Provision not included.

16. BUSINESS DEVELOPMENT TAX CREDIT MODIFICATIONS

Governor: Modify the business development tax credit program as follows.

Under current law, for the corporate headquarters credit, a business can earn an amount, as determined by WEDC, equal to a percentage of the amount of wages that the business paid to an employee in an eligible position in the taxable year. Eligible positions must be created or retained in connection with the business's location or retention of its corporate headquarters in Wisconsin, and the job duties associated with the eligible position must involve the performance of corporate headquarters functions. The bill would remove the requirement that the job duties associated with eligible employee's positions involve the performance of corporate headquarters functions.

For the job training credit, a business may be certified to receive tax credits for up to 50% of eligible training costs, as determined by WEDC, to undertake activities to enhance an employee's general knowledge, employability, and flexibility in the workplace; develop skills unique to the person's workplace or equipment; or develop skills that will increase the quality of the business' product. The bill would delete the eligible activities for what the job training would have to include and replace them with the following activities: (a) upgrading or improving the job-related skills of an eligible employee; (b) training an eligible employee on the use of job-related new technologies; or (c) providing job-related training to an eligible employee whose employment with the person represents the employee's first full-time job.

The administration did not specify an initial applicability date as to what tax years, or to what WEDC contracts, verifications, or awards, this provision would first apply. As a result, these provisions would take effect on the effective date of the bill. The administration indicates that the changes are intended to more closely align the business development tax credit program with the enterprise zone tax credit program. The administration did not estimate a fiscal effect associated with this provision.

Joint Finance: Provision not included.

17. WAGE THRESHOLD FOR ENTERPRISE ZONE AND BUSINESS DEVELOPMENT TAX CREDITS

Governor: Modify the wage threshold for the enterprise zone and business development tax credit programs, as described below.

Under current law, WEDC is responsible for awarding tax credits, certifying taxpayers, allocating and verifying tax credits, and performing other general administrative functions related to both the business development and enterprise zone tax credit programs. Typically, WEDC will certify a business as eligible via a contract that specifies a maximum amount of tax benefits that may be earned by the business by successfully completing specified goals.

Enterprise Zone Credit - Current Law. The refundable enterprise zone tax credit for job creation can be claimed for up to a percentage of the increase in wages resulting from creating full-time jobs in the zone. Specifically, the credit is an amount equal to a percentage (up to 7%, as determined by WEDC) multiplied by: (a) the number of the claimant's new full-time employees; and (b) the creditable wage amount. New full-time employees are equal to the number of employees in the zone in the taxable year minus the number of employees in the base year (or, if the difference is smaller, the new employees in the state minus base year employees in the state). The creditable wage amount is the average zone payroll minus the average eligible wage amount. The average zone payroll is the total wages of full-time employees employed in the zone in the taxable year, excluding wages in excess of $100,000, divided by the number of full-time employees employed in the zone in the taxable year. The average eligible wage amount is currently $22,620 for Tier 1 and $30,000 for Tier 2 counties and municipalities. Counties and municipalities are designated as Tier 1 or Tier 2 by WEDC, based on certain economic indicators.

A similar refundable credit for job retention can be claimed for an amount equal to the percentage, up to 7% as determined by WEDC, of the claimant's zone payroll (excluding wage amounts that are over $100,000) paid in the tax year to full-time employees who were employed in the enterprise zone and whose annual wages were greater than the eligible wage amount (described above).

Business Development Credit - Current Law. The refundable business development tax credit can be claimed for eligible expenses for increased employment, retaining employees, employee training, capital investment, and corporate headquarters location or retention in Wisconsin. Certified businesses can earn a refundable job creation or job retention credit for up to 10% of the amount of wages paid to an eligible employee (full-time job) in a tax year. If the

employee is employed in a full-time job at the claimant's business in an "economically distressed area," as determined by WEDC, an additional credit may be awarded for up to 5% of such wages. WEDC uses the same definition for an "economically distressed area" as a "Tier I" county or municipality as under the enterprise zone tax credit program. For purposes of the credit, a full-time job means a regular, non-seasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay equal to at least 150% of the federal minimum wage ($22,620) and benefits that are not required by state or federal law. Credits cannot be earned for wages over $100,000 per year.

Governor's Recommendation. The bill would modify the enterprise zone and business development tax credit programs for contracts executed after December 31, 2021, as follows.

a. The required wage amounts would increase under both tax credit programs. For enterprise zones job creation and job retention credits, the bill would increase the wage thresholds from $22,620 for Tier 1 and $30,000 for Tier 2 counties and municipalities to $27,900 and $37,000, respectively. Similarly, for the business development job creation and job retention credits, a "full-time job" would be defined to mean a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay that is equal to at least $27,900 (rather than $22,600) and benefits that are not required by federal or state law.

b. For the business development tax credit, WEDC would be able to grant exceptions to the requirement that a full-time job includes at least 2,080 hours of work per year if the annual pay for the position exceeds $27,900 (rather than 150% of the minimum wage) and the individual is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year, as under current law.

c. The bill would increase the maximum wage threshold such that that zone payroll under the job creation and job retention credits for both tax credit programs would include wages paid to any full-time employee up to $123,000 (rather than $100,000) as creditable wages.

d. For both tax credits, beginning on January 1, 2023, the wage thresholds and limits described above would be adjusted for inflation each year based on the change for the month of August in the prior year compared to the month of August in the year preceding the prior year of the U.S. CPI for all urban consumers, U.S. city average, as determined by the federal Department of Labor. Further, the bill would specify that each amount so adjusted must be rounded to the nearest multiple of $10 if the revised amount is not a multiple of $10, or, if the revised amount is a multiple of $5, increased to the next higher multiple of $10. [A technical modification would be needed to accomplish the Governor's intent to adjust the threshold described under "b" for inflation.]

The administration did not estimate a fiscal effect associated with the changes to the enterprise zone and business development tax credit programs described above.

Joint Finance: Provision not included.

18. JOBS TAX CREDIT REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $3,125,000	$1,025,000	- $2,100,000

Governor: Reduce funding by $1,200,000 in 2021-22 and by $1,925,000 in 2022-23 for the sum sufficient appropriation for jobs tax credits to reestimate claims during the biennium. The reestimate reflects projections for credit claims for economic development projects for which WEDC has awarded tax credits. With the adjustments, estimated total funding would decrease from base funding of $2,900,000 to $1,700,000 in 2021-22 and $975,000 in 2022-23.

Pursuant to 2015 Act 55, the refundable jobs tax credit was consolidated with the nonrefundable economic development tax credit into the refundable business development tax credit beginning in 2016. The jobs tax credit was sunset after 2015. However, if WEDC allocated tax benefits in a contract to claimants prior to December 31, 2015, or if WEDC had entered into a letter of intent to enter into a contract before that date, claimants may compute and claim the credit for as long as the contract specifies. WEDC has entered into contracts through tax year 2023 for businesses to earn, compute, and claim the credit.

Joint Finance: Reestimate the amount of GPR funding necessary to pay for the jobs tax credit at $2,500,000 in 2021-22 and $1,200,000 in 2022-23. Compared to the Governor's recommendation, the reestimate is higher by $800,000 in 2021-22 and $225,000 in 2022-23.

19. REFUNDABLE TAX CREDITS FOR PASS-THROUGH ENTITIES

Governor: Allow partnerships, LLCs, and S corporations to elect to claim the jobs, enterprise zone, and business development tax credits at the entity level for taxable years beginning after December 31, 2021, if the credit results from a contract entered into with WEDC prior to December 22, 2017. Require that the entity must make this election each taxable year on its original return and the election may not be subsequently made or revoked. Further, specify that, if a partnership, LLC or S corporation elects to claim the credit, then the partners, members, and shareholders could not claim the credit. Likewise, the credit could not be claimed by the partnership, LLC, or S corporation if one or more partners, members, or shareholders have claimed the credit for the same taxable year. Further, specify that partnerships, LLCs, and S corporations cannot claim credits at the entity level if the claim relates to a contract entered into with WEDC after December 22, 2017.

For contracts entered into prior to December 22, 2017, federal law provides an exclusion from federal gross income for corporations that receive certain payments from governments (such as the refundable tax credits identified above). Federal law later repealed the exclusion for contracts entered into after that date under the TCJA. As a result, S corporations that elect to pay tax at the entity level for state income and franchise tax purposes could (but cannot under current state law) qualify for a federal exclusion for credit claims associated with a contract it executed with WEDC prior to December 22, 2017.

When computing income subject to the state entity level tax, current law prohibits partnerships, LLCs, and S corporations from claiming any tax credits, except for the credit for taxes paid to another state. As a result, under current law, any S corporation electing to pay tax at the entity level would be prohibited from claiming the jobs, enterprise zone, and business development tax credits, even if such claims related to a contract with WEDC executed prior to December 22, 2017.

A technical amendment would be needed to conform to the Governor's intent that the changes first apply to taxable years beginning after December 31, 2020 (rather than after December 31, 2021). Further, an amendment would be needed to accomplish the Governor's intent to allow businesses that elect to pay tax at the entity level to claim the above credits.

Joint Finance: Include provision, but specify that the provision would first apply for taxable years beginning after December 31, 2020 (rather than December 31, 2021).

20. CIGARETTE AND TOBACCO PRODUCTS TAX REFUNDS REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,670,000	- $1,830,000	- $3,500,000

Governor: Decrease funding for cigarette and tobacco products tax refunds by $673,000 in 2021-22 and $997,000 in 2022-23 to reflect lower estimates of the sum sufficient appropriation amounts required to reimburse Native American tribes under present law. With these adjustments, estimated total funding in the cigarette and tobacco products tax refunds appropriation would decrease to $31,027,000 in 2021-22 and to $30,703,000 in 2022-23. Under current law, for sales that occur on reservations or trust lands, the tribes receive a refund of 100% of the excise tax on cigarettes sold to eligible tribal members and 70% of the tax on sales to non-Native Americans. For tobacco products sold on reservations or trust lands, the tribes receive a refund of 100% of the tax on products sold to eligible tribal members and 50% of the tax on products sold to non-Native Americans. Eligible tribal members must reside on the reservation or trust land of the tribe where the sale took place and be an enrolled member of the tribe.

Joint Finance: Reestimate the amount of GPR funding necessary to pay for cigarette and tobacco products tax refunds at $30,200,000 in 2021-22 and $29,700,000 in 2022-23. Compared to the Governor's recommendation, the reestimate would be lower by $827,000 in 2021-22 and $1,003,000 in 2022-23.

21. MARIJUANA TAX REFUNDS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,700,000	- $6,700,000	$0

Governor: Allow DOR to enter into an agreement with federally-recognized American Indian tribes in this state: (a) for the administration and enforcement of marijuana excise taxes and regulation; and (b) to provide refunds of the excise taxes imposed on marijuana sold on tribal land by or to enrolled members of the tribe residing on the tribal land. Create a new sum sufficient GPR appropriation to pay refunds to eligible tribes for marijuana excise taxes collected, including interest and penalties, and provide $6,700,000 in 2022-23 as an estimate of the amounts that would be refunded to the tribes.

The legalization of the sale and taxation of marijuana would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

Joint Finance: Provision not included.

22. OIL PIPELINE TERMINAL TAX DISTRIBUTION RE-ESTIMATE [LFB Paper 102]

GPR	$1,240,700

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

23. CLAIM OF RIGHT CREDIT REESTIMATE [LFB Paper 102]

GPR	$24,000

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

GENERAL PROVISIONS

Budget Change Items

1. EXTREME RISK PROTECTION RESTRAINING ORDERS AND INJUNCTIONS

Governor: Create an extreme risk protection temporary restraining order and extreme risk protection injunction, prohibiting a person from possessing a firearm if he or she is a danger to him/herself or others.

a. Extreme Risk Protection Temporary Restraining Orders and Injunctions - General. Establish a two-part procedure for an extreme risk protection injunction action. First, if the petitioner requests a temporary restraining order, the court must issue or refuse to issue the order. If issued, the order must set a date for the injunction hearing. If not issued, the date for the hearing must be set upon motion by either party. Second, the court must hold a hearing on whether to issue an injunction (the final relief).

Specify that an extreme risk protection order or injunction must include a statement that the order or injunction may be accorded full faith and credit in every civil or criminal court of the United States, any other state, and tribal courts, to the extent that the court has personal jurisdiction. In addition, specify that an extreme risk protection action must be filed in the county in which the case of action arose, or where the petitioner or respondent resides.

b. Petition and Service. Specify petition requirements for extreme risk protection restraining orders and injunctions. Provide that only a law enforcement officer or a family or household member of the respondent may file a petition. Require that the petition must allege specific facts to show: (a) the name of the petitioner and how the petitioner is a family or household member of the respondent (unless the petitioner is a law enforcement officer); (b) the name of the respondent; (c) that the respondent is substantially likely to injure him/herself, or another person if the respondent possesses a firearm; and (d) information on the number, types, and locations of firearms possessed by the respondent, if known. Specify that the Clerk of Circuit Court must provide simplified forms to assist a person in filing a petition. In addition, specify that a petitioner for an injunction that knowingly provides false information in the petition is subject to prosecution for false swearing (a Class H felony, a maximum sentence of three years confinement and three years extended supervision and/or a fine of up to $10,000).

Require a petition and sheriff service of the petition on the respondent to commence an extreme risk protection action, if a copy of the petition is filed before service or promptly after service. If the petitioner files an affidavit stating service was unsuccessful because the respondent is avoiding service, the petition may be served to the respondent by publication of a summary of the petition under publication of legal notices statutes (Chapter 985), and by mailing or faxing, if the respondent's post-office address or fax number is known or can be ascertained with due diligence. The judge or circuit court commissioner must advise the petitioner of the right to serve

the respondent by published notice in this circumstance and the Clerk of the Circuit Court must assist the petitioner with the preparation of the notice and filing of the affidavit. Specify that the published petition summary must include: (a) the names of the respondent and petitioner; (b) notice of the temporary restraining order; and (c) notice of the date, time, and place of the injunction hearing. Specify that the court must inform the petitioner, in writing, that the petitioner should contact the sheriff to verify proof of service of the petition. The respondent must be provided notice of possession of a firearm requirements and penalties when served with the petition and may respond to the petition either in writing before or at the injunction hearing, or orally at the injunction hearing.

c. Temporary Restraining Orders. Establish an extreme risk protection temporary restraining order, prohibiting the respondent from possessing a firearm and ordering the respondent to surrender all firearms in the respondent's possession, if the judge or circuit court commissioner finds reasonable grounds that the respondent is substantially likely to injure the respondent or another person, if the respondent possesses a firearm. Additionally, create statutory language to require an extreme risk protection temporary restraining order to include one of the following: (1) if the respondent is present at the hearing, a requirement that all firearms in the respondent's possession be immediately surrendered to the county sheriff; or (2) if the respondent is not present at the hearing and the sheriff personally serves the respondent with the issued order, a requirement that the respondent immediately surrender all firearms in the respondent's possession to the sheriff, or if the respondent is not present at the hearing and the sheriff does not personally serve the respondent with the issued order, a requirement that the respondent surrender all firearms in the respondent's possession to the sheriff or transfer or sell all firearms to a firearms dealer with 24 hours of service, and file a receipt with the court, within 48 hours of service, from the sheriff or firearms dealer indicating that the respondent surrendered the firearms. Specify that the sheriff may also arrange for the transfer or sale of the firearms to a firearms dealer, at the request of the respondent.

Under the bill, if the respondent does not comply with these requirements of an order issued to surrender firearms, or if a law enforcement officer has probable cause to believe that the respondent possesses a firearm, a law enforcement officer must request a search warrant to seize the firearms and may use information contained in the petition to establish probable cause. In addition, the court may schedule a hearing to surrender firearms for any reason relevant to the surrender of firearms. Specify that a respondent does not have to be given notice before issuing a temporary restraining order, and a temporary restraining order may only be entered against the respondent named in the petition. Under the bill, an extreme risk temporary restraining order is effective until a hearing is held on the issuance of an injunction, which must within 14 days after the restraining order is issued (although time can be extended for up to 14 additional days, upon written consent of the parties or a finding that the respondent has not been served, despite due diligence). A temporary restraining order may not be extended in lieu of ruling on the issuance of an injunction.

d. Injunctions. Establish an extreme risk protection injunction prohibiting the respondent from possessing a firearm and, if the respondent was not subject to an extreme risk protection temporary restraining order, requiring the respondent to surrender all firearms in the respondent's possession if: (a) the petitioner files a petition and serves a copy or summary of the

petition and notice of the injunction hearing time on the respondent, or the respondent serves a notice of the injunction hearing time on the petitioner; and (b) the judge finds by clear and convincing evidence that the respondent is substantially likely to injure him/herself or another person if the respondent possesses a firearm. Specify that the judge may enter an injunction only against the respondent named in the petition, and any issued injunction must inform the named respondent of possession of a firearm requirements and penalties.

Under the bill, unless a judge vacates the extreme risk protection injunction, an injunction is effective for a period determined by the judge that is no longer than one year (although the court can extend an expired injunction, upon petition, for up to one additional year, if the judge finds the respondent is still substantially likely to injure him/herself or another person if the respondent possesses a firearm).

Specify that an injunction may be vacated upon written request by the respondent to a judge (one request during any injunction period). The petitioner must be notified of the request before it is considered, and the judge must vacate the injunction only if the respondent demonstrates by clear and convincing evidence that the respondent is no longer substantially likely to injure him/herself or another person if the respondent possesses a firearm.

Provide that if an injunction is issued, extended, or vacated, the Clerk of Circuit Court must notify the Department of Justice of the action, and provide information concerning the effective period of the injunction or the date on which the injunction is vacated, along with information necessary to identify the respondent (this information may be disclosed only to: (a) a law enforcement agency for law enforcement purposes; or (b) to respond to a request to access firearm prohibition orders, for a firearms restrictions record search, or for a background check). The Clerk must also sent a copy of the injunction or order extending or vacating an injunction to the sheriff or to any other local law enforcement agency which is the central repository for injunctions, with jurisdiction over the petitioner's premises, within one business day after the injunction is issued, extended, or vacated. No later than 24 hours after receiving a copy of the issued, extended, or vacated injunction, the sheriff or law enforcement agency must enter the information into the transaction information for management enforcement system and make the information available to other law enforcement agencies. Specify that the information does not need to be maintained after the injunction is no longer in effect.

e. Modification of Court Procedure, Criminal Statutes, and Enforcement of Actions. Modify statutory language to add extreme risk protection orders: (a) to the time limits statutes for parties seeking a hearing de novo ("anew"); (b) to the list of actions for which a petitioner may combine with other actions, in certain circumstances; (c) to the list of orders for which a foreign protection order or modification with the same effect must be enforced; (d) to the list of actions circuit court commissioners have the power to hold hearings, make findings, and issue temporary orders on; (e) to the list of actions for which a court or judge is prohibited from requiring bond of the party seeking the order; (f) to the list of statutes prohibiting firearm possession, used by the Department of Justice to conduct background checks to determine whether an applicant for a license to carry a concealed weapon is prohibited from possessing a firearm; and (g) to the list of orders for which a person subject to the order may not possess a firearm (or otherwise be subject to a Class G felony for possession of a firearm, a maximum sentence of five years confinement

and five years extended supervision and/or a fine of up to $25,000).

f. Return of a Firearm. Modify statutory language to require a judge or court commissioner to request information from the Department of Justice on individuals ordered not to possess a firearm and cancellations of orders not to possess a firearm, and information from a law enforcement agency or a law enforcement officer to aid the court making a determination on the return of a firearm under the extreme risk protection statute. Under current law, these requirements are already established for return of firearm determinations under notice and process for firearm surrender statutes and return of seized property statutes.

Specify that a firearm surrendered under extreme risk protection statutes cannot be returned until the respondent completes a petition and the judge or commissioner determines: (a) the temporary restraining order or injunction has been vacated or has expired and not been extended; and (b) the person is not prohibited from possessing a firearm under any state or federal law or order, other than the order relevant to the present petition. The judge or commissioner must use information maintained by law enforcement, identified above, to aid in their determination.

Specify that if a surrendered firearm is owned by a person other than the respondent, the owner may apply to the court for its return in the county in which the respondent is located. The court must order notice to be given to all persons who have or may have an interest in the firearm and must hold a hearing on all claims to the true ownership. The court must order the firearm returned, along with information on the requirements and penalties of straw purchasing firearms, if rightful possession is proved to the court's satisfaction.

Specify that the Director of State Courts is required to develop a petition for the return of firearms form that is substantially the same as the notice and process for firearm surrender form, available under current law.

g. Definitions. For the purposes of the extreme risk protections provisions, define "family or household member," to mean: (a) a person related by blood, adoption, or marriage to the respondent; (b) a person with whom the respondent has or had a dating relationship, or with whom the respondent has a child in common; (c) a person who resides with, or within the six months before filing a petition, had resided with, the respondent; (d) a domestic partner as defined under state law; (e) a person who is acting or has acted as the respondent's legal guardian or who is or was a foster parent or other physical custodian of the respondent; or (f) a person for whom the respondent is acting or has acted as a legal guardian or for whom the respondent is or was the foster parent or other physical custodian. Use current law definitions of "firearms dealer" and "law enforcement officer" in conjunction with extreme risk protection injunctions.

Modify the statutory language to define "firearms restrictions record search" to mean a search of Department of Justice records to determine whether a person seeking to be transferred (rather than "to purchase") a firearm (rather than "handgun") is prohibited from possessing a firearm under possession of a firearm statutes, and include extreme risk protection orders as prohibitive of firearm possession within the definition.

Joint Finance: Provision not included.

2. ISSUANCE OF COUNTY DEBT TO REPLACE REVENUE LOST DUE TO DISASTER OR PUBLIC HEALTH EMERGENCY

Governor: Provide counties the authority to issue debt to replace revenue lost due to a disaster or public health emergency declared by either the Governor or the county board, following the adoption of a resolution stating that the debt is issued for that purpose. Allow that the proceeds from any bonds or notes issued under this authority could be used to fund the operating expenses of the general fund of the county or to fund the operating expenses of any special revenue fund of the county that is supported by property taxes. Require the resolution authorizing the debt to specify that the debt is being issued to replace revenues associated with a declared disaster or public health emergency and the amount of revenue lost, or expected to be lost, due to its effects. Further, require the county to submit a certified copy of the resolution to the Department of Administration (DOA). Following the receipt of such a resolution, require DOA to determine the appropriate amount of debt that the county may issue based on the resolution and all other available information. Prohibit the county from issuing debt under these provisions in an amount that would exceed the amount determined by DOA, and specify that the debt may not be issued for a term that exceeds 10 years. Authorize DOA to promulgate any administrative rules necessary to administer the requirement that it determine the appropriate amount of debt.

Joint Finance: Provision not included.

3. MUNICIPAL DEBT OBLIGATIONS -- DEPOSIT OF BOND PREMIUMS

Governor: Modify the statutes to require local governments that issue municipal obligations to establish and maintain a borrowed money fund, rather than an account, that is separate and distinct from all other funds. Specify that the fund may include a separate account for each municipal obligation issue. Require that except for monies required to be deposited to a debt service reserve fund, all proceeds of municipal obligations must be deposited into a borrowed money fund. Under current law, such proceeds are only required to be deposited to an account distinct and separate from all other funds, and not a borrowed money fund. Further, modify the current law requirement that any premium received when municipal obligations are sold above par value are to be deposited in the debt service reserve fund to instead allow that this requirement would only apply to the extent that the requirement is included in the resolution authorizing the municipal obligations. Therefore, unless it is specified in the authorizing resolution that bond premiums be deposited to debt service fund, this provision would specify that such premiums be deposited to the borrowed money fund to be used to fund improvements or other purposes for which the bonds were issued rather than having to be used to pay debt service as required under current law. This would provide additional flexibility to local governments regarding the use of municipal bond premiums.

Joint Finance: Provision not included.

4. PROVISION AND FUNDING OF EMERGENCY MEDICAL SERVICES BY TOWNS

Governor: Provide town boards the authority to contract for or maintain emergency medical services for the town. Specify that if the town board contracts for emergency medical services, the board may contract with more than one provider. Specify that for the purposes of funding emergency medical services, the board would be authorized to: (a) appropriate money; (b) charge property owners a fee for the cost of emergency medical services provided to their property, according to a written schedule established by the town board; (c) levy taxes on the entire town; or (d) levy taxes on property served by a particular source of emergency medical services, to support the source of emergency medical services.

Joint Finance: Provision not included.

5. NONCITIZEN LAW ENFORCEMENT OFFICERS

Governor: Provide a county sheriff or other appointing authority of a local law enforcement agency that provides police services the authority to appoint a noncitizen of the United States as a deputy sheriff or police officer, provided the appointee is in receipt of valid employment authorization from the federal Department of Homeland Security. Prohibit the state Law Enforcement Standards Board from creating criteria for participation in the preparatory training program that would prevent a person in receipt of a valid federal employment authorization from participation in the program.

Joint Finance: Provision not included.

6. LOCAL GOVERNMENT COMPETITIVE BID THRESHOLD

Governor: Increase the current law threshold for contracts required to be let to the lowest responsible bidder from $25,000 to $50,000. This provision would apply to contracts for public works entered into by non-first class cities, villages, towns, counties, technical college district boards, and federated public libraries. Specify that this provision would first apply to public contracts that are let on the effective date of the bill.

Joint Finance: Provision not included.

7. LOCAL GOVERNMENT RISK ASSESSMENT AND RESILIENCY PLANS -- CONSIDERATION OF THE EFFECTS OF CLIMATE CHANGE

Governor: Require a city, village, town, county, or regional planning commission in preparing or updating comprehensive plans to consider, to the extent possible, the effects of climate change with regard to each of the elements of the contents of a comprehensive plan.

Specify that a local health department's community health improvement plans must include consideration of the effects of climate change on community health and consideration of the

policies, plans, and programs that may assist in mitigating community health problems and health hazards.

Specify that if a city, village, town, or county develops a federal hazard mitigation plan under federal section 42 USC 5165, it would be required to consider the effects of climate change on: (a) the natural hazards, risks, and vulnerabilities of the area under the jurisdiction of the government identified in the plan; and (b) the actions that may assist in mitigating the effects of climate change on the identified hazards, risks, and vulnerabilities.

Joint Finance: Provision not included.

8. SALE OF TAX DELINQUENT REAL ESTATE TO TRIBAL GOVERNMENTS

Governor: Exempt the sale of tax delinquent real estate to or between tribal governments from the current law bid requirements for such sales, including the provision that the county on the first attempt of sale may not accept a bid that is less than the property's appraised value. Further, specify that the requirement to advertise the sale and appraised value of the tax delinquent property, acquired by the county, does not apply to the sale of such property to tribal governments. This provision would extend to federally-recognized American Indian tribes or bands the current law treatment of sales of tax delinquent real estate to or between municipal governments or to the state. (See also "Department of Natural Resource -- Forestry")

Joint Finance: Provision not included.

9. GENDER NEUTRAL STATUTORY REFERENCES

Governor: Modify current statutes by replacing all references to "husband" or "wife" with "spouse." Modify current statutes to make applicable to married persons of the same sex all provisions under current law that apply to married persons of different sexes, consistent with the U.S. Supreme Court decision *Obergefell v. Hodges*. Define "spouse" as a person who is legally married to another person of the same sex or a different sex.

Specify the ways in which married couples of the same sex may be the legal parents of a child, and with some exceptions, make current references in the statutes to "mother" and "father," and related terms, gender neutral.

Adoption. Modify current law to expressly permit same sex spouses to jointly adopt a minor child. Under current law a husband and wife may jointly adopt a minor child. Further, expressly permit a same-sex spouse of a person who is the parent of a minor child to adopt the child and become the legal parent of the spouse's child.

Artificial Insemination. Specify that a same or opposite sex spouse may consent to the artificial insemination of their spouse and upon successful insemination become the natural parent of any child conceived from the procedure. Delete the requirement that artificial insemination occur under the supervision of a physician but specify that if the procedure is not supervised by a physician the semen used must have been obtained from a sperm bank. Under current law, a same

or opposite sex spouse may consent to the artificial insemination of his or her wife, but while a husband would be considered the natural parent of any child conceived, a same sex spouse would not be automatically considered a natural parent. Further, under current law, the insemination must occur under the supervision of a licensed physician.

Marital Presumption of Paternity. Expand the legal marital presumption of paternity to become a legal marital presumption of parentage and apply that presumption to spouses of either sex. Under this provision, a person is presumed to be the natural parent of a child if he or she: (a) was married to the child's established natural parent when the child was conceived or born; or (b) married the child's established natural parent after the child was born but had a relationship with the established natural parent when the child was conceived and no person has been adjudicated to be the father and no other person is presumed to be the child's parent because he or she was married to the natural parent when the child was conceived or born. Modify the current law allowing for the rebuttal of the marital presumption of paternity, to allow a person to rebut the marital presumption of parentage by the results of a genetic test showing that the statistical probability of another person's parentage is 99.0 percent or higher. Specify that the marital presumption may be rebutted regardless of whether the presumption applies to a male or female spouse.

Voluntary Acknowledgement of Paternity. Expand voluntary paternity acknowledgements to allow for voluntary parentage acknowledgements. Permit both natural parents to sign a voluntary parentage acknowledgement and file it with the state registrar. If the state registrar receives such a statement, the two people who signed the statement are presumed to be the parents of the child. Specify that a statement acknowledging parentage that is not rescinded, in accordance with state law, conclusively establishes parentage with regard to the person who did not give birth to the child and who signed the statement. Under current law, the mother and a man may sign and file a statement acknowledging paternity in order for the man to become the presumed father of the child.

Modify current statutes by replacing a number of references to "biological parent" with the term "natural parent." Define "natural parent" to mean an individual who is the parent of a child who is not an adoptive parent, whether the parent is biologically related to the child or not. By replacing references to "biological parent" with "natural parent" additional rights are awarded to spouses who do not rebut the marital presumption of parentage, without requiring the non-biological parent to adopt the minor child. Additional rights are also awarded to non-biological parents who voluntarily acknowledge parentage. Under current law, these rights apply to parents and pertain to areas of the law including, but not limited to, education, medical information and decision-making, and parental responsibilities such as child support.

Joint Finance: Provision not included.

GOVERNOR

Budget Summary							
				Joint Finance Change to:			
				Governor		Base	
Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Amount	Percent	Amount	Percent
GPR	$8,327,400	$8,474,600	$8,474,600	$0	0.0%	$147,200	1.8%

FTE Position Summary					
				Joint Finance Change to:	
Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Governor	2020-21 Base
GPR	37.25	37.25	37.25	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	$147,200

Governor/Joint Finance: Provide adjustments to the base budget totaling $73,600 annually in the 2021-23 biennium associated with full funding of continuing positions salaries and fringe benefits.

2. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the Governor's Office be administratively attached to the Department of Administration for budgeting, program coordination, and related management purposes. While DOA currently provides such services to the Governor's Office, the Office is not statutorily attached to DOA. The bill would formalize current practice in statute. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

HEALTH SERVICES

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$8,815,593,400	$9,278,235,000	$8,859,576,900	- $418,658,100	- 4.5%	$43,983,500	0.5%
FED	13,508,686,800	17,379,109,900	15,673,816,900	- 1,705,293,000	- 9.8	2,165,130,100	16.0
PR	3,153,145,200	3,643,363,000	3,602,115,300	- 4 1,247,700	- 1.1	448,970,100	14.2
SEG	1,153,263,200	1,226,349,300	2,012,636,900	786,287,600	64.1	859,373,700	74.5
TOTAL	$26,630,688,600	$31,527,057,200	$30,148,146,000	- $1,378,911,200	- 4.4%	$3,517,457,400	13.2%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	2,657.23	2,721.34	2,642.84	- 78.50	- 14.39
FED	1,270.77	1,273.55	1,274.77	1.22	4.00
PR	2,434.19	2,436.80	2,422.31	- 14.49	- 11.88
SEG	2.00	2.00	2.00	0.00	0.00
TOTAL	6,364.19	6,433.69	6,341.92	- 91.77	- 22.27

Budget Change Items

Medical Assistance

1. OVERVIEW OF MEDICAL ASSISTANCE FUNDING AND ENROLLMENT

This item presents several summary tables relating to the funding that would be provided for medical assistance (MA) benefits under Joint Finance.

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

TABLE 1

Summary of MA Benefits Funding
2021-22

	GPR	FED	PR	SEG	Total
2021-22					
Base Funding	$3,456,720,900	$5,959,530,100	$1,119,547,800	$576,283,900	$11,112,082,700
Cost-to-Continue					
MA Benefits	$129,907,000	$1,003,747,400	$192,843,400	$61,393,500	$1,387,891,300
Other Adjustments*	0	-8,000,000	2,615,600	0	-5,384,400
MA Trust Fund Transfers					
General Fund	-$174,665,900	$0	$0	$174,665,900	$0
Permanent Endowment Fund	-47,290,000	0	0	47,290,000	0
Reimbursement and Other Changes					
Nursing Homes Rates	$30,474,700	$51,559,600	$0	$0	$82,034,300
Direct Care Workforce	20,000,000	33,835,800	0	0	53,835,800
Personal Care, Direct Care	7,584,400	11,319,900	0	0	18,904,300
DSH Payments	20,000,000	33,835,800	0	0	53,835,800
Post-Partum Coverage	0	0	0	0	0
Mental Health/Day Treatment	3,185,400	4,778,300	0	0	7,963,700
Medication-Assisted Treatment	489,800	734,600	0	0	1,224,400
Dental Access Incentives	6,173,200	9,259,600	0	0	15,432,800
Autism Treatment	1,945,400	2,918,200	0	0	4,863,600
Emergency Physician	837,900	1,367,100	0	0	2,205,000
Speech-Language Pathology	383,500	575,300	0	0	958,800
Audiology	187,400	281,100	0	0	468,500
Tribal Shared Savings	0	0	0	0	0
Ambulance Services	2,234,300	3,351,500	0	0	5,585,800
Home Health	473,300	706,500	0	0	1,179,800
Chiropractic Services	566,200	849,300	0	0	1,415,500
Physical Therapy	297,300	446,000	0	0	743,300
Total Change to Base	$2,783,900	$1,151,566,000	$195,459,000	$283,349,400	$1,633,158,300
2021-22 Total	$3,459,504,800	$7,111,096,100	$1,315,006,800	$859,633,300	$12,745,241,000

	GPR	FED	PR	SEG	Total
2022-23					
Base Funding	$3,456,720,900	$5,959,530,100	$1,119,547,800	$576,283,900	$11,112,082,700
Cost-to-Continue					
MA Benefits	$417,744,700	$683,266,400	$214,277,400	$-5,314,600	$1,309,973,900
Other Adjustments*	0	-8,000,000	2,615,600	0	-5,384,400
MA Trust Fund Transfers					
General Fund	-$527,783,700	$0	$0	$527,783,700	$0
Permanent Endowment Fund	-53,562,400	0	0	53,562,400	0
Reimbursement and Other Changes					0
Nursing Homes Rates	$67,600,700	$102,774,700	$0	$0	$170,375,400
Direct Care Workforce	20,000,000	30,403,200	0	0	50,403,200
Personal Care, Direct Care	23,557,700	35,811,600	0	0	59,369,300
DSH Payments	20,000,000	30,403,200	0	0	50,403,200
Post-Partum Coverage	1,000,000	1,500,000	0	0	2,500,000
Mental Health/Day Treatment	6,371,000	9,556,400	0	0	15,927,400
Medication-Assisted Treatment	979,500	1,469,200	0	0	2,448,700
Dental Access Incentives	12,346,300	18,519,500	0	0	30,865,800
Autism Treatment	3,890,800	5,836,300	0	0	9,727,100
Emergency Physician	1,675,800	2,734,200	0	0	4,410,000
Speech-Language Pathology	767,000	1,150,600	0	0	1,917,600
Audiology	374,800	562,100	0	0	936,900
Tribal Shared Savings		5,537,900	0	0	5,537,900
Ambulance Services	4,468,600	6,702,800	0	0	11,171,400
Home Health	960,200	1,459,600	0	0	2,419,800
Chiropractic Services	1,132,500	1,698,700	0	0	2,831,200
Physical Therapy	594,700	892,000	0	0	1,486,700
Total Change to Base	$2,118,200	$932,278,400	$216,893,000	$576,031,500	$1,727,321,100
2022-23 Total	$3,458,839,100	$6,891,808,500	$1,336,440,800	$1,152,315,400	$12,839,403,800

* Includes program revenue estimates and standard budget adjustments.

Table 2 shows the biennial changes to the program under the Governor and Joint Finance shown in relationship to the 2020-21 appropriation base, doubled for the purposes of comparison.

TABLE 2

Biennial Summary of MA Benefits Funding -- Governor and Joint Committee on Finance

	GPR	FED	PR	SEG	Total
Base Doubled	$6,913,441,800	$11,919,060,200	$2,239,095,600	$1,152,567,800	$22,224,165,400
Governor					
Cost-to-Continue	$646,376,500	$1,764,312,800	$446,690,400	$53,093,300	$2,910,473,000
MA Trust Fund Transfers	0	0	0	0	0
Full Medicaid Expansion	-634,713,400	1,391,048,100	0	0	756,334,700
All Other Changes	288,393,300	627,754,000	5,231,200	0	921,378,500
Total Change to Base	$300,056,400	$3,783,114,900	$451,921,600	$53,093,300	$4,588,186,200
Total 2021-23 Funding	$7,213,498,200	$15,702,175,100	$2,691,017,200	$1,205,661,100	$26,812,351,600

	GPR	FED	PR	SEG	Total
Joint Finance					
Cost-to-continue	$547,651,700	$1,687,013,800	$407,120,800	$56,078,900	$2,697,865,200
MA Trust Fund Transfers	-803,302,000	0	0	803,302,000	0
Full Medicaid Expansion	0	0	0	0	0
All Other Changes	260,552,400	396,830,600	5,231,200	0	662,614,200
Total Change to Base	$4,902,100	$2,083,844,400	$412,352,000	$859,380,900	$3,360,479,400
Total 2021-23 Funding	$6,918,343,900	$14,002,904,600	$2,651,447,600	$2,011,948,700	$25,584,644,800

Table 3 shows actual and projected monthly enrollment by major eligibility group. Enrollment projections for the 2021-23 biennium are the basis for the MA cost-to-continue estimate under Joint Finance. In addition to the baseline estimates, the projection for pregnant women reflects a decision to increase postpartum coverage by one-month, from 60 days following delivery to 90 days following delivery.

TABLE 3

Actual and Projected Monthly Average Enrollment by Group

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

Table 4 shows actual and projected SEG revenues to the MA trust fund (MATF) under Joint

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

TABLE 4

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

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

* Assessment revenue is first deposited in separate trust funds and a portion is used to make supplemental hospital payments. The amounts shown are the transfers to the MA trust fund after these supplemental payments are made.

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

*** Any amount of county nursing home certified public expenditure revenue collected in excess of budget projections is paid as a supplement to counties. This amount is shown as a negative adjustment to the available balance.

Table 5 shows the actual and projected federal medical assistance percentage (FMAP) rates applicable to MA benefit expenditures in each fiscal year from 2020-21 through 2022-23. Under provisions of the federal Families First Coronavirus Response Act, each state receives a 6.2 percentage point increase to its FMAP for any calendar quarter that the federal public health emergency related to the COVID-19 pandemic is in effect. The MA cost-to-continue estimate assumes that this enhanced rate, which first applied to the first quarter of calendar year 2020, will continue to apply through the end of calendar year 2021. Thus, the FMAP rate shown for 2020-21 reflects a full year of the enhanced rate and the FMAP for 2021-22 reflects the effect of the enhanced rate for two of the four quarters. In addition to the FMAP for regular Medicaid (Title 19 of the federal Social Security Act), the table also shows the higher rate applicable to expenditures for children eligible under the Children's Health Insurance Plan (CHIP or Title 21).

TABLE 5

Federal Medical Assistance Percentage (FMAP) Rates
By State Fiscal Year

State Fiscal Year	Title 19 (Most MA Services)	Title 21 (Children's Health Insurance Plan)
2020-21		
State	34.44%	21.23%
Federal	65.56	78.77
2021-22		
State	37.15%	26.00%
Federal	62.85	74.00
2022-23		
State	39.68%	27.77%
Federal	60.32	72.23

Table 6 shows the annual income levels, by household size, at various percentages of the 2021 federal poverty level (FPL). The current income eligibility threshold for BadgerCare Plus adults is 100%, whereas the standard for full Medicaid expansion (in the Governor's proposal but not included by Joint Finance) is 138%. The other percentages shown, 160%, 200%, and 240%, are used for the different eligibility tiers in the SeniorCare program.

TABLE 6

Annual Household Income at Various Percentages of the 2021 Federal Poverty Level, By Household Size

	Percentage of FPL				
Household Size	100%	138%	160%	200%	240%
One	$12,880	$17,774	$20,608	$25,760	$30,912
Two	17,420	24,040	27,872	34,840	41,808
Three	21,960	30,305	35,136	43,920	52,704
Four	26,500	36,570	42,400	53,000	63,600
Five	31,040	42,835	49,664	62,080	74,496

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$646,376,500	- $98,724,800	$547,651,700
FED	1,764,312,800	- 77,299,000	1,687,013,800
PR	446,729,200	- 39,608,400	407,120,800
SEG	53,093,300	2,985,600	56,078,900
Total	$2,910,511,800	- $212,646,600	$2,697,865,200

Governor: Provide $1,487,571,300 ($163,182,700 GPR, $1,062,244,500 FED, $203,977,500 PR, and $58,166,600 SEG) in 2021-22 and $1,422,940,500 ($483,193,800 GPR, $702,068,300 FED, $242,751,700 PR, and -$5,073,300 SEG) in 2023-23 to fund projected MA benefits under a cost-to-continue scenario.

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

Joint Finance: Reduce funding by $99,680,000 (-$33,275,700 GPR, -$58,497,100 FED, -$11,134,100 PR, and $3,226,900 SEG) in 2021-22 and $112,966,600 (-$65,449,100 GPR, -$18,801,900 FED, -$28,474,300 PR, and -$241,300 SEG) in 2022-23 to reflect a reestimate of the MA cost-to-continue. Compared to the estimate reflected in the Governor's bill, the funding reductions under the Joint Finance primarily reflect updated enrollment data and caseload growth

assumptions.

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

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

GPR	- $702,449,600
SEG	702,449,600
Total	$0
GPR-Transfer	$702,449,600
SEG-REV	$702,449,600

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

Since the SEG appropriation for MA benefits is used interchangeably with the GPR appropriation for the program, any increase in MATF revenue (with an equal increase to the SEG appropriation) has the effect of reducing GPR costs by an equal amount. The combined net effect of the transfer under this item and all other GPR appropriation changes to medical assistance under Joint Finance is an increase of $2,783,900 in 2021-22 and $2,118,200 in 2022-23. These amounts are equal to the decrease to the GPR appropriation for SeniorCare under the cost-to-continue estimate for that program. Consequently, under Joint Finance, there is no net change to the combined GPR appropriation base for MA and SeniorCare.

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

GPR	- $100,852,400
SEG	100,852,400
Total	$0
GPR-REV	- $100,852,400
SEG-REV	100,852,400
Total	$0

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

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

corresponding decrease in the GPR appropriation.

5. FULL MEDICAID EXPANSION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $634,100,000	$634,100,000	$0
FED	1,392,888,100	- 1,392,888,100	0
Total	$758,788,100	- $758,788,100	$0

Governor: Increase funding for MA benefits and administration to reflect the fiscal effect of adopting the full Medicaid expansion, effective on July 1, 2021. The following table shows the funding changes by fund source and funding purpose under the bill.

Full Medicaid Expansion
Governor's Recommendations

	2021-22	2022-23	Biennial Total
MA Benefits Funding			
GPR	-$328,788,000	-$305,925,400	-$634,713,400
FED	674,963,500	716,084,600	1,391,048,100
Subtotal	$346,175,500	$410,159,200	$756,334,700
MA Administration			
GPR	$306,700	$306,700	$613,400
FED	920,000	920,000	1,840,000
Subtotal	$1,126,700	$1,126,700	$2,253,400
Total Funding Change			
GPR Total	-$328,481,300	-$305,618,700	-$634,100,000
FED Total	675,883,500	717,004,600	1,392,888,100
Total	$347,402,200	$411,385,900	$758,788,100

Statutory Changes to Implement Full Medicaid Expansion. Increase the income eligibility threshold under MA for parents and caretakers from 100% of the federal poverty level (FPL) to 133% of the FPL. Include "childless adults" in the list of eligibility categories for BadgerCare Plus. Define a childless adult, for the purposes of MA eligibility, as an individual who: (a) is an adult under the age of 65; (b) has family income that does not exceed 133% of the FPL; and (c) is not otherwise eligible for MA or Medicare.

Require DHS to comply with all federal requirements to qualify for the highest available enhanced federal medical assistance percentage and to submit any amendment to the state medical assistance plan, request for a waiver of federal Medicaid law, or other approval request required by the federal government to do so. Repeal current law provisions related to childless adult eligibility through federal waiver authority. Require DHS to submit any necessary request to the federal Department of Health and Human Services to modify or withdraw from the childless adult

demonstration project to reflect the incorporation of childless adults into BadgerCare Plus. Repeal a current law provision that prevents DHS from expanding MA program eligibility to qualify for enhanced federal matching funds under the Affordable Care Act (ACA). Specify that these provisions take effect on July 1, 2021.

Background. The ACA provides an enhanced FMAP to states for coverage of "newly-eligible" adults with income up to 133% of the federal poverty level. The enhanced FMAP for newly eligible groups is 90%, meaning that the state is responsible for 10% of the cost. The standard FMAP for Wisconsin is currently approximately 60%, meaning that the state is responsible for 40% of the cost. Because federal Medicaid law uses a standard 5% income disregard for the purposes of determining income eligibility, the 133% of FPL income threshold as specified in statute is effectively 138% of FPL as measured using gross income.

Under the ACA, an eligibility group is determined to be "newly-eligible" if members of the group were not eligible to receive full Medicaid benefits as of December 1, 2009. For Wisconsin, parents would not be considered to be "newly eligible" since the state covered parents up to 200% of the FPL on that date. However, childless adults would meet the "newly-eligible" definition since they were not eligible for full coverage on that date. Furthermore, although the state has provided full benefits coverage to childless adults up to 100% of the FPL since 2014, all childless adults would be considered "newly-eligible" with the adoption of full Medicaid expansion, and so their costs would be eligible for the enhanced FMAP if the state adopts the full Medicaid expansion eligibility standards. The state currently funds coverage for childless adults at the state's standard FMAP.

Fiscal Effect. The funding adjustments for MA benefits under the full Medicaid expansion reflect the net impact of two changes: (a) funding increases both GPR and FED, associated with extending coverage to parents and childless adults with household income between 100% of FPL and 138% of FPL; and (b) an increase in FED and corresponding decrease in GPR to reflect the shift from standard FMAP to enhanced FMAP for the coverage of childless adults who are currently eligible, those under 100% of the FPL. Since the GPR reductions under the second change exceed the GPR increases under the first change, adopting full Medicaid expansion would result in net GPR savings, estimated at $634.7 million over the biennium. The following table shows the fiscal effect for each of these changes, as well as the net effect, by fund source.

Full Medicaid Expansion Benefits Funding Changes by Component
($ in Millions)

	2021-22	2022-23	2021-23 Biennium
Expansion Population Coverage			
GPR	$79.8	$99.9	$179.7
FED	266.4	310.3	576.6
Total	$346.2	$410.2	$756.3
Enhanced FMAP			
GPR	-$408.6	-$405.8	-$814.4
FED	408.6	05.8	814.4
Total	$0.0	$0.0	$0.0
Net MA Benefits Funding			
GPR	-$328.8	-$305.9	-$634.7
FED	675.0	716.1	1,391.0
Total	$346.2	$410.2	$756.3

Subsequent to the introduction of the bill, the U.S. Congress passed, and the President signed, legislation that provides an incentive to non-expansion states to adopt full Medicaid expansion. Under the American Rescue Plan Act of 2021, states that adopt expansion (if they have not already done so) receive a 5.0 percentage point increase in the standard FMAP for the two years following adoption of full expansion income eligibility standards. The increase to the FMAP would apply to most MA services that are subject to the standard FMAP. It would not affect the FMAP for the newly-eligible groups, which would remain at 90%. If the state becomes eligible for the incentive FMAP, the additional federal funds would offset GPR in the program. The GPR reductions associated with this new federal incentive are not reflected in the bill and would be in addition to the GPR savings included under this item.

To estimate the enrollment growth associated with increasing the eligibility threshold to 138% of the FPL, the administration assumes that the number of parents and childless adults would increase by an amount approximately equal to the share of the current enrollment who have a household income in the range between 60% of the FPL and 100% of the FPL. The administration also assumes that enrollment in the expansion population would phase in over the course of the first six months, which lowers the average monthly enrollment in 2021-22, relative the expected enrollment when fully phased in. The following table shows the administration's estimates of additional average monthly enrollment that would occur as the result of full Medicaid expansion.

Estimated Average Monthly Expansion Enrollment

Enrollment Category	2021-22	2022-23
Parents	46,119	52,989
Childless Adults	32,768	37,930
Total Enrollment Increase	78,887	90,919

Funding for Administrative Costs. In addition to funding changes for MA benefits, this item provides funding for an anticipated increase in enrollment services conducted by county income maintenance consortia. The amount in the bill is based on a calculation of an average per person cost for enrollment, multiplied by the estimated expansion caseload. No additional funding would be provided for the Department's Milwaukee Enrollment Services (MilES) Bureau, which conducts enrollment services in Milwaukee County. The Department indicates that it would absorb the cost of the additional anticipated enrollment workload in Milwaukee County.

Joint Finance: Provision not included.

6. NURSING HOME REIMBURSEMENT RATES [LFB Paper 336]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$94,658,200	$3,417,200	$98,075,400
FED	147,319,800	7,014,500	154,334,300
Total	$241,978,000	$10,431,700	$252,409,700

Governor: Provide $78,288,100 ($29,084,000 GPR and $49,204,100 FED) in 2021-22 and $163,689,900 ($65,574,200 GPR and $98,115,700 FED) in 2022-23 to increase MA reimbursement rates paid to skilled nursing facilities and intermediate care facilities for individuals with an intellectual disability (ICFs-IID).

Of this amount, require DHS to increase MA rates paid to nursing facilities and ICFs-IID by a budgeted sum of $15,000,000, as the state share of payments, and the matching federal share of payments, in 2021-22, and by a budgeted sum of $15,000,000, as the state share of payments, and the matching federal share of payments, in 2022-23, to support staff in those facilities who perform direct care. The administration estimates that funding targeted at staff who perform direct care would be $40,376,900 ($15,000,000 GPR and $25,376,900 FED) in 2021-22 and $37,443,800 ($15,000,000 GPR and $22,443,800 FED) in 2022-23.

Joint Finance: Increase funding by $3,746,200 ($1,390,700 GPR and $2,355,500 FED) in 2021-22 and by $6,685,500 ($2,026,500 GPR and $4,659,000 FED) in 2022-23 to increase MA reimbursement paid to skilled nursing facilities and ICFs-IID.

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

Although not specified in the bill, it is intended that this increase be applied to nursing home services provided on a managed care and fee-for-service basis, as well as hospice days. Based on current assumptions regarding nursing home and ICF-IID patient bed days, it is estimated that this

funding will fund a 12% rate increase effective July 1, 2021, and an additional 12% rate increase effective July 1, 2022.

7. NURSING HOME AND COMMUNITY-BASED RESIDENTIAL FACILITY RATE SETTING METHODOLOGY

Governor: Modify the methodology used by the Department in setting Medicaid payment rates to nursing homes and licensed community-based residential facilities (CBRFs).

Setting Medicaid Rates. Repeal the requirement that DHS establish nursing home and CBRF rates using the Resource Utilization Groupings methodology in determining a facility's case-mix index. Instead, require that a facility's case-mix index be determined using acuity based measures. Repeal the definition of "Resource Utilization Groupings," which currently means a comparative resource utilization grouping that classifies each facility resident based on information obtained from performing, for the resident, a minimum data set assessment developed by the federal Centers for Medicare and Medicaid Services (CMS).

Specify that the Department's payment system may incorporate payment adjustments for dementia, behavioral needs, or other complex medical conditions. Under current law, such payment adjustments are required.

These changes would align the state's rate-setting methodology with the updated patient driven payment model established by CMS.

Use of Cost Report Data for Rate Setting. Authorize the Department, for purposes of determining Medicaid payments to nursing homes and CBRFs, to use data other than data from calendar year 2020 or 2021, if the Department determines that calendar year 2020 or 2021 are not appropriate bases for prospective rate setting due to fluctuations in costs caused by the COVID-19 pandemic.

Joint Finance: Provision not included.

8. DIRECT CARE WORKFORCE FUNDING [LFB Paper 337]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$30,000,000	$10,000,000	$40,000,000
FED	47,820,700	16,418,300	64,239,000
Total	$77,820,700	$26,418,300	$104,239,000

Governor: Provide $40,376,900 ($15,000,000 GPR and $25,376,900 FED) in 2021-22 and $37,443,800 ($15,000,000 GPR and $22,443,800 FED) in 2022-23 to increase the direct care and services portion of the capitation rates the Department provides to managed care organizations (MCOs) to fund long-term care services for individuals enrolled in Family Care. This funding would be provided in addition to funding in the bill that the administration estimates would be

needed to fund actuarially sound capitation rates in the 2021-23 biennium, which is included as part of the Medicaid cost-to-continue item.

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

Joint Finance: Increase funding by $13,458,900 ($5,000,000 GPR and $8,458,900 FED) in 2021-222 and $12,959,400 ($5,000,000 GPR and $7,959,400 FED) in 2022-23 to increase amounts available for direct care workforce supplemental payments.

9. PERSONAL CARE REIMBURSEMENT RATE [LFB Paper 338]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$30,000,000	$1,142,100	$31,142,100
FED	47,820,700	- 689,200	47,131,500
GPR	$77,820,700	$452,900	$78,273,600

Governor: Provide $40,376,900 ($15,000,000 GPR and $25,376,900 FED) in 2021-22 and $37,443,800 ($15,000,000 GPR and $22,443,800 FED) in 2022-23 to increase MA personal care reimbursement rates.

Require DHS to increase MA rates paid for direct care to agencies that provide personal care by a budgeted sum of $15,000,000, as the state share of payments, and the matching federal share of payments, in 2021-22, and by a budgeted sum of $15,000,000, as the state share of payments, and the matching federal share of payments, in 2022-23, to support staff in those agencies who perform direct care.

Joint Finance: Decrease funding by $21,472,600 (-$7,415,600 GPR and -$14,057,000 FED) in 2021-22 and increase funding by $21,925,500 ($8,557,700 GPR and $13,367,800 FED) in 2022-23 to increase MA personal care reimbursement rates.

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

Although not specified in the bill, based on current assumptions regarding utilization of personal care services, it is estimated that hourly rates for personal care will increase from the current hourly rate of $19.16 to $20.69 on January 1, 2022, and to $22.35 on January 1, 2023.

Further, it is intended that this increase be applied to personal care provided on a fee-for-service and managed care basis, as well as for personal care services provided to IRIS participants, including self-directed IRIS personal care services.

10. ACUTE CARE HOSPITAL ACCESS PAYMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$471,600	- $471,600	$0
FED	199,528,400	- 199,528,400	0
Total	$200,000,000	- $200,000,000	$0

Governor: Specify that if income eligibility thresholds are expanded for BadgerCare Plus adults to comply with standards for full Medicaid expansion under the Affordable Care Act, the total amount of hospital supplement payments under MA would be equal to the amount collected under the hospital assessment divided by 53.69%, instead of the amount of the assessment divided by 61.68%, as under current law. This change would have the effect of increasing the annual total by $100.0 million, from $672,028,700 to $772,028,700.

Provide $100,000,000 ($760,900 GPR and $99,239,100 FED) in 2021-22 and $100,000,000 (-$289,300 GPR and $100,289,300 FED) in 2022-23 to reflect a $100.0 million annual increase in the total hospital access payments under MA, as well as a higher average federal matching rate for payments, associated with the adoption of full Medicaid expansion. Modify SEG appropriation funding to reflect shifts in the use of SEG revenues for access payments and the availability of MA trust fund revenue for MA benefits under this item, as follows: (a) an increase of $760,900 SEG in 2021-22 in the appropriation for hospital access payments and a corresponding decrease in the SEG appropriation for MA benefits from the MA trust fund; and (b) a decrease of $289,300 SEG in 2022-23 in the appropriation for hospital access payments and a corresponding increase in the SEG appropriation for MA benefits from the MA trust fund.

Background. Under current law, DHS collects an assessment on hospitals (excluding psychiatric hospitals) based on a percentage of patient revenues. There are two separate assessments -- one collected on large acute care and rehabilitation hospitals (hereafter "acute care hospital" or ACH assessment), and another collected on critical access hospitals (generally rural hospitals with 25 or fewer beds). For the ACH assessment, the rate, which is 0.78% of gross patient revenues in 2020-21, is set each year so that the total amount collected equals $414,507,300. ACH hospital assessment revenue is deposited in the hospital assessment fund and a portion is used, along with federal matching funds, to make hospital access payments and other hospital supplements provided in addition to the base rate reimbursement for hospital services. Under the statutory formula, DHS is required to make payments totaling $672,028,700. Of this amount, $654,228,700 is used for hospital access payments, while the remaining $17,800,000 is used for other hospital supplemental payments. Hospital access payments are flat rate payments made in addition to the base reimbursement for inpatient and outpatient services. In 2020-21, the hospital access payment is set at $3,862 for inpatient services (paid upon discharge) and $267 for outpatient services (paid per visit), amounts that are recalculated each year to distribute the total amount of

funding allocated for access payments.

Any assessment revenue remaining in the hospital assessment fund after making the access payments is transferred to the medical assistance trust fund (MATF), where it is used for the state share of general MA benefits, offsetting what would otherwise be GPR expenditures.

For the purposes of determining the amount of the access payment, DHS divides the total access payment pool by the total number of number of MA hospital visits, except that visits by childless adults are excluded from the calculation, so no access payments are made on behalf of childless adults.

Currently, childless adults are covered under the terms of a federal demonstration waiver. DHS does not make access payments for childless adult hospital services, a policy that effectively reduces the cost of childless adult coverage, in order to comply with federal "budget neutrality" rules applicable to such waivers. Under the bill, childless adults would be covered under standard federal eligibility rules (under full Medicaid expansion), rather than under the federal waiver, meaning that federal budget neutrality rules would no longer apply and the Department could begin making access payments for childless adults.

Change to Effective Matching Rate Due to Full Medicaid Expansion. Although this item would increase annual hospital access payments by $100,000,000, this increase requires only small changes in state GPR funding (a slight increase in 2021-21 and a slight decrease in 2022-23) due to the effect of full Medicaid expansion and the proposal to make access payments for hospital visits by childless adults.

As with other MA benefits costs, access payments and other hospital supplements are eligible for federal matching funds. The applicable federal matching rate depends upon the eligibility category of the MA beneficiary who receives the hospital services. In most cases, the standard FMAP, which is approximately 60%, applies. If, however, the hospital services are provided to a child eligible under the children's health insurance program (CHIP), then the higher CHIP FMAP applies, approximately 72%. Both of these rates are increased on a temporary basis under federal legislation passed in response to the COVID-19 epidemic. Based on the mix of MA patients currently receiving hospital services, as well as the temporary increase to the standard FMAP, DHS estimates that the blended average FMAP for all hospital access payments would be 63.3% in 2021-22 and 60.4% in 2022-23, in the absence of any other changes. If, however, DHS includes childless adults in the access payment distribution and they were to become eligible for an enhanced FMAP with full Medicaid expansion (90%), the effective blended FMAP would be projected to increase to 68.3% in 2021-22 and 65.9% in 2022-23. This reduction in the state share of access payments would allow the state to increase access payments by $100.0 million annually with only a small change to GPR costs.

Without the enhanced FMAP associated with full Medicaid expansion, a $100,000,000 annual increase to access payments would require GPR increases of approximately $36.7 million in 2021-22 and $39.6 million in 2022-23.

Joint Finance: Provision not included.

11. CRITICAL ACCESS HOSPITAL ACCESS PAYMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$43,400	- $43,400	$0
FED	2,963,000	- 2,963,000	0
Total	$3,006,400	- $3,006,400	$0

Governor: Specify that if income eligibility thresholds are expanded for BadgerCare Plus adults to comply with standards for full Medicaid expansion under the Affordable Care Act, the total amount of critical access hospital (CAH) access payments under MA would be equal to the amount collected under the CAH assessment divided by 53.69%, instead of the amount of the assessment divided by 61.68%, as under current law. This change would have the effect of increasing CAH access payments by an estimated $1,503,200 annually.

Provide $1,503,200 ($28,300 GPR and $1,474,900 FED) in 2021-22 and $1,503,200 ($15,100 GPR and $1,488,100 FED) in 2022-23 to increase the total amount of CAH access payments under MA. Modify SEG appropriation funding to reflect shifts in the use of SEG revenues for CAH access payments and the availability of MA trust fund revenue for MA benefits under this item, as follows: (a) increases of $23,800 SEG in 2021-22 and $15,100 SEG in 2022-23 in the appropriation for CAH access payments; and (b) corresponding decreases in the SEG appropriation for MA benefits from the MA trust fund.

Unlike the ACH hospital access payments (described in the previous summary item), the total amount of the CAH access payments changes each year since the amount collected from the CAH assessment changes. DHS projects that the CAH access payments (SEG and FED total) will be $9,976,300 in 2020-21. Under the current law formula, total CAH access payments are projected to decline (due to a decline of CAH assessment revenues) to $9,477,500 in 2021-22 and $9,003,600 in 2022-23. The annual net funding increase of $1,503,200 to CAH access payments under this item reflects the administration's estimate of the effect of the change to the formula used to determine the amount of the total payments. The actual change in CAH access payments would depend upon the actual amount of CAH assessment revenue collected.

Similar to the proposed change to ACH access payments, the federal share of the CAH access payments would increase as the result of the full Medicaid expansion item. Thus, although the bill would increase total access payments by an estimated $1.5 million, the state share of this increase is just $28,300 in 2021-22 and $15,100 in 2022-23. Without full Medicaid expansion, a $1.5 million annual increase to CAH access payments would require GPR increases of approximately $547,500 in 2021-22 and $590,700 in 2022-23.

Joint Finance: Provision not included.

12. DISPROPORTIONATE SHARE HOSPITAL PAYMENTS [LFB Paper 339]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$40,000,000	$0	$40,000,000
FED	63,760,900	478,100	64,239,000
Total	$103,760,900	$478,100	$104,239,000

Governor: Specify that if income eligibility thresholds are expanded for BadgerCare Plus adults to comply with standards for full Medicaid expansion under the Affordable Care Act (as summarized in an item above), the payment parameters for the disproportionate share hospital (DSH) program would be modified as follows: (a) an increase from $27,500,000 to $47,500,000 per year in the amount of state that DHS is required to allocate for payments, in addition to the associated federal matching funds; and (b) an increase from $4,600,000 to $7,950,000 to the maximum amount any single hospital can receive in each fiscal year.

Provide $53,835,800 ($20,000,000 GPR and $33,835,800 FED) in 2021-22 and $49,925,100 ($20,000,000 GPR and $29,925,100 FED) in 2022-23 to increase DSH payments, to reflect the increase to the base level payments that would be made under the bill.

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

Since the increase to the state allocation for DSH payments was only in effect for the 2019-21 biennium, the funding for providing the increase is not part of the appropriation base for the 2021-23 biennial budget. Under the Governor's proposal, the state share of payments would be established at the same level as in the 2019-21 biennium, but on a permanent basis, provided that the state enacts full Medicaid expansion (as proposed by the Governor). Total DSH payments would be approximately $127.9 million in 2021-22 and $118.6 million in 2022-23. Payments are expected to decrease from the amount distributed in 2020-21 due to the expectation that the temporary 6.2 percentage point increase to the state's FMAP will expire at the end of calendar year 2021.

Joint Finance: Increase funding by $478,100 FED in 2022-23 to reflect updated forecasts

of the federal matching rate.

Modify provision to (a) remove references to full Medicaid expansion, such that the increase in the state share of payments to $47,500,000 per year applies despite the removal of full Medicaid expansion from the budget, and (b) set the maximum amount any single hospital can receive at 6.77% of the all-funds total amount available for DSH payments in each fiscal year, instead of establishing it at $7,950,000 as under the Governor's proposal. This change to the method of determining the per-hospital maximum payment would still result in a maximum payment of approximately $7,950,000 under typical federal matching rates, but would automatically increase the maximum if the state qualifies for a higher federal matching rate, as occurred during the COVID-19 epidemic.

13. PEDIATRIC HOSPITAL SUPPLEMENTAL PAYMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,053,300	- $4,053,300	$0
FED	10,946,700	- 10,946,700	0
Total	$15,000,000	- $15,000,000	$0

Governor: Specify that if income eligibility thresholds are expanded for BadgerCare Plus adults to comply with standards for full Medicaid expansion under the Affordable Care Act, the Department may, using a method determined by the Department, distribute $7,500,000 to free-standing pediatric teaching hospitals located in Wisconsin for which 45% or more of their total inpatient days are for MA recipients. Currently, Children's Hospital of Wisconsin is the only hospital in the state that would be eligible for this payment.

Provide $7,500,000 ($1,950,200 GPR and $5,549,800 FED) in 2021-22 and $7,500,000 ($2,103,100 GPR and $5,396,900 FED) in 2022-23 for making this payment.

Require DHS to distribute $2,000,000 from existing appropriations to acute care hospitals located in Wisconsin that have inpatient days in the hospital’s acute care and intensive care pediatric units (excluding neonatal intensive care units) that exceed 12,000 days in the second calendar year prior to the hospital's current fiscal year. DHS already makes such payments under terms in the state's Medicaid plan, but the terms are not established in state statute. Since these payments are currently made from the MA program budget, no additional funds are provided by the bill. Currently, UW Hospital and Clinics and Children's Hospital of Wisconsin receive these supplemental payments.

Joint Finance: Provision not included.

14. POSTPARTUM ELIGIBILITY EXTENSION [LFB Paper 340]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$11,077,300	- $10,077,300	$1,000,000
FED	9,871,300	- 8,371,300	1,500,000
Total	$20,948,600	- $18,448,600	$2,500,000

Governor: Provide $20,948,600 ($11,077,300 GPR and $9,871,300 FED) in 2022-23 to reflect the estimated cost of extending benefits for MA-eligible pregnant women until the last day of the month in which the 365th day after the last day of the pregnancy falls, instead of the last day of the month in which the 60th day after the last day of the pregnancy falls, as under current law. Require the Department to request federal approval of a state Medicaid plan amendment or federal waiver to extend post-partum eligibility for pregnant women, but require the Department to extend postpartum coverage as described above, regardless of whether federal approval is granted. In the event that a state plan amendment or waiver is not approved, the state would be responsible for the full cost of such coverage.

Under current law, the income eligibility threshold for pregnant women is 300% of the federal poverty level (FPL), and eligibility for coverage expires at the end of the month in which the 60th day following the pregnancy falls. Women whose household income is below 100% of the FPL may retain eligibility following pregnancy, as either a parent or (if she is not a parent of a child in the household) as a childless adult. Women above that level (unless eligible under other MA provisions) are no longer eligible for coverage. This item would extend the postpartum coverage period from 60 days following delivery to 365 days following delivery, which in effect provides an additional 10 months of coverage for women whose household income is above 100% of the FPL. The administration projects that this provision would increase enrollment (monthly average) by approximately 8,100 women once fully phased in. However, because this policy would phase in over a period of 10 months (as, with each month following implementation, women retain coverage who would otherwise lose it), the impact on average monthly enrollment would be an increase of approximately 5,000 in 2022-23.

In addition to standard BadgerCare Plus eligibility, federal law provides coverage for pregnant women under the Children's Health Insurance Plan (CHIP) who would otherwise be ineligible. This CHIP coverage applies to pregnant women who are incarcerated and pregnant women who are lawfully admitted immigrants but who are not eligible for Medicaid coverage since they are within five years of the time of establishing residency in the United States. The funding estimates for this item are based on the assumption that the state would receive federal approval for extended postpartum coverage of pregnant women eligible under standard BadgerCare Plus, but that the state would cover the full cost of providing extended coverage of women eligible under CHIP. Of the total funding estimate for 2022-23, $16,469,200 ($6,597,800 GPR and $9,871,300) would be for women eligible for standard BadgerCare Plus coverage (eligible for federal match) and $4,479,400 GPR would be for coverage extension for inmates and qualifying immigrants.

Joint Finance: Reduce funding by $18,448,600 (-$10,077,300 GPR and -$8,371,300 FED) in 2022-23 to reflect the deletion of the proposed ten-month extension of postpartum eligibility (one year following the end of the pregnancy) for pregnant women covered under BadgerCare plus or the prenatal program and instead providing for a one-month coverage extension for pregnant women covered under BadgerCare Plus. Specify that the eligibility period for pregnant women covered under BadgerCare Plus extends until the 90th day after the last day of the month that the end of the pregnancy falls, instead of the 60th day under current law. Require the Department to request federal approval of a state Medicaid plan amendment or federal waiver to provide the postpartum coverage extension and specify that the postpartum eligibility extension applies only if federal approval is granted. The net funding change for the one-month eligibility extension would be $2,500,000 ($1,000,000 GPR and $1,500,000 FED) in 2022-23. It is estimated that the extension, if approved by the federal government, would increase monthly average enrollment of pregnant women by 675.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$16,276,900	- $6,720,500	$9,556,400
FED	24,415,400	- 10,080,700	14,334,700
Total	$40,692,300	- $16,801,200	$23,891,100

Governor: Provide $10,173,100 ($4,069,200 GPR and $6,103,900 FED) in 2021-22 and $30,519,200 ($12,207,700 GPR and $18,311,500 FED) in 2022-23 to increase reimbursement rates paid for outpatient services for mental health and substance abuse and for day treatment services for children and adolescents. The funding provided by the bill is based on an estimate of the cost to increase rates for these services by 40% on January 1, 2023, with half of the increase (a 20% increase) phased in beginning on January 1, 2022. The administration estimates that, when fully phased in, the new reimbursement rates will increase MA expenditures for these services by approximately $40.7 million on an annualized basis.

Joint Finance: Reduce funding for outpatient mental health and substance abuse services reimbursement by $2,209,400 (-$883,800 GPR and -$1,325,600 FED) in 2021-22 and $13,256,200 (-$5,302,500 GPR and -$7,953,700 FED) in 2022-23 to provide a 15% increase in reimbursement rates for these services, effective in full January 1, 2022, instead of the phased 40% increase proposed by the Governor. Reduce funding for child and adolescent day treatment reimbursement by $1,335,600 (-$534,200 GPR and -$801,400 FED) in 2022-23 to provide a 20% increase in reimbursement rates for these services, effective in full January 1, 2022, instead of the phased 40% increase proposed by the Governor.

As modified, this provision would increase funding for the combination of services by $7,963,700 ($3,185,400 GPR and $4,778,300 FED) in 2021-22 and $15,927,400 ($6,371,000 GPR and $9,556,400 FED) in 2022-23.

16. MEDICATION-ASSISTED TREATMENT REIMBURSEMENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,359,300	- $2,890,000	$1,469,300
FED	6,539,000	- 4,335,200	2,203,800
Total	$10,898,300	- $7,225,200	$3,673,100

Governor: Provide $3,632,800 ($1,453,100 GPR and $2,179,700 FED) in 2021-22 and $7,265,500 ($2,906,200 GPR and $4,359,300 FED) in 2022-23 to increase reimbursement rates for medication-assisted treatment (MAT) services for individuals with substance use disorder. The funding provided in the bill is based on an estimate of the cost to provide a 20% rate increase for services provided by opioid treatment providers and to provide a $15 increase to evaluation and management billing codes claimed by primary care physicians for MAT services. Medication-assisted treatment services include patient evaluation, laboratory analysis of samples, and administration of methadone and other opioid abuse treatment medications. These services are primarily provided by specialized opioid treatment providers (OTPs), but similar services can be provided by primary care physicians, especially when less-intensive treatment in required. The administration estimates that the rate increase for medication-assisted treatment services would lead to a 3% increase in utilization of OTP services, and that the rate increase for primary care physicians would lead to a 25% increase in utilization of their services for medication-assisted treatment.

Joint Finance: Reduce funding by $2,408,400 (-$963,300 GPR and -$1,445,100 FED) in 2021-22 and $4,816,800 (-$1,926,700 GPR and -$2,890,100 FED) to reflect: (a) a reduction of the rate increase for services provided by opioid treatment providers from 20% to 5%; (b) a reduction of the rate increase for MAT services provided by primary care providers from $15 per visit to $5 per visit; and (c) a modification of cost estimates to fully account for the utilization increases estimates by the administration.

As modified, this provision would increase funding for medication-assisted treatment reimbursement by $1,224,400 ($489,800 GPR and $734,600 FED) in 2021-22 and $2,448,700 ($979,500 GPR and $1,469,200 FED) in 2022-23.

17. COVERAGE OF ROOM AND BOARD DURING RESIDENTIAL SUBSTANCE USE DISORDER TREATMENT [LFB Paper 342]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,549,200	- $6,549,200	$0

Governor: Provide $3,274,600 annually to provide coverage for room and board costs of MA enrollees receiving residential treatment for substance use disorders.

Since 2017, coverage for residential substance use disorder (RSUD) treatment at certain

facilities with fewer than 16 beds has been available through the county-option comprehensive community services benefit. Federal Medicaid regulations prohibit using federal matching funds for room and board costs other than in an inpatient hospital; currently, some counties use their own funds to provide assistance with these costs, but they are otherwise the responsibility of the individual seeking treatment. Beginning in February, 2021, under the terms of a federal waiver, DHS is expanding MA coverage of RSUD treatment to include larger facilities, classified as institutes of mental disease (IMDs), and to make the benefit available in all counties.

This provision would provide coverage, using 100% GPR, of room and board costs under the newly-expanded RSUD benefit. The administration estimates reimbursement of $50 per day, and forecasts an average of approximately 240 members receiving treatment at a time.

Joint Finance: Provision not included.

18. PSYCHOSOCIAL SERVICES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$803,200	- $803,200	$0
FED	1,201,800	- 1,201,800	0
Total	$2,005,000	- $2,005,000	$0

Governor: Provide $2,005,000 ($803,200 GPR and $1,201,800 FED) in 2022-23 to expand access to medical assistance psychosocial services through the use of non-county providers. Specify that DHS may certify psychosocial service providers that are not county-based and require DHS to reimburse non-county providers of psychosocial services for both the federal and nonfederal share of a service fee schedule that is determined by the Department. Require the Department to reimburse counties and multi-county partnership providers for both the federal and non-federal share of allowable charges for services in all cases. (Under current law, the program pays both the nonfederal and federal share of the reimbursement only to counties that provide services on a regional basis, as determined by the Department.) Specify that DHS may promulgate or amend rules, update medical assistance policies, and request any state plan amendment or waiver of federal Medicaid law from the federal government necessary to provide reimbursement to non-county-based providers for medical assistance psychosocial services.

Under current law, most psychosocial services, including peer support, employment services, and health monitoring and management, are provided only through the county-based comprehensive community services (CCS) benefit. Under CCS, these services are only available to medical assistance enrollees who reside in counties that have elected to provide these services and demonstrate behavioral health needs meeting their county's eligibility requirements. Currently all but two counties (Douglas and Florence) offer the CCS benefit. This item seeks to increase access to these services for enrollees in all counties and with broader behavioral health needs by offering services through non-county-based providers in addition to the existing county-based and multi-county partnership providers.

Based on related current benefits, the administration estimates that non-county-based providers could eventually serve 15,000 to 25,000 medical assistance enrollees per year, with an average annual cost of $600 to $1,000 each, for a total annual cost of $12 million to $20 million. However, they forecast that uptake will grow to this level over several years, and so expect the first full year of benefits to cost $3 million to $5 million. The funding provided under this item reflects the administration's assumption that non-county providers would begin providing services on January 1, 2023, meaning that services would be provided for half of fiscal year 2022-23, for an all-funds cost of approximately $2,005,000.

Joint Finance: Provision not included.

19. COMMUNITY HEALTH BENEFIT [LFB Paper 343]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,514,000	- $10,514,000	$0
FED	14,986,000	- 14,986,000	0
Total	$25,500,000	- $25,500,000	$0

Governor: Provide $1,000,000 ($500,000 GPR and $500,000 FED) in 2021-22 and $24,500,000 ($10,014,000 GPR and $14,486,000 FED) in 2022-23 to fund a new MA benefit, subject to federal approval, for nonmedical services that contribute to determinants of health. Direct the Department to determine which specific nonmedical services that contribute to determinants of health would be included as an MA benefit, and require the Department to seek any necessary plan amendment or request any waiver of federal Medicaid law to implement this benefit. Specify that DHS is not required to provide these services as a benefit if the federal Department of Health and Human Services does not provide federal matching funds for these services.

The administration indicates that the eligible services under the proposed benefit may include housing referrals, nutritional mentoring, stress management, and other services that would positively impact an individual's economic and social condition. The administration's funding estimate assumes that approximately 12,500 individuals would be served on a monthly basis, at an average cost of $300 per person per month, for an annual total of $45.0 million. Assuming the benefit would begin in January of 2023, the bill provides $22,500,000 ($9,014,000 GPR and $13,486,000 FED) in fiscal year 2022-23 in the MA benefits appropriations. In addition to MA benefits, this item also includes $1,000,000 ($500,000 GPR and $500,000 FED) in 2021-22 and $2,000,000 ($1,000,000 GPR and $1,000,000 FED) in 2022-23 for costs to implement and administer the benefit.

Joint Finance: Provision not included.

20. COMMUNITY HEALTH WORKER SERVICES [LFB Paper 343]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,701,600	- $5,701,600	$0
FED	8,530,400	- 8,530,400	0
Total	$14,232,000	- $14,232,000	$0

Governor: Provide $14,232,000 ($5,701,600 GPR and $8,530,400 FED) in 2022-23 to fund coverage of community health worker services under MA. Requite DHS to submit to the federal Medicaid authority any necessary state plan amendments or requests for waiver to cover community health worker services under MA, but limit coverage under this benefit to those services receiving federal approval.

Define a community health worker as a frontline public health worker who is a trusted member of or has a close understanding of the community served, enabling the worker to serve as a liaison, link, or intermediary between health and social services and the community to facilitate access to services and improve the quality and cultural competence of service delivery, and who builds individual and community capacity by increasing health knowledge and self-sufficiency through a range of activities such as outreach, community education, informal counseling, social support, and advocacy.

Joint Finance: Provision not included.

21. COVERAGE OF DOULA SERVICES [LFB Paper 343]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$406,700	- $406,700	$0
FED	608,500	- 608,500	0
Total	$1,015,200	- $1,015,200	$0

Governor: Provide $1,015,200 ($406,700 GPR and $608,500 FED) in 2022-23 to fund MA coverage of doula services. Require DHS to apply for any necessary waivers of federal Medicaid law and submit any necessary state plan amendments to provide coverage of doula services under MA. Require DHS to reimburse certified doulas for childbirth education and support services, including emotional and physical support provided during pregnancy, labor, birth, and the postpartum period, if federal approval is granted. Define a certified doula as an individual who has received certification from a doula certifying organization recognized by DHS.

DHS estimates that coverage of doula services would begin July 1, 2022, and that approximately 1,300 women would access the benefit per year, at a cost of $770 each.

Joint Finance: Provision not included.

22. ELIMINATE COPAYMENTS FOR PRESCRIPTION DRUGS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,631,100	- $4,631,100	$0
FED	7,365,100	- 7,365,100	0
Total	$11,996,200	- $11,996,200	$0

Governor: Provide $5,998,100 ($2,228,300 GPR and $3,769,800 FED) in 2021-22 and $5,998,100 ($2,402,800 GPR and $3,595,300 FED) in 2022-23 to reflect the elimination of prescription drug copayments under MA. Exempt prescription drugs covered under MA from current recipient copayment requirements.

Under current law, MA requires providers to collect small copayments from MA recipients for many services, including prescription drugs. The copayment for generic drugs is $1, the copayment for brand-name drugs is $3, and the total copay charged for drugs is capped at $12 per month. Several groups of recipients, including nursing home residents and children under 19, are already exempted from copayment requirements, and no provider may deny services because the recipient is unable to pay. Provider reimbursement payments are reduced by the amount of the copayment, regardless of whether the provider collects it. This item provides funding to reflect an increase in payments to pharmacies, equal to the amount of the copayment reduction that would otherwise occur.

Joint Finance: Provision not included.

23. MA DENTAL REIMBURSEMENT [LFB Paper 344]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$14,339,600	$4,179,900	$18,519,500
FED	21,509,400	6,269,700	27,779,100
Total	$35,849,000	$10,449,600	$46,298,600

Governor: Provide $11,949,700 ($4,779,900 GPR and $7,169,800 FED) in 2021-22 and $23,899,300 ($9,559,700 GPR and $14,339,600 FED) in 2022-23 to increase reimbursement rates for dental providers that meet quality of care standards, as established by the Department, and that meet one of the following qualifications: (a) for a non-profit or public provider, 50 percent or more of the individuals served by the provider lack dental insurance or are enrolled in MA; or (b) for a for-profit provider, five percent or more of the individuals served by the provider are enrolled in MA.

Require the Department to increase reimbursement in the following manner, for dental services rendered on or after January 1, 2022, by a provider meeting the above criteria: (a) for a qualified non-profit or public provider, a 50 percent increase above the rate that would otherwise be paid to that provider; (b) for a qualified for-profit provider, a 30 percent increase above the rate

that would otherwise be paid to that provider; and (c) for providers rendering services to individuals enrolled in managed care under the MA program, an increase to reimbursement on the basis of the rate that would have been paid to the provider had the individual not been enrolled in managed care. Specify that if a provider has more than one service location, the eligibility thresholds described above apply to each location, and payment for each service location would be determined separately.

Specify that any provider receiving reimbursement through the enhanced dental reimbursement pilot program created by 2015 Act 55 is not eligible for increased reimbursement under this new program. The pilot program, which would be retained under the bill, increases MA reimbursement rates for pediatric dental care and adult emergency dental services provided in Brown, Marathon, Polk, and Racine counties.

The administration estimates that the proposed dental access incentives will increase total payments for dental services by approximately 23%.

Joint Finance: Increase funding by $3,483,100 ($1,393,300 GPR and $2,089,800 FED) in 2021-22 and $6,966,500 ($2,786,600 GPR and $4,179,900 FED) in 2022-23 to provide a 40% increase to all dental reimbursement rates, except those established under the enhanced dental reimbursement pilot program, instead of establishing the access incentive payment rate structure proposed by the Governor.

As modified, this provision would increase funding for dental reimbursement by $15,432,800 ($6,173,200 GPR and $9,259,600 FED) in 2021-22 and $30,865,800 ($12,346,300 GPR and $18,519,500 FED) in 2022-23.

24. AUTISM SERVICES [LFB Paper 341]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,047,300	- $3,211,100	$5,836,200
FED	13,570,800	- 4,816,300	8,754,500
Total	$22,618,100	- $8,027,400	$14,590,700

Governor: Provide $7,539,400 ($3,015,800 GPR and $4,523,600 FED) in 2021-22 and $15,078,700 ($6,031,500 GPR and $9,047,200 FED) in 2022-23 to increase reimbursement rates for behavioral health assessments and adaptive treatments provided to enrollees with autism or other diagnoses or conditions associated with similar behaviors. The funding provided by the bill is based on an estimate of the cost to increase reimbursement rates for autism treatment services by 25%, beginning on January 1, 2022.

Joint Finance: Reduce funding by $2,675,800 (-$1,070,400 GPR and -$1,605,400 FED) in 2021-22 and $5,351,600 (-$2,140,700 GPR and -$3,210,900 FED) in 2022-23 to provide a 15% increase to the reimbursement rate for adaptive behavioral treatment without a protocol modification, instead of the Governor's proposed increase to reimbursement rates for all behavioral health assessments and adaptive treatments provided to enrollees with autism or associated

diagnoses. This funding level also reflects a modification to cost estimates to fully account for the utilization increases predicted by the administration.

As modified, this provision would increase funding for adaptive behavioral treatment (without a protocol modification) reimbursement by $4,863,600 ($1,945,400 GPR and $2,918,200 FED) in 2021-22 and $9,727,100 ($3,890,800 GPR and $5,836,300 FED) in 2022-23.

25. EMERGENCY PHYSICIAN REIMBURSEMENT [LFB Paper 341]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,966,000	- $1,452,300	$2,513,700
FED	6,471,000	- 2,369,700	4,101,300
Total	$10,437,000	- $3,822,000	$6,615,000

Governor: Provide $5,218,500 ($1,983,000 GPR and $3,235,500 FED) in 2021-22 and the same in 2022-23 in one-time funding to temporarily increase reimbursement rates for hospital emergency room physician services in calendar year 2022. The funding provided by the bill is based on an estimate of the cost to establish the rates for these services at 50% of the rate paid by Medicare, which would increase payments for physician services for emergency room visits by approximately 36% in aggregate, during calendar year 2022 only.

Joint Finance: Reduce funding by $3,013,500 (-$1,145,100 GPR and -$1,868,400 FED) in 2021-22 and $808,500 (-$307,200 GPR and -$501,300 FED) in 2022-23 to provide a 15% increase to the reimbursement rates for emergency room physician services instead of the Governor's proposed increase. Establish the rate increase on a permanent basis, instead of returning to the prior rates at the end of calendar year 2022.

As modified, this provision would increase funding for reimbursement by $2,205,000 ($837,900 GPR and $1,367,100 FED) in 2021-22 and $4,410,000 ($1,675,800 GPR and $2,734,200 FED) in 2022-23.

26. COVERAGE OF ACUPUNCTURE SERVICES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,281,900	- $1,281,900	$0
FED	1,918,100	- 1,918,100	0
Total	$3,200,000	- $3,200,000	$0

Governor: Provide $3,200,000 ($1,281,900 GPR and $1,918,100 FED) in 2022-23 to fund a new MA benefit, subject to federal approval, for acupuncture services provided by a certified acupuncturist. Require DHS to submit any necessary plan amendment or request any necessary waiver of federal Medicaid law to implement this benefit. Specify that DHS shall provide this

benefit only if the federal government approves the request or if no approval is necessary.

Joint Finance: Provision not included.

27. SPEECH-LANGUAGE PATHOLOGIST REIMBURSEMENT

GPR	$1,150,500
FED	1,725,900
Total	$2,876,400

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

28. AUDIOLOGY REIMBURSEMENT

GPR	$562,200
FED	843,200
Total	$1,405,400

Governor/Joint Finance: Provide $468,500 ($187,400 GPR and $281,100 FED) in 2021-22 and $936,900 ($374,800 GPR and $562,100 FED) in 2022-23 to increase reimbursement rates for hearing aid and audiology services. The funding provided by the bill is based on an estimate of the cost to establish rates for hearing aid and audiology billing codes, beginning on January 1, 2022, at 75% of the amount paid by Medicare, or, in the case of MA services for which there is not a comparable Medicare rate, to provide a 19% increase to the current rate. The administration estimates that total payments for hearing aid and audiology services would increase by approximately 35% in aggregate.

29. TRIBAL CARE COORDINATION AGREEMENTS

FED	$5,537,900

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

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

30. SENIORCARE REESTIMATE [LFB Paper 345]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $6,589,500	$1,687,400	- $4,902,100
FED	- 1,202,800	1,835,700	632,900
PR	9,992,200	7,068,200	17,060,400
Total	$2,199,900	$10,591,300	$12,791,200

Governor: Decrease funding by $2,609,000 (-$3,956,200 GPR, -$905,800 FED, and $2,253,000 PR) in 2021-22 and provide an increase of $4,808,900 (-$2,633,300 GPR, -$297,000 FED, and $7,739,200 PR) in 2022-23 to fully fund the estimated cost of benefits under the SeniorCare program. SeniorCare provides drug benefits for Wisconsin residents over the age of 65 who are not eligible for full Medicaid benefits.

The program is supported with a combination of state funds (GPR), federal funds the state receives under a Medicaid demonstration waiver (FED), and program revenue (PR) from rebate payments DHS collects from drug manufacturers. The program has four income eligibility categories: (a) less than 160% of the federal poverty level (FPL); (b) 160% of FPL to 200% of FPL; (c) 200% of FPL to 240% of FPL; and (d) greater than 240% of FPL. Each of these eligibility tiers has different requirements for deductibles. Persons in the last category, known as "spend-down" eligibility, do not receive benefits until they have out-of-pocket drug expenses in an annual period that exceed the difference between their annual income and 240% of the FPL, plus the deductible. The federal Medicaid matching funds apply only to participants with incomes under 200% of the federal poverty level. Over the past several years, manufacturer rebates have covered approximately 71% of costs for this group, while federal funds have covered 16% and the GPR portion has been 13%. Variation in agreements with manufacturers and drug utilization means that the percentage of costs covered by rebates is typically higher for participants with incomes above 200% of the poverty line; for this group rebates (PR) generally cover about 83% of benefit costs, while the remainder is GPR.

Although the administration estimates that each fund source's share of costs for each income group will remain constant over the biennium, the populations in each group are expected to change, as are the per-member average costs. The administration assumes that the number of participants with incomes under 200% of the FPL will increase by one percent annually in the 2021-23 biennium due to projected increases in Wisconsin's total elderly population. Based on increases over the past three years, the Department estimates per-member costs will increase about five to six percent annually for this group, depending on year and specific income level. Overall, this gives an annual increase in expenditures of approximately six to seven percent for the Medicaid group (income under 200% of the FPL), relative to projected expenditures in 2020-21. For participants with higher income, the Department projects enrollment increasing faster, at two percent annually for enrollees in the tier between 200% of the FPL and 240% of the FPL, and by nine percent each year in the tier above 240% of the FPL. Per-enrollee costs for this group are projected to increase at two to three percent per year, for total expenditure increases of five to six percent annually.

Joint Finance: Increase funding by $5,367,900 ($1,172,300 GPR, $1,133,900 FED, and $3,061,700 PR) in 2021-22 and $5,223,400 ($515,100 GPR, $701,800 FED and $4,006,500 PR) in 2022-23 to reflect a reestimate of SeniorCare benefit costs. These changes to the estimates included in AB 68/SB 111 reflect updated enrollment through May, 2021, which includes somewhat larger growth than predicted, particularly in the lower-income enrollment categories. This reestimate also includes reduced enrollment growth forecasts for 2022-23, in anticipation of a return to prior trends as economic activity returns to normal. Finally, this reestimate updates the projected federal matching rate for 2022-23.

The base funding for SeniorCare is $123,311,100 ($20,090,100 GPR, $17,333,500 FED, and $85,887,500 PR). Actual expenditures in 2020-21 are expected to be below the base level. Consequently, the estimated expenditure increases discussed above bring the total estimated expenditures in 2021-22 only moderately above the base, with a larger increase above the base in 2022-23. These amounts are shown in the tables below, along with estimated enrollment in each income group for the current year and both years of the upcoming biennium.

SeniorCare Funding by Fund Source

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

SeniorCare Enrollment Estimates

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

31. CHILDREN'S LONG-TERM SUPPORT WAIVER PROGRAM [LFB Paper 346]

Governor: Require DHS to ensure that any child who is eligible, and applies, for the children's long-term support (CLTS) waiver program receives services under the CLTS waiver program. As of November 30, 2020, 11,572 children were enrolled in the program, and 1,336 children were on a statewide waiting list for services.

The bill would provide additional funding to support CLTS waiver services as part of the

MA cost-to-continue item.

Joint Finance: Provision not included. However, retain funding provided under MA cost-to-continue to fund estimated increased program enrollment in the 2021-23 biennium.

The cost-to-continue item provides an additional $27,145,000 ($10,084,000 GPR and $17,061,000 FED) in 2021-22 and $40,019,600 ($15,878,800 GPR and $24,140,800 FED) in 2022-23, above the amount budgeted for the program in 2020-21 in Act 9, to support program costs in the 2021-23 biennium. This funding is based on the assumption that 14,542 children will be enrolled in the program on a monthly basis by June, 2023, with average monthly enrollment in the program totaling 13,272 in 2021-22 and 14,212 in 2022-23.

32. COVERAGE OF GROUP PHYSICAL THERAPY

Governor: Require DHS to submit proposed rules to include group physical therapy as a covered service under MA and specify that the rules must be submitted to the Legislative Council staff by July 1, 2022. Grant the Department emergency rule-making authority, notwithstanding current law prerequisites for emergency rules. Current law includes physical therapy as an MA benefit, and current rules define it to include application of casts, patient evaluations, use of modalities, and therapeutic procedures, but not group treatment.

Joint Finance: Provision not included.

33. JOINT COMMITTEE ON FINANCE REVIEW AND APPROVAL OF CERTAIN MA PROGRAM CHANGES

Governor: Repeal provisions enacted as part of 2017 Wisconsin Act 370 that require DHS to submit all MA state plan amendments, rate changes, and supplemental payments to the Joint Committee on Finance for review and approval under a 14-day passive review process if the amendment, rate change, or payment has an expected fiscal effect of $7,500,000 or more from all revenue sources over a 12-month period following the implementation date of the amendment, rate change, or payment.

Under the Act 370 provisions, proposed changes to a reimbursement rate for, or supplemental payment to, a provider under MA are exempt from the Committee's review and approval if explicit expenditure authority or funding for the specific change or supplemental payment has been included in enacted legislation.

Joint Finance: Provision not included.

34. JOINT COMMITTEE ON FINANCE REVIEW PROCESS FOR FEDERAL WAIVERS, PILOT PROGRAMS, AND DEMONSTRATION PROJECTS

Governor: Repeal provisions enacted as part of 2017 Act 370 that require DHS to follow various procedures related to requests to a federal agency for a waiver, or a renewal, modification,

withdrawal, suspension, or termination of a waiver of federal law or rules, or for federal authorization to implement a pilot program or demonstration project (collectively referred to as "waiver requests" hereafter).

The Act 370 provision that would be repealed does the following: (a) prohibits DHS from submitting a waiver request unless legislation has been enacted specifically directing the submission of the request; (b) requires DHS to submit implementation plans to the Joint Committee on Finance for waiver requests that the Department is required to submit but which have not yet been submitted; (c) requires DHS to submit any waiver request to the Committee for approval prior to submittal to a federal agency; (d) requires DHS to provide monthly progress reports and provide quarterly testimony upon request to the Committee on waiver requests that have been submitted but not yet acted upon by a federal agency; (e) requires DHS to submit any waiver request approved by a federal agency to the Committee for approval before the Department agrees to the final proposal; (f) requires DHS to submit an implementation plan to the Committee for approval of any waiver request that has been approved by a federal agency but not yet fully implemented; (g) requires DHS to provide monthly progress reports and provide quarterly testimony upon request to the Committee on waiver requests that have been approved but not yet fully implemented; (h) requires DHS to submit an application for a renewal of a waiver request to the Committee for approval and authorizes the Co-Chairs to determine whether the renewal request contains substantial modifications, in which case the renewal request must comply with the procedures and requirements outlined above for initial requests; and (i) authorizes the Committee to reduce DHS appropriations or authorized positions if the Committee determines that the Department is not making sufficient progress in complying with these provisions.

Repeal an Act 370 provision that requires the Office of the Commissioner of Insurance to comply with the waiver request oversight provisions described above as it relates to any renewal or modification of a waiver request for the Wisconsin healthcare stability program. The bill would not otherwise modify the provisions of that program.

Joint Finance: Provision not included.

35. HOME HEALTH REIMBURSEMENT RATE

GPR	$1,433,500
FED	2,166,100
Total	$3,599,600

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

36. AMBULANCE SERVICES REIMBURSEMENT

GPR	$6,702,900
FED	10,054,300
Total	$16,757,200

Joint Finance: Provide $5,585,800 ($2,234,300 GPR and $3,351,500 FED) in 2021-22 and $11,171,400 ($4,468,600 GPR and $6,702,800 FED) in 2022-23 to increase MA reimbursement rates for selected ambulance services to 80% of the 2021 Medicare urban rates applicable in Wisconsin. The rate increase, effective January 1, 2022, applies to ground ambulance transport services (advanced life support levels one and two, advanced life support level one emergency, basic life support, basic life support emergency, and specialty care transport).

37. CHIROPRACTIC REIMBURSEMENT

GPR	$1,698,700
FED	2,548,000
Total	$4,246,700

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

38. PHYSICAL THERAPY REIMBURSEMENT

GPR	$892,000
FED	1,338,000
Total	$2,230,000

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

Medical Assistance and FoodShare Administration

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$11,008,300	- $739,300	$10,269,000
FED	22,781,200	- 739,300	22,041,900
Total	$33,789,500	- $1,478,600	$32,310,900

Governor: Provide $29,827,600 ($5,025,300 GPR and $24,802,300) FED) in 2021-22 and $3,961,900 ($5,983,000 GPR and -$2,021,100 FED) in 2022-23 to increase funding for contractual services and systems costs for the administration of the medical assistance (MA) and FoodShare

programs.

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

The following table summarizes the administration's proposed 2021-23 spending plan for the GPR and FED appropriations that fund contracted services and systems costs for the MA and FoodShare programs and the basis for the additional funding that would be provided under this item.

Summary of Medicaid and FoodShare Administrative Contracts GPR and FED Funding Governor's Recommendations

	2021-22			2022-23		
	GPR	FED	Total	GPR	FED	Total
FoodShare Electronic Benefit Contract	$1,221,600	$1,221,600	$2,443,200	$1,221,600	$1,221,600	$2,443,200
FoodShare Employment and Training Program Evaluation	225,000	225,000	450,000	225,000	225,000	450,000
Fiscal Agent Main Contract	32,280,100	90,695,000	122,975,100	33,223,900	76,165,000	109,388,900
MMIS Modules and Related Contracts	3,721,400	23,602,600	27,324,000	2,573,600	9,877,500	12,451,100
CARES Maintenance and Programming	29,802,400	55,025,900	84,828,300	30,933,000	57,610,300	88,543,300
Other Major and Minor Contracts	14,450,100	26,766,600	41,216,700	14,450,100	26,766,600	41,216,700
General Services	2,075,000	2,052,500	4,127,500	2,106,100	2,087,100	4,193,200
Subtotal -- Expenditures	$83,775,600	$199,589,200	$283,364,800	$84,733,300	$173,953,100	$258,686,400
Adjustments						
Costs Allocated to Other Appropriations	-$3,500,000	$0	-$3,500,000	-$3,500,000	$0	-$3,500,000
Other Items in DHS Request	145,800	1,187,300	1,333,100	145,800	0	145,800
Net Expenditures	$80,421,400	$200,776,500	$281,197,900	$81,379,100	$173,953,100	$255,332,200
2020-21 Base Funding	$75,396,100	$175,974,200	$251,370,300	$75,396,100	$175,974,200	$251,370,300
Difference (Funding Change in Bill)	$5,025,300	$24,802,300	$29,827,600	$5,983,000	-$2,021,100	$3,961,900

Joint Finance: Reduce funding by $698,000 (-$349,000 GPR and -$349,000 FED) in 2021-22 and by $780,600 (-$390,300 GPR and -$390,300 FED) in 2022-23 to: (a) delete funding for the ongoing evaluation of the FSET program (-$225,000 GPR and -$225,000 FED annually); and (b) reduce funding for prepayment reviews conducted by contracted DXC staff in the DHS Office of

the Inspector General (-$124,000 GPR and -$124,000 FED in 2021-22 and -$165,300 GPR and -$165,300 FED in 2022-23). Consequently, $371,800 ($185,900 GPR and $185,900 FED) in 2021-22 and $495,800 ($247,900 GPR and $247,900 FED in 2022-23 would be budgeted to support OIG prepayment reviews conducted by contracted DXC staff.

2. INCOME MAINTENANCE WORKLOAD [LFB Paper 351]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,562,300	- $3,562,300	$0
FED	5,343,300	- 5,343,300	0
Total	$8,905,600	- $8,905,600	$0

Governor: Provide $3,613,200 ($1,445,300 GPR and $2,167,900 FED) in 2021-22 and $5,292,400 ($2,117,000 GPR and $3,175,400 FED) in 2022-23 to fund projected workload increases for income maintenance (IM) consortia and tribal IM agencies in the 2021-23 biennium. IM agencies process applications and renewals for individuals enrolled in Medicaid, FoodShare, and other public assistance programs.

The funding increase reflects the administration's estimates that Medicaid caseloads managed by IM consortia will increase from approximately 412,800 cases in July, 2020, to 471,200 cases in June, 2023, and that FoodShare caseloads will increase from approximately 361,700 cases in July, 2020, to 471,200 cases in June, 2023. This funding increase is intended to maintain the same level of state support per case in the 2021-23 biennium as DHS estimates the state will provide in calendar year 2020 ($75.72 per case). The request includes funding increases for tribal IM agencies that are proportional to the funding increases that would be provided to support the county IM consortia. Base funding for these IM county and tribal costs is $75,499,500 ($15,132,500 GPR and $60,367,000 FED).

The caseload and cost estimates under this item do not reflect costs associated with the Governor's proposal to increase, from 100% to 138% of the federal poverty level, the maximum income standard for adults to be eligible for coverage under BadgerCare Plus (Medicaid expansion). Funding to support IM costs for that proposal is included in the Medicaid expansion item.

Joint Finance: Provision not included.

3. FUNERAL AND CEMETERY AIDS

GPR	- $530,200

Governor/Joint Finance: Reduce funding by $506,900 in 2021-22 and by $23,300 in 2022-23 to reflect estimates of the amount of funding necessary to support payments under the Wisconsin funeral and cemetery aids program (WFCAP). Under the program, DHS reimburses costs incurred by funeral homes, cemeteries, and crematories for services they provide to certain deceased individuals who were eligible for medical assistance or Wisconsin Works benefits at the time of their death. DHS is required to pay up to $1,000 for cemetery expenses and up to $1,500

for funeral and burial expenses not covered by the decedent's estate or other persons. The program does not provide any reimbursement if the total cemetery expenses exceed $3,500 or total funeral expenses exceed $4,500.

Base funding for the program is $8,500,000. Reimbursement payments totaled $7,169,900 in 2019-20. The administration estimates that payments will total $7,537,100 in 2020-21, $7,993,100 in 2021-22, and $8,476,700 in 2022-23.

4. MEDICAL ASSISTANCE RECOVERIES -- QUI TAM CLAIMS

Governor: Create procedures under which a private individual could bring a *qui tam* claim against a person who knowingly: (a) presents a false or fraudulent claim to a state agency, including a false or fraudulent claim for MA; (b) makes, uses or causes to be made or used, a false record or statement material to a false or fraudulent claim to a state agency, including a false or fraudulent claim for MA; (c) makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the MA program, or conceals and improperly avoids or decreases an obligation to pay or transmit money or property to the MA program; (d) makes, uses, or causes to be made or used a false record or statement to an obligation to pay or transmit money or property to a state agency, or conceals and improperly avoids or decreases an obligation to pay or transmit money or property to a state agency; or (e) conspires to commit any violation listed previously.

Under the bill, a private individual bringing a *qui tam* claim may be awarded at least 15% but not more than 25% of the proceeds of the action or settlement of the claim, depending upon the extent to which the person contributed to the prosecution of the action or claim. For a complete summary of these provisions, see "Justice."

Joint Finance: Provision not included.

5. FOODSHARE HEALTHY EATING INCENTIVE PILOT [LFB Paper 352]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$850,000	- $850,000	$0
GPR-Lapse	$0	$425,000	$425,000

Governor: Provide $425,000 annually to fund a healthy eating incentive pilot for 2,000 FoodShare participants and authorize DHS to expend up to this amount annually for the pilot program. Repeal a provision that prohibits DHS from expending funds from an appropriation that was created to fund the pilot program after December 31, 2019, other than amounts it had encumbered on or before that date.

2017 Act 266 provided $425,000 in 2017-18 on a one-time basis to fund a pilot program to provide discounts on fresh produce and other healthy foods to FoodShare recipients. Act 266 created an appropriation to fund the program, but specified that no funding could be expended

from the appropriation after December 31, 2019, except for moneys encumbered on or before that date. This funding was never expended or encumbered.

Joint Finance: Provision not included. Direct the Department to lapse $425,000 to the general fund in 2021-22.

6. EBT PROCESSING EQUIPMENT FOR FARMERS MARKETS AND DIRECT-MARKETING FARMERS [LFB Paper 352]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$375,000	- $375,000	$0

Governor: Provide $187,500 annually to supply electronic benefit transfer (EBT) processing equipment to farmers markets and direct-marketing farmers to participate in the FoodShare program.

The federal Agricultural Act of 2014 requires that supplemental nutrition assistance program (SNAP or FoodShare in Wisconsin) retailers purchase their own EBT processing equipment. However, states are allowed to provide no-cost, EBT-only point of sale processing equipment to certain farmers markets and direct-marketing farmers that maybe exempt from the federal requirement.

In federal fiscal year 2019, the U.S. Department of Agriculture, Food and Nutrition Service provided states an opportunity to obtain funding to provide farmers markets and direct-marketing farmers with equipment that can be used to process SNAP transactions. Twenty-nine states, including Wisconsin, applied for and received funding. Wisconsin received $187,500 on a one-time basis. The administration indicates that this funding must be spent before the end of federal fiscal year 2021 (September 30, 2021) and anticipates having expended the full amount by that date. The administration indicates that funding included in the Governor's budget is intended to continue the program after federal funding is no longer available.

Joint Finance: Provision not included.

7. FOODSHARE EMPLOYMENT AND TRAINING PROGRAM REESTIMATE [LFB Paper 353]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$186,500	- $186,500	$0
FED	186,500	2,812,000	2,998,500
Total	$373,000	$2,625,500	$2,998,500

Governor: Provide $373,000 ($186,500 GPR and $186,500 FED) in 2022-23 to reflect

estimated increases to FoodShare enrollment and subsequent FoodShare employment and training (FSET) program participation, due to the recession caused by the SARS-CoV-2 pandemic.

Temporary Suspension of the ABAWD Work Requirement. During the SARS-CoV-2 pandemic, the federal work requirement applicable to able-bodied adults without dependents (ABAWDs) was largely suspended, pursuant to provisions in the federal Families First Coronavirus Response Act (FFCRA), and will remain suspended until the month after the national health emergency expires.

However, some "pledge" states, including Wisconsin, that agree to provide services to all ABAWDs who wish to participate in supplemental nutrition assistance program (SNAP) employment and training programs, qualify for 100% federal funding for eligible FSET costs. In order to maintain its eligibility for "pledge state" funding, Wisconsin was not able to suspend the ABAWD work requirement under FFCRA. Instead, DHS received federal approval to apply more broadly the ABAWD work requirement "good cause" exemption between March and July, 2020. Subsequently, the Department suspended the ABAWD work requirement by using administrative exemptions that expired on September 30, 2020. The Department notified the U.S. Department of Agriculture, Food and Nutrition Services of Wisconsin’s intent to temporarily suspend the ABAWD work requirement under provisions in federal law pertaining to high unemployment, effective October 1, 2020, through September 31, 2021. The temporary suspension of the ABAWD work requirement has resulted in decreased enrollment in FSET in the 2019-21 biennium.

Enrollment. The administration indicates that prior to the suspension of the ABAWD policy, 1.35% of FoodShare participants were enrolled in FSET. Since the suspension of the ABAWD policy, 0.95% of FoodShare participants have been enrolled in the FSET program. In estimating future FoodShare participation, the administration assumes that unemployment relating to the SARS-CoV-2 pandemic peaked in April, 2020, and that the economic recovery will largely mirror the recovery following peak unemployment during the Great Recession. For the 2021-23 biennium, the administration assumes that FSET enrollments will remain at 0.95% of FoodShare participants through September, 2021, returning to 1.35% of FoodShare participants by December, 2021. As such, the administration estimates that average monthly FSET enrollment will be 9,470 in 2021-22 and 10,764 in 2022-23.

Enrollee Expenditures. The administration estimates that total per enrollee per month expenses will be $330.04 in 2020-21 and decrease to $327.41 in 2021-22 and $326.59 in 2022-23. These total expenses are primarily based on payments to the FSET program's vendors, but also include $777,500 annually, which funds administrative expenses relating to the FSET program. Excluding the amounts for administrative expenses, the administration estimates average per enrollee per month payments to the FSET vendors of $320.57 in both years of the 2021-23 biennium.

2020-21 Carry Over Funding. The administration estimates that FSET funding for 2021-23 will be offset by unspent carry over funding from 2020-21 resulting from an estimated 12.5% decrease in average monthly FSET enrollment between 2019-20 and 2020-21 (7,821 and 6,872, respectively), in part due to the temporary suspension of the ABAWD work requirement. The following table summarizes the administration's caseload, cost, and funding estimates for the FSET

program in for the 2021-23 biennium.

Joint Finance: Increase funding by $1,409,900 FED in 2021-22 and by $5,243,000 ($3,840,900 GPR and $1,402,100 FED) in 2022-23 to reflect current estimates of FSET program participation in the 2021-23 biennium. Place $4,027,400 GPR in the Joint Committee on Finance's program supplements appropriation in 2022-23. The fiscal effect of this item is shown under "Program Supplements."

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

2021-23 FSET Expenses and Funding

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

8. REPEAL FSET DRUG SCREENING, TESTING, AND TREATMENT REQUIREMENTS

Governor: Repeal the requirement that eligibility for an able-bodied adult without dependents (ABAWDs) to participate in the FoodShare employment and training (FSET) program is subject to compliance with the statutory screening, testing, and treatment policy for illegal use of a controlled substance without a valid prescription for the controlled substance.

Repeal provisions, enacted as part of 2017 Act 370, that require DHS to implement a drug screening, testing, and treatment policy for ABAWDs participating in FSET. In addition, repeal nonstatutory provisions contained in 2017 Act 370 as they pertain to implementing the drug screening, testing, and treatment provisions by October 1, 2019, and requiring compliance with the waiver provisions contained in 2017 Act 370, as though the drug screening, testing, and treatment provisions were a waiver request approved on December 16, 2018.

Repeal a biennial GPR appropriation that was created to fund substance abuse treatment costs under the FSET drug screening, testing, and treatment requirements. No funding has been budgeted for this purpose.

Joint Finance: Provision not included.

9. REPEAL FOODSHARE WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITH DEPENDENTS

Governor: Repeal provisions enacted in 2017 Act 264 relating to required participation in the FoodShare employment and training (FSET) program, subject to certain exceptions. With the repeal, DHS must require, to the extent allowed by the federal government, that able-bodied adults without dependents (ABAWDs) participate in FSET, except for ABAWDs who are employed, as determined by DHS. The bill would retain the Department's current authority to require able individuals who are 18 to 60 years of age, or a subset of those individuals to the extent allowed by the federal government, who are not in a Wisconsin Works employment position, to participate in FSET.

Current law, requires that by October 1, 2019, not only all ABAWDs, but also all other able-bodied adults between the ages of 18 and 50, who are not pregnant and not determined by DHS to be medically certified as physically or mentally unfit for employment or exempt from the work requirement as specified in federal law, must participate in FSET. Current law prohibits DHS from requiring participation in FSET for an individual who is: (a) enrolled at least half time in a school, a training program, or an institution of higher education; or (b) the caretaker of a child under the age of six or the caretaker of a dependent who is disabled.

Joint Finance: Provision not included.

10. REPEAL PAY-FOR-PERFORMANCE PAYMENT SYSTEM FOR FSET VENDORS

Governor: Repeal provisions enacted in 2017 Act 266 that require DHS to create and implement a payment system based on performance for FoodShare Employment and Training (FSET) program vendors.

Current law requires DHS to establish performance outcomes for the payment system based on: (a) the placement of participants into unsubsidized employment; (b) whether the placement is full or part-time; (c) the job retention rate; (d) wages and benefits earned; (e) appropriate implementation of FSET; and (f) customer satisfaction. Implementation of the payment system is contingent on federal approval and must not affect the funding available for supportive services for participants in FSET. These provisions first applied to contracts DHS enters into or renews on the Act's effective date (April 12, 2018). However the Department's current contracts with the FSET vendors, effective for federal fiscal year 2020-21 (October 1, 2020 through September 30, 2021), do not include performance outcomes as the basis for payments.

Joint Finance: Provision not included.

Public Health

1. HEALTH EQUITY GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,000,000	- $10,000,000	$0
SEG	20,000,000	- 20,000,000	0
Total	$30,000,000	- $30,000,000	$0

Governor: Provide $10,000,000 GPR in 2021-22 and $20,000,000 SEG from the community reinvestment fund in 2022-23 to award grants to promote health equity. Create annual GPR and SEG appropriations in the Division of Public Health for this purpose. Require DHS to award grants to community organizations to implement community health worker care models and to community organizations and local or tribal health departments to hire health equity strategists and implement health equity action plans.

The bill would create the community reinvestment fund as part of the Governor's proposal to permit recreational use of marijuana. It would comprise segregated revenue from a portion of the excise tax levied on cannabis producers and retailers.

Joint Finance: Provision not included.

2. COMMUNICABLE DISEASES -- GRANTS TO LPHDS [LFB Paper 355]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,000,000	- $10,000,000	$0

Governor: Provide $5,000,000 annually to increase, from $500,000 to $5,500,000, GPR funding DHS provides annually to local public health departments (LPHDs) to prevent and control communicable diseases.

DHS proposes to allocate the funding increase by providing a base amount of $2,500 to each of the 96 LPHDs in the state and distributing the remaining funding to the LPHDs based on the population within each LPHD's jurisdiction, which may include a county, city, multi-county region, or tribe.

LPHDs are charged with providing communicable disease surveillance, prevention and control; services to prevent other diseases and hazards; and other services to promote public health. State (GPR) support for LPHDs is limited to several targeted programs, including the Wisconsin well woman program, the reproductive health program, the lead poisoning prevention and control

program, and the communicable disease control and prevention program. LPHDs are also supported with federal funds (primarily from grants administered by the Centers for Disease Control and Prevention), and local tax levy.

Joint Finance: Provision not included.

3. BLACK WOMEN AND INFANTS' HEALTH [LFB Paper 356]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$8,000,000	- $8,000,000	$0

Governor: Provide $3,500,000 annually to fund grants to address Black women's health and infant and maternal mortality. Require DHS to award: (a) $1,750,000 annually to community-serving organizations that are led by Black women that improve Black women's health in Dane, Milwaukee, Rock, and Kenosha Counties; and (b) $1,750,000 annually to organizations that work to reduce racial disparities related to infant and maternal mortality. Modify the current appropriation from which DHS funds minority health grants to contain references to these new ongoing allocations.

In addition, provide one-time funding of $500,000 annually in the 2021-23 biennium for DHS to provide a grant to an entity to connect and convene efforts between state agencies, public and private sector organizations, and community organizations to support a statewide public health strategy to advance Black women's health.

Under current law, DHS awards $383,600 annually in minority health grants, including up to $50,000 for a public information campaign on minority health and the remainder for activities to improve the health status of economically disadvantaged minority group members. This provision would increase ongoing funding for minority health grants to $3,883,600 per year.

Joint Finance: Provision not included.

4. COMMUNITY HEALTH CENTER GRANTS [LFB Paper 357]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,000,000	- $2,000,000	$2,000,000

Governor: Provide $2,000,000 annually to increase, from $5,490,000 to $7,490,000, annual funding for grants DHS distributes to community health centers.

Under current law, except for two specific allocations of $50,000 per year each, this funding is distributed to federally qualified health centers (FQHCs) in amounts proportional to grants they receive from the federal Department of Health and Human Services, Health Resources and

Services Administration. FQHCs provide comprehensive primary health care services to underserved areas and populations, including migrant agricultural workers and people experiencing homelessness. They serve individuals regardless of ability to pay, and charge patients based on sliding fee scales.

Joint Finance: Reduce funding by $1,000,000 annually. As modified, this provision would increase annual funding for grants DHS distributes to community health centers to $6,490,000.

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,000,000	- $2,000,000	$2,000,000

Governor: Provide $2,000,000 annually to increase, from $500,000 to $2,500,000, annual funding for grants DHS distributes to free and charitable clinics and specify this annual allocation amount in statute.

For this purpose, define "free and charitable clinics" as health care organizations that: (a) are nonprofit and tax exempt or are a part of a larger nonprofit, tax-exempt organization; (b) are located in Wisconsin or serve Wisconsin residents; (c) serve only people who are uninsured, underinsured, or have limited or no access to primary, specialty, or prescription care; (d) provide one or more of medical care, mental health care, dental care, or prescription medications; (e) use volunteer health care professionals, nonclinical volunteers, and partnerships with other health care providers to provide these services; and (f) are not federally qualified health centers (FQHCs) or reimbursed by Medicare or medical assistance as FQHCs.

2019 Act 9 provided $500,000 annually, beginning in 2019-20, for DHS to distribute as grants to free and charitable clinics, but did not define the term for purposes of the grant program.

Joint Finance: Reduce funding by $1,000,000 annually. As modified, this provision would increase annual funding for grants DHS distributes to community health centers to $1,500,000. In addition, delete the provision to establish in statute the definition of "free and charitable clinics."

6. BUREAU OF COMMUNICABLE DISEASES STAFF -- EPIDEMIOLOGY [LFB Paper 358]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$3,608,400	23.00	- $3,608,400	- 23.00	$0	0.00

Governor: Provide $1,564,300 in 2021-22 and $2,044,100 in 2022-23, and 23.0 positions (17.0 permanent positions and 6.0 four-year project positions), beginning in 2021-22, for the

Bureau of Communicable Diseases (BCD) to prevent and respond to future outbreaks of communicable diseases.

The additional positions include: (a) 4.0 permanent epidemiologists ($259,500 in 2021-22 and $338,400 in 2022-23); (b) 6.0 four-year project epidemiologists ($389,200 in 2021-22 and $507,500 in 2022-23), 3.0 public health educators ($194,600 in 2021-22 and $253,800 in 2022-23), 5.0 infection preventionists ($360,500 in 2021-22 and $472,200 in 2022-23), and 5.0 disease intervention specialists ($360,500 in 2021-22 and $472,200 in 2022-23).

The epidemiologists and public health educators would work in the epidemiology section to support the response to, and surveillance of, COVID-19 and build capacity for routine communicable disease management and outreach. The infection preventionists would work on the healthcare-associated infections prevention program, maintaining efforts currently performed by five contractors funded by a COVID-19–related supplemental grant from the Centers for Disease Control and Prevention (CDC), which expires in May, 2022. The disease intervention specialists would work in the harm reduction section, performing sexually-transmitted disease testing and contact tracing, tasks currently performed by five CDC employees assigned to Wisconsin who will not be replaced as they retire or otherwise depart.

Currently, BCD is staffed by 69.0 FTE positions. These positions are supported primarily with federal funds, largely from CDC grants and cooperative agreements (93%), as well as GPR (5%) and program revenues (2%).

Joint Finance: Provision not included.

7. SPINAL CORD INJURY RESEARCH GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,000,000	- $3,000,000	$0

Governor: Create a sum sufficient GPR appropriation in the Division of Public Health to fund a grant program and symposia related to spinal cord injury research, but limit total expenditures from the appropriation to $3,000,000, which could occur over a multi-year period. Estimate that $1,500,000 would be expended from the appropriation in 2021-22 and in 2022-23. An amendment is needed to clarify the administration's intent that $3,000,000 be provided in each fiscal biennium, rather than on a one-time basis.

Require DHS to establish a program to award grants supporting research into new and innovative treatments and rehabilitative efforts for the functional improvement of people with spinal cord injuries, including pharmaceutical, medical device, brain stimulus, and rehabilitative approaches and techniques. Authorize DHS to hold symposia once every two years, and require grant recipients to agree to present their research findings. Require DHS to submit, by January 15 of each year, annual reports to the Legislature identifying the recipients of grants under the grant program and the purposes for which the grants were used.

Create a Spinal Cord Injury Council in DHS. Require the Council to develop criteria for DHS to evaluate and award grants under the grant program, review and make recommendations to the Department on applications submitted under the grant program, and perform other duties specified by the DHS. Require DHS to appoint to the Council the following members serving two-year terms ending on July 1 of even-numbered years:

- One member representing the University of Wisconsin School of Medicine and Public Health;
- One member who has a spinal cord injury;
- One member who is a veteran who has a spinal cord injury; and
- One member who is a researcher in the field of neurosurgery.

Specify that DHS must appoint to the Council the following members serving two-year terms ending on July 1 of odd-numbered years:

- One member representing the Medical College of Wisconsin;
- One member who is a family member of a person with a spinal cord injury;
- One member who is a physician specializing in the treatment of spinal cord injuries; and
- One member who is a researcher employed by the Veterans Health Administration of the U.S. Department of Veterans Affairs.

Specify that, if DHS is unable to appoint a member meeting one of the above conditions, the agency may appoint a member representing the general public instead. Specify that the initial appointees would serve until July 1 of 2024 or 2025, respectively, and that all appointees must disclose in a written statement to be included in the annual report to the Legislature any financial interest in any organization that the Council recommends to receive a grant under the grant program.

Joint Finance: Provision not included.

8. WINDOWS PLUS LEAD EXPOSURE PREVENTION PROGRAM [LFB Paper 357]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$2,016,600	1.00	- $2,016,600	- 1.00	$0	0.00

Governor: Provide $961,800 in 2021-22 and $1,054,800 in 2022-23 and 1.0 position, beginning in 2021-22, to resume the Windows Plus lead exposure prevention program that DHS initiated in 2019-20 with one-time funding that was provided for lead abatement projects in 2019

Act 9. The program provided lead-safe renovation in homes built before 1950 that were inhabited or frequently visited by low-income families with children and focused on high-risk components, such as windows, porches, floors, and siding. DHS estimates that the funding amount in the bill would provide lead-safe renovations to approximately 47 homes in 2021-22 and 53 homes in 2022-23. The cost estimate includes indirect costs such as administration and relocation of resident families.

Currently, DHS provides related lead abatement services through the lead safe homes project (LSHP), funded in part by federal funds from a children's health insurance program (CHIP) health services initiative. However, participation in the LSHP is limited to housing units that meet certain requirements that do not apply under the Windows Plus lead exposure prevention program. For example, under the LSHP program, the unit must be inhabited by children enrolled in medical assistance, a formal lead risk assessment must be conducted by a certified assessor, and all workers on the site must be certified as lead abatement workers or supervisors. The Windows Plus lead exposure prevention program would fund renovation projects that are ineligible for funding under the LSHP program.

Joint Finance: Provision not included.

9. TOBACCO AND VAPING PREVENTION [LFB Paper 357]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	- $2,000,000	$0

Governor: Increase funding for the tobacco use control program by $2,000,000 in 2021-22 to fund a new public health campaign aimed at preventing initiation of tobacco and vapor product use. Authorize DHS to include in the new public health campaign grants for local and regional organizations working on youth vaping and providing cessation services. Require DHS to include the new public health campaign in a required annual report to the Legislature detailing and evaluating the tobacco use control grants, beginning April 15, 2022.

Base funding for the tobacco use control program is $5,315,000 annually, which DHS uses to support grants for a variety of tobacco use cessation and prevention activities.

Joint Finance: Provision not included.

10. HEALTH INFORMATION EXCHANGE GRANTS [LFB Paper 359]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,310,000	- $1,310,000	$0

Governor: Provide $655,000 annually in one-time funding for DHS to provide as grants to

support health information exchange activities. Require DHS to make one such grant of $655,000 each year of the biennium, but permit DHS to transfer funding budgeted for the grants from fiscal year 2021-22 to 2022-23.

Joint Finance: Provision not included.

11. WISCONSIN CHRONIC DISEASE PROGRAM

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

Governor/Joint Finance: Reduce funding by $650,600 (-$486,500 GPR and -$164,100 PR) in 2021-2022 and by $340,600 (-$238,500 GPR and -$102,100 PR) in 2022-2023 to reflect reestimates of the amounts needed to fully fund the Wisconsin chronic disease program (WCDP) in the 2021-23 biennium.

The WCDP funds services for individuals with chronic renal disease, hemophilia, and adult cystic fibrosis that are not covered by other public or private health insurance plans. Enrollees in WCDP are responsible for deductibles and coinsurance based on their household income and size, and copayments on prescription medications. The Department receives rebate revenue from drug manufactures for medications dispensed through WCDP, which is budgeted as program revenue.

Base funding for the program is $4,966,600 ($3,939,300 GPR and $1,027,300 PR). The administration estimates that total program costs will be $4,316,000 ($3,452,800 GPR and $863,200 PR) in 2021-22 and $4,626,000 ($3,700,800 GPR and $925,200 PR) in 2022-23. The estimate includes an additional $250,000 GPR in both years as a contingency that would be available if costs exceed estimates.

12. EMS FUNDING ASSISTANCE PROGRAM [LFB Paper 357]

GPR	$479,600

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

13. BUREAU OF COMMUNICABLE DISEASES STAFF -- HARM REDUCTION [LFB Paper 358]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$435,300	3.00	- $435,300	- 3.00	$0	0.00

Governor: Provide $189,300 in 2021-22 and $246,000 in 2022-23, and 3.0 positions,

beginning in 2021-22, to create a field team dedicated to harm reduction in the Bureau of Communicable Diseases.

This item includes funding to support: (a) 1.0 public health nurse ($72,000 in 2021-22 and $94,100 in 2022-23); (b) 1.0 behavioral health specialist ($66,400 in 2021-22 and $86,500 in 2022-23); and (c) 1.0 benefits navigator and income determination specialist ($50,900 in 2021-22 and $65,400 in 2022-23).

The team would be based in Madison and provide several field services, including: (a) opioid-related services, including overdose rescue using naloxone, training in naloxone use, and referrals to medication-assisted treatment providers; (b) communicable disease prevention and harm reduction services, including COVID-19 testing and vaccination, HIV/Hepatitis C counseling and testing, harm reduction materials distribution, Hepatitis A and B vaccination, and mobile syringe exchange; and (c) other services such as wound care, insurance enrollment, and assistance with housing instability, utility needs, interpersonal violence, and transportation needs.

Joint Finance: Provision not included.

14. FAMILY PLANNING AND WOMEN'S HEALTH BLOCK GRANT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$387,200	- $387,200	$0

Governor: Provide $193,600 annually to increase, from $1,742,000 to $1,935,600, annual GPR funding for the women's health block grant program.

In addition, modify provisions relating to the state's family planning and women's health block grant programs as follows.

Title X (Family Planning and Related Preventive Health Services) Grant Funding. Repeal all provisions created in 2015 Wisconsin Act 151. These provisions:

- Require DHS to apply for federal funding under Title X of the Public Health Service Act, beginning with the 2018 application and before each subsequent application thereafter.

- Require DHS to distribute these federal funds to public entities, including state, county and local health departments and health clinics, and the well-woman program.

- Specify the types of family planning services that may be funded by the Department's grantees to include: (1) screening for cervical cancer and breast cancer; (2) screening for high blood pressure, anemia and diabetes; (3) screening for sexually transmitted diseases and HIV and AIDS; (4) infertility services; (5) health education; (6) pregnancy testing; (7) contraceptive services; (8) pelvic examinations; and (9) referrals for other health and social services.

- Permit a public entity that receives funds to provide some or all of the funds to other

public or private entities, as long as the recipient of the funds does not provide abortion services or have an affiliate that provides abortion services. However, specify that providing abortion services or having an affiliate that provides abortion services under certain specified circumstances, such as to save the life of a woman, or in a case of sexual assault or incest reported to law enforcement, does not disqualify an entity from receiving these funds.

- Specify that a person's acceptance or refusal to receive family planning services does not affect the person's right to receive public assistance or services, that these provisions do not abridge the right of the individual to make decisions concerning family planning, and that a person is not required to state his or her reason for refusing any offer of family planning services.

- Specify that any employee of the agencies engaged in the administration of these provisions may refuse to accept the duty of offering family planning services to the extent that the duty is contrary to his or her personal beliefs, that such a refusal may not be grounds for dismissal, suspension, demotion, or any other discrimination in employment, and that the directors or supervisors of the agencies must reassign the duties of employees in order to carry out the provisions of the program.

- Require DHS to promulgate rules necessary to implement and administer the program.

Women's Health Block Grant. Modify the definition of "family planning" and "family planning services" under the women's health block grant program to include the provision of nondirective information explaining pregnancy termination. In addition, repeal a provision that prohibits a public grantee from providing some or all of the grant funds to another public or private entity if the other public or private entity: (a) provides abortion services; (b) makes referrals for abortion services; or (c) has an affiliate that provides abortion services or makes referrals for abortion services.

Under current law, DHS allocates GPR and a portion of the funding the state receives under the federal maternal and child health block grant (Title V of the Social Security Act) to support the state's women's health block grant program, which is intended to develop and maintain an integrated system of community health services and maximize coordination of family planning services. Current law excludes from the definition of "family planning" performance, promotion, encouragement, or counseling in favor of, or referral either directly or through an intermediary for, voluntary termination of pregnancy, but includes in the definition of "family planning" the provision of nondirective information explaining prenatal care and delivery or infant care, foster care, or adoption. DHS may distribute women's health funds only to public entities. Under current law, those public entities may provide some or all of the funds to other public entities or private entities as long as the recipients of the funds do not provide abortion services, make referrals for abortion services, or have an affiliate that provides abortion services or makes referrals for abortion services.

Joint Finance: Provision not included.

15. HEALTH DATA ANALYSIS AND PREDICTIVE MODELING TEAM [LFB Paper 358]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$375,900	2.00	- $375,900	- 2.00	$0	0.00

Governor: Provide $162,400 in 2021-22 and $213,500 in 2022-23, and 2.0 positions, beginning in 2021-22, to create a data analysis team within the Office of Health Informatics dedicated to analyzing health metrics and creating predictive models to inform public health responses. The team, which would consist of a senior statistician and a modeler, would develop statistical, visualization, and communication tools to analyze spatial, temporal, and demographic trends for a wide variety of health conditions.

Joint Finance: Provision not included.

16. SURGICAL QUALITY IMPROVEMENT GRANT

GPR	$335,000

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

17. HEARING AID ASSISTANCE [LFB Paper 357]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$643,600	- $643,600	$0

Governor: Provide $321,800 annually to increase, from $25,000 to $346,800, funding for the hearing aid assistance program. The program provides up to $250 per applicant towards the cost of a telecoil, Bluetooth-enabled hearing aid, or cochlear implant external processor to Wisconsin residents who; (a) have income under 200% of the federal poverty line; (b) are not enrolled in the MA program; and (c) complete a hearing loss certification form.

Base funding for the Department's program that supports interpreter services and telecommunications aids for individuals who are hearing impaired is $178,200 annually. DHS uses this funding to reimburse hearing interpreters and, subject to availability of funds, operate several financial assistance programs for telecommunication equipment for low-income people with hearing impairments, including the hearing aid assistance program.

Joint Finance: Provision not included.

18. TRAUMA PROGRAM STAFFING

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$269,700	2.00	- $269,700	- 2.00	$0	0.00
FED	- 269,700	- 2.00	269,700	2.00	0	0.00
Total	$0	0.00	$0	0.00	$0	0.00

Governor: Convert 2.0 FED positions to 2.0 GPR positions, beginning in 2021-22, and provide $116,600 GPR in 2021-22 and $153,100 in 2022-23 and reduce FED funding by corresponding amounts, to support 1.0 state trauma coordinator and 1.0 trauma program associate with state funds, rather than federal funding the state receives under the federal hospital preparedness program.

The Office of Preparedness and Emergency Health Care is charged with supporting and enhancing the capacity of the state, local public health departments, tribes, and the health care system to prepare for public health threats and emergencies through planning, exercising, responding and training. Within the Office, the state trauma program is responsible for ensuring that trauma patients receive comprehensive trauma care. DHS indicates that 2.0 FED positions that oversee the trauma program are funded by a federal hospital preparedness program grant. The terms of this grant limit the amount of funding DHS may use to support staff costs. Consequently, DHS must regularly seek federal approval to exceed this limit to maintain its current staffing. By converting these positions to GPR funding, DHS would no longer need to seek federal approval to maintain these positions.

Joint Finance: Provision not included.

19. TRANSLATE DHS WEB PAGES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$200,0000	- $200,000	$0

Governor: Provide $100,000 annually to contract for the services of one full-time web developer in the Division of Public Health to translate DHS web pages into multiple languages. The position would assist in the Department's efforts to meet the National Standards for Culturally and Linguistically Appropriate Services (CLAS) established by the U.S. Department of Health and Human Services.

Joint Finance: Provision not included.

20. HEALTH IN ALL POLICIES STAFF

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$154,400	1.00	- $154,400	- 1.00	$0	0.00

Governor: Provide $66,200 in 2021-22 and $88,200 in 2022-23 and 1.0 position, beginning in 2021-22, to create an inter-departmental team to promote health in all policies.

DHS indicates that the position would convene and facilitate team and subgroup meetings, engage with stakeholders, research, analyze and write a collective action plan, and help lead the group in execution of that plan. The team would consist of representatives from all executive branch agencies and create a plan to promote health addressing the following topics: (a) systemic and institutional racism; (b) access to safe and affordable housing; (c) educational attainment; (d) opportunities for employment; (e) economic stability; (f) inclusion, diversity, and equity in the work place; (g) barriers to career success and promotion in the work place; (h) access to transportation and mobility; (i) social justice; (j) environmental factors; and (k) public safety including impacts of crime, citizen unrest, and incarceration.

Joint Finance: Provision not included.

21. LEAD SCREENING AND OUTREACH GRANTS

GPR	$100,000

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

22. AMBULANCE INSPECTION PROGRAM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$87,600	1.00	- $87,600	- 1.00	$0	0.00

Governor: Provide $87,600 in 2022-23 and 1.0 position, beginning in 2022-23, to oversee a self-reported compliance program, for ambulance medical equipment and operational requirements, and conduct inspections as necessary. Currently, the Department of Transportation (DOT) conducts vehicle safety inspections of ambulances, as well as certain inspections of medical equipment. However, under recent modifications to DOT administrative rules related to the inspection program, DOT expects to transfer responsibility for the medical equipment portion of the ambulance inspection program to DHS on January 1, 2023.

Joint Finance: Provision not included.

23. DRUG REPOSITORY PROGRAM

Governor: Authorize the Wisconsin drug repository program to partner with out-of-state drug repository programs, including allowing participating pharmacies or medical facilities in Wisconsin to receive drugs or supplies from other states and allowing out-of-state pharmacies or medical facilities that participate in a partner drug repository to receive drugs or supplies from Wisconsin. Require DHS to study and implement a centralized physical drug repository program.

Under current law, the drug repository program allows patients to donate unused drugs or medical supplies, and provides them to individuals with cancer or chronic disease that do not have insurance or are underinsured.

Joint Finance: Provision not included.

24. EMPLOYER-SPONSORED BLOOD DRIVES

GPR	$500,000

Joint Finance: Provide $250,000 per year in one-time funding in 2021-22 and 2022-23 for the Department to award grants to employers who apply to the department to organize blood drives. Specify that the department shall award grants of $20 per blood donation, up to $250,000 in total per fiscal year, and that the department may award such a grant to an employer only if the employer retains documentation of each blood donation. Specify that a blood donation be defined as a voluntary and uncompensated donation of whole blood, or specific components of blood, for use by a nonprofit blood bank organization, and that a blood drive be defined as a function organized by a nonprofit blood bank organization in coordination with an employer that is open only to employees of the employer.

25. REACH OUT AND READ GRANT

GPR	$500,000

Joint Finance: Provide $250,000 per year in one-time funding in 2021-22 and 2022-23 for the Department to award as a grant to Reach Out and Read, Inc., for the early literacy program known as Reach Out and Read Wisconsin.

Elder and Disability Services

1. BIRTH TO 3 PROGRAM -- EXPAND ELIGIBILITY [LFB Paper 360]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,900,000	- $9,900,000	$0

Governor: Expand eligibility for services provided under the Birth to 3 program by requiring DHS to ensure that any child with a level of lead in his or her blood that is five or more micrograms per 100 milliliters (5 µg/dL), as confirmed by one venous blood test, is eligible for services under the Birth to 3 program. Provide $3,300,000 in 2021-22 and $6,600,000 in 2022-23 to fund the administration's estimates of costs of providing Birth to 3 services to additional children.

Wisconsin's current eligibility standard for the program, as it pertains to lead exposure, is 10 µg/dL. In 2012, the Centers for Disease Control and Prevention (CDC) established a 5 µg/dL threshold for identifying children with elevated lead levels. The administration estimates that expanding eligibility would result in an additional 2,000 children becoming eligible for Birth to 3 services annually. In 2019, approximately 12,700 children received services under the program.

The Birth to 3 program offers early intervention services to children, from birth to age three, who are identified with, or determined to be at risk for, developmental delays. Currently, a child is eligible for services if the child has a developmental delay of at least 25% in one area of development or is diagnosed by a physician as having a high probability of developmental delay. The program is funded from several sources, including federal funds that the state receives under the Individuals with Disabilities Education Act, county funds, community aids, medical assistance, private insurance, and parental cost sharing.

Joint Finance: Provision not included.

2. BIRTH TO 3 PROGRAM -- MAINTENANCE OF EFFORT [LFB Paper 360]

GPR	$2,250,000

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

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

In order to continue to receive federal IDEA funding, federal law requires that the total

amount of state and local funds budgeted for expenditures in the current fiscal year for early intervention services must be at least equal to the total amount of state and local funds actually expended for early intervention services for eligible children and their families in the most recent preceding fiscal year for which the information is available.

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

3. AGING AND DISABILITY RESOURCE CENTERS -- EXPANDED SERVICES [LFB Paper 361]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,968,000	- $6,968,000	$0
FED	92,300	- 92,300	0
Total	$7,060,300	- $7,060,300	$0

Governor: Provide $2,425,800 ($2,395,000 GPR and $30,800 FED) in 2021-22 and $4,634,500 ($4,573,000 GPR and $61,500 FED) in 2022-23 to fund expanded services at the aging and disability resource centers (ADRCs).

While not specified in the bill, the Executive Budget Book indicates that the funding would be used to: (a) expand caregiver support services to address the needs of caregivers of adults with disabilities who are age 19 to 59; (b) require ADRCs to designate a caregiver coordinator and create a marketing plan to increase knowledge of available programs; (c) expand the tribal aging and disability resources specialist program, which provides liaison services between the tribes and ADRCs to ensure that tribal members receive culturally appropriate information and access long-term care programs and services; and (d) expand the tribal disability benefit specialist program, which is a contractual partnership between DHS and the Great Lakes Inter-Tribal Council to provide assistance and advocacy services to adult tribal members with disabilities.

Joint Finance: Provision not included.

4. DEMENTIA CARE SPECIALISTS [LFB Paper 361]

GPR	$3,000,000
FED	525,000
Total	$3,525,000

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

Dementia care specialists are employed by county ADRCs and tribal agencies. Currently, there are 29 dementia care specialists working in ADRCs, as well as four tribal dementia care

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

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

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $500,000	$500,000

Governor: Provide $500,000 annually to increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from $2,558,900 to $3,058,900 annually. Modify the financial eligibility limit for the program to specify that a person is eligible for assistance under the program if the joint income of the person with Alzheimer's and that person's spouse, if any, is $55,000 per year or less, unless the Department sets a higher limitation on income eligibility by rule. Under current law, the income limit is $48,000 per year.

Under the program, DHS allocates funding to counties, tribes, and area agencies on aging to assist individuals to purchase services and goods related to the care of someone with Alzheimer's disease. Up to $4,000 per person may be available, depending on the county's priorities and the person's need for services. In some instances, the funds are used within the county to expand or develop new services related to Alzheimer's disease, such as respite care, adult day care, or support groups.

Joint Finance: Reduce funding by $250,000 annually. Increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from $2,558,900 to $2,808,900 annually. In addition, delete the provision that would modify the financial eligibility limits for the program.

6. OFFICE OF CAREGIVER QUALITY

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$102,200	0.78	-$102,200	- 0.78	$0	0.00
PR	159,700	1.22	- 159,700	- 1.22	0	0.00
Total	$261,900	2.00	- $261,900	- 2.00	$0	0.00

Governor: Provide $118,300 ($46,200 FED and $72,100 PR) in 2021-22 and $143,600

($56,000 FED and $87,600 PR) in 2022-23 to fund 2.0 (0.78 FED and 1.22 PR) four-year project positions, beginning in 2021-22, in the Office of Caregiver Quality to conduct background checks, screen misconduct reports, and conduct field investigations into misconduct allegations in regulated healthcare settings and programs. Generally, PR funding to support the Office of Caregiver Quality staff comes from fees for the costs of inspecting, licensing or certifying, and approving facilities, issuing permits, and providing technical assistance.

Currently, the Office of Caregiver Quality is authorized 11.0 FTE positions, of which 2.0 positions are consumer protection investigators-senior and 4.0 positions are consumer protection investigators-advanced. The Governor recommends providing 1.0 additional consumer protection investigator position and 1.0 consumer protection investigator-advanced position.

Joint Finance: Provision not included.

7. GUARDIANSHIP TRAINING REQUIREMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$250,000	- $250,000	$0

Governor: Create new training requirements for persons nominated for or seeking appointment as a guardian for an individual found to be incompetent under Chapter 54 of the statutes (Guardianships and Conservatorships), and provide $125,000 annually for the Department to award as a grant to an organization to train and assist guardians for individuals found to be incompetent under Chapter 54 of the statutes.

Training Requirements

Training for Guardians of the Person. Specify that, unless exempt, before the final hearing for a permanent guardianship, any person nominated for, or seeking appointment as a guardian of the person must complete training on all of the following: (a) the duties and responsibilities of a guardian of the person under the law and limits of the guardian's decision-making authority; (b) alternatives to guardianship, including supported decision-making agreements and powers of attorney; (c) rights retained by the ward; (d) best practices for a guardian to solicit and understand the wishes and preferences of a ward, to involve a ward in decision making, and to take a ward's wishes and preferences into account in decisions made by the guardian; (e) restoration of a ward's rights and the process of removal of guardianship; (f) future planning and identification of a potential standby or successor guardian; and (g) resources and technical support for guardians.

Training for Guardians of the Estate. Specify that before the final hearing for a permanent guardianship, any person nominated for, or seeking appointment as a guardian of the estate must, at minimum, complete training on: (a) the duties and responsibilities of a guardian of the estate under the law and the limits of the guardian's decision-making authority; and (b) inventory and accounting requirements.

Exemptions from Training Requirements. Exempt the following from the initial training

requirements: (a) court-appointed guardians of a person, guardians of an estate, or both that are private nonprofit corporations or other entities regulated by the Department; and (b) court-appointed guardians of the person and guardians of the estate for a minor from these training requirements. Additionally, specify that volunteer guardians who have completed these training requirements are exempt with regard to subsequent wards.

Statement of Acts by the Proposed Guardian. Require a proposed guardian to submit to the court, within 96 hours before a hearing on a petition for guardianship, a sworn and notarized statement that the proposed guardian has completed the training requirements previously described, unless the proposed guardian is exempt from the requirements.

Initial Applicability. Specify that the requirement that a proposed guardian must submit to the court a sworn and notarized statement regarding completion of the training requirements first applies to guardianships filed on the first day of the 13th month beginning after the general effective date of the bill.

Training Grants

Grant to Develop Training. Require DHS to award a grant to develop, administer, and conduct the training program. Specify that DHS must require the grantee to have expertise in state guardianship law, experience with technical assistance and support to guardians and wards, and knowledge of common challenges and questions encountered by guardians and wards.

Require that the grantee selected to develop training develop plain-language, web-based training modules using adult-learning design principles that can be accessed for free by training topic and in formats that maximize accessibility, with printed versions available for free upon request.

Specify that in reviewing applications for grants to develop such a training, the Department must consider the extent to which the proposed program will effectively train and assist guardians for individuals found incompetent under Chapter 54.

Finally, require that the grantee selected to administer and conduct training must, no later than one year after the effective date of this provision, and in coordination with DHS, develop the content for the initial training to be provided to guardians and implement the program.

Current Funding. The Department is currently budgeted $100,000 GPR annually for grants to private, nonprofit agencies or county departments for the purpose of training and assisting guardians for individuals found incompetent under Chapter 54. Under current law, no grant may be paid unless the awardee provides matching funds equal to 10 percent of the amount of the award. This requirement would continue to apply to awardees.

Joint Finance: Provision not included.

8. NURSING HOME GRANT PROGRAM [LFB Paper 363]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$151,800	1.00	- $1,551,800	- 1.00	- $1,400,000	0.00

Governor: Provide $68,100 in 2021-22 and $83,700 in 2022-23 to fund 1.0 grant specialist position, beginning in 2021-22, to administer the nursing home grant program. The position would review applications, develop and manage grant agreements, and conduct outreach and marketing for the program. Currently, the program is administered by several staff in the Division of Quality Assurance (DQA).

The federal Centers for Medicare and Medicaid Services (CMS) collects civil money penalties (CMP) from nursing facilities that have not maintained compliance with federal nursing home requirements and distributes a portion of this revenue to states to support projects to protect the health or property of residents of nursing facilities. Under the nursing home grant program, DHS typically approves 15 to 20 applications per year. In 2019, DQA managed 14 ongoing projects, with total awards ranging from less than $5,000 to more than $1,500,000.

Joint Finance: Provision not included. In addition, reduce base estimates of PR spending for the program by $700,000 annually.

9. TAILORED CAREGIVER ASSESSMENT AND REFERRAL PILOT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$60,000	- $60,000	$0

Governor: Provide $60,000 in 2021-22 and require that the Department conduct a one-year tailored caregiver assessment and referral (TCARE) pilot program as described in the September, 2020, report of the Governor's Task Force on Caregiving.

According to the Governor's Task Force on Caregiving, TCARE is a caregiver survey designed to support family members who are providing care to adults with chronic or acute health conditions. TCARE includes a pre-screening tool and a full assessment that seeks information from the family or informal caregiver in order to assess their health and well-being, stress levels, challenges, skills needed to perform care, their informal support system, and strengths that enable them to provide care. The assessment is conducted by staff who would be trained and licensed to conduct a TCARE assessment to identify areas where the caregiver may need additional supports to keep them healthy and allow them to continue to provide care.

Funding is based on a $10,000 initial implementation cost and the purchase of 25 licenses at $2,000 per license. Examples of staff who may be trained and receive one of these licenses include aging and disability resource center staff, IRIS consultants, tribal and county aging unit

staff, and health care staff.

Joint Finance: Provision not included.

10. SSI SUPPLEMENTS REESTIMATE

GPR	- $2,684,000
PR	- 13,316,800
Total	- $16,000,800

Governor/Joint Finance: Reduce funding by $7,790,500 (-$1,342,000 GPR and -$6,448,500 PR) in 2021-22 and by $8,210,300 (-$1,342,000 GPR and -$6,868,300 PR) in 2022-23 to: (a) reflect reestimates of funding that will be needed to support supplemental security income (SSI) state supplement and caretaker supplement payments in the 2021-23 biennium; and (b) partially fund caretaker supplement payments with GPR, in addition to PR (temporary assistance for needy families (TANF) funds), so that the state can continue to meet a federal SSI maintenance of effort requirement (MOE). DHS anticipates that, due to one-time retroactive payments DHS made to approximately 5,200 recipients in calendar year 2020, the state will be required to expend $158,405,424 GPR annually, on a calendar year basis, for SSI related benefits to comply with the MOE requirement.

The SSI program provides federal and GPR-funded benefits to low-income residents who are elderly, blind, or disabled. In August, 2020, approximately 119,900 Wisconsinites received state supplemental SSI benefits payments (currently $83.78 per month for single individuals, $132.05 for couples). Some SSI beneficiaries who require 40 hours of supportive home care or other care per month or live in small community-based residential facilities or other assisted living settings also qualify for an exceptional expense benefit ($95.99 per month for single individuals, $345.36 for couples). Recipients with dependent children may also receive a caretaker supplement payment supported by TANF funds transferred as program revenue from the Department of Children and Families (DCF). Eligible caretakers receive $250 per month for a first child and $150 per month for each additional child.

The following table summarizes the funding that would be provided for SSI supplemental payments under the bill.

SSI Supplemental Payments
Governor/Joint Finance Budget

	Base	Governor/Joint Finance 2021-22	Governor/Joint Finance 2022-23	Change to Base 2021-22	Change to Base 2022-23	Change to Base 2021-23
SSI State Supplements						
GPR	$159,747,400	$155,288,500	$155,288,500	-$4,458,868	-$4,458,900	-$8,917,800
Caretaker Supplement						
GPR	$0	$3,116,900	$3,116,900	$3,116,900	$3,116,900	$6,233,800
PR	24,321,200	17,872,700	17,452,900	-6,448,500	-6,868,300	-13,316,800
All Funds	$24,321,200	$20,989,600	$20,569,800	-$3,331,600	-$3,751,400	-$7,083,000
Total SSI-Related Payments						
GPR	$159,747,400	$158,405,400	$158,405,400	-$1,342,000	-$1,342,000	-$2,684,000
PR	24,321,200	17,872,700	17,452,900	-6,448,500	-6,868,300	-13,316,800
All Funds	$184,068,600	$176,278,100	$175,858,300	-$7,790,500	- $8,210,300	- $16,000,800
Caretaker Supplement Administration (PR)	$692,100	$692,100	$692,100	$0	$0	$0

11. CAREGIVER DESIGNATION FOR HOSPITAL RELEASES

Governor: Require that a hospital provide a patient or a patient's legal guardian, if applicable, at least one opportunity to designate at least one caregiver no later than 24 hours following the patient's admission to a hospital and before the patient's discharge or transfer to another hospital or facility licensed by DHS.

Require that if a patient is unconscious or otherwise incapacitated upon admission to the hospital, the hospital provide the patient or the patient's legal guardian, if applicable, with an opportunity to designate a caregiver within 24 hours following the patient's recovery of his or her consciousness or capacity.

Specify that if a patient or a patient's legal guardian declines to designate a caregiver, the hospital must promptly document that information in the patient's medical record. Provide that if a caregiver is designated, the hospital must promptly record the designation of the caregiver, the relationship of the caregiver to the patient, and the name, telephone number, and address of the caregiver in the patient's medical record.

Clarify that a patient or patient's legal guardian is not required to designate a caregiver. Specify that patient may change a designated caregiver at any time. In such an event, require that the hospital, within 24 hours, record in the patient's medical record any designation change and any new information as previously described. Clarify that designation of a caregiver under this provision does not obligate any individual to perform aftercare assistance for the patient.

Release of Medical Information. Require that if a patient or a patient's legal guardian designates an individual as a caregiver under this provision, the hospital must promptly request

the written consent of the patient or the patient's legal guardian to release medical information to the patient's designated caregiver following the hospital's established procedures for releasing personal health information and in accordance with applicable state and federal law. Further, specify that if a patient or a patient's legal guardian declines to consent to the release of medical information to the patient's designated caregiver, the hospital is not required to provide notice to the caregiver or provide information contained in the patient's discharge plan as otherwise required under this provision.

Notification and Instruction to Designated Caregivers. Provide that if a patient or patient's legal guardian designates a caregiver and consents to the release of medical information to the patient's designated caregiver as previously described, a hospital must: (a) notify the patient's designated caregiver of the patient's discharge or transfer to another hospital or facility licensed by DHS as soon as possible, which may be after the patient's physician issues a discharge order, but not less than four hours before the patient's actual discharge or transfer to the other hospital or facility; and (b) no less than 24 hours before a patient's discharge from a hospital, consult with the designated caregiver along with the patient regarding the caregiver's capabilities and limitations and issue a written discharge plan that describes a patient's aftercare assistance needs at the patient's residence.

Discharge Plan. Provide that for purposes of these provisions, a hospital must include at least all of the following in a patient's discharge plan: (a) the name and contact information of the caregiver designated under these requirements; (b) a description of all aftercare assistance tasks necessary to maintain the patient's ability to reside at home, taking into account the capabilities of the caregiver; and (c) contact information for any health care, community resources, and long-term services and supports necessary to carry out the patient's discharge plan.

Further, specify that a hospital issuing a discharge plan under this provision must provide caregivers with instruction in all aftercare assistance tasks described in the discharge plan, and must include at least all of the following: (a) a live demonstration of the tasks performed by a hospital employee or individual with whom the hospital has a contractual relationship authorized to perform the aftercare assistance task, provided in a culturally competent manner and in accordance with the hospital's requirements to provide language access services under state and federal law; (b) an opportunity for the caregiver and patient to ask questions about the aftercare assistance tasks; and (c) answers to the caregiver's and patient's questions provided in a culturally competent manner and in accordance with the hospital's requirements to provide language access services under state and federal law.

Confidentiality of Patient Health Care Records. Modify the individuals to whom a portion of certain health care records can be statutorily released to include a caregiver designated under these provisions as they pertain to records released that are directly relevant to the involvement of the designated caregiver in the patient's care. Further, authorize a healthcare provider to provide a designated caregiver, who is otherwise permitted to access a portion of a patient health care record, with a copy of any written discharge plan issued as previously described.

Definitions. For purposes of these provisions define: (a) "aftercare assistance" as any assistance provided by a caregiver to a patient after the patient's discharge and related to the

patient's condition at the time of discharge, including g assisting with basic activities of daily living or instrumental activities of daily living, or carrying out medical or nursing tasks, such as managing wound care, assisting in administering medications, or operating medical equipment; (b) "caregiver" as any individual, including a relative partner, friend, neighbor, or other person who has a significant relationship with a patient, who is designated as a caregiver under these provisions to provide aftercare assistance to that patient; (c)"discharge" as a patient's exit or release from a hospital to the patient's residence following an inpatient admissions; (d) "hospital," and "incapacitated" by cross reference to current definitions in Chapter 50 of the statutes; and (e) "residence" as a dwelling that the patient considers to be his or her home, but not including any rehabilitation facility, hospital, nursing home, assisted living facility, or a group home licensed by DHS.

Clarify that nothing in these provisions shall be construed to interfere with the rights of a person authorized by law to make health care decisions on behalf of a person or be construed to create a private right of action against a hospital, a hospital employee, or any authorized agent of the hospital, or to otherwise supersede or replace existing rights or remedies.

Joint Finance: Provision not included.

12. STATEWIDE MINIMUM RATE BAND FOR HOME AND COMMUNITY-BASED LONG-TERM CARE SUPPORTS

Governor: Require the Department to develop a statewide minimum rate band for home and community-based long-term care supports to establish equitable and sustainable minimum rates. Further, require the Department to include in its 2023-25 budget request a proposal to implement the rate band developed under this provision. Using a minimum rate band methodology would establish a fee schedule to set minimum rates paid to home and community-based long-term care providers participating in the Medicaid program.

Joint Finance: Provision not included.

13. HOME CARE PROVIDER REGISTRY PILOT PROGRAM

Governor: Require the Department to conduct a one-year pilot program to create a home care provider registry that supports home and community-based long-term care support programs, clients that pay for home care privately, independent care workers, and vendors of the care service industry. Require that the Department use a software platform for the registry and select a vendor for the software platform using its competitive request-for-proposals procedures.

Joint Finance: Provision not included.

14. DIRECT SUPPORT PROFESSIONAL TRAINING PILOT

Governor: Require DHS, in the 2021-23 biennium, to develop and implement a pilot program to provide person-centered direct support professional training to achieve consistent

standards in health care practice. Require DHS to provide identified standards of practice that allow health care providers the flexibility to apply the standards of practice to their existing training while also meeting the needs of patients in both community and facility settings.

Specify that any training developed and implemented under this provision must be consistent with state and federal requirements.

Require that DHS collaborate with the Department of Workforce Development, the Wisconsin Technical College System, and health care providers in developing and implementing this pilot program.

Require that DHS develop a career plan that describes the steps that lead to potential certification as a nurse aide.

Joint Finance: Provision not included.

Community Based Behavioral Health

1. REGIONAL CRISIS RESPONSE SYSTEM GRANTS [LFB Paper 370]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$17,596,100	2.00	- $17,596,100	- 2.00	$0	0.00

Governor: Provide $130,500 in 2021-22 and $17,465,600 in 2022-23, and 2.0 positions, beginning in 2021-22, to establish a crisis response grant program. Create a GPR annual appropriation for the program. Of this funding, $17,298,300 in 2022-23 would fund grants and $130,500 in 2021-22 and $167,300 in 2022-23 would support 2.0 human services program coordinator positions to implement the grant programs and provide ongoing monitoring of funded facilities. Of the funding provided for grants, $12,298,300 would be designated for grants to regional crisis centers that offer a continuum of crisis services, and $5,000,000 would be for grants to support stand-alone crisis stabilization facilities.

Require DHS to award grants under the program as follows: (a) grants to entities to provide a continuum of crisis response services, including mental health crisis urgent care and observation centers, crisis stabilization and inpatient psychiatric beds, and crisis stabilization facilities; and (b) no more than five grants to fund services at facilities providing crisis stabilization services, based on criteria established by the Department.

Authorize the Department to certify crisis urgent care and observation centers and establish criteria by rule for the certification of crisis urgent care and observation centers. Specify that if the

Department establishes a certification process for crisis urgent care and observation centers, no person may operate a crisis urgent care and observation center without having a certification. Specify that the Department may limit the number of certifications it grants to operate crisis urgent care and observation centers. Authorize the Department to promulgate emergency rules establishing the criteria for the certification for crisis urgent care and observation centers, notwithstanding current law prerequisites for emergency rules.

The administration indicates that the intent would be to award two grants for regional crisis centers, which would support a crisis urgent care and observation center, a 15-bed crisis stabilization facility, and two inpatient psychiatric beds. These centers would accept individuals taken into custody under emergency detention procedures under Chapter 51 of the statutes, conduct medical clearances, and assist with admission to other facilities as needed to reduce law enforcement time needed for emergency detention.

The administration indicates that five grants would be made for crisis stabilization facilities to assist adults who require short-term crisis stabilization in a community-based care setting.

Joint Finance: Provision not included. A separate item, summarized under "Program Supplements," would provide $10,000,000 GPR in the Joint Committee on Finance program supplements appropriation for regional crisis services or facilities.

2. LAW ENFORCEMENT-BEHAVIORAL HEALTH SERVICES COLLABORATION GRANTS [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,500,000	- $2,500,000	$0

Governor: Provide $1,250,000 annually in the appropriation for crisis program enhancement grants and require DHS to make grants of at least that amount each fiscal year to establish and enhance law enforcement and behavioral health services emergency response collaboration programs. Specify that grant recipients must match at least 25% of the grant amount awarded for the purpose that the grant is received.

Under current law, the Department is authorized to provide grants of up $250,000 each biennium to counties to enhance behavioral health crisis programs to serve individuals in rural areas. Under this item, the program would be expanded to provide grants to municipalities or counties to establish collaborative programs between law enforcement agencies and behavioral health programs.

Joint Finance: Provision not included.

3. COUNTY CRISIS CALL CENTER SUPPORT [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,847,200	- $1,847,200	$0

Governor: Provide $923,600 annually in a new appropriation for grants to support mental health professionals to provide supervision and consultation to individuals who support crisis call center services. Require DHS to make grants for this purpose and specify that each county or multicounty program that receives supervision and consultation services from a grant recipient must contribute at least 10 percent of the costs of the services that the grant recipient incurs for the purpose that the grant is received.

The administration indicates that the intent of this provision is to provide crisis line support during non-business hours for smaller counties that do not have 24-hour crisis lines, as well as to provide statewide backup for other county crisis lines during periods of high call volume.

Joint Finance: Provision not included.

4. MILWAUKEE MOBILE CRISIS UNIT ENHANCEMENT [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,700,000	- $1,700,000	$0

Governor: Provide $850,000 annually in the appropriation for crisis program enhancement grants and require DHS to make a grant of at least that amount each fiscal year to a county with a population of more than 750,000 (Milwaukee County) to enhance mobile crisis teams. A mobile crisis team consists of mental health professionals who provide emergency response services in the community to individuals who are experiencing a mental health crisis. The administration indicates that the intent of this grant is to support additional staff for Milwaukee County's existing mobile crisis team, to expand its capacity to respond to crisis situations.

Joint Finance: Provision not included.

5. CRISIS INTERVENTION TRAINING GRANTS [LFB Paper 371]

GPR	$750,000

Governor: Provide $375,000 annually for mental health crisis intervention training for law enforcement and correctional officers. Base funding for the program is $125,000. The proposed increase would provide a total of $500,000 annually for the program. Currently, DHS contracts with the Wisconsin section of the National Alliance on Mental Illness (NAMI) to conduct mental health crisis team training for law enforcement agencies. By statute, DHS is required to award

grants totaling $250,000 per biennium for training. The bill would increase funding for the program, but would not adjust the statutory amount DHS may provide as grants in each fiscal biennium. DOA indicates that the intent was to increase the statutory grant amount to match the appropriation.

Joint Finance: Include provision. In addition, increase from $250,000 to $1,000,000 the amount DHS may provide as grants in each fiscal biennium under the program.

6. BEHAVIORAL HEALTH TECHNOLOGY GRANTS [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	- $2,000,000	$0

Governor: Provide $2,000,000 in 2022-23 for DHS to provide as grants to behavioral health providers to implement electronic health records systems and connect to health information exchanges. Create an annual GPR appropriation for making grants. A health information exchange allows a provider to access their patients' records, such as test results, prescribed medications, and services patients received, including information relating to services rendered by other providers. The Wisconsin Statewide Health Information Network (WISHIN) serves as the health information exchange for providers in Wisconsin.

Joint Finance: Provision not included.

7. DEAF, HARD OF HEARING, AND DEAF-BLIND BEHAVIORAL TREATMENT PROGRAM [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,936,000	- $1,936,000	$0

Governor: Provide $1,936,000 in 2022-23 to provide behavioral health treatment services for individuals who are deaf, hard of hearing, or deaf-blind and authorize DHS to distribute not more than that amount in each fiscal year, beginning in 2022-23, to a statewide provider of these services. The administration indicates that the funding would be used for services provided by healthcare providers that are fluent in American Sign Language. The funding is based on estimated cost of supporting eight personnel for providing and coordinating services, including salary, fringe benefits, supplies and services, and accommodations.

Joint Finance: Provision not included.

8. CHILD PSYCHIATRY CONSULTATION PROGRAM [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $500,000	$500,000

Governor: Provide $500,000 annually to increase from $1,500,000 to $2,000,000 the annual funding for the child psychiatry consultation program. Under the program, DHS contracts with the Medical College of Wisconsin to provide professional consultation services to assist primary care physicians and clinics in providing care to pediatric patients with mental health care needs. Currently, consultation services are provided to practitioners in Milwaukee County and counties in northern Wisconsin. The administration indicates that the funding increase is intended to expand consultation services statewide.

Joint Finance: Reduce funding by $500,000 in 2021-22, which would result in total funding for the program of $1,500,000 in 2021-22 and $2,000,000 in 2022-23.

9. MILWAUKEE TRAUMA RESPONSE GRANT [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$900,000	- $900,000	$0

Governor: Provide $450,000 annually and require DHS to make a grant of that amount annually for the City of Milwaukee trauma response team. The administration indicates that the funding would allow the City of Milwaukee to expand its trauma response initiative, a collaboration between the Milwaukee Police Department and Wraparound Milwaukee mobile urgent treatment team. The team provides services to children who have witnessed or been exposed to potentially traumatic events to prevent long-term impacts of the exposure to traumatic events.

Joint Finance: Provision not included.

10. PEER-RUN RESPITE CENTER PHONE LINE SUPPORT [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$627,600	- $627,600	$0

Governor: Provide $313,800 annually to fund phone line support to supplement phone service provided by peer-run respite centers.

Currently, the Department provides grants to support the operating costs of four peer-run respite centers in the state. These facilities provide services, including short-term residential stays,

to individuals who need support to cope with mental illness or substance abuse. The peer-run respite centers are staffed by individuals who have successfully completed mental health or substance abuse treatment. In addition to in-person service, the peer-run respite centers provide a 24-hour non-emergency phone line to assist individuals. This item would provide funding to support a supplemental call center to provide backup to the staff at the four peer-run respite centers during periods of high call volume or when staff are providing in-person service. DHS would contract for six additional peer specialists to staff the supplemental phone service.

Joint Finance: Provision not included.

11. MEDICATION-ASSISTED TREATMENT EXPANSION [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,500,000	- $1,500,000	$0

Governor: Provide $500,000 in 2021-22 and $1,000,000 in 2022-23 to fund grants to develop or support entities that offer medication-assisted treatment. Require DHS to award grants of up to those amounts in the biennium and up to $1,000,000 annually thereafter. The administration indicates that the grants would be used to expand access to medication-assisted treatment for individuals with opioid use disorder in underserved or high-need areas. Medication-assisted treatment involves the regular use of medications to block the effects of or reduce craving for opioids, and is used in combination with counseling and behavioral therapies.

Joint Finance: Provision not included. A separate item, summarized under "Program Supplements," would provide $500,000 GPR in 2021-22 and $1,000,000 GPR in 2022-23 for medication-assisted treatment. These amounts are the same as were included in the Governor's bill under this item, although Joint Finance would not include statutory provisions creating an appropriation and grant program for this purpose.

12. SUBSTANCE USE HARM REDUCTION GRANT [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide $250,000 annually for substance use harm reduction grants and authorize DHS to make grants of up to that amount annually to organizations with comprehensive harm reduction strategies for the development or support of substance use harm reduction programs, as determined by the Department. A harm reduction approach to opioid use disorder includes strategies such as providing safe syringe access to prevent infection and supervised use facilities to prevent overdose, used along with substance use disorder treatment.

Joint Finance: Provision not included.

13. METHAMPHETAMINE ADDICTION TREATMENT GRANTS [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$450,000	- $450,000	$0

Governor: Provide $150,000 in 2021-22 and $300,000 in 2022-23 for grants to provide training to substance use disorder treatment providers on treatment models for methamphetamine addiction. The funding would be provided in a new appropriation established for this purpose. The administration indicates that grants would be used to train substance abuse treatment professionals in the use of techniques for addressing addiction to stimulants, such as methamphetamine.

Joint Finance: Provision not included. A separate item, summarized under "Program Supplements," would provide $150,000 GPR in 2021-22 and $300,000 GPR in 2022-23 for training of substance use disorder treatment providers on treatment models for methamphetamine addiction. These amounts are the same as the amounts included in the Governor's bill, although Joint Finance would not include statutory provisions creating an appropriation and grant program for this purpose.

14. SUBSTANCE USE DISORDER TREATMENT PLATFORM [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$300,000	- $300,000	$0

Governor: Provide $300,000 in 2022-23 for the development of a substance use disorder treatment platform that allows for the comparison of treatment programs in the state. Require DHS to contract for the development of the platform in 2022-23, expending no more than $300,000 for that purpose. The administration indicates that the platform would be an on-line substance use disorder treatment program aggregator to locate, compare, and review available treatment programs in the state.

Joint Finance: Provision not included. A separate item, summarized under "Program Supplements," would provide $300,000 GPR in 2022-23 for the development of a substance use disorder treatment platform. This amount is the same as the amount included in the Governor's bill, although Joint Finance would not include a provision requiring the Department to enter into a contract for the development of a platform.

15. BEHAVIORAL HEALTH BED TRACKER [LFB Paper 371]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$150,000	- $80,000	$70,000

Governor: Provide $100,000 in 2021-22 and $50,000 in 2022-23 to develop and maintain a real-time system to track the availability of peer run respite, crisis stabilization, and inpatient psychiatric beds. Modify a current law provision that requires DHS to award a grant for the development and operation of a system to track the availability of inpatient psychiatric beds to specify that the system for which the grant is provided shall also track the availability of peer run respite and crisis stabilization beds. Modify other statutory provisions relating to the users of the system and reporting of bed availability to the system to reflect these changes.

Require DHS to award a grant of $100,000 in 2021-22 and $50,000 annually thereafter for the system, and delete the requirement that the grant must be provided to an entity that the Department contracts with for the collection and dissemination of health care information related to hospitals and ambulatory surgical centers (currently the Wisconsin Hospital Association). Under current law, DHS is required to award a grant of $80,000 in 2015-16 and $30,000 annually thereafter for the inpatient psychiatric bed tracking system.

The funding under this item, when added to the base level of funding for the inpatient psychiatric bed tracking system, would make available total funding of $130,000 in 2021-22 and $80,000 in 2022-23. DOA indicates that the administration's intent is to continue providing an annual grant to the Wisconsin Hospital Association to maintain the inpatient psychiatric bed tracking system, while contracting separately for a system to track other behavioral treatment bed capacity.

Joint Finance: Reduce funding by $50,000 in 2021-22 and $30,000 in 2022-23, resulting in a net funding increase of $50,000 in 2021-22 and $20,000 in 2022-23. Modify the Governor's proposal by reducing the amount of the grant to $80,000 in 2021-22 and $50,000 annually thereafter. Retain the current law provision that requires that the grant be awarded to the entity that the Department contracts with for the collection and dissemination of health care information related to hospitals and ambulatory surgical centers.

Modify a statutory provision relating to the users of the system to reflect the expanded purpose of the bed tracking system and to include any person who approves emergency detention under Chapter 51. Require the Department to provide to the entity maintaining the system all of the following: (a) a list of operators with peer-run respite beds and contact information, including name, any electronic mail address, and telephone number for each operator; (b) a list of operators with crisis stabilization beds and the contact information, including name, any electronic mail address, and telephone number for each operator; and (c) a list of emergency mental health services programs that are certified by the Department and that perform crisis assessments and the contact information, including name, any electronic mail address, and telephone number for a primary contact at each program.

16. BEHAVIORAL HEALTH TRAINEE PROVIDER GRANTS

GPR	$250,000

Joint Finance: Provide $250,000 in 2022-23 in the appropriation for treatment program grants, to increase total funding for the program in that year to $750,000. Modify the program to: (a) specify that the Department may expend any available federal moneys received for this program; (b) require the Department to distribute a total of $750,000 per year; and (c) renumber the appropriation so that it is included as an appropriation under mental health and substance abuse services instead of under public health.

Care and Treatment Facilities

1. MENDOTA MENTAL HEALTH UNIT FORENSIC STAFFING [LFB Paper 375]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$6,056,400	36.50	- $6,056,400	- 36.50	$0	0.00

Governor: Provide $3,028,200 annually and 36.5 positions, beginning in 2021-22, to staff a 14-bed unit for adult forensic patients in the building at the Mendota Mental Health Institute that houses the Mendota Juvenile Treatment Center (MJTC). Although the unit currently serves adult forensic patients, in 2021 DHS plans to transfer the current staff to new forensic units that will be available following the completion of a renovation project in the adjacent Lorenz Hall. This item would provide additional funding and positions to continue operating the 14-bed unit in the MJTC building for adult forensic patients. The administration indicates that additional forensic treatment space is needed to reduce the number of forensic patients awaiting admission to the Mendota Mental Health Institute. Without additional staffing, the MJTC adult forensic unit would close with the opening of the Lorenz Hall units.

Of the additional funding, $2,623,100 annually would be budgeted for salary and fringe benefit costs, while the remaining $405,100 annually would be budged for supplies and services costs associated with these positions.

Joint Finance: Provision not included.

2. PERMANENT POSITIONS FOR FORENSIC UNITS AT SAND RIDGE SECURE TREATMENT CENTER [LFB Paper 375]

	Funding	Positions
GPR	$5,308,600	36.50

Governor/Joint Finance: Provide $2,654,300 annually and 36.5 positions, beginning in 2021-22, to replace expiring project positions and funding used to staff two treatment units for

forensic patients at the Sand Ridge Secure Treatment Center (SRSTC) in Mauston. The two units, with a total of 40 beds, were opened in vacant space at SRSTC to provide additional capacity for male forensic patients. The 2019-21 budget act provided project positions and funding to staff these units. Since these project positions expire on June 30, 2021, the position authority and associated funding is removed in the 2021-23 biennium under the removal of non-continuing elements standard budget adjustment. This item would provide permanent position authority and an equivalent level of funding to provide ongoing staffing for the SRSTC units.

Forensic patients are persons who are committed for treatment by courts as the result of a criminal proceeding. Forensic patients include: (a) persons charged with an offense and whose competency to proceed to trial is questioned; (b) persons deemed not competent to stand trial as the result of mental illness present at the time of the trial; and (c) persons who are found not guilty by reason of mental disease or mental defect present at the time that the offense was committed. DHS has used the SRSTC units for males who are committed as the result of being found not guilty by reason of mental disease or defect, who would otherwise be committed to the Mendota Mental Health Institute. Since Mendota has a waiting list for forensic admissions, the SRSTC units reduce the number of patients with court ordered commitments who are held in county jails prior to admission.

3. OVERTIME SUPPLEMENT [LFB Paper 376]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$11,655,200	- $11,655,200	$0
PR	6,703,600	- 6,703,600	0
Total	$18,358,800	- $18,358,800	$0

Governor: Provide $9,179,400 ($5,827,600 GPR and $3,351,800 PR) annually to fully fund anticipated overtime costs at the Department's care and treatment residential facilities. The funding under this item reflects the administration's estimate of the difference between actual overtime costs at each facility and the amount that would be provided under the overtime standard budget adjustment.

The following table shows, by facility and fund source, the annual overtime increase provided under the standard budget adjustment, the funding increase provided under this item, and the total funding that would be provided annually to support overtime costs under the bill.

Annual Overtime Funding for DHS Care and Treatment Facilities, by Source
Governor's Bill

Facility	Standard Budget Adjustments GPR	PR	Total	Overtime Funding Under This Item GPR	PR	Total	Total Annual Overtime Budget GPR	PR	Total
Mendota MHI	$1,623,500	$550,600	$2,174,100	$3,164,800	$1,073,300	$4,238,100	$4,788,300	$1,623,900	$6,412,200
Winnebago MHI	504,100	1,660,800	2,164,900	327,000	1,077,300	1,404,300	831,100	2,738,100	3,569,200
WI Resource Center	1,040,700	0	1,040,700	852,700	0	852,700	1,893,400	0	1,893,400
Sand Ridge STC	323,900	0	323,900	1,483,100	0	1,483,100	1,807,000	0	1,807,000
Central WI Center	0	2,628,800	2,628,800	0	1,090,100	1,090,100	0	3,718,900	3,718,900
Southern WI Center	0	2,163,900	2,163,900	0	15,100	15,100	0	2,179,000	2,179,000
Northern WI Center	0	403,600	403,600	0	96,000	96,000	0	473,700	473,700
Total	**$3,492,200**	**$7,407,700**	**$10,899,900**	**$5,827,600**	**$3,351,800**	**$9,179,400**	**$9,319,800**	**$10,759,500**	**$20,079,300**

Joint Finance: Delete funding for overtime supplements in the Department's appropriations for facilities. Instead, the same amount of funding would be placed in the GPR and PR Joint Committee on Finance program supplements appropriations. The fiscal effect of this provision is summarized in "Program Supplements."

4. CONTRACTED MENTAL HEALTH SERVICES

GPR	$1,069,200

Governor/Joint Finance: Reduce funding by $63,700 in 2021-22 and increase funding by $1,132,900 in 2022-23 to fund projected costs of the Division of Care and Treatment Services contracts for community-based treatment and monitoring services for individuals in the forensic and sexually violent persons programs.

The estimates for each of the contracted treatment services use a caseload growth factor, based on recent trends, and a 1.6% annual inflationary adjustment to the per-client costs. These adjustments are applied to the actual caseload and costs in 2019-20. Because caseload and costs in 2020-21 are projected to be lower than the base level funding for several of these services, the total adjustment to the base is negative in 2021-22.

The following table shows the base funding for each type of contract, the estimated 2021-23 costs in each category, and the difference between the base and the estimated cost. Below the table is an explanation of each category. In prior years, the Department treated the court liaison contract as part of the base for outpatient competency exams, but since this is a distinct function, the table shows this contract separately, with $0 for the base.

Program/Contract	2020-21 Base	Estimated Funding Need 2021-22	2022-23	Funding Change 2021-22	2022-23
Supervised Release	$6,384,400	$6,051,700	$6,519,600	-$332,700	$135,200
Conditional Release	5,621,900	5,556,200	5,747,700	-65,700	125,800
Treatment to Competency	3,081,300	3,132,400	3,455,000	51,100	373,700
Outpatient Competency Exams	2,765,300	2,572,700	2,705,100	-192,600	-60,200
Court Liaison	0	168,600	171,300	168,600	171,300
DOC Contracts	1,575,000	1,882,600	1,962,100	307,600	387,100
Total	$19,427,900	$19,364,200	$20,560,800	-$63,700	$1,132,900

Supervised Release Services. The supervised release program provides community-based treatment to individuals who are found to be sexually violent persons (SVPs) under Chapter 980 of the statutes. SVPs are committed to DHS and provided institutional care at the Sand Ridge Secure Treatment Center in Mauston, but may petition the court for supervised release if at least 12 months have elapsed since the initial commitment order was entered, since the most recent release petition was denied, or since the most recent order for supervised release was revoked.

Conditional Release Services. The conditional release program provides treatment to individuals who have been found not guilty by reason of mental disease or defect and are either immediately placed on conditional release following the court's finding or following release from one of the state's mental health institutes.

Treatment to Competency Services. DHS contracts with a vendor to provide outpatient treatment services to individuals who are determined to be incompetent to proceed to a criminal trial if a court determines that the individual is likely to be competent within 12 months, or within the time of the maximum sentence specified for the most serious offense with which the defendant is charged. These services are delivered on an outpatient basis for individuals who, based on an assessment of their risk level, are able to live in the community, or in county jails, as an alternative to admitting those individuals to one of the mental health institutes for treatment.

Outpatient Competency Examination. Chapter 971 of the statutes prohibits courts from trying, convicting, or sentencing an individual if the individual lacks substantial mental capacity to understand the proceedings or assist in his or her own defense. Courts may order DHS to conduct competency examinations, which may be performed either on an inpatient basis by DHS staff at the state mental institutes, or on an outpatient basis in jails and locked units of other facilities by contracted staff.

Court Liaison Services. The Department contracts for the cost of court liaison services, used to provide consultation to courts regarding mental health issues for individuals in the judicial system. In the 2019-21 biennium, the Department contracted for these services as part of the outpatient competency examination program.

Department of Corrections Contracts. DHS contracts with the Department of Corrections for the supervision of clients in the conditional release and supervised release programs. The contract includes supervision, transportation escort, and global positioning system (GPS) monitoring.

5. ASSERTIVE COMMUNITY TREATMENT CONTRACT [LFB Paper 377]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,547,600	- $4,547,600	$0

Governor: Provide $2,273,800 annually to allow the Department to contract for treatment delivered under an assertive community treatment model for individuals with serious mental illness that are involved in the criminal justice system. The assertive community treatment model uses a team approach to provide intensive services for individuals transitioning from institutional setting to the community. As used for a forensic population (forensic assertive community treatment, or FACT) the treatment focuses on risks and needs associated with criminal behavior. Individual services can include psychiatric and substance abuse treatment, housing and employment assistance, family education, medication management, and assistance with court proceedings, as applicable. The administration indicates that the intent is to divert these individuals away from hospitalization, re-arrest, and incarceration. Service teams would be targeted to areas of the state with the highest number of forensic referrals. The funding in the bill is the estimated cost of staffing FACT teams sufficient to serve approximately 100 individuals, plus the non-federal share of costs of Medicaid-funded services for FACT clients.

Joint Finance: Provision not included.

6. FOOD AND VARIABLE NONFOOD SUPPLIES AND SERVICES

GPR	$8,150,400
PR	17,353,400
Total	$25,503,800

Governor/Joint Finance: Increase funding for food and variable nonfood supplies and services at the DHS care and treatment facilities as follows.

Food. Provide $291,100 ($249,300 GPR and $41,800 PR) in 2021-22 and $435,500 ($344,500 GPR and $91,000 PR) in 2022-23 to fund projected increases in food costs. These estimates are based on the Department's population projections for its seven facilities, and the assumption that average food costs will increase by 2.8% annually. The Department's base budget for food at its facilities is $4,727,900 ($3,153,500 GPR and $1,574,400 PR).

Variable Nonfood Supplies and Services. Provide $9,408,800 ($2,270,700 GPR and $7,138,100 PR) in 2021-22 and $15,368,400 ($5,285,900 GPR and $10,082,500 PR) in 2022-23 to fund projected increases in nonfood supplies and services costs that vary with resident populations. These costs include medical services, medical supplies, prescription drugs, and clothing. The estimates are based on facility-specific inflationary cost projections, which reflect differences in medical supplies, services, and medications used by residents and patients at these facilities. The Department's base budget for variable nonfood supplies and services is $40,410,900 ($24,968,100 GPR and $15,442,800 PR).

7. MENTAL HEALTH INSTITUTES FUNDING SPLIT

	Funding	Positions
GPR	- $1,239,900	- 8.39
PR	1,239,900	8.39
Total	$0	0.00

Governor/Joint Finance: Reduce funding by $582,500 GPR in 2021-22 and $657,400 GPR in 2022-23 and increase PR funding by corresponding amounts, and convert 7.68 GPR positions in 2021-22 and 8.39 GPR positions in 2022-23 to PR positions, to reallocate, by source, funding for services provided at the state mental health institutes. This funding adjustment reflects the administration's estimates of the percentage of patients whose care will be funded with GPR and PR at the Mendota and Winnebago mental health institutes in the 2021-23 biennium.

The share of each facility's costs funded by GPR and PR is based on the composition of patient population. The state is responsible for the cost of caring for forensic patients, which it has generally funded with GPR. The cost of caring for civilly-committed patients is funded from program revenues paid by counties and third-party payers. As part of each biennial budget, base funding for services provided to both forensic and civil patients, primarily personnel costs, is adjusted to match anticipated changes in the relative share of forensic and civil patients at each facility. For the 2021-23 biennium, DHS anticipates that PR-funded civil patients will increase as a share of the total patient population at both Mendota and Winnebago, resulting in a shift from GPR funding and position to PR funding and positions for certain facility-wide services.

8. DEBT SERVICE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $4,248,600	$769,800	- $3,478,800

Governor: Reduce funding by $2,290,400 in 2021-22 and by $1,958,200 in 2022-23 to reflect estimates of debt service payments on bonds issued for capital projects at DHS care and treatment facilities. Base debt service funding is $19,848,300. With the estimated reductions, total debt service payments are estimated at $17,557,900 in 2021-22 and $17,890,100 in 2022-23.

Joint Finance: Increase funding by $1,079,500 in 2021-22 and decrease funding by $309,700 in 2022-23 to reflect a reestimate of debt service payments. With these adjustments, total debt service payments are estimated at $18,637,400 in 2021-22 and $17,580,400 in 2022-23.

9. FUEL AND UTILITIES

GPR	- $766,600

Governor/Joint Finance: Reduce funding by $455,000 in 2021-22 and $311,600 in 2022-23 to reflect an estimate of GPR-funded fuel and utilities costs at the Division of Care and Treatment Services residential facilities. With these adjustments, total GPR-funded fuel and utility funding would be $5,563,600 in 2021-22 and $5,707,000 in 2022-23. The bill would not modify funding for fuel and utility costs supported by the Division's program revenue general program operations budget.

10. MENDOTA JUVENILE TREATMENT CENTER -- FUNDING TRANSFER FROM DOC

Governor/Joint Finance: Delete a statutory provision that specifies the amounts that the Department of Corrections (DOC) must transfer to DHS in each fiscal year for the staffing costs of the Mendota Juvenile Treatment Center (MJTC) and, instead, require DOC to reimburse DHS an amount for the cost of providing services for juveniles placed at MJTC at a per person daily cost specified by DHS.

Under current law, DOC is required to transfer $1,365,500 from a GPR appropriation and an amount from a PR appropriation that is typically adjusted annually to fund estimated MJTC costs, net of the GPR transfer. In 2020-21, the PR transfer was set at $5,429,000, which when added to the GPR transfer, establishes a total transfer of $6,794,500. Under this item, the transfer would be determined based on a daily rate set by DHS. A separate item, summarized under "Corrections -- Juvenile Corrections" would authorize DOC to assess counties for juveniles a per person daily rate at the same rate that DHS charges DOC for MJTC services.

11. REIMBURSEMENT OF COSTS FOR CARE TO NON-RESIDENTS [LFB Paper 102]

GPR	$400,000

Joint Finance: Increase funding by $200,000 annually to reflect a reestimate of payments to inpatient facilities for services provided to persons who are committed for treatment under provisions of Chapter 51 but who are not state residents. Total payments, which are made from a sum sufficient appropriation, are estimated at $500,000 annually.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$15,752,400	- 36.50	- $776,200	0.00	$14,976,200	- 36.50
FED	- 16,158,500	- 3.00	- 1,322,800	0.00	- 17,481,300	- 3.00
PR	12,892,400	0.00	- 292,400	0.00	12,600,000	0.00
SEG	- 7,200	0.00	0	0.00	- 7,200	0.00
Total	$12,479,100	- 39.50	- $2,391,400	0.00	$10,087,700	- 39.50

Governor: Provide $6,369,700 ($7,876,200 GPR, -$7,949,100 FED, $6,446,200 PR, and -$3,600 SEG) in 2021-22 and $6,109,400 ($7,876,200 GPR, -$8,209,400 FED, $6,446,200 PR, and -$3,600 SEG) in 2022-23, and the reduction of 37.5 positions (-36.5 GPR positions and -1.0 FED position) in 2021-22 and a reduction of 39.5 positions (-36.5 GPR positions and -3.0 FED

positions) in 2022-23, to reflect the net effect of the following standard budget adjustments: (a) turnover reduction (-$3,610,800 GPR, -$1,984,100 FED, and -$2,783,200 PR annually); (b) removal of non-continuing elements (-$2,654,300 GPR, -$95,400 FED, -36.5 GPR positions, and -1.0 FED position in 2021-22, and -$2,654,300 GPR, -$355,700 FED, -36.5 GPR positions, and -3.0 FED positions in 2022-23); (c) full funding of continuing salaries and fringe benefits ($9,558,000 GPR, -$4,538,100 FED, -$207,400 PR, and $900 SEG annually); (d) overtime ($3,492,200 GPR and $7,407,700 PR annually); (e) night and weekend salary differentials ($2,075,600 GPR, $101,300 FED, and $2,259,000 PR annually); (f) full funding of lease and directed moves costs (-$984,500 GPR, -$1,432,800 FED, -$229,900 PR, and -$4,500 SEG annually); and (g) minor transfers between appropriations of the same fund source ($0 annually).

Joint Finance: Increase the rate used to calculate the turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's budget. Reduce funding under the turnover reduction standard budget adjustment by $1,195,700 (-$388,100 GPR, -$661,400 FED, and -$146,200 PR) annually.

2. FEDERAL REVENUE REESTIMATES

FED	$55,323,900

Governor/Joint Finance: Provide $26,437,900 in 2021-22 and $28,886,000 in 2022-23 to reflect the net effect of funding adjustments to certain federal appropriations that are not included in other items in the bill.

The following table shows the base funding amount for each appropriation affected by this item, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount that would be budgeted in each appropriation under the bill.

Federal Revenue Funding Reestimate

	Base	2021-22 Reestimate	2021-22 Other Items	2021-22 Total	2022-23 Reestimate	2022-23 Other Items	2022-23 Total
Public Health							
Medical Assistance -- State Administration	$1,655,000	$343,100	$56,100	$2,054,200	$343,100	$56,100	$2,054,200
Federal Projects Operations	33,338,600	10,309,100	-48,400	43,599,300	10,309,100	-84,900	43,562,800
Maternal and Child Health Block Grant – Aids/Local Assistance	6,498,700	501,300	0	7,000,000	501,300	0	7,000,000
Elderly Programs – Aids	29,802,000	132,900	0	29,934,900	132,900	0	29,934,900
Medicaid Services							
FSET – Vendor Contracts	17,623,700	4,333,400	0	21,957,100	6,791,700	186,500	24,601,900
Care and Treatment Services							
Federal Program Operations – MA State Administration	958,700	61,700	177,600	1,198,000	61,700	177,600	1,198,000
Federal Project Aids	12,220,600	3,665,800	0	15,886,400	3,665,800	0	15,886,400
Federal Block Grant Local Assistance – Substance Abuse Block Grant – Counties	7,533,000	2,223,800	0	9,756,800	2,223,800	0	9,756,800
Federal Block Grant Local Assistance	1,826,500	5,358,700	0	7,185,200	5,358,700	0	7,185,200
Federal Block Grant Operations – Substance Abuse Block Grant	2,400,600	97,000	-19,300	2,478,300	97,000	-19,300	2,478,300
Community Mental Health Block Grant – Operations	978,100	215,900	170,500	1,364,500	215,900	170,500	1,364,500
Disability and Elder Services							
Social Services Block Grant – Transfer	6,131,400	10,000	0	6,141,400	7,700	0	6,139,100
Social Services Block Grant – Local Assistance	20,887,500	227,200	0	21,114,700	219,300	0	21,106,800
General Administration							
Income Augmentation Receipts	1,418,100	-1,042,000	0	376,100	-1,042,000	0	376,100
Total		**$26,437,900**			**$28,886,000**		

3. PROGRAM REVENUE REESTIMATES

PR	$9,823,400

Governor/Joint Finance: Provide $4,911,700 annually to reflect the net effect of funding adjustments to certain program revenue appropriations.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount that would be budgeted in each appropriation under the bill.

Program Revenue Funding Reestimates

	Base	2021-22 Reestimate	2021-22 Other Items	2021-22 Total	2022-23 Reestimate	2022-23 Other Items	2022-23 Total
Public Health							
Elderly Nutrition	$445,500	$54,500	$0	$500,000	$54,500	$0	$500,000
Asbestos Abatement Certification	687,500	4,100	12,800	704,400	4,100	12,800	704,400
Medicaid Services							
Interagency and Intra-agency aids	22,384,400	2,615,600	-2,482,100	22,517,900	2,615,600	-1,705,900	23,294,100
Interagency and Intra-agency Local Assistance	845,300	154,700	0	1,000,000	154,700	0	1,000,000
Care and Treatment Services							
Center	1,446,400	249,100	0	1,695,500	249,100	0	1,695,500
Interagency and Intra-agency Programs	3,291,500	1,735,400	180,600	5,207,500	1,735,400	180,600	5,207,500
Quality Assurance							
Health Facilities License Fees	951,700	98,300	8,300	1,058,300	98,300	8,300	1,058,300
General Administration							
Administrative and Support Personnel	3,416,000	-2,500,000	-59,300	856,700	-2,500,000	-59,300	856,700
Bureau of Information Technology Services	17,495,500	2,500,000	-373,500	19,622,000	2,500,000	-373,500	19,622,000
Total		**$4,911,700**			**$4,911,700**		

4. EQUITY OFFICER POSITION

	Governor (Chg. to Base) Funding	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Funding	Jt. Finance (Chg. to Gov) Positions	Net Change Funding	Net Change Positions
GPR	$145,500	1.00	- $145,500	- 1.00	$0	0.00

Governor: Provide $63,800 in 2021-22 and $81,700 in 2022-23 and 1.0 GPR position, beginning in 2021-22, to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

5. HUMAN RESOURCES SHARED SERVICES [LFB Paper 130]

	Positions
PR	- 1.00

Governor: Delete 1.0 PR position, beginning in 2021-22, as part of a multi-agency modification to transfer positions that currently perform personnel management functions in other agencies to DOA. Reallocate $110,900 annually in base salary and fringe

benefits funding for the position to instead fund supplies and services, which DHS would use to pay assessments to DOA for human resources services DOA provides to the agency. For more information, see "Department of Administration -- Personnel Management."

Joint Finance: Include provision. In addition, specify that the incumbent employee occupying the position also be transferred. Also, specify that an incumbent employee transferred under the provisions would retain their employee rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be required to serve a probationary period.

6. ADMINISTRATIVE TRANSFERS

	Funding	Positions
FED	$1,244,800	7.00
PR	- 1,244,800	- 7.00
Total	$0	0.00

Governor/Joint Finance: Reduce PR funding by $622,400 annually and increase FED funding by corresponding amounts, and convert 7.0 PR positions to FED positions, beginning in 2021-22, to reflect the net effect of position transfers that occurred within the Department in the 2019-21 biennium. These transfers are intended to more accurately align base staff costs with funding sources that reflect the positions' current responsibilities.

7. STATUTORY CHANGES RELATED TO MARIJUANA

Governor: Specify that for purposes of the FoodShare employment and training program's drug screening, testing, and treatment requirements, "controlled substance" has the definition provided in 21 USC 802 (6) of federal law, except "controlled substance" does not include tetrahydrocannabinols in any form, including tetrahydrocannabinols contained in marijuana, obtained from marijuana, or chemically synthesized.

Specify that, unless otherwise required by federal law, a hospital, physician, procurement organization, or other person may not determine the ultimate recipient of an anatomical gift made upon a donor's death based solely upon a positive test for the use of marijuana by a potential recipient. For more information, see "Marijuana-Related Provisions".

Joint Finance: Provision not included.

8. OPIOID AND METHAMPHETAMINE DATA SYSTEM -- AGENCY COLLABORATION

Governor: Require the Department of Administration to collaborate with, and collect data from, the Departments of Health Services, Corrections, Justice, Safety and Professional Services, and Children and Families and any other applicable agencies for the opioid and methamphetamine data system, which would be created under the bill. See "Administration -- Information Technology."

Joint Finance: Provision not included.

9. PUBLIC OPTION STUDY -- COLLABORATION WITH OCI

Governor: Require DHS, the Office of the Commissioner of Insurance (OCI), or DHS in consultation with OCI, to conduct an analysis and actuarial study of the creation of an option for individuals to purchase health coverage that is publicly provided or administered. For additional information on this item, see "Insurance -- Health."

Joint Finance: Provision not included.

10. DELETE VACANT POSITIONS

	Positions
GPR	- 6.00
PR	- 12.27
Total	- 18.27

Joint Finance: Delete 18.27 vacant positions (-6.0 GPR positions and -12.27 PR positions), beginning in 2021-22.

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$287,083,000	$321,338,600	$287,187,800	- $34,150,800	- 10.6%	$104,800	0.0%
FED	300,000	300,000	300,000	0	0.0	0	0.0
PR	3,334,800	3,479,400	3,334,800	- 144,600	- 4.2	0	0.0
TOTAL	$290,717,800	$325,118,000	$290,822,600	- $34,295,400	- 10.5%	$104,800	0.0%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
GPR	10.00	10.00	10.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	$121,000

Governor/Joint Finance: Provide $60,500 annually for full funding of continuing position salaries and fringe benefits.

2. STATE AGENCY BUDGET REDUCTION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	- $16,200	- $16,200

Joint Finance: Reduce the HEAB general program operations appropriation by $8,100 annually.

3. WISCONSIN GRANTS -- UW SYSTEM [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$18,568,500	- $18,568,500	$0

Governor: Increase funding for Wisconsin Grants for UW System students by $6,189,500 in 2021-22 and $12,379,000 in 2022-23 which would increase program funding by 10% in 2021-22 and 20% in 2022-23, as changes to base level funding. When calculated as a change to the prior year, there would be an increase of 10% in 2021-22 over 2020-21, and an increase of 9.1% in 2022-23 over 2021-22. Annual base level funding for this program is $61,894,100.

Joint Finance: Provision not included.

4. WISCONSIN GRANTS -- PRIVATE, NONPROFIT COLLEGES [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$8,551,500	- $8,551,500	$0

Governor: Increase funding for Wisconsin Grants for private, nonprofit college students by $2,850,500 in 2021-22 and $5,701,000 in 2022-23, which would increase funding by 10% in 2021-22 and 20% in 2022-23, as changes to base level funding. When calculated as a change to the prior year, there would be an increase of 10.0% in 2021-22 over 2020-21, and an increase of 9.1% in 2022-23 over 2021-22. Annual base level funding for this program is $28,504,600.

Joint Finance: Provision not included.

5. WISCONSIN GRANTS -- TECHNICAL COLLEGES [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,891,600	- $6,891,600	$0

Governor: Increase funding for Wisconsin Grants for technical college students by $2,297,200 in 2021-22 and $4,594,400 in 2022-23, which would increase funding by 10% in 2021-22 and 20% in 2022-23, as changes to base level funding. When calculated as a change to the prior year, there would be an increase of 10% in 2021-22 over 2020-21, and an increase of 9.1% in 2022-23 over 2021-22. Annual base level funding for this program is $22,971,700.

Joint Finance: Provision not included.

6. WISCONSIN GRANTS -- TRIBAL COLLEGES [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$144,600	- $144,600	$0

Governor: Increase funding for Wisconsin Grants for tribal college students by $48,200 in 2021-22 and $96,400 in 2022-23, which would increase program funding by 10% in 2021-22 and 20% in 2022-23, as changes to base level funding. When calculated as a change to the prior year, there would be an increase of 10.0% in 2021-22 over 2020-21, and an increase of 9.1% in 2022-23 over 2021-22. Annual base level funding for the program is $481,800.

Joint Finance: Provision not included.

7. MINORITY UNDERGRADUATE RETENTION GRANTS [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$123,000	- $123,000	$0

Governor: Provide $41,000 in 2021-22 and $82,000 in 2022-23 for the minority undergraduate retention grant program. Base funding for the program is $819,000 annually.

The minority undergraduate retention grant program provides need-based grants to minority resident undergraduate students enrolled at least half-time in Wisconsin technical colleges, tribal colleges, or private, nonprofit postsecondary institutions in the state. "Minority undergraduate" student is defined as an undergraduate student who is African American, Native American, Hispanic, or from Cambodia, Laos, or Vietnam and admitted to the U.S. after December 31, 1975. Sophomores, juniors, and seniors are eligible for grants of up to $2,500 a year for up to eight semesters. HEAB allocates half of all funds to the technical colleges and half to private institutions and tribal colleges.

Joint Finance: Provision not included.

8. MINNESOTA-WISCONSIN RECIPROCITY AGREEMENT -- TECHNICAL COLLEGES

Governor: Require HEAB to provide to the designated Minnesota body, notice of the termination of the Minnesota-Wisconsin reciprocity agreement in accordance with state law, with the termination effective July 1, 2022. Specify that Board of Regents (see UW System) and HEAB negotiate new agreements to replace the prior reciprocity agreement with these new agreements to become effective July 1, 2022.

Effective July 1, 2022, modify current law to specify that HEAB administer a Minnesota-

Wisconsin public vocational (technical college) school student reciprocity agreement, which provides for the waiver of nonresident fees and for a reciprocal fee structure for residents of either state who are enrolled in a public vocational school located in the other state. Maintain the current law requirement that HEAB and the designated body representing the state of Minnesota prepare an administrative memorandum that establishes policies and procedures for implementation of the agreement for the upcoming academic year and submit the memorandum to the Joint Committee on Finance subject to a 14-day review process. Provide that the reciprocal fee could not exceed the higher of the resident fees that would be charged the student at the public vocational school in which the student is enrolled or the resident fees at a comparable public vocational school located in his or her state as specified in the annual administrative memorandum.

Clarify that current law references to the Minnesota-Wisconsin reciprocity agreement to reference the UW System agreement administered by the Board of Regents and the Minnesota-Wisconsin agreement administered by HEAB for all other public vocational educational institutions. Specify that interstate agreements between HEAB and state agencies and institutions of higher education would not apply to the UW System Minnesota-Wisconsin reciprocity agreement. These provisions would be effective July 1, 2022.

Under current law, HEAB administers the Minnesota-Wisconsin reciprocity agreement which covers all public institutions in both states. Under the agreement, residents can attend public universities, community colleges, and technical colleges in the adjacent state without having to pay non-resident tuition. Under the bill, effective July 1, 2022, the Board of Regents would administer the agreement between Minnesota and Wisconsin for UW-System institutions and HEAB would administer the agreement for students attending other Wisconsin public vocational institutions.

Joint Finance: Provision not included.

9. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the Higher Educational Aids Board and Distance Learning Authorization Board would be administratively attached to the Department of Administration for budgeting, program coordination, and related management purposes. Create a program revenue-service appropriation for all moneys received from other state agencies to carry out the purposes for which received. Under current law, HEAB is responsible for its own administrative services, while the Distance Learning Authorization Board is attached to HEAB. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

10. NURSE EDUCATORS [LFB Paper 640]

Joint Finance: Provide $5,000,000 GPR in 2022-23 in the Joint Finance Committee supplemental appropriation for release to HEAB upon request and approval by the Committee for a nurse educator program. Create a new, continuing appropriation in HEAB for the program where

funding would be transferred upon release by the Committee. Specify that the nurse educator program would apply to students and graduates of institutions of higher education, which would be defined as private, non-profit colleges located in Wisconsin, colleges within the Wisconsin Technical College System (WTCS), and UW System institutions or college campuses. Specify that the program would provide: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice, doctor of philosophy in nursing, or master of science in nursing in an institution of higher education; (b) educational loan repayment assistance to recruit and retain faculty for nursing programs in an institution of higher education; and (c) postdoctoral fellowships to recruit faculty for nursing programs in an institution of higher education. Require individuals who receive fellowships or loan repayment assistance to make a commitment to teach for three consecutive years in a nursing program at an institution of higher education. The fiscal effect of this item is shown under "Program Supplements."

HISTORICAL SOCIETY

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$43,914,000	$44,296,600	$42,927,600	- $1,369,000	- 3.1%	- $986,400	- 2.2%
FED	2,781,600	3,098,800	2,918,200	- 180,600	- 5.8	136,600	4.9
PR	6,606,400	11,385,500	7,069,100	- 4,316,400	- 37.9	462,700	7.0
SEG	9,526,400	8,885,800	7,333,000	- 1,552,800	- 17.5	- 2,193,400	- 23.0
TOTAL	$62,828,400	$67,666,700	$60,247,900	- $7,418,800	- 11.0%	- $2,580,500	- 4.1%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	112.65	112.65	112.65	0.00	0.00
FED	8.86	8.86	8.86	0.00	0.00
PR	26.75	26.75	23.35	- 3.40	- 3.40
SEG	33.28	33.28	32.84	- 0.44	- 0.44
TOTAL	181.54	181.54	177.70	- 3.84	- 3.84

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,313,000	- $1,414,800	- $101,800
FED	317,200	- 180,600	136,600
PR	1,076,600	- 582,200	494,400
SEG	2,531,200	- 1,552,800	978,400
Total	$5,238,000	- $3,730,400	$1,507,600

Governor: Adjust the base budget by $656,500 GPR, $158,500 FED, $537,500 PR, and $1,265,600 SEG in 2021-22 and $656,500 GPR, $158,700 FED, $539,100 PR, and $1,265,600 SEG in 2022-23 for: (a) turnover reduction (-$194,800 GPR annually); (b) full funding of

continuing position salaries and fringe benefits ($1,353,500 GPR, $150,400 FED, $495,800 PR, and $1,265,600 SEG annually); (c) overtime ($7,300 GPR annually); (d) night and weekend differential pay ($12,400 GPR annually); and (e) lease and directed moves costs (-$521,900 GPR, $8,100 FED, and $41,700 PR in 2021-22 and -$521,900 GPR, $8,300 FED, and $43,300 PR in 2022-23).

Joint Finance: To correct funding levels as a result of the permanent positions created under 2019 Act 9, reduce funding by -$642,500 GPR, -$90,300 FED, -$291,100 PR, and -$776,400 SEG annually.

Additionally, increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by -$64,900 GPR annually.

2. DEBT SERVICE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $893,500	$214,800	- $678,700
PR	3,702,500	- 3,734,200	- 31,700
Total	$2,809,000	- $3,519,400	- $710,400

Governor: Modify funding by -$565,700 GPR and $876,200 PR in 2021-22 and -$327,800 GPR and $2,826,300 PR in 2022-23 as a reestimate of debt service payments. Base level funding is $4,946,800 GPR and $73,000 PR annually.

Joint Finance: Reestimate debt service by $115,200 GPR and -$900,200 PR in 2021-22 and $99,600 GPR and -$2,834,000 PR in 2022-23.

3. FUEL AND UTILITIES REESTIMATE

GPR	- $205,900

Governor/Joint Finance: Reduce funding by -$103,600 in 2021-22 and -$102,300 in 2022-23 to reflect estimated costs for fuel and utilities at Historical Society facilities. Base level funding is $914,400 annually.

4. WISCONSIN BLACK HISTORICAL SOCIETY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$169,000	- $169,000	$0

Governor: Provide $84,500 annually over base level funding of $84,500 for the Wisconsin Black Historical Society.

The Wisconsin Black Historical Society documents and preserves historical records and artifacts related to African Americans and their history in Wisconsin. The Society operates a museum located in Milwaukee.

Joint Finance: Provision not included.

5. REDUCE ESTIMATED EARNED INCOME

SEG	- $3,171,800

Governor/Joint Finance: Reduce the appropriation funded with earned income to the history preservation partnership trust fund by -$2,074,700 in 2021-22 and -$1,097,100 in 2022-23 attributable to the effects of the COVID-19 pandemic on the ability of the Historical Society to generate such income. Income has been affected because the historic sites and museums have been closed or open on a limited basis which reduces revenues from admissions, gift shop sales, and event rentals.

6. REALIGNMENT OF POSITIONS

Governor/Joint Finance: Transfer 0.2 position and $15,800 FED from the Society's federal general program operations appropriation to its federal indirect cost reimbursements appropriation to comply with federal grant requirements.

7. DELETE VACANT POSITIONS

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	0.00	- 3.40	- 3.40
SEG	0.00	- 0.44	- 0.44
Total	0.00	- 3.84	- 3.84

Joint Finance: Delete 3.4 PR positions from the Society's appropriation for gifts, grants, and membership sales, and 0.44 SEG positions from the Society's appropriation for the history preservation partnership trust fund.

INSURANCE

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$144,547,400	$119,364,900	$75,778,000	- $43,586,900	- 36.5%	- $68,769,400	- 47.6%
FED	255,452,600	283,910,400	307,722,000	23,811,600	8.4	52,269,400	20.5
PR	40,796,600	50,600,800	39,336,300	- 11,264,500	- 22.3	- 1,460,300	- 3.6
SEG	122,489,800	131,411,400	131,411,400	0	0.0	8,921,600	7.3
TOTAL	$563,286,400	$585,287,500	$554,247,700	- $31,039,800	- 5.3%	- $9,038,700	- 1.6%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	0.00	10.00	0.00	- 10.00	0.00
PR	124.15	148.15	123.15	- 25.00	- 1.00
SEG	10.68	10.68	10.68	0.00	0.00
TOTAL	134.83	168.83	133.83	- 35.00	- 1.00

Budget Change Items

Agency Operations and Current Programs

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
PR	$108,400	- 1.00	- $176,200	0.00	- $67,800	- 1.00
SEG	- 54,200	0.00	0	0.00	- 54,200	0.00
Total	$54,200	- 1.00	- $176,200	0.00	- $122,000	- 1.00

Governor: Provide $27,100 ($54,200 PR and -$27,100 SEG) annually and delete 1.0 PR

position annually to reflect the following standard budget adjustments: (a) -$264,300 PR annually for turnover reduction; (b) $326,100 PR and -$24,300 SEG annually for full funding of continuing position salaries and fringe benefits; (c) $82,200 PR and -$2,800 SEG annually for full funding of lease and directed move costs; and (d) -$89,800 PR and -1.0 PR positions annually for removal of noncontinuing elements from the base.

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $88,100 PR annually.

2. WISCONSIN HEALTHCARE STABILITY PLAN [LFB Paper 102 and 390]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $28,457,800	- $40,311,600	- $68,769,400
FED	28,457,800	23,811,600	52,269,400
Total	$0	- $16,500,000	- $16,500,000

Governor: Decrease funding by $14,228,900 GPR annually and provide corresponding FED increases to reflect a reestimate of the state and federal shares of the cost of payments made under the Wisconsin healthcare stability plan (WHSP) for the 2020 and 2021 plan years. With these funding changes, the program would be funded at $58,044,800 GPR and $141,955,200 FED annually, for a total of $200,000,000.

WHSP is a state-operated reinsurance program, supported with state and federal funding, that is intended to reduce premiums paid by individuals who purchase health insurance in the individual market. Reinsurance payments reimburse insurers for a portion of the total annual claims for individuals with high costs. For the 2021 plan year, for instance, the program will reimburse insurers for 48% of the total annual claims paid by the insurer that fall between $40,000 and $175,000, for the covered services of any individual enrolled by the insurer in the individual insurance market. Because a portion of a participating insurer's medical claims costs are paid from the program, rather than premium revenue, the monthly premiums charged by the insurer will be lower.

Under WHSP, the Office of the Commissioner of Insurance (OCI) is required to set annual payment parameters for the program such that total annual reinsurance payments will be up to $200 million. Reinsurance payments are made from two appropriations. First, a federal funds appropriation enables OCI to expend all moneys that the agency receives that are generated by federal savings resulting from reduced costs of federal premium tax credits. The federal Department of Health and Human Services (DHHS) notifies the state of this amount, referred to as the "pass-through funding," at the beginning of each plan year. Second, a sum-sufficient GPR appropriation funds the difference between available federal pass-through funding and the total reinsurance payments. Reinsurance payments are made in August of the year following the end of the plan year for which the claims were paid. Thus, 2020 plan year and 2021 reinsurance payments will be paid in state fiscal year 2020-21 and 2021-22, respectively.

On April 3, 2020, DHHS notified the state that the federal pass through funding for the 2020 plan year will be $141,955,200. This item would increase the federal appropriation to match this amount, and reduce the GPR appropriation accordingly, from the current base funding level of $72,273,700, to $58,044,800. The GPR estimate reflects the assumption that the program will make total reinsurance payments of $200,000,000, and thus the state will be responsible for the difference between that total and the federal pass-through funding. Under this item, these amounts would be the same in each year of the biennium, on the assumption that 2021 plan year pass-through funding and total reinsurance payments will be the same as for the 2020 plan year.

Joint Finance: Reduce funding by $16,500,000 GPR in 2021-22 based on reinsurance claims filed for plan year 2020. Reduce funding by $23,811,600 GPR in 2022-23 and provide a corresponding increase in federal funding, to reflect a notice from DHHS of preliminary pass-through funding for the 2021 plan year.

Since the time of the introduction of the Governor's bill, insurers have filed the final reinsurance claims for the 2020 plan year. While the initial estimates were based on the assumption that claims would equal the $200,000,000 target, the total of actual claims is less. Pending review by OCI, total payments are expected to be approximately $183,500,000, or $16,500,000 less than the $200,000,000 target. Since the federal pass-through funding is fixed, the reduction in actual claims relative to the estimate reduces the GPR cost.

Also since the time of the introduction of the bill, DHHS has notified OCI, preliminarily, that the state will receive pass-through funding of $165,766,800 for the 2021 plan year, exceeding the amount that was the basis of the administration's estimate by $23,811,600. The reestimate in this item decreases the GPR funding by that amount and provides a corresponding increase in federal funding, while retaining the assumption that total reinsurance payments will equal $200,000,000. The following table shows the estimated funding for reinsurance payments in the biennium.

Estimated Funding for Reinsurance Payments

	2020-21 Base	2020-21 (2020 Plan Year)	2022-23 (2021 Plan Year)
GPR	$72,273,700	$41,544,800	$34,233,200
FED	127,726,300	141,955,200	165,766,800
Total	$200,000,000	$183,500,000	$200,000,000

3. WISCONSIN HEALTHCARE STABILITY PLAN -- INCREASE REINSURANCE

Joint Finance: Increase the annual maximum amount of reinsurance payments under the Wisconsin healthcare stability plan from $200,000,000 to $230,000,000, beginning in plan year 2022. If the Insurance Commissioner elects to establish a higher total payment target under this provision for 2022, it would first affect reinsurance payments in state fiscal year 2023-24.

4. INJURED PATIENTS AND FAMILIES COMPENSATION FUND PROGRAM CLAIMS SYSTEM IMPROVEMENTS

SEG	$8,975,800

Governor/Joint Finance: Provide $7,226,900 in 2021-22 and $1,748,900 in 2022-23 for the purchase and ongoing maintenance costs of policy and claims administration system software to replace existing systems for the injured patients and families compensation fund (IPFCF).

IPFCF is a state program administered by OCI that provides excess medical malpractice insurance coverage for Wisconsin health care providers. The fund pays the amount of any medical malpractice awards or settlements in excess of amount of the provider's primary malpractice coverage. To enroll in IPFCF coverage, participants must first obtain a primary medical malpractice policy meeting the state's minimum coverage requirements, which are established by statue at $1,000,000 per occurrence or claim and at least $3,000,000 for all occurrences or claims in the policy year. Premiums for IPFCF policies are established each year by the IPFCF Board of Governors, and vary depending upon profession and medical specialty. There are currently approximately 18,000 active participants in the IPFCF.

This item would provide funding to purchase and pay ongoing costs for licensing and maintenance of a new policy and claims administration system. The administration proposes to purchase Oracle's Insurance Policy Administration software, which would replace several current system modules. The new system would automate processes and be integrated with the state's financial and procurement system (the State Transforming Agency Resources project, or STAR).

The funding for this item would be provided from the injured patients and families compensation fund. The fund is used for the collection of premium assessments and the payment of claims, as well as program administration costs. OCI estimates that the unencumbered balance in the fund at the end of the 2019-21 biennium will be $1.3 billion, with estimated expenditures for claims and administration in 2020-21 at $22.9 million.

5. EQUITY OFFICER POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$75,800	0.50	- $75,800	- 0.50	$0	0.00

Governor: Provide $31,100 in 2021-22 and $44,700 in 2022-23 and 0.5 position, beginning in 2021-22, to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

6. CONVERT PROJECT POSITION TO PERMANENT POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$162,600	1.00	- $162,600	- 1.00	$0	0.00

Governor: Provide $81,300 annually and 1.0 position, beginning in 2021-22, to retain a position in OCI's Division of Financial Regulation that supports the agency in meeting new accreditation standards. The permanent position would replace an expiring project position that is removed as a standard budget adjustment that deletes noncontinuing elements, including terminating project positions.

Joint Finance: Provision not included.

7. BOALTC HELPLINE FUNDING TRANSFER

PR	$12,100

Governor/Joint Finance: Provide $5,800 in 2021-22 and $6,300 in 2022-23 to reflect a reestimate of the amount of insurance fee revenue that will be needed to fund telephone counseling services provided by the Board on Aging and Long-Term Care (BOALTC) for individuals seeking information on Medicare supplemental insurance policies ("Medigap" policies), Medicare Part D policies (policies that cover prescription drugs), and SeniorCare.

The BOALTC Helpline provides free one-on-one insurance counseling services to state residents over the age of 60. The Helpline is supported from two sources -- federal funds the state receives under the state health insurance assistance program (SHIP) and state insurance fee revenue budgeted as part of OCI's general program operations appropriation that OCI transfers to BOALTC.

8. POSITION MISCLASSIFICATION

Governor: Require OCI, on at least an annual basis, to conduct outreach and education to persons subject to regulation by the Office on how to identify the misclassification of employees as independent contractors and how to report suspected misclassifications to the appropriate federal and state agencies. The requirement is one of several in the bill applicable to various state agencies with regulatory responsibilities. For additional information, see the position misclassification outreach item summarized under "Workforce Development -- Equal Rights."

Joint Finance: Provision not included.

9. FUNDING FOR OFFICE ADMINISTRATIVE FUNCTIONS

PR	- $1,404,600

Joint Finance: Reduce funding by $702,300 annually, reflecting the net effect of two changes: (a) reduce OCI's general program operations appropriation by $2,222,600 annually; and

(b) provide $1,520,300 annually in a new interagency and intra-agency appropriation for general program operations. Transfer $1,520,300 in each year of the 2021-23 fiscal biennium from the unencumbered balance in the general program operations program revenue appropriation account to the interagency and intra-agency appropriation.

Drug Costs and Pricing

1. OFFICE OF PRESCRIPTION DRUG AFFORD-ABILITY

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$3,234,900	16.00	- $3,234,900	- 16.00	$0	0.00

Governor: Provide $1,701,000 in 2021-22 and $1,533,900 in 2022-23, and 16.0 positions, beginning in 2021-22, to administer new initiatives related to prescription drug supply chain regulation and consumer assistance in a new Office of Prescription Drug Affordability within OCI. Of the funding provided by the bill, $500,000 in 2021-22 would be one-time financing for implementation costs associated with the Office while the remainder, $1,201,000 in 2021-22 and $1,533,900, would be for salary, fringe benefit, and supplies costs associated with the positions. The positions would include five insurance examiners, four policy initiatives advisors, two attorneys, an insurance program manager, two insurance administrators, and two operations program associates. The prescription drug affordability initiatives are summarized below.

Joint Finance: Provision not included.

2. LICENSURE AND REGULATION OF PHARMACY BENEFIT MANAGERS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$1,310,400	7.50	- $1,310,400	- 7.50	$0	0.00

(With the exception of the funding, positions, and effective date, this provision is identical to 2021 Senate Bill 3, which was passed by the State Senate on February 16, 2021, and messaged to the State Assembly.)

Governor: Provide $692,600 in 2021-22 and $617,800 in 2022-23, and 7.5 positions, beginning in 2021-22, to implement and administer provisions related to the licensure and regulation of pharmacy benefit managers (PBMs), as described below. Of the funding provided by

the bill, $204,000 in 2021-22 would support one-time implementation costs, primarily related to modifying OCI's existing system used to register insurance agents to accommodate the filings and supporting documents related to PBM licensure. The remaining funding would support salary, fringe benefits, and related supplies and services costs associated with the positions. The positions would conduct the regulatory functions associated with these provisions, and would include examiners, program associates, and a supervisor.

Licensing of Pharmacy Benefit Managers. Specify that a pharmacy benefit manager (PBM) must be licensed by OCI either as a PBM or as an employee benefit administrator in order to perform, offer to perform, or advertise any service as a PBM. Prohibit any insurer or self-insured health plan from using the services of a PBM unless the PBM furnishes proof of licensure. Under current law, a pharmacy benefit manager is defined as an entity doing business in Wisconsin that contracts to administer or manage prescription drug benefits on behalf of any insurer or other entity that provides prescription drug benefits to state residents.

Require OCI to issue a license to act as a PBM to any corporation, limited liability company or partnership that satisfies specified conditions, which would be the same or substantially the same as the current law conditions for licensure as an employee benefit administrator. These conditions generally include demonstrating intention to follow relevant laws, administrative rules, and directives, supplying a bond to guarantee faithful performance, and paying the license fee. Authorize OCI to examine, audit, or accept an audit of the books and records of a PBM to carry out its duties related to licensure.

Establish PBM licensing policies with respect to license issuance and renewal, license revocation and suspension, reapplication after revocation, and payment of license fees to match the current law provisions for licensing of employee benefit administrators. Establish the fee for PBM license issuance and annual renewal at $100 (the same as the current employee benefit administrator). Specify that OCI may revoke, suspend, or limit the license of a PBM if the PBM's methods or practices in administering a prescription drug benefit endanger the interests of the enrollees or the public, or that the financial resources of the PBM are inadequate to safeguard the interests of the enrollees or the public. Specify that OCI may, after ordering a licensing suspension or revocation of a PBM, allow the PBM to continue to provide services for the purpose of providing continuity of care in prescription drug benefits to existing enrollees.

Requirements related to PBMs. Prohibit PBMs from retroactively denying or reducing a pharmacist's or pharmacy's claim after adjudication of the claim unless any of the following are true: (a) the original claim was submitted fraudulently; (b) the payment for the original claim was incorrect; (c) pharmacy services were not rendered by the pharmacist or pharmacy; (d) the pharmacist or pharmacy violated state or federal law; or (e) the reduction is permitted in a contract between the pharmacy and a PBM and is related to a quality program. Specify that, in the case of an incorrect original claim, recovery of the original payment is limited to the amount that exceeds the allowable claim.

Require every PBM, beginning on June 1, 2021, and annually thereafter, to submit to OCI a report that contains, from the previous calendar year, the aggregate rebate amount that the pharmacy benefit manager received from all pharmaceutical manufacturers but retained and did

not pass through to health benefit plan sponsors and the percentage of the aggregate rebate amount that is retained rebates. Specify that the information in this report is limited to contracts held with pharmacies located in Wisconsin, and that reports shall be considered a trade secret under the state's Trade Secret Act.

Require any PBM or PBM representative to provide to a pharmacy, upon request, a written notice of any certification or accreditation requirements used by the PBM as a determinant of network participation. Specify that the notice must be provided within 30 days of receipt of a written request from the pharmacy. Specify that a PBM may change its accreditation requirements no more frequently than once every 12 months.

Provisions related to Pharmacy Audits. Establish procedures and requirements (described below) for audits of pharmacies and pharmacists by prescription drug purchasing entities. For the purpose of this provision, define an "audit" as a review of the accounts and records of a pharmacy or pharmacist by or on behalf of an entity that finances or reimburses the cost of health care services or prescription drugs. Define an "entity" as a defined network plan, insurer, self-insured health plan, or PBM, or a person acting on behalf of a defined network plan, insurer, self-insured health plan, or PBM.

Require an entity conducting an audit to do the following: (a) notify the pharmacist or pharmacy in writing of the audit at least two weeks before conducting the audit, if the audit is to be on the premises of the pharmacy; (b) refrain from conducting the audit within the first five business days of a month unless the pharmacist or pharmacy consents to an audit during that time; (c) conduct the audit by, or in consultation with, a pharmacist licensed in any state, if the audit involves clinical or professional judgement; (d) limit the audit review to no more than 250 separate prescriptions (not counting a refill as a separate prescription); (e) limit the audit review to claims submitted no more than two years before the date of the audit, unless required otherwise by state or federal law; (f) allow the pharmacist or pharmacy to use authentic and verifiable records of a hospital, physician, or other health care provider to validate records relating to delivery of a prescription drug and use any valid prescription that complies with requirements of the Pharmacy Examining Board to validate claims in connection with a prescription, refill of a prescription, or change in prescription; (g) allow the pharmacy or pharmacist to document the delivery of a prescription drug or pharmacist services to an enrollee under a health benefit plan using either paper or electronic signature logs; and (h) before leaving the pharmacy after concluding the on-site portion of an audit, provide to the representative of the pharmacy or the pharmacist a complete list of the pharmacy records reviewed.

Require an entity that has conducted an audit to do all of the following: (a) deliver to the pharmacist or pharmacy a preliminary report of the audit within 60 days after the date the auditor departs from an on-site audit or the pharmacy or pharmacist submits paperwork for a desk audit; (b) allow a pharmacist or pharmacy that is the subject of an audit to provide documentation to address any discrepancy found in the audit within 30 days after the date the pharmacist or pharmacy receives the preliminary report; (c) deliver to the pharmacist or pharmacy a final audit report, which may be delivered electronically, within 90 days of the date the pharmacist or pharmacy receives the preliminary report or the date of the final appeal of the audit, whichever is later; (d) refrain from assessing a recoupment or other penalty on a pharmacist or pharmacy until

the appeal process is exhausted and the final report is delivered to the pharmacist or pharmacy; (e) refrain from accruing or charging interest between the time the notice of the audit is given and the final report has been delivered; (f) exclude dispensing fees from calculations of overpayments; (g) establish and follow a written appeals process that allows a pharmacy or pharmacist to appeal the final report of an audit and allow the pharmacy or pharmacist as part of the appeal process to arrange for, at the cost of the pharmacy or pharmacist, an independent audit; and (h) refrain from subjecting the pharmacy or pharmacist to a recoupment or recovery for a clerical or record-keeping error in a required document or record, including a typographical or computer error, unless the error resulted in an overpayment to the pharmacy or pharmacist.

Specify that the preliminary audit report must include claim-level information for any discrepancy reported, the estimated total amount of claims subject to recovery, and contact information for the entity or person that completed the audit so the pharmacist or pharmacy subject to the audit may review audit results, procedures, and discrepancies. Specify that the final audit report must include any response provided to the auditor by the pharmacy or pharmacist and consider and address the pharmacy's or pharmacist's response.

Specify that information obtained in an audit is confidential and may not be shared unless the information is required to be shared under state or federal law and except that the audit may be shared with the entity on whose behalf the audit is performed. Specify that an entity conducting an audit may have access to the previous audit reports on a particular pharmacy only if the audit is conducted by the same entity.

Specify a pharmacy of pharmacist that is the subject of an audit may not interfere with, or refuse to participate in, an audit if the entity conducting the audit is complying with these provisions. Prohibit a PBM or entity conducting an audit from paying an auditor employed by or contracted with the PBM or entity based on a percentage of the amount recovered in an audit. Specify that these provisions do not apply to an investigative audit that is initiated as a result of a credible allegation of fraud or willful misrepresentation or criminal wrongdoing. Specify that if an entity conducts an audit to which a federal law applies that is in conflict with these provisions, the entity shall comply with these provisions only to the extent that they do not conflict with federal law.

Requirements related to Pharmacies and the Pharmacy Examining Board. Require pharmacies to post in a prominent place at or near the place where prescriptions are dispensed a sign that clearly describes a pharmacist's ability to substitute a less expensive drug or biological product equivalent unless the consumer or the prescribing practitioner has indicated otherwise. Require the Pharmacy Examining Board to create a list of the 100 most commonly prescribed generic drug product equivalents, including the generic and brand names of the drugs, and provide the list either directly to each pharmacy or make it available on the website of the Department of Safety and Professional Services, on an annual basis. Require each pharmacy to: (a) make available to the public information on how to access the list; and (b) have available for the public a listing of the retail price, updated no less frequently than monthly, of the 100 most commonly prescribed prescription drugs, which includes brand name and generic equivalent drugs and biological products and interchangeable biological products, that are available for purchase at the pharmacy. Require pharmacies to make available for the public information on how to access the federal Food

and Drug Administration's lists of all currently approved interchangeable biological products through the Department of Safety and Professional Services' website.

Require pharmacists and pharmacies to notify any person filling or refilling a prescription for a drug that has been removed from the formulary of the person's insurance policy or governmental self-insured plan, if the policy, plan, or contracted PBM has added to the formulary either a generic prescription drug that is approved by the FDA for use as a an alternative to the removed drug or a drug that is in the same pharmacologic class or with the same mechanism of action of the removed drug, provided that the added drug is in the same benefit tier or a benefit tier with lower cost sharing requirements. Specify that if a person has had an adverse reaction to a generic or substitute drug added to the formulary, the pharmacist or pharmacy may extend the prescription order for the originally prescribed drug to fill one 30-day supply of the original drug for the same cost-sharing amount that applies to the generic or substitute drug at the time of the substitution.

Insurance Provisions related to Drug Price Disclosure Policies and Contract Clauses. Specify that any health insurance policies, nonprofit cooperative association health plans, and governmental self-insured health plans may not restrict, directly or indirectly, any pharmacy that dispenses a prescription drug to an enrollee in the policy or plan from informing, or penalize such pharmacy for informing, an enrollee of any differential between the out-of-pocket cost to the enrollee under the policy or plan with respect to acquisition of the drug and the amount an individual would pay for acquisition of the drug without using any health plan or health insurance coverage. Specify that any policy or plan that provides a prescription drug benefit must ensure that any PBM that provides services under a contract with the policy or plan does not restrict, directly or indirectly, any pharmacy from informing, or penalize such pharmacy for informing, an enrollee of any differential between the out-of-pocket cost under the policy or plan and the amount an individual would pay for acquisition of the drug without using any insurance coverage.

Specify that any insurance policy or plan, and any PBM under contract with a policy or plan, may not require an enrollee to pay more for a prescription drug than the amount that the person would pay for the drug if purchased at the dispensing pharmacy without health plan or health insurance coverage.

Specify that any insurance policy or plan, and any PBM under contract with a policy or plan, must provide to an enrollee advanced written notice of a formulary change that removes a prescription drug from the formulary or that reassigns a drug to a drug tier that has a higher cost-sharing requirement under the policy or plan, and that such notice must be provided no fewer than 30 days before the expected date of the change. Specify that this requirement only applies to those enrollees who are using a drug subject to the change. Specify that this requirement does not apply if any of the following applies: (a) the drug is no longer approved by the FDA; (b) the drug is subject of a notice, guidance, warning, announcement, or other statement from the FDA relating to safety concerns; (c) the drug is approved by the FDA for use without a prescription; (d) the policy, plan, or PBM adds to the formulary either a generic prescription drug that is approved by the FDA for use as an alternative to the drug that is subject to the formulary change, or else a drug in the same pharmacological class or with the same mechanism of action of the drug that is subject to the formulary change, provided that the added drug is in the same benefit tier or a tier with lower

cost-sharing requirements.

Other Provisions. Require OCI to include a report on trends related to prescription drugs in its annual report on insurance business in Wisconsin.

Repeal a statutory provision that prohibits certain health insurance policies that provides coverage of drugs or devices through a pharmaceutical mail order plan from: (a) excluding coverage of a prescribed drug or device provided by a pharmacist or pharmacy if the pharmacist or pharmacy provides or agrees to provide drugs or devices under the terms of the policy at the same cost to the insurer as a pharmaceutical mail order plan; and (b) containing coverage, deductible, or copayment provisions provided by a pharmacist or pharmacy that are different than those applicable to a pharmaceutical mail order plan. [The current law provision that would be deleted does not apply to health maintenance organizations or preferred provider plans.]

Effective Date and Initial Applicability. Specify that the a PBM is not required to be licensed as a PBM or comply with the requirements of this provision until the date that is 14 months after date of enactment of the bill unless OCI specifies a later date. Specify that, with respect to insurance policies and benefit plans, these provisions first apply to plan years beginning on that date.

Joint Finance: Provision not included.

3. FIDUCIARY DUTY AND DISCLOSURE REQUIREMENTS OF PHARMACY BENEFIT MANAGERS

Governor: Specify that a pharmacy benefit manager under contract with a health benefit plan sponsor owes a fiduciary duty to the plan sponsor to act according to plan sponsor's instructions and in the best interests of the plan sponsor. Require the PBM to annually provide to the health benefit plan sponsor, no later than the date and using the method prescribed by OCI by rule, all of the following information from the previous calendar year: (a) the indirect profit received by the PBM from owning any interest in a pharmacy or service provider; (b) any payment made by the PBM to a consultant or broker who works on behalf of the plan sponsor; (c) from the amounts received from all drug manufacturers, the amounts retained by the PBM, and not passed through to the plan sponsor, that are related to the plan sponsor's claims or bona fide service fees; and (d) the amounts, including pharmacy access and audit recovery fees, received from all pharmacies that are in the PBM's network or have a contract to be in the network and, from these amounts, the amount retained by the PBM and not passed through to the plan sponsor.

Joint Finance: Provision not included.

4. LICENSURE OF PHARMACY BENEFIT MANAGEMENT BROKERS AND CONSULTANTS

Governor: Specify that a person may not serve as a pharmacy benefit management broker or consultant or as any other person who procures the services of a pharmacy benefit manager on

behalf of a client without a license. Authorize OCI to promulgate rules to establish criteria and procedures for initial licensure and renewal of licensure to implement these requirements and specify that the fee for issuing and renewing the license shall be established by administrative rule.

Joint Finance: Provision not included.

5. LICENSURE OF PHARMACY SERVICES ADMINISTRATIVE ORGANIZATIONS

Governor: Specify that a person may not operate as a pharmacy services administrative organization in Wisconsin without a license issued by OCI.

Define a pharmacy services administrative organization (PSAO) as an entity operating in Wisconsin that does all of the following: (a) contracts with an independent pharmacy to conduct business on the pharmacy's behalf with a third-party payer; and (b) provides at least one administrative service to an independent pharmacy and enters into a contract with a third-party payer or pharmacy benefit manager on behalf of the pharmacy. Define, for the purposes of this provision, an administrative service to mean any of the following: (a) assisting with claims; (b) assisting with audits; (c) providing centralized payment; (d) performing certification in a specialized care program; (e) providing compliance support; (f) setting flat fees for generic drugs; (g) assisting with store layout; (h) managing inventory; (i) providing marketing support; (j) providing management and analysis of payment and drug dispensing data; or (k) providing resources for retail cash cards. Define an independent pharmacy to mean a pharmacy operating in Wisconsin that is licensed and is under common ownership with no more than two other pharmacies. Define a third-party payer as an entity, including a plan sponsor, health maintenance organization, or insurer, operating in Wisconsin that pays or insures health, medical, or prescription drug expenses on behalf of beneficiaries.

Specify that the application for a PSAO license shall contain the following: (a) the name, address, telephone number, and federal employer identification number of the applicant; (b) the name, business address, and telephone number of a contact person for the applicant; (c) the license fee; (d) evidence of financial responsibility of at least $1,000,000; and (e) any other information required by OCI.

Require any PSAO to disclose to OCI the extent of any ownership or control of the PSAO by an entity that does any of the following: (a) Provides pharmacy services; (b) provides prescription drug or device services; or (c) manufactures, sells, or distributes prescription drugs, biologicals, or medical devices. Require any PSAO to notify OCI in writing within five days of any material change in its ownership or control relating to such an entity.

Authorize OCI to promulgate rules to administer these provisions and specify that the fee for issuing and renewing a PSAO license shall be established by administrative rule.

Joint Finance: Provision not included.

6. LICENSURE OF PHARMACEUTICAL REPRESENTATIVES

Governor: Specify that an individual may not act as a pharmaceutical representative in Wisconsin without a license issued by OCI. Require any pharmaceutical representative to display his or her license during each visit with a health care professional. Define a pharmaceutical representative as an individual who markets or promotes pharmaceuticals to health care professionals on behalf of a pharmaceutical manufacturer for compensation. Define, for the purpose of this provision, a pharmaceutical as a medication that may legally be dispensed only with a valid prescription from a health care professional. Define a health care professional as a physician or other health care practitioner who is licensed to provide health care services or to prescribe pharmaceutical or biologic products.

License Application. Specify that the application for a pharmaceutical representative license shall contain the following: (a) the applicant's full name, residence address and telephone number, and business address and telephone number; (b) a description of the type of work in which the applicant will engage; (c) the application fee; (d) an attestation that the applicant meets the professional education requirements established under this item (described below); (e) proof that the applicant has paid any assessed penalties and fees; and (f) any other information required by OCI. Specify that a pharmaceutical representative license shall be renewed on an annual basis.

Require any pharmaceutical representative to report, in writing, to OCI any change to the information submitted on the application or any material change to the pharmaceutical representative's business operations or to any other information provided to OCI to satisfy licensure requirements. Specify that the report must be made no later than four business days after the change occurs.

Professional Education Requirements. Specify that, in order to become initially licensed, a pharmaceutical representative shall complete a professional education course as determined by OCI. Specify that, in order to renew a license, a pharmaceutical representative shall complete a minimum of five hours of continuing professional education courses. Require a pharmaceutical representative to provide OCI with proof of the professional education or continuing education coursework's completion upon request.

Specify that the professional education coursework required for issuance or renewal of a license shall include training in ethical standards, whistleblower protections, laws and rules applicable to pharmaceutical marketing, and other areas that OCI may identify by rule. Require OCI to regularly designate courses that fulfill the professional education requirements and publish a list of the designated courses.

Specify that the professional education coursework may not be provided by the employer of a pharmaceutical representative or be funded, in any way, by the pharmaceutical industry or a third party funded by the pharmaceutical industry. Require any provider of a course satisfying the professional education requirements to disclose any conflict of interest.

Disclosure to OCI and Annual Reporting. Require any pharmaceutical representative, no later than June 1 each year, to provide OCI, in a manner prescribed by OCI, all of the following information from the previous calendar year: (a) the total number of times the pharmaceutical

representative contacted health care professionals in Wisconsin and the specialties of the health care professionals contacted; and (b) for each contact with a health care professional in Wisconsin, the location and duration of the contact, the pharmaceuticals for which the pharmaceutical representative provides information, and the value of any item, including a product sample, compensation, material, or gift, provided to the health care professional. Require OCI to publish information provided by pharmaceutical representatives under these provisions on OCI's website in a manner in which individual health care professionals are not identifiable by name or other identifiers.

Disclosure to Health Care Professionals. Require any pharmaceutical representative, during each contact with a health care professional, to disclose the wholesale acquisition cost of any pharmaceutical for which the pharmaceutical representative provides information and the names of at least three generic prescriptions of the same therapeutic class, or if three are not available, as many as are available for prescriptive use. Define, for the purpose of this provision, the wholesale acquisition cost as the most recently reported manufacturer list or catalog price for a brand-name drug or generic drug available to wholesalers or direct purchasers in the United States, before application of discounts, rebates, or reductions in price.

Ethical Standards. Require OCI to promulgate an administrative rule that contains ethical standards for pharmaceutical representatives and to publish the ethical standards on OCI's website. Specify that, in addition to the ethical standards contained in the OCI rule, a pharmaceutical representative may not do any of the following: (a) engage in deceptive or misleading marketing of a pharmaceutical, including the knowing concealment, suppression, omission, misleading representation, or misstatement of a material fact; (b) use a title or designation that could reasonably lead a licensed health care professional, or an employee or representative of a licensed health care professional, to believe that the pharmaceutical representative is licensed to practice medicine, nursing, dentistry, optometry, pharmacy, or other similar health occupation in Wisconsin unless the pharmaceutical representative holds a license to practice; and (c) attend a patient examination without the patient's consent.

Enforcement. Specify that any individual that violates these provisions shall be fined not less than $1,000 nor more than $3,000 for each offense, and specify that each day the violation continues shall constitute a separate offense. Authorize OCI to suspend or revoke the license of a pharmaceutical representative who violates the provisions in this item. Specify that a suspended or revoked license may not be reinstated until all violations related to the suspension or revocation have been remedied and all assessed penalties and fees have been paid. Specify that an individual whose pharmaceutical representative license is revoked for any cause may not be issued a pharmaceutical license until at least two years after the date of revocation. Specify that a health care professional who meets with a pharmaceutical representative who does not display his or her license or share the required disclosure information (related to wholesale cost of pharmaceuticals and any available generic drugs in the same therapeutic class) may report the pharmaceutical representative to OCI for further action.

Authorize OCI to promulgate rules to administer these provisions and specify that the fee for issuing and renewing a pharmaceutical representative license shall be established by administrative rule.

Joint Finance: Provision not included.

7. PRESCRIPTION DRUG PRICE AND COST REPORTING

Governor: Create drug price and cost reporting requirements for drug manufacturers, pharmacy benefit managers, pharmacy services administrative organizations, and health insurers, as outlined below.

Prescription Drug Manufacturers. Require a prescription drug manufacturer to notify OCI if it is increasing the wholesale acquisition cost of a brand-name drug on the market in Wisconsin by more than ten percent or by more than $10,000 during any 12-month period, or if it intends to introduce to market in Wisconsin a brand-name drug that has an annual wholesale acquisition cost of $30,000 or more. In addition, require a manufacturer to notify OCI if it is increasing the wholesale acquisition cost of a generic drug by more than 25 percent or by more than $300 during any 12-month period, or if it intends to introduce to market a generic drug that has an annual wholesale acquisition cost of $3,000 or more. Define "wholesale acquisition cost" as the most recently reported manufacturer list or catalog price for a brand-name drug or a generic drug available to wholesalers or direct purchasers in the United States, before application of discounts, rebates, or reductions in price.

Require each manufacturer to provide these notices in writing at least 30 days before the planned effective date of the cost increase or drug introduction with a justification that includes all documents and research related to the manufacturer's selection of the cost increase or introduction price and a description of life cycle management, market competition and context, and estimated value or cost-effectiveness of the product.

Require each manufacturer, by March 1 annually, to report to OCI the following: (a) the value of price concessions, expressed as a percentage of the wholesale acquisition cost, provided to each pharmacy benefit manager for each drug sold in Wisconsin; and (b) a description of each manufacturer sponsored patient assistance program in effect during the previous year that includes all of the following: (i) the terms of the programs; (ii) the number of prescriptions provided to Wisconsin residents under the program; and (iii) the total market value of assistance provided to Wisconsin residents under the program. Define a manufacturer-sponsored assistance program as a program offered by a manufacturer or an intermediary under contract with a manufacturer through which a brand-name drug or a generic drug is provided to a patient at no charge or at a discount. Specify that the term "manufacturer" does not include an entity that is engaged only in the dispensing of a brand-name drug or a generic drug.

Pharmacy Benefit Managers. Require each pharmacy benefit manager (PBM), by March 1 annually, to report to OCI the amount it received from manufacturers as drug rebates and the value of price concessions, expressed as a percentage of the wholesale acquisition cost, provided by manufacturers for each drug. PBMs are defined, under current law, as an entity doing business in Wisconsin that contracts to administer or manage prescription drug benefits on behalf of any insurer or other entity that provides prescription drug benefits to state residents.

Pharmacy Services Administrative Organizations. Require each pharmacy services

administrative organization (PSAO), by March 1 annually, to report to OCI the following information: (a) the negotiated reimbursement rate of the 25 prescription drugs with the highest reimbursement rates during the previous year; (b) the 25 prescription drugs with the highest year-to-year change in reimbursement rate for the previous year; and (c) the schedule of fees charged by the organization to pharmacies. Define a PSAO as an entity that provides contracting and other administrative services to a pharmacy to assist the pharmacy in interactions with a third-party payer, pharmacy benefit manager, wholesale drug distributor, or other entity.

Health Insurers. Require each health insurer, at the time the insurer files a premium rate request with OCI for review, to also submit a report that identifies the 25 prescription drugs that are the highest cost to the insurer and the 25 prescription drugs that have the highest cost increases over the 12 months before the submission of the report.

OCI Responsibilities. Require OCI to publicly post manufacturer price justification documents. Require OCI to keep any trade secret or proprietary information confidential.

Require OCI to analyze data collected under these provisions and publish annually a report on emerging trends in prescription prices and price increases, and to annually conduct a public hearing based on this analysis. Specify that the report must include: (a) an analysis of manufacturer prices and price increases; and (b) an analysis of how pharmacy benefit manager discounts and net costs compare to retail prices paid by patients.

Require OCI to conduct a statistically-valid survey of pharmacies in Wisconsin regarding whether the pharmacy agreed to not disclose that customer drug benefit cost sharing exceeds the cost of the dispensed drug.

Certification and Penalties. Specify that each drug manufacturer and PSAO that is required to report under these provisions must certify each report as accurate under the penalty of perjury and that any manufacturer or PSAO that fails to submit a report is subject to forfeiture of no more than $10,000 each day the report is overdue.

Joint Finance: Provision not included.

8. PHARMACY BENEFITS TOOL GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide $500,000 in 2022-23 for a pharmacy benefits tool grant program. Require OCI, beginning in 2022-23 to award grants totaling $500,000 each fiscal year to health care providers to develop and implement a tool for prescribers to disclose the cost of prescription drugs for patients. Specify that the tool must be usable by physicians and other prescribers to determine the cost of prescription drugs for their patients. Specify that any health care provider that receives a grant shall contribute matching funds equal to at least 50 percent of the grant amount

awarded.

Joint Finance: Provision not included.

9. PRESCRIPTION DRUG AFFORDABILITY BOARD

Governor: Establish a Prescription Drug Affordability Review Board, attached to the Officer of the Commissioner of Insurance for the purpose of budgeting, program coordination and related management functions, but with independence with respect to exercise its powers, duties and functions prescribed by law, including rule making, licensing and regulation, and operational planning within its area of program responsibility. Specify that the provisions of this item take effect on the first day of the seventh month beginning after the effective date of the bill.

Board Membership

Specify that the Board shall be composed of the following members: (a) the Commissioner of Insurance or his or her designee; (b) two members appointed for four-year terms who represent the pharmaceutical drug industry, including pharmaceutical drug manufacturers and wholesalers, at least one of whom is a licensed pharmacist; (c) two members appointed for four-year terms who represent the health insurance industry, including insurers and pharmacy benefit managers; (d) two members appointed for four-year terms who represent the health care industry, including hospitals, physicians, pharmacies, and pharmacists, at least one of whom shall be a licensed practitioner; and (e) two members appointed for four-year terms who represent the interests of the public.

Specify that, notwithstanding the terms established for the Board members, two of the initial members shall be appointed for terms expiring on May 1, 2023, two members with terms expiring on May 1, 2024, two members with terms expiring on May 1 2025, and two members with terms expiring on May 1, 2026.

Specify that a member appointed to the Board may not be an employee of, a board member of, or a consultant to a drug manufacturer or trade association for drug manufacturers. Specify that any conflict of interest, including any financial or personal association, that has the potential to bias or has the appearance of biasing an individual's decision in matters related to the Board or the conduct of the Board's activities shall be considered and disclosed when appointing that individual to the Board.

Purpose, Powers and Duties, Meeting Requirements, and Conflicts of Interest

Purpose. Specify that the purpose of the Prescription Drug Affordability Review Board is to protect state residents, the state, local governments, health plans, healthcare providers, pharmacies licensed in Wisconsin, and other stakeholders of the healthcare system in Wisconsin from the high costs of prescription drug products.

Meeting Requirements. Require the Board to meet in open session at least four times per year to review prescription drug product pricing information, except that the chair may cancel or postpone a meeting if there is no business to transact. Require the Board, to the extent practicable, access and assess pricing information for prescription drug products by doing all of the following:

(a) accessing and assessing information from other states by entering into memoranda of understanding with other states to which manufacturers report pricing information; (b) assessing spending for specific prescription drug products in Wisconsin; and (c) accessing other available pricing information.

Powers and Duties. Specify that the Board may: (a) promulgate rules for the administration of its statutory duties; or (b) enter into a contract with an independent third party for any service necessary to carry out the powers and duties of the Board. Specify that, unless written permission is granted by the Board, any person with whom the board contracts may not release, publish, or otherwise use any information to which the person has access under the contract.

Require the Board to provide public notice of each board meeting at least two weeks prior to the meeting and to make the materials for each meeting publicly available at least one week prior to the meeting. Require the Board to provide an opportunity for public comment at each open meeting and to provide the public with the opportunity to provide written comments on pending decisions of the Board. Specify that any portion of a meeting of the Board concerning proprietary data and information shall be conducted in closed session and shall in all respects remain confidential. Specify that the Board may allow expert testimony at any meeting, including when the Board meets in closed session.

Conflicts of Interest. Require a member of the Board to recuse himself or herself from a decision by the Board relating to a prescription drug product if the member or an immediate family member has received or could receive any of the following: (a) a direct financial benefit deriving from a determination, or a finding of a study or review, by the Board relating to the prescription drug product; (b) a financial benefit in excess of $5,000 in a calendar year from any person who owns, manufactures, or provides a prescription drug product to be studied or reviewed by the Board.

Specify that a conflict of interest shall be disclosed by the Board when hiring Board staff, by the appointing authority when appointing members to the Board, and by the Board when a member of the Board is recused from any final decision resulting from a review of a prescription drug product. Specify that any conflict of interest shall be disclosed no later than five days after the conflict is identified, except that, if the conflict is identified within five days of an open meeting of the Board, the conflict shall be disclosed prior to the meeting. Require the Board to disclose a conflict of interest on the Board's website unless the chair of the Board recuses the member from a final decision resulting from a review of the prescription drug product. Specify that the disclosure shall include the type, nature, and magnitude of the interests of the member involved.

Prohibit any member of the Board or a third party contractor from accepting any gift or donation of services or property that indicates a potential conflict of interest or has the appearance of biasing the work of the Board.

Drug Cost Affordability Review

Require the Board to identify any drug products that are any of the following: (a) A brand name drug or biologic that, as adjusted annually to reflect adjustments to the U.S. consumer price index for all urban consumers, U.S. city average (CPI), has a launch wholesale acquisition cost of

at least $30,000 per year or course of treatment, or whose wholesale acquisition cost increased at least $3,000 during a 12-month period; (b) a biosimilar drug that has a launch wholesale acquisition cost that is not at least 15 percent lower than the referenced brand biologic at the time the biosimilar is launched; (c) a generic drug that has a wholesale acquisition cost, as adjusted annually to reflect adjustments to the CPI, that meets all of the following conditions: (i) is at least $100 for a supply lasting a patient for a period of 30 consecutive days based on the recommended dosage approved for labeling by the U.S. Food and Drug Administration (FDA), a supply lasting a patient for fewer than 30 days based on the recommended dosage approved for labeling by the FDA, or one unit of the drug if the labeling approved by the FDA does not recommend a finite dosage; or (ii) increased by at least 200 percent during the preceding 12-month period, as determined by the difference between the resulting wholesale acquisition cost and the average of the wholesale acquisition cost reported over the preceding 12 months; or (d) other prescription drug products, including drugs to address public health emergencies, that may create affordability challenges for the healthcare system and patients in Wisconsin.

Require the Board, after identifying prescription drugs that meet the above conditions, to determine whether to conduct an affordability review for each identified prescription drug product by seeking stakeholder input about the prescription drug product and considering the average patient cost share of the prescription drug product. Specify that the information to conduct an affordability review may include any document and research related to the manufacturer's selection of the introductory price or price increase of the prescription drug product, including life cycle management, net average price in Wisconsin, market competition and context, projected revenue, and the estimated value or cost-effectiveness of the prescription drug product. Specify that the failure of a manufacturer to provide the Board with information for an affordability review does not affect the authority of the Board to conduct the review.

Drug Affordability Challenge and Upper Payment Limit

Require the Board, when conducting an affordability review of a prescription drug product, to determine whether use of the prescription drug product that is fully consistent with the labeling approved by the FDA or standard medical practice has led or will lead to an affordability challenge for the healthcare system in Wisconsin, including high out-of-pocket costs for patients. Require the Board, to the extent practicable, in determining whether a prescription drug product has led or will lead to an affordability challenge, to consider all of the following factors: (a) the wholesale acquisition cost for the prescription drug product; (b) the average monetary price concession, discount, or rebate the manufacturer provides, or is expected to provide, to health plans as reported by manufacturers and health plans, expressed as a percent of the wholesale acquisition cost for the prescription drug product under review; (c) the total amount of the price concessions, discounts, and rebates the manufacturer provides to each pharmacy benefit manager for the prescription drug product under review, as reported by the manufacturer and pharmacy benefit manager and expressed as a percent of the wholesale acquisition costs; (d) the price at which therapeutic alternatives have been sold; (e) the average monetary concession, discount, or rebate the manufacturer provides or is expected to provide to health plan payors and pharmacy benefit managers for therapeutic alternatives; (f) the costs to health plans based on patient access consistent with labeled indications by the FDA and recognized standard medical practice; (g) the impact on patient access resulting from the cost of the prescription drug product relative to

insurance benefit design; (h) the current or expected dollar value of drug-specific patient access programs that are supported by the manufacturer; (i) the relative financial impacts to health, medical, or social services costs that can be quantified and compared to baseline effects of existing therapeutic alternatives; (j) the average patient copay or other cost sharing for the prescription drug product; (k) any information a manufacturer chooses to provide; and (l) any other factors as determined by the Board by rule.

Require the Board, if it determines that the use of a prescription drug product has led or will lead to an affordability challenge, to establish an upper payment limit for the prescription drug product after considering all of the following: (a) the cost of administering the drug; (b) the cost of delivering the drug to consumers; and (c) other relevant administrative costs related to the drug.

Require the Board, with respect to drugs that the Board identifies that may create affordability challenges for the healthcare system and patients, to solicit information from the manufacturer regarding the price increase. Require the Board to establish an upper payment limit for a drug to the extent that the price increase is not a result of the need for increased manufacturing capacity or other effort to improve patient access during a public health emergency. Specify that the limit shall be the cost to consumers prior to the price increase.

Specify that the upper payment limit established by the Board shall apply to all purchases and payor reimbursements of the prescription drug product dispensed or administered to individuals in Wisconsin in person, by mail, or by other means, and is applicable to state sponsored and state regulated health plans and health programs. Specify that a plan subject to the federal Employee Retirement Income Security Act of 1974 (ERISA) or Medicare Part D may choose to reimburse more than the upper payment limit. Specify that a provider who dispenses and administers a prescription drug product to an individual in Wisconsin may not bill a payor more than the upper payment limit to the patient, regardless of whether a plan subject to ERISA or Medicare Part D chooses to reimburse the provider above the upper payment limit.

Other Provisions

Specify that information submitted to the Board shall be open to public inspection only as provided under the state's open records laws (sections 19.31 to 19.39 of the statutes).

Specify that these provisions may not be construed to prevent a manufacturer from marketing a prescription drug product approved by the FDA while the prescription drug product is under review by the Board.

Specify that a person aggrieved by a decision of the Board may request an appeal of the decision no later than 30 days after the Board makes the determination. Require the Board to hear the appeal and make a final decision no later than 60 days after the appeal is requested. Specify that a person aggrieved by a final decision of the Board may petition for judicial review in a court of competent jurisdiction.

Definitions

Establish the following definitions used in these provisions: (a) "biologic" means a drug that

is produced or distributed in accordance with a biologics license application approved under federal law; (b) "biosimilar" means a drug that is produced or distributed in accordance with a biologics license application approved under federal law; (c) "brand name drug" means a drug that is produced or distributed in accordance with an original new drug application approved under federal law, other than an authorized generic drug; (d) "drug product" means a brand name drug, a generic drug, a biologic, a biosimilar, or an over-the-counter drug; (e) "financial benefit" includes an honoraria, fee, stock, the value of the stock holdings of a member of the board or any immediate family member and any direct financial benefit deriving from the finding of a drug cost affordability review; (f) "generic drug" means any of the following: (i) a retail drug that is marketed or distributed in accordance with an abbreviated new drug application; (ii) an authorized generic drug, as defined under federal regulations; (iii) a drug that entered the market prior to 1962 and was not originally marketed under a new drug application; (g) "manufacturer" means an entity that does all of the following: (i) engages in the manufacture of a drug product or enters into a lease with another manufacturer to market and distribute a prescription drug product under the entity's own name; or (ii) sets or changes the wholesale acquisition cost of the drug product or prescription drug product; (h) "over-the-counter drug" means a drug intended for human use that does not require a prescription and meets the specified federal requirements for such products; (i) "pharmacy benefit manager" mean an entity doing business in Wisconsin that contracts to administer or manage prescription drug benefits on behalf of any insurer or other entity that provides prescription drug benefits to state residents; and (j) "prescription drug product" means a brand name drug, a generic drug, a biologic, or a biosimilar.

Joint Finance: Provision not included.

10. GENERIC DRUG IMPORTATION PROGRAM

Governor: Require the Insurance Commissioner, in consultation with persons interested in the sale and pricing of prescription drugs and appropriate officials and agencies of the federal government, to design and implement a prescription drug importation program for the benefit of, and that generates savings for, Wisconsin residents.

Program Requirements. Specify that the program must satisfy all the following: (a) OCI must designate a state agency to become a licensed wholesale distributor or to contract with a licensed wholesale distributor and shall seek federal certification and approval to import prescription drugs; (b) the program must comply with all relevant requirements under federal law; (c) the program must import drugs from Canadian suppliers regulated under any appropriate Canadian or provincial laws; (d) the program must have a process to sample the purity, chemical composition, and potency of imported prescription drugs; (e) the program must import only prescription drugs for which importation creates substantial savings, are not brand-name, and have fewer than four competitor prescription drugs in the United States; and (f) OCI must ensure that prescription drugs imported under the program are not distributed, dispensed, or sold outside of Wisconsin.

Specify that the program must ensure all of the following: (a) participation by any pharmacy or health care provider in the program is voluntary; (b) any pharmacy or health care provider

participating in the program has the appropriate license or other credential in Wisconsin; and (c) any pharmacy or health care provider participating in the program charges a consumer or health plan the actual acquisition cost of the imported prescription drug that is dispensed.

Specify that the program must ensure that a payment by a health plan or health insurance policy for a prescription drug imported under the program reimburses no more than the actual acquisition cost of the imported prescription drug that is dispensed.

Requirements Relating to Health Plans and Health Insurance Policies. Specify that the program must ensure that any health plan or health insurance policy participating in the program does all of the following: (a) maintains a formulary and claims payment system with current information on prescription drugs imported under the program; (b) bases cost-sharing amounts for participants or insureds under the plan or policy on no more than the actual acquisition cost of the prescription drug imported under the program that is dispensed to the participant or insured; and (c) demonstrates to OCI or a state agency designated by OCI how premiums under the policy or plan are affected by savings on prescription drugs imported under the program.

Additional Restrictions Relating to Importation. Specify that the program must ensure that: (a) any wholesale distributor importing prescription drugs under the program must limit its profit margin to the amount established by OCI or a state agency designated by OCI; (b) the program may not import any generic prescription drug that would violate federal patent laws on branded products in the United States; and (c) the program complies, to the extent practical and feasible, with tracking and tracing requirements specified in federal regulations.

Program Finance. Specify that the program must establish a fee or other mechanism to finance the program that does not jeopardize significant savings to Wisconsin residents.

Audit Function. Provide that the program must have an audit function that ensures all of the following: (a) OCI has a sound methodology to determine the most cost-effective prescription drugs to include in the importation program; (b) OCI has a process in place to select Canadian suppliers that are high quality, high performing, and in full compliance with Canadian laws; (c) prescription drugs imported under the program are pure, unadulterated, potent, and safe; (d) the program is complying with the requirements specified under this item; (e) the program is adequately financed to support administrative functions of the program while generating cost savings to Wisconsin residents; (f) the program does not put Wisconsin residents at a higher risk than if the program did not exist; and (g) the program is projected to continue to provide substantial cost savings to Wisconsin residents.

Anti-Competitive Behavior. Require OCI, in consultation with the Attorney General, to identify the potential for, and monitor anticompetitive behavior in industries affected by the program.

Program Approval. Require OCI to submit a report on the design of the program to the Joint Committee on Finance for approval no later than the first day of the seventh month beginning after the effective date of the bill. Within 14 days of approval by the Committee, require OCI to submit the plan to the U.S. Department of Health and Human Services (DHHS) for certification. Provide that OCI may not submit the program to DHHS for certification unless it is first approved by the

Committee.

Program Implementation. Upon certification of the program by DHHS, require OCI to begin implementing the program so that the program is fully operational within 180 days of certification.

Require OCI to do all of the following to implement the program: (a) become a licensed wholesale distributor, designate another state agency to become a licensed wholesale distributor, or contract with a licensed wholesale distributor; (b) contract with one or more Canadian suppliers; (c) create an outreach and marketing plan to communicate with and provide information to health plans and health insurance policies, employers, pharmacies, health care providers, and Wisconsin residents on participating in the program; (d) develop and implement a registration process for health plans and health insurance policies, pharmacies, and health care providers interested in participating in the program; (e) create a publicly accessible source for listing prices of prescription drugs imported under the program; (f) create, publicize, and implement a method of communication to promptly answer questions from, and address the needs of, persons affected by the implementation of the program before the program is fully operational; (g) establish the audit functions described above with a timeline to complete each audit function every two years; and (h) conduct any other activities determined by OCI to be important to successful implementation of the program.

Authorize OCI to promulgate any administrative rules necessary to implement the program.

Report. Require OCI, by January 1 and July 1 of each year, to submit to the Joint Committee on Finance a report including all of the following: (a) a list of prescription drugs included in the program; (b) the number of pharmacies, health care providers, and health plans and health insurance policies participating in the program; (c) the estimated amount of savings to Wisconsin residents, health plans and health insurance policies, and employers resulting from the implementation of the program reported from the date of the previous report and from the date the program was fully operational; and (d) findings of any audit functions completed since the date of the previous report. Require OCI to submit the first report by the next January 1 or July 1, whichever is earliest, that is at least 180 days after the date of the prescription drug importation program is operational. Require OCI to include in the first three reports it submits information on the implementation of the audit functions specified in this item.

Joint Finance: Provision not included.

11. PRESCRIPTION DRUG PURCHASING ENTITY STUDY

Governor: Require OCI, during the 2021-23 biennium, to conduct a study on the viability of creating or implementing a state prescription drug purchasing entity. As described in the final report of the Governor's Task Force on Reducing Prescription Drug Prices, a drug purchasing entity would pool state agency and local government purchasers of prescription drugs to leverage greater purchasing power in negotiations with drug manufacturers, with the intent of securing lower drug prices.

Joint Finance: Provision not included.

12. APPLICABILITY OF MANUFACTURER BRAND NAME DRUG REBATES TO DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS

Governor: Specify that health insurance policies that offer a drug benefit and any governmental self-insured health plans must count toward an enrollee's annual deductible and out-of-pocket maximum the amount by which any manufacturer drug discount reduces the cost sharing amount charged to the enrollee for certain prescription drugs. Specify that this provision would apply to brand name drugs that have no generic equivalent or to brand name drugs that have a generic equivalent but for which the enrollee has received prior authorization from the insurer, plan, or a physician to obtain the brand name drug.

Specify that this provision applies on January 1 of the year following the effective date of the bill to policies and plans containing provisions inconsistent with the provision, except that for policies and plans that are affected by a collective bargaining agreement that are inconsistent with the provision, the provision applies to policy or plan years beginning after the effective date of the bill or on the day on which the collective bargaining agreement is newly established, extended, modified, or renewed, whichever is later.

Generally, only the actual amount spent on a prescription drug by the consumer (after any manufacturer discount) is counted toward the consumer's deductible and out-of-pocket maximum for an insurance policy or benefit plan (although mandatory manufacturer discounts count as out-of-pocket spending for Medicare Part D plans). This item would increase the amount applied to the deductible and out-of-pocket spending by the amount which the discount reduces the consumer's cost, which would allow some individuals to reach these plan thresholds earlier than they otherwise would.

Joint Finance: Provision not included.

13. DRUG REIMBURSEMENT FOR CERTAIN ENTITIES UNDER FEDERAL 340B DRUG DISCOUNT PROGRAM

Governor: Prohibit any person, including a pharmacy benefit manager and third-party payer, from doing any of the following, with respect to reimbursement of drugs for certain entities (specified below) that participate under the federal 340B drug discount program: (a) reimbursing the entity for a drug that is subject to a price discount agreement under the 340B program at a rate lower than that paid for the same drug to pharmacies that are not eligible entities under 340B and are similar in prescription volume to the covered 340B covered entity; or (b) assess a covered entity any fee, charge back, or other adjustment on the basis of the entity's participation in 340B. Specify that this provision applies to the following 340B entities: federally qualified health centers, critical access hospitals, and grantees under the Ryan White HIV/AIDs program, as well as any pharmacy of these entities of pharmacy contracted with these entities to dispense drugs through the 340B program.

The federal 340B program requires drug manufacturers to limit the price for outpatient drugs dispensed to patients of certain covered entities. Generally entities eligible for discounted drugs under the program include nonprofit health care organizations such as federally-qualified health

centers and hospitals and clinics that serve a disproportionate share of low-income patients. Under this item, third-party payers, such as pharmacy benefit managers, insurers, or self-insured benefit plans would be required to pay certain 340B entities the same amount for drugs as they pay to other entities that are not eligible 340B entities. To the extent that these payers are currently reimbursing these 340B entities at a lower rate (reflecting the lower acquisition price for the drug), this item has the effect of shifting the benefit of the 340B program discounts from the payer to the 340B entity.

Joint Finance: Provision not included.

14. DRUG COST AND PAYMENT REPORTING BY HOSPITALS PARTICIPATING IN FEDERAL 340B DRUG DISCOUNT PROGRAM

Governor: Require each hospital in Wisconsin that participates in the federal 340B drug discount program to report to OCI, by March 1 annually, the per unit margin for each brand name and generic drug covered under the 340B program dispensed by the hospital during the prior year, multiplied by the number of units dispensed at that margin and how the margin revenue was used. Specify, for the purposes of this provision, that: (a) the "margin" is the difference between the net cost of the drug and the net payment by the hospital for the drug; and (b) the "net payment" is the amount paid for the drug after all discounts and rebates have been applied.

Require OCI to publicly post covered hospital documentation of how each hospital spends the margin revenue and to analyze the data collected under this provision and annually publish a report including an analysis of hospital-specific margins and how that revenue is spent or allocated on a hospital-specific basis. Require OCI to keep any trade secret or proprietary information confidential.

Joint Finance: Provision not included.

15. INSULIN SAFETY NET PROGRAMS

Governor: Establish requirements, applicable to manufacturers of insulin, to create an urgent need safety net program and a patient assistance program, as described below, for certain persons who are insulin-dependent. For the purposes of this provision, define a manufacturer as a person engaged in the manufacturing of insulin that is self-administered on an outpatient basis.

General Provisions

Exempted Manufacturers. Specify that the program requirements established under this item do not apply to a manufacturer to which either of the following apply: (a) the manufacturer shows to OCI's satisfaction that the manufacturer's annual gross revenue from insulin sales in Wisconsin does not exceed $2,000,000; or (b) the wholesale acquisition cost of the insulin product from the manufacturer does not exceed $8, as adjusted annually based on the U.S. consumer price index for all urban consumers, U.S. city average, per milliliter or the applicable National Council for Prescription Drug Programs' plan billing unit.

Reimbursement Prohibition. Specify that no person, including a manufacturer, pharmacy, pharmacist, or third-party administrator, as part of participating in an urgent need safety net program or patient assistance program, may request or seek, or cause another person to request or seek, any reimbursement or other compensation for which payment may be made in whole or in part under a federal health care program.

Confidentiality. Specify that all medical information solicited or obtained by any person under these provisions shall be subject to the applicable provisions of state law relating to confidentiality of medical information.

Penalties. Specify that a manufacturer that fails to comply with these provisions may be assessed a penalty of up to $200,000 per month of noncompliance, with the maximum penalty increasing to $400,000 per month if the manufacturer continues to be in noncompliance after six months and increasing to $600,000 per month if the manufacturer continues to be in noncompliance after one year.

Urgent Need Safety Net Program

Require each manufacturer, no later than July 1, 2022, to establish an urgent need safety net program to make insulin available to individuals who meet the requirements outlined below. Define "urgent need of insulin" to mean having less than a seven day supply of insulin readily available for use and needing insulin in order to avoid the likelihood of suffering a significant health consequence.

Eligibility. Specify that an individual shall be eligible to receive insulin under the program if all of the following conditions are met: (a) the individual is in urgent need of insulin; (b) the individual is a Wisconsin resident; (c) the individual is not receiving public assistance under Chapter 49 of the statutes (including Wisconsin Works, medical assistance, SeniorCare, FoodShare, and Supplemental Security Income or caretaker supplements); (d) the individual is not enrolled in prescription drug coverage through an individual or group health plan that limits the total cost sharing amount, including copayments, deductibles, and coinsurance, that an enrollee is required to pay for a 30-day supply of insulin to no more than $75, regardless of the type or amount of insulin prescribed; (e) the individual, with certain exceptions (described below), has not received insulin under an urgent need safety net program within the previous 12 months.

Specify that a person may be eligible to receive insulin under an urgent need safety net program despite previously receiving insulin under a program within the previous 12 months if the individual: (a) has applied for assistance under Chapter 49, but for whom a determination of eligibility has not been made or whose coverage has not become effective; or (b) has applied for assistance under, and has been determined ineligible for, a patient assistance program (created under this item and described below), but has filed an appeal with OCI and is awaiting a determination on that appeal. Specify that to receive a 30-day supply of insulin under this exception, an individual must attest that either of these conditions applies and that he or she meets the other eligibility criteria for assistance.

Application. Specify that, in order to receive insulin under an urgent need safety net program, an eligible individual shall provide a pharmacy with all of the following: (a) a completed

application, on a form prescribed by OCI that shall include an attestation by the individual, or the individual's parent or legal guardian if the individual is under the age of 18, that the individual meets all of the eligibility requirements; (b) a valid insulin prescription; and (c) a valid Wisconsin driver's license or state identification card, or, if the individual is under the age of 18, the driver's license or identification card of the individual's parent or legal guardian.

Require OCI to make the application for the urgent need safety net program available on its website and to make the form available to pharmacies and health care providers who prescribe or dispense insulin, hospital emergency departments, urgent care clinics, and community health clinics.

Pharmacy Duties. Require a pharmacist, upon receipt of an application for assistance under an urgent need safety net program, to dispense a 30-day supply of the prescribed insulin to the individual. Specify that the pharmacy may collect a copayment, not to exceed $35, from the individual to cover the pharmacy's costs of processing and dispensing the insulin. Require the pharmacy, in addition, to do the following: (a) notify the health care practitioner who issued the prescription no later than 72 hours after the insulin is dispensed; (b) provide the individual with an information sheet about the insulin assistances programs and a list of licensed health insurance navigators; and (c) retain a copy of the application form.

Specify that a pharmacy that dispenses insulin under an urgent need safety net program may submit to the manufacturer, or the manufacturer's vendor, a claim for payment that is in accordance with the National Council for Prescription Drug Programs' standards for electronic claims processing, except that no claim may be submitted if the manufacturer agrees to send the pharmacy a replacement of the same insulin in the amount dispensed. Specify that if the pharmacy submits an electronic claim, the manufacturer or vendor shall reimburse the pharmacy in an amount that covers the pharmacy's acquisition cost.

Define a pharmacy, for the purposes of this provision, to include a licensed pharmacy located in Wisconsin, or a pharmacy located in a different state that is licensed to ship, mail, or deliver prescriptions to persons in Wisconsin.

Patient Assistance Program

Require each manufacturer, no later than July 1, 2022, to establish a patient assistance program to make insulin available to individuals who meet the requirements outlined below. Require each manufacturer to do the following: (a) provide OCI with information regarding the program, including contact information for individuals to call for assistance in accessing the program; (b) provide a hotline for individuals to call or access between 8 a.m. and 10 p.m. on weekdays and between 10 a.m. and 6 p.m. on Saturdays; (c) list the eligibility requirements for the program on the manufacturer's website; and (d) maintain the privacy of all information received from an individual applying for or participating in the program and not sell, share, or disseminate the information unless required under the program or authorized, in writing, by the individual.

Eligibility. Specify that an individual shall be eligible to receive insulin under a patient assistance program if all of the following conditions are met: (a) the individual is a Wisconsin resident; (b) the individual, or the individual's parent or legal guardian if the individual is under

the age of 18, has a valid Wisconsin driver's license or state identification card; (c) the individual has a valid insulin prescription; (d) the family income of the individual does not exceed 400 percent of the poverty line for a family the size of the individual's family; (d) the individual is not receiving public assistance under Chapter 49; (e) the individual is not eligible to receive health care through a federally funded program or receive prescription drug benefits through the U.S. Department of Veterans Affairs, except if the individual is enrolled in a Medicare Part D plan and has spent at least $1,000 on prescription drugs in the current calendar year; and (f) the individual is not enrolled in prescription drug coverage through an individual or group health plan that limits the total cost sharing amount, including copayments, deductibles, and coinsurance, that an enrollee is required to pay for a 30-day supply of insulin to no more than $75, regardless of the type or amount of insulin needed.

Application and Determination. Specify that an individual may apply to participate in a patient assistance program by filing an application with the manufacturer who established the program, the individual's health care practitioners if the practitioner participates in the program, or a health insurance navigator. Require a health care practitioner or navigator to immediately submit the application to the manufacturer. Require the manufacturer to determine the individual's eligibility for the program and notify the individual of the determination no later than ten days after receipt of the application. Specify that, if necessary to determine the individual's eligibility, the manufacturer may request additional information from an individual who has filed an application no later than five days after receipt of the application and, upon receipt of the additional information, shall determine the individual's eligibility for the program and notify the individual of the determination no later than three days later.

Require the manufacturer, if it determines that the individual is not eligible, to provide the reason for the determination. Specify that the individual may appeal the determination by filing an appeal with OCI that shall include all of the information provided to the manufacturer. Require OCI to issue a decision no later than ten days after the appeal is filed, and specify that OCI's decision shall be final. Require the manufacturer to provide the individual with the statement of eligibility if OCI determines that the individual meets the eligibility requirements. Require OCI to establish procedures for deciding appeals.

Specify that if a manufacturer determines that an individual who has prescription drug coverage through an individual or group health plan and who is eligible for the patient assistance program, but also determines that the individual's insulin needs are better addressed through the use of the manufacturer's copayment assistance program rather than the patient assistance program, the manufacturer shall inform the individual of the determination and provide the individual with the necessary coupons to submit to a pharmacy. Specify that he individual may not be required to pay more than the copayment of $50 for each 90 day supply of insulin under this provision.

Pharmacy and Manufacturer Duties. Require any pharmacy, upon receipt from an individual of the eligibility statement under a patient assistance program, as well as a valid insulin prescription, to submit an order containing the name of the insulin and daily dosage amount to the manufacturer. Specify that the order shall also include the pharmacy's name, shipping address, office telephone number, fax number, electronic mail address, and contact name, as well as any days or times when deliveries are not accepted by the pharmacy.

Require the manufacturer, upon receipt of the order, to send the pharmacy a 90-day supply of insulin, or lesser amount if requested in the order, at no charge to the individual or pharmacy. Require the pharmacy to dispense the insulin to the individual associated with the order and specify that the insulin shall be dispensed at no charge to the individual, except that the pharmacy may collect a copayment from the individual to cover the pharmacy's costs for processing and dispensing in an amount not to exceed $50 for each 90-day supply of insulin. Specify that the pharmacy may not seek reimbursement from the manufacturer or a 3rd-party payer. Specify that the pharmacy may submit a reorder to the manufacturer if the individual's eligibility statement has not expired and the reorder shall be treated as an original order by the manufacturer.

Specify that a manufacturer may send the insulin directly to the individual if the manufacturer provides a mail-order service option, in which case the pharmacy may not collect a copayment from the individual.

Program Reports

Satisfaction Surveys. Require OCI to develop and conduct a satisfaction survey of individuals who have accessed insulin through urgent need safety net programs and patient assistance programs. Specify that the survey shall ask whether the individual is still in need of a long-term solution for affordable insulin and shall include questions about the individual's satisfaction with all of the following, if applicable: (a) accessibility to urgent-need insulin; (b) adequacy of the information sheet and list of navigators received from the pharmacy; (c) helpfulness of a navigator; and (d) ease of access in applying for a patient assistance program and receiving insulin from the pharmacy under the program.

Require OCI to develop and conduct a satisfaction survey of pharmacies that have dispensed insulin through urgent need safety net programs and patient assistance programs. Specify that the survey shall include questions about the pharmacy's satisfaction with all of the following, if applicable: (a) timeliness of reimbursement from manufacturers for insulin dispensed by the pharmacy under urgent need safety net programs; (b) ease in submitting insulin orders to manufacturers; and (c) timeliness of receiving insulin orders from manufacturers.

Authorize OCI to contract with a nonprofit entity to develop and conduct these surveys and to evaluate the survey results. Require OCI, no later than July 1, 2024, to submit to the Governor and the Chief Clerk of each house of the Legislature a report on the results of the surveys.

Manufacturer Assistance Data. Require each manufacturer, on an annual basis no later than March 1, to report to OCI all of the following information for the previous calendar year: (a) the number of individuals who received insulin under the manufacturer's urgent need safety net program; (b) the number of individuals who sought assistance under the manufacturer's patient assistance program and the number of individuals who were determined to be ineligible; and (c) the wholesale acquisition cost of the insulin provided by the manufacturer through the urgent need safety net program and patient assistance program.

Require OCI, on an annual basis no later than April 1, to submit to the Governor and the Chief Clerk of each house of the Legislature a report on the urgent need safety net programs and patient assistance programs that includes all of the following: (a) the program participation data

provided to OCI by manufacturers; and (b) the penalties assessed to manufacturers during the previous calendar year for violations of program requirements, including the name of the manufacturer and amount of the penalty.

Other Provisions

OCI Duties. Require OCI to conduct public outreach to create awareness of the urgent need safety net programs and patient assistance programs and to develop and make available on its website an information sheet that contains all of the following information: (a) a description of how to access insulin through an urgent need safety net program; (b) a description of how to access insulin through a patient assistance program; (c) information on how to contact a navigator for assistance in accessing insulin through an urgent need safety net program or patient assistance program; (d) information on how to contact OCI if a manufacturer determines that an individual is not eligible for a patient assistance program; and (e) a notification that an individual may contact OCI for more information or assistance in accessing ongoing affordable insulin options.

Require OCI to develop a training program to provide navigators with information and the resources necessary to assist individuals in accessing appropriate long-term insulin options and to compile a list of navigators who have completed the training program and are available to assist individuals in accessing affordable insulin coverage options. Specify that the list shall be made available on the OCI website and to pharmacies and health care practitioners who dispense and prescribe insulin.

Joint Finance: Provision not included.

16. INSULIN COPAYMENT CAP

Governor: Prohibit health insurance policies and governmental self-insured health plans that cover insulin and that impose cost sharing on prescription drugs (deductible, copayment, or coinsurance) from imposing cost sharing on insulin in an amount that exceeds $50 for a one-month supply of insulin. Specify that this provision does not prohibit an insurance policy or plan from imposing cost-sharing on insulin in an amount less than $50 and does not require a policy or plan from imposing cost sharing on insulin. Specify that this provision would take effect on the first day of the fourth month beginning after the effective date of the bill.

Joint Finance: Provision not included.

17. VALUE-BASED DIABETES MEDICATION PILOT PROGRAM

Governor: Require OCI to develop a pilot program to direct a pharmacy benefit manager and a pharmaceutical manufacturer to create a value-based, sole-source arrangement to reduce the costs of prescription medication used to treat diabetes. Authorize OCI to promulgate administrative rules to implement this provision.

Joint Finance: Provision not included.

Health Insurance

1. STATE-BASED HEALTH INSURANCE EXCHANGE

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$1,875,300	10.00	- $1,875,300	- 10.00	$0	0.00
PR	3,000,000	0.00	- 3,000,000	- 0.00	0	0.00
Total	$4,875,300	10.00	- $4,875,300	- 10.00	$0	0.00

Governor: Provide $823,000 GPR in 2021-22 and $4,052,300 ($1,052,300 GPR and $3,000,000 PR) in 2022-23, and 10.0 GPR positions, beginning in 2021-22, to develop and implement a state-based health insurance exchange, as described below. Modify OCI's PR appropriation for general program operations to specify that it may be used for costs related to operating the exchange and to specify that the appropriation account would receive revenues collected from exchange user fees charged to participating insurers. Create an annual GPR-funded general program operations appropriation to support the GPR positions that would be provided under this item.

Require OCI to: (a) establish and operate an exchange that is at first a state-based exchange on the federal platform and then subsequently transitions to a state-based exchange without the federal platform; and (b) develop procedures to address the transition from the state-based exchange on the federal platform to the state-based exchange without the federal platform, including the circumstances that must be met in order for the transition to occur.

Define the terms "exchange," "state-based exchange on the federal platform," and "state-based exchange without the federal platform" by reference to federal regulations for the establishment of state-based and state-federal exchanges.

Require OCI to impose a user fee, as authorized under federal regulations, on each insurer that offers a health plan through the state-based exchange on the federal platform or the state-based exchange without the federal platform. Specify that the user fee must be applied at one of the following rates on the total monthly premiums charged by an insurer for each policy under the plan where enrollment is through the exchange: (a) for any plan year for which OCI operates a state-based exchange on the federal platform, the rate is 0.5%; (b) for the first two plan years for which OCI operates a state-based exchange without the federal platform, the rate is 3.0%; (c) beginning with the third plan year for which OCI operates a state-based exchange without the federal platform, the rate would be set by OCI by rule.

Specify that OCI may enter into any agreement with the federal government necessary to facilitate the implementation of these provisions, and may promulgate administrative rules to implement these provisions.

The state-based insurance exchange would, for Wisconsin residents and individual market insurance plans, perform the functions currently performed by an insurance exchange established by the federal government under provisions of the federal Patient Protection and Affordable Care Act (ACA). These functions include providing a website for the comparison of individual market health insurance policies and to facilitate selection and enrollment, reviewing plans to ensure compliance with ACA requirements, determining eligibility of individuals for federal premium tax credits and cost-sharing reductions, providing funding for outreach and enrollment assistance activities, and collecting user fees from participating insurers to support the costs of the exchange. Under this item, the state-based exchange would initially utilize the federal exchange technology platform, but would eventually be transitioned to a fully state-based exchange. The administration indicates that the intent would be to move to a state-based exchange on the federal platform for plan year 2023 and then a fully state-based exchange for 2024.

Joint Finance: Provision not included.

2. ACTUARIAL STUDY OF OPTIONAL PUBLIC HEALTH INSURANCE PLAN

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$900,000	- $900,000	$0
PR	900,000	- 900,000	0
Total	$1,800,000	- $1,800,000	$0

Governor: Provide $900,000 GPR in 2021-22 and $900,000 PR in 2022-23 to fund an analysis and actuarial study for the development of a public option health insurance plan. The GPR funding in 2021-22 would be provided in a new OCI appropriation for state operations, created under a separate item for establishing a state-based health insurance exchange (summarized above). The PR funding in 2022-23 would be provided in OCI's general program operations appropriation. Specify that OCI may spend no more than $900,000 in 2021-22 for the development of the public option health plan from the GPR appropriation for state operations.

Require the Department of Health Services (DHS) and OCI, or DHS in consultation with OCI to conduct an analysis and actuarial study, during the 2021-23 biennium, of the creation of an option for individuals to purchase health coverage that is publicly provided or administered. Specify that the analysis shall incorporate input from a variety of persons and entities, including consumers, that have an interest in health insurance and health coverage, including medical assistance (MA) program coverage, and shall include an analysis of any other health care affordability initiatives. Authorize DHS to submit to the federal government any request for a waiver of federal law or other federal approval necessary to implement the public coverage option or any other health care affordability initiatives if DHS or OCI determines that the option to purchase public coverage or other affordability initiatives are feasible. Specify that if DHS or OCI obtains the necessary federal approval, or determines that no federal approval is necessary, and if the DHS or OCI continues to determine that the option to purchase public coverage or any other health care affordability initiative is feasible, the Department or OCI shall implement the option to purchase public coverage or other health care affordability initiative by January 1, 2025, or

earlier if possible. Specify that if OCI determines the provisions of the federal Patient Protection and Affordable Care Act related to health insurance and the health insurance exchange are no longer enforceable, the Department or OCI shall implement the public option or other affordability initiatives by January 1, 2022, or as soon as possible.

Joint Finance: Provision not included.

3. HEALTHCARE OUTREACH

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 annually to increase health insurance navigator outreach efforts to assist consumers in the individual health insurance market. Navigators are licensed by OCI to provide education and outreach on matters related to health insurance and health care, as well as to assist consumers in enrolling in health care coverage, particularly individual market coverage sold on the health insurance exchange. The federal health insurance exchange has typically been the primary source of funding for navigators in Wisconsin.

Joint Finance: Provision not included.

4. HEALTH INSURANCE AND COVERAGE REQUIREMENTS

Governor: Modify statutory provisions related to health insurance and health benefit plan regulations, as they relate to issuance and renewal of policies, premiums, cost sharing, and coverage requirements, as described below.

Guaranteed Issue and Renewal of Policies. Require every individual health benefit plan and every group health benefit plan to accept every individual and every employer, as applicable, that applies for coverage, regardless of sexual orientation, gender identity, or whether or not any employee or individual has a preexisting condition. Specify that a health benefit plan may restrict enrollment in coverage to open or special enrollment periods. Require OCI to establish a statewide open enrollment period of no shorter than 30 days for every individual health benefit plan to allow individuals, including individuals who do not have coverage, to enroll in coverage.

Prohibit Preexisting Condition Exclusions. Prohibit an insurer that offers a group health benefit plan or an individual insurance policy from imposing a preexisting condition exclusion (the denial or reduction of a claim related to a condition that existed prior to the effective date of coverage). Modify related statutory definitions and provisions that place limits on preexisting condition exclusions to reflect the change to a general prohibition against the practice.

Prohibit Discrimination Based on Health Status -- Enrollment, Premiums and Cost Sharing. Prohibit an individual health benefit plan or a government self-insured plan from establishing rules for the eligibility of any individual to enroll, or the continued eligibility to remain enrolled in a

plan based on any of the following: (a) health status; (b) medical condition, including both physical and mental illnesses; (c) claims experience; (d) receipt of health care; (e) medical history; (f) genetic information; (g) evidence of insurability, including conditions arising out of acts of domestic violence; or (h) disability.

Prohibit an insurer offering an individual health benefit plan or a self-insured plan from requiring any individual, as a condition of enrollment or continued enrollment under the plan, to pay, on the basis of any health status-related factor listed above, with respect to the individual or a dependent of the individual, a premium or contribution or a deductible, copayment, or coinsurance amount that is greater than that required for a similarly situated individual enrolled under the plan.

Specify that these restrictions do not prevent an insurer from offering an individual health benefit plan or a self-insured health plan from establishing premium discounts or rebates or modifying otherwise applicable cost sharing in return for adherence to programs of health promotion and disease prevention.

Modify a current law provision, applicable to group health benefit plans, from charging different premiums to similarly-situated individuals based on any health status-related factor, to also prohibit charging a different deductible, copayment, or coinsurance amount to similarly-situated individuals based on health status.

Restrictions on Premium Rate Variation. Specify that a health benefit plan offered on the individual or small employer market (between two and 50 employees) or a government self-insured health plan may vary premium rates for a specific plan based only on the following considerations: (a) whether the policy or plan covers an individual or a family; (b) the rating area in the state, as established by OCI; (c) age, except that the rate may not vary by more than three-to-one for adults over the age groups and the age bands shall be consistent with recommendations of the National Association of Insurance Commissioners; and (d) tobacco use, except that the rate may not vary by more than 1.5-to-one.

Statewide Risk Pool. Specify that an insurer offering a health benefit plan may not segregate enrollees into risk pools other than a single statewide risk pool for the individual market and a single statewide risk pool for the small employer market or a single statewide risk pool that combines the individual and small employer markets.

Prohibit Annual and Lifetime Limits. Prohibit an individual or group health benefit plan or a government self-insured health plan from establishing lifetime or annual limits on the dollar value of benefits for an enroll or a dependent of an enrollee under the plan.

Cost Sharing Maximum. Specify that a health benefit plan offered on the individual or small employer market may not require an enrollee to pay more in cost sharing (deductibles, coinsurance, copayments, or similar charges) than the maximum amount calculated under provisions of the federal Affordable Care Act, including the annual indexing of the limits. In 2021, the cost sharing maximum is $8,550 for individual coverage and $17,100 for coverage other than individual coverage.

Medical Loss Ratio. Establish the minimum medical loss ratios for health benefit plans as follows: (a) 80 percent for a plan on the individual or small employer market; (b) 85 percent for a group health plan not in the small employer market. Define medical loss ratio as the proportion, expressed as a percentage, of premium revenues spent by a health benefit plan on clinical services and quality improvement.

Actuarial Values of Plan Tiers. Require any health benefit plan offered on the individual or small employer market to provide a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 60 percent of the full actuarial value of the benefits provided under the plan. The actuarial value represents the average cost of the benefits covered by plan over an average population, with the rest covered by enrollee cost sharing.

Essential Health Benefits. Require every health insurance policy (except for specified restricted-benefit policies) and every government self-insured health plan to provide coverage for essential health benefits, as determined by OCI by rule, on a date specified by OCI by rule. Require OCI, in determining the essential health benefits for which coverage is required, to include benefits, items, and services in, at least, all of the following categories: (a) ambulatory patient services; (b) emergency services; (c) hospitalization; (d) maternity and newborn care; (e) mental health and substance use disorder services, including behavioral health treatment; (f) prescription drugs; (g) rehabilitative and habilitative services and devices; (h) laboratory services; (i) preventive and wellness services and chronic disease management; and (j) pediatric services, including oral and vision care.

Require OCI to do the following with respect to essential health benefits: (a) conduct a survey of employer-sponsored coverage to determine benefits typically covered by employers and ensure that the scope of essential health benefits for which coverage is required is equal to the scope of benefits covered under a typical insurance policy offered by an employer to its employees; (b) ensure that essential health benefits reflect a balance among the essential health benefit categories such that benefits are not unduly weighted toward one category; (c) ensure that essential health benefit coverage is provided with no or limited cost-sharing requirements; (d) require that insurance policies and self-insured health plans do not make coverage decisions, determine reimbursement rates, establish incentive programs, or design benefits in ways that discriminate against individuals because of their age, disability, or expected length of life; (e) establish essential health benefits in a way that takes into account the health care needs of diverse segments of the population, including women, children, persons with disabilities, and other groups; (f) ensure that essential health benefits are not subject to a coverage denial based on an insured's or plan participant's age, expected length of life, present or predicted disability, degree of dependency on medical care, or quality of life; (g) require that insurance policies and government self-insured health plans cover emergency department services that are essential health benefits without imposing any requirement to obtain prior authorization for those services and without limiting coverage for services provided by an emergency services provider that is not in the provider network of a policy or plan in a way that is more restrictive than requirements or limitations that apply to emergency services provided by a provider that is in the provider network of the policy or plan; (h) require an insurance policy or government self-insured health plan to apply to emergency department services that are essential health benefits provided by an emergency department provider that is not in the provider network of the policy or plan the same copayment

amount or coinsurance rate that applies if those services are provided by a provider that is in the provider network of the policy or plan; and (i) periodically update, by rule, the essential health benefits to address any gaps in access to coverage.

Specify that if an essential health benefit is also subject to other coverage mandates specified in state statute and the coverage requirements are not identical, the insurance policy or government self-insured health plan shall provide coverage under whichever provision provides the insured or plan participant with more comprehensive coverage of the medical condition, item, or service. Specify that the essential health benefit provisions or rules promulgated under these provisions do not prohibit an insurance policy or a government self-insured health plan from providing benefits in excess of the essential health benefit coverage.

Coverage of Preventive Services and other Mandatory Coverage Requirements. Require every health insurance policy (except for specified restricted-benefit policies) and every government self-insured health plan to provide coverage for the preventive services listed below. These preventive services are generally from the list of services given an "A" or "B" rating by the U.S. Preventive Services Task Force. Under federal regulations developed to implement provisions of the Affordable Care Act, these services must be covered with no cost sharing by insurance policies and health plans.

- Mammography.

- Genetic breast cancer screening and counseling and preventive medication for adult women at high risk for breast cancer.

- Papanicolaou test for cancer screening for women 21 years of age or older with an intact cervix.

- Human papillomavirus testing for women who have attained the age of 30 years but have not attained the age of 66 years.

- Colorectal cancer screening.

- Annual tomography for lung cancer screening for adults who have attained the age of 55 years but have not attained the age of 80 years and who have health histories demonstrating a risk for lung cancer.

- Skin cancer screening for individuals who have attained the age of 10 years but have not attained the age of 22 years.

- Counseling for skin cancer prevention for adults who have attained the age of 18 years but have not attained the age of 25 years.

- Abdominal aortic aneurysm screening for men who have attained the age of 65 years but have not attained the age of 75 years and who have ever smoked.

- Hypertension screening for adults and blood pressure testing for adults, for children under the age of three years who are at high risk for hypertension, and for children three years of

age or older.

- Lipid disorder screening for minors two years of age or older, adults 20 years of age or older at high risk for lipid disorders, and all men 35 years of age or older.

- Aspirin therapy for cardiovascular health for adults who have attained the age of 55 years but have not attained the age of 80 years and for men who have attained the age of 45 years but have not attained the age of 55 years.

- Behavioral counseling for cardiovascular health for adults who are overweight or obese and who have risk factors for cardiovascular disease.

- Type II diabetes screening for adults with elevated blood pressure.

- Depression screening for minors 11 years of age or older and for adults when follow-up supports are available.

- Hepatitis B screening for minors at high risk for infection and adults at high risk for infection.

- Hepatitis C screening for adults at high risk for infection and one-time hepatitis C screening for adults born in any year from 1945 to 1965.

- Obesity screening and management for all minors and adults with a body mass index indicating obesity, counseling and behavioral interventions for obese minors who are six years of age or older, and referral for intervention for obesity for adults with a body mass index of 30 kilograms per square meter or higher.

- Osteoporosis screening for all women 65 years of age or older and for women at high risk for osteoporosis under the age of 65 years.

- Immunizations.

- Anemia screening for individuals six months of age or older and iron supplements for individuals at high risk for anemia and who have attained the age of six months but have not attained the age of 12 months.

- Fluoride varnish for prevention of tooth decay for minors at the age of eruption of their primary teeth.

- Fluoride supplements for prevention of tooth decay for minors six months of age or older who do not have fluoride in their water source.

- Gonorrhea prophylaxis treatment for newborns.

- Health history and physical exams for prenatal visits and for minors.

- Length and weight measurements for newborns and height and weight measurements for minors.

- Head circumference and weight-for-length measurements for newborns and minors who have not attained the age of three years.

- Body mass index for minors two years of age or older.

- Blood pressure measurements for minors three years of age or older and a blood pressure risk assessment at birth.

- Risk assessment and referral for oral health issues for minors who have attained the age of six months but have not attained the age of seven years.

- Blood screening for newborns and minors who have not attained the age of two months.

- Screening for critical congenital health defects for newborns.

- Lead screenings.

- Metabolic and hemoglobin screening and screening for phenylketonuria, sickle cell anemia, and congenital hypothyroidism for minors including newborns.

- Tuberculin skin test based on risk assessment for minors one month of age or older.

- Tobacco counseling and cessation interventions for individuals who are five years of age or older.

- Vision and hearing screening and assessment for minors including newborns.

- Sexually transmitted infection and human immunodeficiency virus counseling for sexually active minors.

- Risk assessment for sexually transmitted infection for minors who are ten years of age or older and screening for sexually transmitted infection for minors who are 16 years of age or older.

- Alcohol misuse screening and counseling for minors 11 years of age or older.

- Autism screening for minors who have attained the age of 18 months but have not attained the age of 25 months.

- Developmental screening and surveillance for minors including newborns.

- Psychosocial and behavioral assessment for minors including newborns.

- Alcohol misuse screening and counseling for pregnant adults and a risk assessment for all adults.

- Fall prevention and counseling and preventive medication for fall prevention for community-dwelling adults 65 years of age or older.

- Screening and counseling for intimate partner violence for adult women.

- Well-woman visits for women who have attained the age of 18 years but have not attained the age of 65 years and well-woman visits for recommended preventive services, preconception care, and prenatal care.

- Counseling on, consultations with a trained provider on, and equipment rental for breastfeeding for pregnant and lactating women.

- Folic acid supplement for adult women with reproductive capacity.

- Iron deficiency anemia screening for pregnant and lactating women.

- Preeclampsia preventive medicine for pregnant adult women at high risk for preeclampsia.

- Low-dose aspirin after 12 weeks of gestation for pregnant women at high risk for miscarriage, preeclampsia, or clotting disorders.

- Screenings for hepatitis B and bacteriuria for pregnant women.

- Screening for gonorrhea for pregnant and sexually active females 24 years of age or younger and females older than 24 years of age who are at risk for infection.

- Screening for chlamydia for pregnant and sexually active females 24 years of age and younger and females older than 24 years of age who are at risk for infection.

- Screening for syphilis for pregnant women and adults who are at high risk for infection.

- Human immunodeficiency virus screening for adults who have attained the age of 15 years but have not attained the age of 66 years and individuals at high risk of infection who are younger than 15 years of age or older than 65 years of age.

- All contraceptives and services in accordance with separate statutory provisions.

- Any services not already specified having an A or B rating in current recommendations from the U.S. Preventive Services Task Force.

- Any preventive services not already specified that are recommended by the federal Health Resources and Services Administration's Bright Futures project.

- Any immunizations, not already specified under a separate statutory coverage mandate provision, that are recommended and determined to be for routine use by the federal Advisory Committee on Immunization Practices.

Prohibit insurance policies and government self-insured health plans, with certain exceptions, from subjecting the coverage of any of the listed preventive services to any deductible, copayments, or coinsurance under the policy or plan, and modify various statutory mandatory

coverage provisions related to these preventive services to conform to this restriction.

Specify that the insurance policy or plan may apply deductibles to and impose copayments or coinsurance in the following circumstances: (a) if an office visit and a preventive service are billed separately by the health care provider, applicable only on the office visit but not on the preventive service; (b) if the primary reason for an office visit is not to obtain a preventive service, applicable on the office visit; or (c) if a preventive service is provided by a health care provider that is outside the policy's or plan's network of providers, unless the preventive service is provided by an out-of-network provider because there is no available health care provider in the policy's or plan's network of providers that provides the preventive service. Specify that if multiple well-woman visits are required to fulfill all necessary preventive services and are in accordance with clinical recommendations, the insurance policy or health plan may not apply a deductible to or impose a copayment or coinsurance on any of those well-woman visits.

Other Insurance Mandatory Coverage Provisions. Modify a provision that requires health insurance plans and government self-insured plans to cover certain immunizations to add the following immunizations: (a) hepatitis A; (b) herpes zoster; (c) human papillomavirus; (d) meningococcal meningitis; (e) pneumococcal pneumonia; (f) influenza; and (g) rotavirus. Modify the immunization coverage mandate to extend the coverage requirement to any insured or plan participant, rather than just a child from birth to age six who is a child of the insured.

Modify a current law provision that requires health insurance policies and government self-insured plans to cover outpatient consultations, examinations, procedures, and medical services that are necessary to prescribe, administer, maintain, or remove a contraceptive, if these services are covered for any other drug benefits under the policy or plan, to remove the clause that makes the coverage requirement contingent upon whether these services are coverage for any other drug benefits. Add to the coverage mandate sterilization procedures, and patient education and counseling for all females with reproductive capacity. Specify that an insurance policy or self-insured health plan may not may not apply a deductible or impose a copayment or coinsurance to at least one of each type of contraceptive method approved by the federal Food and Drug Administration for which coverage is required. Specify that the insurance policy or health plan may apply reasonable medical management to a method of contraception to limit coverage that is provided without being subject to a deductible, copayment, or coinsurance, to prescription drugs without a brand name. Authorize the insurance policy or health plan to apply a deductible or impose a copayment or coinsurance for coverage of a contraceptive that is prescribed for a medical need if the services for the medical need would otherwise be subject to a deductible, copayment, or coinsurance.

Initial Applicability. Specify that these provisions first apply to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Some of the provisions contained in this item are intended to conform state laws to insurance

market regulations contained in the federal Affordable Care Act (ACA). Since the ACA preempts state regulations with respect to many insurance market regulations, these provisions have no effect as long as the ACA is in effect in its present form. If the ACA's insurance market provisions were to not be enforceable, the provisions in this item would maintain some of the ACA's market regulations for the individual and small group policies and for self-insured plans offered by a government entity. [The bill would not affect non-government self-insured plans since federal law preempts state law with respect to these benefit plans.] Specifically, the bill closely matches the ACA's regulations with respect to premium rating rules, guaranteed issue and renewal, prohibition against preexisting condition exclusions, non-discrimination in health care, the essential health benefits, prohibition against lifetime or annual limits, statewide risk pool requirements, maximum out-of-pocket spending, and coverage of preventive services without cost sharing.

Joint Finance: Provision not included.

5. HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM

Governor: Require OCI to develop a program to provide, beginning no later than plan year 2024, health insurance premium assistance to any resident of this state who purchases a silver level plan on the health insurance exchange, and whose household income exceeds 133 percent of the poverty line before application of the five percent income disregard, as specified in federal regulations, but does not exceed 250 percent of the poverty line. Specify that the assistance shall equal the difference between the lowest-cost silver level plan and lowest-cost bronze level plan in the individual's county of residence. Require OCI to include a cost estimate of the program with OCI's 2023-24 biennial budget submission. Adopt, for the purposes of this item, the definitions of 'bronze level plan," "silver level plan," and "poverty line" as those terms are used under federal law.

Under the federal Affordable Care Act, individuals with a household income less than 250 percent of the federal poverty line are eligible to enroll in individual insurance policies with reduced cost sharing requirements if they purchase a silver level plan on the health insurance exchange. Although bronze level plans have lower premiums than silver plans, these plans are not eligible for the lower cost sharing, and so entail higher out-of-pocket costs. Under this item, OCI would be required to develop a proposal, to be included in its 2023-25 budget request, to provide a state-funded subsidy for individuals with a household income between 133 percent and 250 percent of the federal poverty line who purchase a silver level plan that reduces the net premiums for that plan to the same level as the bronze premium. The purpose of the subsidy would be to increase the number of consumers who choose a silver plan instead of a bronze plan and thus be eligible for reduced cost sharing.

Joint Finance: Provision not included.

6. BALANCE BILLING RESTRICTIONS

Governor: Establish restrictions and requirements related to provider and insurer billing, applicable to certain services rendered by out-of-network providers or facilities to enrollees of a

defined network plan, preferred provider plan, or self-insured governmental plan, as described below.

Insurer and Health Benefit Plan Requirements and Restrictions

Emergency Medical Services. Specify that any defined network plan, preferred provider plan, or self-insured governmental plan that covers any benefits or services provided in an emergency department of a hospital or emergency medical services provided in an independent freestanding emergency department may not, with respect to emergency medical services, require a prior authorization determination and may not deny coverage based on whether or not the health care provider rendering the services is a participating provider or participating emergency facility.

Specify that if the emergency medical services are provided to an enrollee by a provider or in a facility that is not a participating provider or facility (hereafter an "out-of-network provider or facility"), the plan must comply with the following requirements: (a) the services are covered without imposing a prior authorization or coverage limitation that is more restrictive than requirements or limitations that apply to emergency medical services provided by an in-network provider or facility; (b) any cost-sharing requirement imposed on an enrollee for the emergency medical service must be no greater than the requirements that would apply if the emergency medical service were provided by an in-network provider or facility; (c) any cost-sharing amount imposed on an enrollee for the emergency medical service must be calculated as if the total amount that would have been charged for the emergency medical service if provided by an in-network provider or facility is equal to the amount paid to an out-of-network provider or facility as determined by OCI; and (d) the plan counts any cost-sharing payment made by the enrollee toward any in-network deductible or out-of-pocket maximum applied by the plan in the same manner as if the cost-sharing payment was made for an emergency medical service provided by an in-network provider or facility.

Require the plan, if an emergency service is provided to an enrollee by an out-of-network provider or facility, to do all of the following: (a) no later than 30 days after the provider or facility transmits to the plan the bill for emergency medical services, sends to the provider or facility an initial payment or a notice of denial of payment; and (b) pays to the provider or facility a total amount that, incorporating any initial payment, is equal to the amount by which the out-of-network rate exceeds the enrollee cost-sharing amount.

Services Rendered by an Out-of-Network Provider in an In-Network Facility. Specify that for items or services, other than emergency medical services, that are rendered to an enrollee by an out-of-network provider within an in-network facility, the plan must provide coverage for the item or service in accordance with all of the following: (a) the plan may not impose on an enrollee a cost-sharing requirement for the item or service that is greater than the cost-sharing requirement that would have been imposed if the item or service was provided by an in-network provider; (b) any cost-sharing amount imposed on an enrollee for the item or service is calculated as if the total amount that would have been charged for the item or service if provided by an in-network provider is equal to the amount paid to an out-of-network provider, as determined by OCI; (c) no later than 30 days after the provider transmits the bill for services, the plan shall send to the provider an initial payment or a notice of denial of payment; (d) the plan shall make a total payment directly

to the provider that rendered the item or service to the enrollee that, when added to any initial payment, is equal to the amount by which the out-of-network rate for the item or service exceeds the cost-sharing amount; and (e) the plan counts any cost-sharing payment made by the enrollee for the item or service toward any in-network deductible or out-of-pocket maximum applied by the plan in the same manner as if the cost-sharing payment was made for the item or service when rendered by an in-network provider.

Enrollee Billing by an Out-of-Network Provider, Facility, or Ambulance

Emergency Medical Services. Prohibit an out-of-network provider, facility, or ambulance that is entitled to payment for emergency medical services from billing or holding liable an enrollee for any amount that is more than the cost-sharing amount determined as if the services were provided by an in-network provider, facility, or ambulance.

Out-of-Network Provider in an In-Network Facility. Prohibit an out-of-network provider of an item or service that is rendered in an in-network facility that is entitled to payment from a plan from billing or holding liable an enrollee for any amount for the item or service that is more than the cost-sharing amount determined as if the services were rendered by an in-network provider for the item or service unless the out-of-network provider provides notice and obtains consent in accordance with all of the following: (a) the notice states that the provider is an out-of-network provider in the enrollee's plan; (b) the notice provides a good faith estimate of the amount that the provider may charge the enrollee for the item or service involved, including notification that the estimate does not constitute a contract with respect to the charges estimated for the item or service; (c) the notice includes a list of the in-network providers at the facility that would be able to render the item or service and notification that the enrollee may be referred to one of those providers; (d) the notice includes information about whether or not prior authorization or other care management limitations may be required before receiving an item or service at the in-network facility; (e) the enrollee provides consent to the provider to be treated by the out-of-network provider, and the consent acknowledges that the enrollee has been informed that the charge paid by the enrollee may not meet a limitation that the enrollee's plan places on cost sharing, such as an in-network deductible; and (f) a signed copy of the consent is provided to the enrollee.

Specify that, to be considered adequate, the notice and consent described above shall meet one of the following requirements, as applicable: (a) if the enrollee makes an appointment for the item or service at least 72 hours before the day on which the item or service is to be provided, any notice shall be provided to the enrollee at least 72 hours before the day of the appointment at which the item or service is to be provided; or (b) if the enrollee makes an appointment for the item or service less than 72 hours before the day on which the item or service is to be provided, any notice shall be provided to the enrollee on the day that the appointment is made.

Specify that an out-of-network provider of an item or service rendered in an in-network facility that is entitled to payment under these provisions may not bill or hold liable an enrollee for any amount for the ancillary item or service that is more than the cost-sharing amount determined as if the service were rendered by an in-network provider for the item or service, unless OCI specifies by rule that the provider may balance bill for the specified item or service, if the ancillary item or service is any of the following: (a) related to an emergency medical service; (b)

anesthesiology; (c) pathology; (d) radiology; (e) neonatology; (f) an item or service provided by an assistant surgeon, hospitalist, or intensivist; (g) diagnostic service, including a radiology or laboratory service; (h) an item or service provided by a specialty practitioner that OCI specifies by rule; or (i) an item or service provided by an out-of-network provider when there is no in-network provider who can furnish the item or service at the in-network facility.

Required Provider Notice

Specify that beginning no later than January 1, 2022, a health care provider or health care facility shall make available, including posting on a website, to enrollees in defined network plans, preferred provider plans, and self-insured governmental plans notice of the requirements applicable to providers or facilities under the provisions of this item and of any other applicable state law requirements on the provider or facility with respect to charging an enrollee for an item or service if the provider or facility does not have a contractual relationship with the plan, and of information on contacting appropriate state or federal agencies in the event the enrollee believes the provider or facility violates any of these requirements.

Negotiation and Dispute Resolution

Provide that an out-of-network provider or facility that is entitled to receive an initial payment or notice of denial under these provisions may initiate, within 30 days of receiving the initial payment or notice of denial, open negotiations with the defined network plan, preferred provider plan, or self-insured governmental plan to determine a payment amount for the emergency medical service or other item or service for a period that terminates 30 days after initiating open negotiations. Specify that if the open negotiation period terminates without determination of a payment amount, the provider, facility, defined network plan, preferred provider plan, or self-insured governmental plan may initiate, within the four days beginning on the day after the open negotiation period ends, the independent dispute resolution process as specified by OCI.

Specify that if the independent dispute resolution decision maker determines the payment amount, the party to the independent dispute resolution process whose amount was not selected shall pay the fees for the independent dispute resolution, but if the parties to the independent dispute resolution reach a settlement on the payment amount, the parties to the independent dispute resolution shall equally divide the payment for the fees for the independent dispute resolution.

Continuity of Care

Establish requirements with respect to the billing for services rendered to a continuing care enrollee in circumstances in which the status provider of those services changes from in-network to out-of-network provider of facility, as described below. Define, for the purposes of this provision, a "continuing care patient" as an individual who is any of the following: (a) undergoing a course of treatment for a serious and complex condition from a provider or facility; (b) undergoing a course of institutional or inpatient care from a provider or facility; (c) scheduled to undergo nonelective surgery, including receipt of postoperative care, from a provider or facility; (d) pregnant and undergoing a course of treatment for the pregnancy from a provider or facility; or (e) terminally ill and receiving treatment for the illness from a provider or facility. Define a

"serious and complex condition" to mean any of the following: (a) in the case of an acute illness, a condition that is serious enough to require specialized medical treatment to avoid the reasonable possibility of death or permanent harm; or (b) in the case of a chronic illness or condition, a condition that is life-threatening, degenerative, potentially disabling, or congenital and requires specialized medical care over a prolonged period of time.

Provide that if an enrollee is a continuing care patient and is obtaining items or services from an in-network provider or facility and the contract between the defined network plan, preferred provider plan, or self-insured governmental plan and the provider or facility is terminated or the coverage of benefits that include the items or services provided by the provider or facility are terminated by the plan, the plan shall do all of the following: (a) notify each enrollee of the termination of the contract or benefits and of the right for the enrollee to elect to continue transitional care from the provider or facility; (b) provide the enrollee an opportunity to notify the plan of the need for transitional care; and (c) allow the enrollee to elect to continue to have the benefits provided under the plan under the same terms and conditions as would have applied to the item or service if the termination had not occurred for the course of treatment related to the enrollee's status as a continuing care patient beginning on the date on which the notice is provided and ending 90 days after the date on which the notice is provided or the date on which the enrollee is no longer a continuing care patient, whichever is earlier.

Administrative Rules

Authorize OCI to promulgate any rules necessary to implement these provisions, including specifying the independent dispute resolution process and any modification to the list of those items and services for which a provider may not balance bill.

Joint Finance: Provision not included.

7. SHORT-TERM, LIMITED DURATION HEALTH INSURANCE PLANS

Governor: Establish requirements related to the guaranteed issue, health status discrimination, premium rate variation, and annual and lifetime limits for short-term, limited duration health insurance plans, as described below. Modify a provision in current law that establishes the definition of a short-term, limited duration plan in reference to the duration of the coverage term, as follows: (a) reduce the maximum coverage term of a qualifying plan from 12 months to three months; and (b) reduce the maximum aggregated coverage term for consecutive periods of the policy from 18 months to six months. [This definition is established in a current law provision that creates an exception to a requirement for guaranteed renewal of individual health insurance policies. Consequently, the effect of reducing the maximum term of what qualifies for the short-term plan exemption would be to reduce the scope of exceptions to the guaranteed renewal requirement.]

Guaranteed Issue and Prohibiting Health Status Discrimination. Require any short-term, limited duration plan to accept every individual in Wisconsin who applies for coverage whether or not any individual has a preexisting condition. Prohibit a short-term, limited duration plan from establishing rules for eligibility of any individual to enroll, or for the continued eligibility of any

individual to remain enrolled, under the plan based on any of the following health status-related factors in relation to the individual or a dependent of the individual: (a) health status; (b) medical condition, including both physical and mental illnesses; (c) claims experience; (d) receipt of health care; (e) medical history; (f) genetic information; (g) evidence of insurability, including conditions arising out of acts of domestic violence; or (h) disability.

Repeal a provision that establishes the conditions under which a short-term, limited duration plan may impose preexisting condition exclusions, and, instead, prohibit such plans from imposing any preexisting condition exclusions.

Prohibit any short-term, limited duration plan from requiring any individual as a condition of enrollment or continued enrollment under the plan, to pay, on the basis of any of these health status-related factors, with respect to the individual or a dependent of the individual, a premium or contribution, or a deductible, copayment, or coinsurance amount that is greater than the premium or contribution, or deductible, copayment, or coinsurance amount respectively for a similarly situated individual enrolled under the plan.

Premium Rate Variation Restrictions. Specify that a short-term, limited duration plan may vary premium rates for a specific plan based only on the following considerations: (a) whether the policy or plan covers an individual or a family; (b) the rating area in the state, as established by OCI; (c) age, except that the rate may not vary by more than three-to-one for adults over the age groups and the age bands shall be consistent with recommendations of the National Association of Insurance Commissioners; and (d) tobacco use, except that the rate may not vary by more than 1.5-to-one.

Annual and Lifetime Limits. Specify that a short-term, limited duration plan may not establish any of the following coverage limits: (a) lifetime limits on the dollar value of benefits for an enrollee or a dependent of an enrollee under the plan; or (b) limits on the dollar value of benefits for an enrollee or a dependent of an enrollee under the plan for the initial or cumulative duration of the plan.

Joint Finance: Provision not included.

8. TELEHEALTH COVERAGE PARITY

Governor: Prohibit any health insurance policy, state employee health plan, or governmental self-insured health plan from denying coverage of any treatment or service provided through telehealth on the basis that the treatment or service is provided through telehealth, if that treatment or service is covered by the policy or plan when provided in person. Specify that an insurance policy or health plan may limit coverage of treatments or services provided through telehealth to those treatments or services that are medically necessary. Specify that an insurance policy or health plan may not subject a treatment or services provided through telehealth to any of the following: (a) any greater deductible, copayment, or coinsurance amount than would be applicable if the treatment or service is provided in person; (b) any policy or calendar year or lifetime benefit limit or other maximum limitation that is not imposed on other treatments or services covered by the plan that are not provided through telehealth; (c) prior authorization requirements that are not required for the same treatment or service when provided in person; or

(d) unique location requirements. Specify that an insurance policy or health plan that covers a telehealth treatment or service that has no equivalent in-person treatment or service, such as remote patient monitoring, shall specify in policy or plan materials the coverage of that telehealth treatment or service.

Define "telehealth" as a practice of health care delivery, diagnosis, consultation, treatment, or transfer of medically relevant data by means of audio, video, or data communications that are used either during a patient visit or consultation or are used to transfer medically relevant data about a patient. Specify that the term "telehealth" does not include communications delivered solely by audio-only telephone, facsimile machine, or e-mail unless specified otherwise by rule.

Specify that for policies or plans containing provisions inconsistent with the requirements in this item, the requirements first apply to policy or plan years beginning on January 1 of the year following the effective date of the bill, except that for policies or plans that are affected by a collective bargaining agreement that are inconsistent, the requirement first applies to plan years beginning on the effective date of the bill or on the day on which the collective bargaining agreement is newly established, modified, or renewed, whichever is later.

Joint Finance: Provision not included.

9. SCHOOL DISTRICT GROUP HEALTH INSURANCE TASK FORCE

Governor: Direct OCI to establish a committee called the School District Group Health Insurance Task Force, which would include the following members appointed by the Governor: (a) one representative from OCI; (b) one representative from the Department of Administration; (c) one representative from the Department of Public Instruction; (d) one member from the Department of Employee Trust Funds; (e) one administrator of a school district; (f) one business official of a school district; (g) one member of a school board; (h) one official of a public employee union; (i) three employees of public schools; and (j) one representative of a health plan. Specify that the OCI representative would be the chairperson of the Task Force.

Require the Commissioner of Insurance and the Secretary of the Employee Trust Funds, based on consultation with the Task Force and review of an actuarial report the bill would require the Group Insurance Board to submit to the Committee by June 30, 2022, to develop an implementation plan, which, if enacted, would require all school districts in Wisconsin to participate in a group health insurance program offered by the Group Insurance Board by January 1, 2024. Require the Commissioner of Insurance and the Secretary of Employee Trust Funds to submit the implementation plan to the Governor and the Joint Committee on Finance by December 31, 2022. A separate item, summarized under Employee Trust Funds, would require the Group Insurance Board to perform an actuarial study of a proposal to require school districts to participate in a group health insurance plan offered by the Group Insurance Board.

Joint Finance: Provision not included.

INVESTMENT BOARD

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$135,329,400	$135,329,400	$135,329,400	$0	0.0%	$0	0.0%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
PR	236.00	236.00	236.00	0.00	0.00

Under current law, the State of Wisconsin Investment Board (SWIB) is authorized to independently establish its operating budget each year and monitor the fiscal management of the budget. Further, SWIB is also authorized to independently create or abolish staff positions for the agency. Program revenue to support SWIB operations is generated from assessments of funds under management. The Investment Board is required to provide quarterly reports to the Department of Administration, the Co-Chairpersons of the Joint Committee on Finance, and the Co-Chairpersons of the Joint Committee on Audit, identifying all operating expenditures and the number of full-time equivalent positions created or abolished during that quarter. Finally, SWIB officials are required to appear each fiscal year at the first quarterly meeting of the Joint Committee on Finance under s. 13.10 of the statutes, to provide an update of SWIB's budget changes, position authorization changes, assessment of the funds under management, and performance of the funds under management for the current and next fiscal year.

Total expenditures in 2019-20 for the Board were $58,328,000. In June, 2020, the Board approved an operating budget for 2020-21 of $67,664,700 (an increase of 16% over 2019-20 expenditures) and 236.0 positions. In the table above, this amount is indicated for the adjusted base in 2020-21. The SWIB budget recommendation also utilizes this amount for 2021-22 and 2022-23. The actual 2021-22 budget is expected to be finalized by the Board in June, 2021, and the 2022-23 budget one year later.

JUDICIAL COMMISSION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$644,400	$690,600	$690,600	$0	0.0%	$46,200	7.2%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	2.00	2.00	2.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	$46,200

Governor/Joint Finance: Provide $22,800 in 2021-22 and $23,400 in 2022-23 for the following adjustments to the base budget: (a) full funding of continuing position salaries and fringe benefits ($20,600 annually); and (b) full funding of lease and directed moves costs ($2,200 in 2021-22 and $2,800 in 2022-23).

JUSTICE

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$127,654,800	$172,680,800	$150,020,800	- $22,660,000	- 13.1%	$22,366,000	17.5%
FED	47,463,800	48,003,100	47,953,200	- 49,900	- 0.1	489,400	1.0
PR	110,868,600	109,538,700	109,774,700	236,000	0.2	- 1,093,900	- 1.0
SEG	893,000	914,200	914,200	0	0.0	21,200	2.4
TOTAL	$286,880,200	$331,136,800	$308,662,900	- $22,473,900	- 6.8%	$21,782,700	7.6%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	408.58	414.58	405.58	- 9.00	- 3.00
FED	72.73	45.73	45.73	0.00	- 27.00
PR	258.08	262.08	258.08	- 4.00	0.00
SEG	2.75	2.75	2.75	0.00	0.00
TOTAL	742.14	725.14	712.14	- 13.00	- 30.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$11,811,000	- 2.00	- $524,200	0.00	$11,286,800	- 2.00
PR	- 683,300	0.00	- 103,400	0.00	- 786,700	0.00
FED	489,400	- 27.00	0	0.00	489,400	- 27.00
SEG	21,200	0.00	0	0.00	21,200	0.00
GPR	$11,638,300	- 29.00	- $627,600	0.00	$11,010,700	- 29.00

Governor: Provide adjustments to the base totaling $5,930,500 GPR, -$344,300 PR, $730,000 FED, $10,500 SEG, -24.0 FED positions in 2021-22; and $5,880,500 GPR, -$339,000 PR, -$240,600 FED, $10,700 SEG, -2.0 GPR positions, and -27.0 FED positions in 2022-23.

Adjustments are for: (a) turnover reduction (-$786,200 GPR and -$155,000 PR annually); (b) removal of non-continuing elements from the base (-$1,007,700 FED, and -24.0 FED positions in 2021-22; and -$56,900 GPR, -$1,978,400 FED, -2.0 GPR positions, and -27.0 FED positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits ($4,737,500 GPR, $26,400 PR, $1,885,100 FED, and -$5,100 SEG annually); (d) overtime ($710,700 GPR, $532,700 PR, and $11,000 SEG annually); (e) night and weekend differential pay ($9,600 GPR and $2,100 PR annually); and (f) full funding of lease and directed move costs ($1,258,900 GPR, -$750,500 PR, -$147,400 FED, and $4,600 SEG in 2021-22; and $1,265,800 GPR, -$745,200 PR, -$147,300 FED, and $4,800 SEG in 2022-23).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $262,100 GPR and $51,700 PR annually.

2. TECHNICAL TRANSFERS WITHIN THE SAME APPROPRIATION

Governor/Joint Finance: Transfer positions annually within appropriations in DOJ between different subprograms, as identified in the table below, in order to align budgeted position authorization with assigned programmatic duties and personnel management systems.

Fund Source/Program/ Appropriation	Subprogram	Positions	Funding
GPR			
Legal Services			
Investigation and Prosecution	Legal services		-$20,800
	Computing services		20,800
Law enforcement services	Crime laboratories	-33.10	-$3,324,800
General program operations	Crime information bureau	-2.00	-246,300
	Training and standards bureau	0.90	153,800
	Criminal investigation	6.00	814,300
	Administrative services	-5.05	-682,100
	Computing services		22,800
	Narcotics enforcement	1.00	149,400
	Internet crimes against children task force	-0.40	-84,200
	DNA analysis resources	29.50	2,815,100
	Criminal justice programs	2.15	228,700
	Office of school safety	1.00	153,300
Administrative services			
General program operations	Legal services	-0.45	-$28,400
	Administrative services	0.95	37,200
	Computing services	-0.50	-8,800

Fund Source/Program/ Appropriation	Subprogram	Positions	Funding
PR			
Law enforcement services			
Crime laboratories; DNA analysis	Crime laboratories	-1.00	-$1,901,300
	Computing services		4,200
	DNA analysis resources	1.00	1,897,100
Terminal charges	Crime information bureau		-$8,300
	Computing services		8,300
Drug law enforcement, crime laboratories, and genetic evidence activities	Crime laboratories	44.10	$3,458,700
	Criminal investigation		-54,900
	Computing services		3,200
	Narcotics enforcement	-5.00	-385,500
	Internet crimes against children task force		-34,300
	DNA analysis resources	-39.10	-2,987,200
Law enforcement training fund, state operations	Crime laboratories	-1.00	-$97,100
	Crime information bureau	1.00	97,100
	Training and standards bureau	-7.97	-842,500
	Administrative services	1.25	142,600
	Computing services		18,800
	Criminal justice programs	3.92	363,000
	Office of school safety	2.80	318,100
Interagency and intra−agency assistance	Crime information bureau	-0.10	-$7,000
	Training and standards bureau	-0.20	-18,100
	Criminal investigation	0.10	7,000
	Criminal justice programs	0.20	18,100
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	Crime information bureau		-$32,300
	Computing services		32,300
Drug enforcement intelligence	Criminal investigation	-5.50	-$679,400
	Narcotics enforcement	5.50	679,400
Criminal history searches, fingerprint identification	Crime laboratories	-1.00	-$44,100
	Crime information bureau	1.00	400
	Training and standards bureau	-0.34	-31,600
	Computing services		43,700
	Criminal justice programs	0.34	31,600
Law enforcement programs and youth diversion -- administration	Training and standards bureau	-0.95	-$82,700
	Criminal justice programs	0.95	82,700
WI justice information sharing program	Crime information bureau		-$3,200
	Computing services		3,200
Administrative services			
Indirect cost reimbursements	Administrative services	-1.00	-$86,700
	Office of school safety	1.00	86,700

Fund Source/Program/ Appropriation	Subprogram	Positions	Funding
FED			
Law enforcement services			
Federal aid, state operations	Crime laboratories	-4.00	-$279,500
	Crime information bureau	-1.00	-53,400
	Training and standards bureau	-6.93	-607,800
	Criminal investigation	-1.00	-53,400
	Administrative services	-6.00	-381,300
	Internet crimes against children task force	1.00	53,400
	DNA analysis resources	4.00	279,500
	Criminal justice programs	7.93	661,200
	Office of school safety	6.00	381,300
Victims and witnesses	Office of Victim Services	-1.00	-$90,400
Federal aid, state operations	Criminal justice programs	1.00	90,400
Federal aid, victim assistance	Office of Victim Services	-3.00	-$242,400
	Criminal justice programs	3.00	242,400

3. PROGRAM REVENUE REESTIMATES [LFB Paper 395]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $1,981,200	- $281,000	- $2,262,200

Governor: Provide adjustments totaling -$925,600 in 2021-22 and -$1,055,600 in 2022-23 to reflect current revenue projections and estimated program needs for the following program revenue appropriations:

a. -$500,000 in 2021-22 and -$630,000 in 2022-23 annually for crime victim and witness assistance surcharge for general services appropriation. The reestimate reduces expenditure authority, but does not change local assistance award amounts. Expenditures are reestimated to reflect revenue available. Base funding for the appropriation is $6,752,800.

b. -$461,700 annually for the investigation and prosecution appropriation. The reduction reflects a reestimate of expenses for investigation and prosecution of violations, including attorney fees. Base funding for the appropriation is $650,700.

c. -$445,900 annually for the terminal charges appropriation. Expenditures are reestimated to reflect revenue available for the TIME (transaction information for the management of enforcement) system. Base funding for the appropriation is $2,056,000.

d. $60,200 annually for the drug law enforcement training fund, local assistance appropriation. Reestimated expenditures are associated with payments for new recruit, recertification and specialized training to local law enforcement agencies, technical colleges and jail or secure detention agencies. Base funding for the appropriation is $4,364,800.

e. $100,000 annually for the general operations; child pornography surcharge appropriation. Expenditures are reestimated to reflect revenue available. Base funding for the appropriation is $75,000.

f. $140,500 annually for the alternatives to prosecution and incarceration for persons who use alcohol or other drugs; justice information fee appropriation. Expenditures are reestimated to administer the treatment alternatives and diversion program. Base funding for the appropriation is $1,078,400.

g. $181,300 annually for the Wisconsin justice information sharing program appropriation. Expenditures are reestimated for general administration and the UCR and Use of Force data collection activities. Revenue to support the appropriation are from the justice information fee appropriation. Base funding for the appropriation is $657,900.

Joint Finance: Modify the program revenue reestimates to delete item (f) associated with increased justice information surcharge funding for the treatment alternatives and diversion program.

4. TREATMENT ALTERNATIVES AND DIVERSION PROGRAM EXPANSION [LFB Paper 395]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$15,000,000	2.00	- $12,500,000	- 2.00	$2,500,000	0.00

Governor: Provide $15,000,000 and 2.0 positions in 2022-23 to expand the Treatment Alternatives and Diversion (TAD) program. Of the total, $14,647,600 would be provided for increased grant funding, and $352,400 to support 2.0 positions ($104,300 for salaries and fringe benefits, $158,800 for supplies and services, and $89,300 in one-time costs). The TAD program provides grants to counties to establish and operate programs, including suspended and deferred prosecution programs and programs based on principles of restorative justice, which provide alternatives to prosecution and incarceration for criminal offenders who abuse alcohol or other drugs. The drug court grant program provides grants to counties without an established drug court in order for those counties to establish and operate a drug court.

Modify the TAD grant program as follows:

a. Remove the specification that TAD grants be used for on alcohol and other drug treatment. Instead, allow grants to be used on programs that operate within the continuum from arrest to discharge from supervision and provides an alternative to prosecution, revocation, or incarceration through the use of pre-charge and post-charge diversion programs or treatment courts and community-based corrections. In connection with the broadening of the grant purposes, remove specific references to "mental health services" (for example, programs would be designed to "integrate all services" rather than "integrate all mental health services.") Specify that programs employ evidence-based practices targeted to the population served by the program.

b. Specify that programs be designed not only to promote, but also facilitate the implementation of effective criminal justice policies and practices that maximize justice. Further, specify that programs not only promote public safety, reduce prison and jail populations, reduce prosecution and incarceration costs, and reduce recidivism, but also victim safety. Delete the requirement that TAD grants improve the welfare of participants' families by meeting the comprehensive needs of participants.

c. Specify that, if the program is administered by a tribe, the criminal justice oversight committee must consist of a representative of the judiciary, a representative of criminal prosecution and criminal defense, a social services provider, a behavioral health treatment provider, a law enforcement officer, a representative of corrections, and other members that the oversight committee determines are appropriate to the program.

d. Change the match requirement from 25 percent to 10 percent.

e. Allow, instead of require, an eligible program to charge participants a fee for their treatment.

f. Eliminate specific statutory requirements pertaining to exposure of genitals during drug testing.

g. Specify that if a person is participating in any evidence-based substance use disorder treatment program as determined by DOJ, regardless of its status relating to the TAD program, the court does not need to order a substance use assessment.

h. Beginning in 2021-22, change the competitive grant process from a five-year cycle to a four-year cycle. The modification is intended to better align the grant cycle and program reporting and evaluation timelines with the biennial budget.

i. Specify that modifications to TAD would first apply to grants awarded on or after the effective date of the bill.

Joint Finance: Remove statutory program modifications. Reduce funding by $12,500,000 and 2.0 positions in 2022-23 for a net funding increase of $2,500,000 in 2022-23.

5. CONTINUE FUNDING CRIMINAL JUSTICE DIVERSION PROGRAMS AND INVESTIGATIONS [LFB Papers 395, 396, and 397]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$3,522,000	- $522,000	$3,000,000
PR	1,500,000	0	1,500,000
Total	$5,022,000	- $522,000	$4,500,000

Governor: Provide $1,761,000 GPR and $750,000 PR annually to provide on-going funding to support grant and operational programs at the 2020-21 levels. Provide GPR funding for: (a) the treatment alternatives and diversion (TAD) program ($500,000 GPR annually); (b) the

drug court program ($500,000 GPR annually); (c) the pre-booking diversion pilot program ($261,000 GPR annually); and (d) criminal investigation operations ($500,000 GPR annually). Modify current law to statutorily specify the transfer of program revenue supporting statewide Internet Crimes Against Children (ICAC) Taskforces at the current level ($750,000 PR annually). Under 2019 Act 9, the transfer to ICAC taskforces was made on a non-statutory, one-time basis. The equivalent amounts of GPR and PR funding were provided for the above purposes as one-time funding in the 2019-21 biennium and are, therefore, not included in the Department's base budget.

Remove the June 30, 2021, sunset date for the pre-booking diversion pilot program.

Joint Finance: Remove the continuation of the pre-booking diversion pilot program (item (c) above).

6. TREATMENT ALTERNATIVES AND DIVERSION ADMINISTRATION [LFB Paper 396]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$494,900	3.00	- $494,900	- 3.00	$0	0.00

Governor: Provide $221,400 in 2021-22 and $273,500 in 2022-23, and 3.0 positions annually, to administer and evaluate the TAD grant program and drug court grant program. The positions would perform the following duties: (a) evaluate the TAD and drug court grant program as required under statute; (b) provide grant recipients technical assistance as they develop and implement their projects; and (c) provide fiscal oversight for the TAD and drug court grant program.

Joint Finance: Provision not included.

7. COUNTY VICTIM WITNESS REIMBURSEMENT APPROPRIATION [LFB Paper 398]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,497,800	- $7,949,800	$1,548,000
PR	- 1,497,800	1,497,800	0
Total	$8,000,000	- $6,452,000	$1,548,000

Governor: Provide $4,000,000 GPR annually in a new annual appropriation to reimburse counties for services provided to victims and witnesses of crime. Reduce PR funding for county victim witness reimbursement provided from the penalty surcharge by $748,900 PR annually and instead provide $748,900 GPR annually. Under current law, counties are eligible to receive

reimbursement from the state for not more than 90% of the costs incurred in providing victim and witness services. Base funding of $748,900 is currently provided by program revenue from the crime and delinquency victim witness surcharges and the penalty surcharge

Joint Finance: Retain the current program revenue funding for the reimbursement. Modify funding by -$4,039,900 GPR and $748,900 PR in 2021-22 and -$3,909,900 GPR and $748,900 PR in 2022-23 for net funding of $709,000 GPR in 2021-22 and $839,000 GPR in 2022-23 in a new annual appropriation to reimburse counties for services provided to victims and witnesses of crime.

8. VIOLENCE INTERRUPTION GRANTS [LFB Paper 399]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0
PR	1,000,000	- 1,000,000	0
Total	$2,000,000	- $2,000,000	$0

Governor: Provide $1,000,000 PR in 2021-22 and $1,000,000 GPR in 2022-23 to create a program that supports grants to community organizations that use evidence-based strategies to mediate conflicts, prevent retaliation and connect individuals to community support. Create an annual GPR appropriation and a continuing PR appropriation for the program. In 2021-22, specify $1,000,000 would be transferred from DOJ's continuing GPR-funded school safety grants appropriation to the new PR appropriation. In 2022-23, $1,000,000 GPR would be provided in the new GPR appropriation.

Joint Finance: Provision not included.

9. SEXUAL ASSAULT VICTIM SERVICES GRANT PROGRAM

GPR	$200,000

Governor: Provide $100,000 annually in the sexual assault victim services appropriation and direct that DOJ provide a grant to the Wisconsin Coalition Against Sexual Assault and specify that the Coalition may also apply for additional grants under the program. Base funding for the appropriation is $2,134,000.

Joint Finance: Modify to remove specifications that money be granted to WI Coalition against Sexual Assault.

10. CRIMINAL INVESTIGATION GIFTS, GRANTS AND PROCEEDS APPROPRIATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$10,000	- $10,000	$0

Governor: Convert the criminal investigation gifts, grants and proceeds appropriation from an annual appropriation to a continuing appropriation. As a continuing appropriation, DOJ would be authorized to expend any available cash balances credited to each appropriation regardless of appropriated levels authorized by the Legislature. Estimate expenditure authority at $5,000 annually. Expenditures are reestimated to reflect revenue available. Base funding for the appropriation is $0.

Joint Finance: Provision not included.

11. SEXUAL ASSAULT KIT STORAGE AND PROCESSING

Governor: Create procedures for transmission, processing, and storage of sexual assault kits. Under the bill, a health care professional who collects a sexual assault kit would be required to do one of the following: (a) if the victim wants to report the sexual assault to law enforcement, the health care professional must notify a law enforcement agency within 24 hours of collecting the kit; or (b) if the victim does not want to report the sexual assault to law enforcement, the health care professional would send the kit to the state crime laboratories within 72 hours for storage. Specify that if a law enforcement agency has received notification from a health care professional that a kit has been collected, the law enforcement agency would take possession of the kit within 72 hours and would send the kit to the state crime laboratories for processing within 14 days. Further, specify that if the victim changes his or her mind about wanting to have his or her kit analyzed after it is given to a law enforcement agency but before the agency sends the kit to the state crime laboratories for processing, the agency would send the kit to the state crime laboratories for storage rather than for processing.

Require that once the state crime laboratories takes possession of a sexual assault kit, it do one of the following: (a) if it has received the kit of a person who has not consented to analysis, securely store the kit for a period of 10 years; or (b) if it has received the kit of a person who has consented to analysis, process the kit and then send it to a law enforcement agency to store the kit for a period of 50 years, or until the date of the expiration of the statute of limitations, or until the end of a term of imprisonment or probation of a person convicted in the sexual assault case, whichever is longer.

Joint Finance: Provision not included.

12. CRIME LABORATORY TOXICOLOGY TESTING [LFB Paper 400]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$923,800	4.00	- $468,800	- 4.00	$455,000	0.00

Governor: Provide $645,200 in 2021-22 and $278,600 in 2022-23 and 4.0 positions annually supported by revenues from the DNA and Crime Lab and Drug Law Enforcement surcharges, to address the demand for forensic toxicology testing performed by the state crime laboratories, and to add instrumentation necessary to identify synthetic drugs and drug analogs that are toxic at very low levels. Of the total, $455,000 in 2021-22 is provided as one-time funding. The forensic toxicology program identifies and quantifies drugs and alcohols in biological samples submitted by law enforcement agencies related to felony investigations.

Joint Finance: Modify to provide only $455,000 in 2021-22 for laboratory instrumentation supported by revenues from the DNA and Crime Lab and Drug Law Enforcement surcharges.

13. FIRST RESPONDER AND CRIMINAL JUSTICE TRAINING [LFB Paper 401]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$263,200	2.00	- $263,200	- 2.00	$0	0.00

Governor: Provide $114,200 in 2021-22 and $149,000 in 2022-23 and 2.0 positions to assist with first responder training. One of the positions would research, develop, and deliver training programs focused on issues including implicit bias, procedural justice, and racial intelligence education. The second position would focus on supporting the mental health and resiliency of first responders by developing wellness programs, increasing access to peer support programs, and working closely with an advisory group to assist in the development of regional peer support training, manuals, and technical assistance. The Training and Standards Bureau's budget in 2020-21 is $9,758,200 and 17.57 positions, comprised of $2,300,000 GPR, $7,458,200 PR and 17.57 PR positions.

Joint Finance: Provision not included.

14. ALTERNATE EMERGENCY RESPONSE EXPANSION AND 9-1-1 DIVERSION [LFB Paper 402]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$560,000	- $560,000	$0

Governor: Provide $280,000 annually in a newly created annual appropriation for a grant to counties with a population of 750,000 or more to support: (a) expanding the capacity of behavioral crisis lines that provide an alternative to 9-1-1 for nonemergency behavioral health issues; and (b) the research, design and personnel costs of creating programs to divert behavioral health situations from 9-1-1 centers. Require a county to submit an application to DOJ that includes a proposed plan for expenditure of the grant moneys. Require DOJ to review an application and plan to determine whether these materials meet the DOJ established criteria. Further, require DOJ to review the use of grant money in order to ensure that the grant is used in accordance with the approved plan. Specify that the criteria and procedures developed by DOJ need not be promulgated as administrative rules. Currently, only Milwaukee County would qualify for this grant program.

Joint Finance: Provision not included.

15. YOUTH DIVERSION PROGRAM FUNDING [LFB Paper 403]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,344,800	- $1,344,800	$0
PR	- 1,344,800	1,344,800	0
Total	$0	$0	$0

Governor: Provide $672,400 GPR and -$672,400 PR annually for the youth diversion program to replace penalty surcharge funding with GPR. Create an annual GPR appropriation to provide supplemental funding for the program.

The youth diversion program is currently funded primarily by penalty surcharge funding. The program provides services in Brown, Kenosha, Milwaukee, and Racine counties for the diversion of youths from gang activities into productive activities such as educational, recreational, and employment programs.

In recent years the penalty surcharge fund has operated in deficit. In 2019-20, the penalty surcharge fund concluded the fiscal year with a cumulative deficit of $17,565,100. The Department of Justice estimates that the penalty surcharge fund will close the 2020-21 state fiscal year with a cumulative deficit of $20,668,600.

Joint Finance: Provision not included.

16. PAY PROGRESSION--ASSISTANT ATTORNEYS GENERAL [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,190,100	- $1,190,100	$0
PR	223,400	- 223,400	0
FED	49,900	- 49,900	0
Total	$1,463,400	- $1,463,400	$0

Governor: Provide $408,600 GPR, $76,400 PR, and $21,400 FED in 2021-22 and $781,500 GPR, $147,000 PR, and $28,500 FED in 2022-23 to support pay progression plan for assistant attorney general (AAGs) attorneys. The AAG pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one seventeenth of the difference between the lowest annual salary ($54,434) and the highest annual salary ($131,456). The value of one hourly salary step equals $4,534 annually. Notwithstanding the creation of a 17 hourly salary step pay progression plan, the Attorney General is authorized to: (a) deny annual salary increases to individual AAGs; and (b) increase the salary of individual AAGs by up to 10% per year. Funding recommended is approximately equal to one step in each year of the biennium.

Joint Finance: Provision not included.

17. EQUITY OFFICER POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$140,200	1.00	- $140,200	- 1.00	$0	0.00

Governor: Provide $61,500 in 2021-22 and $78,700 in 2022-23 and 1.0 GPR position to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

18. OPEN RECORDS LOCATION COST THRESHOLD

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000	- $2,000	$0

Governor: Modify the cost threshold for first charging a fee for locating a public record to be $100 or more in costs, rather than $50 or more, before an authority may impose a fee to cover the actual, necessary, and direct cost of locating the record. Provide $1,000 annually to allow the Office of Open Government to update documents and training materials related to the increased threshold. Under current law, an authority may impose a fee on a requester for locating a record, not exceeding the actual, necessary and direct cost of location, if the cost is $50 or more.

Joint Finance: Provision not included.

19. BODY WORN CAMERA GRANTS

Joint Finance: Provide $2,000,000 GPR in Joint Finance's supplemental appropriation for law enforcement agency body worn camera grants to be authorized under pending legislation. Create a new continuing GPR appropriation for the purposes of the grants in the Department of Justice. The fiscal effect of this item is shown under "Program Supplements."

20. LAKESHORE REGIONAL CHILD ADVOCACY CENTER

Joint Finance: Add Lakeshore Regional Child Advocacy Center in Ozaukee County to the list of centers receiving child advocacy grants.

21. LAW ENFORCEMENT TRAINING GRANTS

GPR	$4,000,000

Joint Finance: Provide $2,000,000 GPR annually in a new GPR appropriation for law enforcement training fund reimbursements.

22. COMMUNITY ORIENTED POLICE HOUSING GRANTS

Joint Finance: Provide $1,000,000 GPR in Joint Finance's supplemental appropriation for community oriented police houses to be authorized under pending legislation. Create a new GPR appropriation for the purposes of the grants in the Department of Justice. The fiscal effect of this item is shown under "Program Supplements."

23. TRANSFER FROM DOJ

GPR	- $60,000

Joint Finance: Reduce DOJ's Legal Services General Program Operations appropriation, 20.455(1)(a), by $60,000 GPR in 2021-22 on a one-time basis. Reestimate funding for the Assembly and the Senate by $30,000 GPR each in 2021-22.

24. AAG CIVIL LITIGATION

	Funding	Positions
GPR	- $108,800	- 1.00

Joint Finance: Remove $54,400 annually and a vacant 1.0 assistant attorney general position.

25. USE OF FORCE, TRAINING AND RECRUITMENT, NO-KNOCK WARRANTS AND UNNECESSARILY SUMMONING LAW ENFORCEMENT OFFICERS

Governor: Modify law enforcement use of force policy requirements in the following ways:

1. Require the law enforcement agency to post its use of force policy on the law enforcement agency website or, if the agency does not have one, on a website maintained by the municipality over which the law enforcement agency has jurisdiction. Under current law, each law

enforcement agency must have a written public policy that regulates the use of force by law enforcement officers.

2. Require each law enforcement agency to ensure that its use of force policy incorporates the following principles: (a) that the primary duty of all law enforcement is to preserve the life of all individuals; (b) that deadly force is to be used only as the last resort; (c) that chokeholds are banned; (d) that officers should use skills and tactics that minimize the likelihood that force will become necessary; (e) that, if officers must use physical force, it should be the least amount of force necessary to safely address the threat; and (f) that law enforcement officers must take reasonable action to stop or prevent any unreasonable use of force by their colleagues.

3. Require each law enforcement officer to annually complete at least eight hours of training on use-of-force options and techniques a law enforcement officer may use to de-escalate a potentially unstable situation.

4. Prohibit disciplining a law enforcement officer for reporting a violation of a law enforcement agency's use of force policy.

5. Require the Law Enforcement Standards Board (LESB) to develop a model use of force policy for law enforcement agencies. The model policy must address interactions with individuals with mental disorders, alcohol or drug problems, dementia disorders, and developmental disabilities; limit the use of force against vulnerable populations; and include other best practices that LESB identifies.

Reports on Use of Force Incidents. Require DOJ to collect data and publish an annual report on law enforcement use of force incidents, including incidents where there was a shooting, where a firearm was discharged in the direction of a person (even if there was no injury), and where other serious bodily harm resulted from the incident. Require certain demographic information to be collected about each such incident, and report annually by DOJ.

Cause of Action for Unnecessarily Summoning a Law Enforcement Officer. Create a civil cause of action for unnecessarily summoning a law enforcement officer. A person may bring an action against another person who, with the intent to do any of the following, causes a law enforcement officer to arrive at a location to contact the person: (a) infringe upon a constitutional right of the person; (b) unlawfully discriminate against the person; (c) cause the person to feel harassed, humiliated, or embarrassed; (d) cause the person to be expelled from a place in which the person is lawfully located; (e) damage the person's reputation or standing within the community; or (f) damage the person's financial, economic, consumer, or business prospects or interests.

Under the bill, the person may recover the greater of: (a) special and general damages, including damages for emotional distress, or an amount equal to $250 for each defendant found liable; (b) punitive damages; and (c) costs, including all reasonable attorney fees and other costs of the investigation and litigation that were reasonably incurred.

Prohibition on No-knock Warrants. Require that a law enforcement officer executing a search warrant must, before entering the premises, identify himself or herself as a law enforcement officer and announce the authority and purpose of the entry. Under current law, a law enforcement

officer executing a search warrant must knock and announce before entering unless, at the time the warrant is executed, the law enforcement officer has a reasonable suspicion that knocking and announcing will be dangerous or futile or will inhibit the effective investigation of the crime.

Training and Recruiting Officers. Modify certain responsibilities of the Law Enforcement Standards Board.

1. Require LESB to not only regulate law enforcement training, but also regulate jail and juvenile detention officer training standards, and to regulate recruitment standards for the recruiting of new law enforcement, jail, and juvenile detention officers.

2. Require each law enforcement agency to maintain an employment file for each employee.

3. Require each candidate that is or has been employed by a different agency, jail, or facility to authorize that employer to disclose his or her employment files to the recruiting agency, jail, or facility and to release that employer from any liability related to the use and disclosure of the files.

Under current law, LESB regulates the training of law enforcement officers.

Joint Finance: Provision not included.

26. COLLECTION OF DATA FROM TRAFFIC STOPS

Governor: Require law enforcement agencies to collect the following information concerning motor vehicle stops made on or after January 1, 2022: (a) the name, address, gender, and race of the operator of the motor vehicle, with the officer subjectively determining the person's race as being Caucasian, Black or African American, Hispanic, American Indian or Alaska Native, or Asian or Pacific Islander; (b) the reason for the motor vehicle stop; (c) the make and year of the motor vehicle; (d) the date, time, and location of the motor vehicle stop; (e) whether or not a law enforcement officer conducted a search of the motor vehicle, the operator, or any passenger and, if so, whether the search was with consent or by other means; (f) the name, address, gender, and race of any person searched; and (g) the name and badge number of the officer making the motor vehicle stop. Specify that information collected concerning motor vehicle stops would not be subject to inspection or copying as a public record.

Require law enforcement agencies to forward collected information to DOJ using a format prescribed in administrative rules promulgated by DOJ. Require DOJ to compile and analyze the collected information, along with any other relevant information, to determine, both for the state as a whole and for each law enforcement agency, whether: (a) the number of stops and searches involving motor vehicles operated or occupied by members of a racial minority are disproportionate compared to the number of stops and searches involving motor vehicles operated or occupied solely by persons who are not members of a racial minority; and (b)any disproportion is the result of racial profiling, racial stereotyping or other race-based discrimination or selective enforcement.

Beginning on or before March 31, 2023, and annually thereafter, require DOJ to prepare a report that summarizes the information submitted. Specify that the report be submitted to the Governor, the Legislature and the Director of State Courts.

Joint Finance: Provision not included.

27. UNIVERSAL BACKGROUND CHECK

Governor: Prohibit any person from transferring any firearm, including the frame or receiver of a firearm, unless the transfer occurs through a federally-licensed firearms dealer and involves a background check of the prospective transferee. This would expand DOJ's responsibility to include all firearms, rather than handguns and most transfers, rather than purchases.

Under the bill, the following are excepted from that prohibition: (a) a transfer to a firearms dealer or to a law enforcement or armed services agency; (b) a transfer of a firearm classified as antique; or (c) a transfer that is by gift, bequest, or inheritance to a family member over 18 years of age. A person who is convicted of violating the prohibition is guilty of a misdemeanor and must be fined not less than $500 nor more than $10,000, may be imprisoned for not more than nine months, and may not possess a firearm for a period of two years.

Current law provides that a federally-licensed firearms dealer may not transfer a handgun after a sale until the dealer has performed a background check on the prospective transferee to determine if he or she is prohibited from possessing a firearm under state or federal law. In Wisconsin, the Firearms Unit within DOJ's Crime Information Bureau processes background checks on purchasers of handguns. The FBI continues to be responsible for background checks on purchasers of long guns in Wisconsin. States which process background checks are also authorized to extend their background checks beyond the requirements under federal law. Wisconsin handgun background checks include a review of databases not routinely searched by the FBI as a part of a federal background search such as CCAP and the DOJ database of juveniles found adjudicated delinquent for an offense that would have been a felony if committed by an adult.

Joint Finance: Provision not included.

28. SETTLEMENT POWERS OF THE ATTORNEY GENERAL

Governor: Repeal the provision of 2017 Act 369 which requires the Attorney General when compromising or discontinuing a civil action which DOJ is prosecuting to either receive the approval of a legislative intervenor or, if there is no intervenor, the Joint Finance Committee (JFC) and, if the plan concedes the unconstitutionality or other invalidity of statute, the Joint Committee on Legislative Organization (JCLO).

Repeal the provision of Act 369 which requires DOJ, in defending actions for injunctive relief or an action involving a proposed consent decree, to obtain approval of any legislative intervenor or, if there is no intervenor, JFC, and, if the plan concedes the unconstitutionality or other invalidity of statute, JCLO.

Under the bill, settlement powers would be reestablished as before Act 369. The Attorney General would be allowed to compromise or discontinue actions prosecuted by DOJ: (a) when directed by the officer, department, board, or commission that directed the prosecution; or (b) with the approval of the Governor when the action is prosecuted by DOJ on the initiative of the Attorney General or at the request of any individual.

Under the bill, when DOJ is representing the defense, the Attorney General may compromise and settle the action as the Attorney General determines to be in the best interest of the state.

Joint Finance: Provision not included.

29. SETTLEMENT REVENUES AND APPROPRIATION

Governor: Remove the provision created in 2017 Act 369 which requires DOJ to deposit all settlement funds into the general fund. Instead, specify that before the Attorney General may expend settlement funds deposited to the administrative services gifts, grants and proceeds appropriation that are not committed by the terms of a settlement, he or she is required to submit a proposed plan for the expenditure of the funds to the Joint Committee on Finance. If the Co-chairs of the Committee do not notify the Attorney General within 14 working days after the submittal that the Committee has scheduled a meeting for the purpose of reviewing the proposed plan, the Attorney General may expend the funds to implement the proposed plan. If, within 14 working days, the Co-chairs notify the Attorney General that a meeting has been scheduled, the attorney general may expend the funds only to implement the plan as approved by the Committee. The provision under the bill is identical to one enacted in 2017 Act 59 (the 2017-19 biennial budget) which was subsequently replaced by the Act 369 provision (current law).

Convert DOJ's gifts and grant appropriation from an annual to continuing appropriation. As a continuing appropriation, DOJ would be authorized to expend any available cash balance credited to the appropriation regardless of appropriated levels authorized by the Legislature.

Joint Finance: Provision not included.

30. ADMINISTRATIVE SERVICES GIFTS AND GRANTS RE-ESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$520,000	- $520,000	$0

Governor: Estimate expenditure authority for the appropriation administrative services gifts, grants and proceeds at $260,000 annually. Expenditures are reestimated to support trainings, conferences and other administrative services and supplies that collect proceeds and non-federal grant revenues. Base funding for the appropriation is $0.

Joint Finance: Provision not included.

31. QUI TAM ACTIONS FOR FALSE CLAIMS

Governor: Create authority for a private individual to bring a qui tam claim against a person who makes a false or fraudulent claim to a state agency including a false or fraudulent claim for medical assistance. A qui tam claim is a claim initiated by a private individual on his or her own behalf and on behalf of the state against a person who makes a false claim relating to moneys owed by a state agency, including for medical assistance. Create a PR continuing appropriation for funds paid to the state that are owed to a relator. (A relator is a party bringing a qui tam lawsuit.)

Under the bill, a private individual may be awarded up to 30% of the amount recovered as a result of a qui tam claim, depending upon the extent of the individual's contribution to the prosecution of the action. The individual may also be entitled to reasonable expenses incurred in bringing the action, as well as attorney fees.

Federal law currently contains separate federal qui tam claim provisions. Under the bill, provisions enacted in the federal Deficit Reduction Act of 2005 and the federal False Claims Act are incorporated, including expanding provisions of state law to facilitate qui tam actions and modifying the basis for liability to parallel the liability provisions under the federal False Claims Act. Under the bill, provisions would provide DOJ with authority to parallel the liability and penalty standards relating to qui tam claims, and to parallel the forfeiture amounts provided under the federal False Claims Act, which are adjusted in accordance with the federal Civil Penalties Inflation Adjustment Act. These provisions may allow the state to claim additional Medicaid funding. [See "Health Services -- Medical Assistance and FoodShare Administration"]

Under current law, DOJ has authority to bring a claim against a person for making a false claim for medical assistance. In 2015 Act 55, the ability of private individuals to initiate qui tam claims on behalf of the state (at the time related only to medical assistance) was eliminated. The state's initial qui tam claim provisions were created in the 2007-09 biennial budget (2007 Act 20).

Joint Finance: Provision not included.

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$467,400	$499,000	$499,000	$0	0.0%	$31,600	6.8%
SEG	1,478,600	1,570,600	1,570,600	0	0.0	92,000	6.2
TOTAL	$1,946,000	$2,069,600	$2,069,600	$0	0.0%	$123,600	6.4%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
PR	1.25	1.25	1.25	0.00	0.00
SEG	2.75	2.75	2.75	0.00	0.00
TOTAL	4.00	4.00	4.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$31,600
SEG	92,000
Total	$123,600

Governor/Joint Finance: Provide an increase of $61,800 in each year as follows: (a) $58,800 ($15,100 PR and $43,700 SEG from the forestry account of the conservation fund) for full funding of continuing position salaries and fringe benefits; and (b) $3,000 ($700 PR and $2,300 forestry SEG) for overtime.

2. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the Kickapoo Reserve Management Board be administratively attached to the Department of Administration (DOA), rather than the Department of Tourism, for budgeting, program coordination, and related management purposes. The bill would formalize current practice in statute. [See "Administration -- General Agency Provisions."]

Under current law, Tourism is to process and forward to DOA, without change, all position and biennial budget requests of the Kickapoo Reserve Management Board. The bill would not

amend or repeal this language, or apply any such directive to DOA. An amendment would be needed to clarify the agencies' authorities under this provision.

Joint Finance: Provision not included.

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$341,000	$299,000	$299,000	$0	0.0%	- $42,000	- 12.3%
PR	3,895,600	3,962,800	3,962,800	0	0.0	67,200	1.7
SEG	1,268,400	1,331,800	1,331,800	0	0.0	63,400	5.0
TOTAL	$5,505,000	$5,593,600	$5,593,600	$0	0.0%	$88,600	1.6%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	0.80	0.80	0.80	0.00	0.00
PR	13.70	13.70	13.70	0.00	0.00
SEG	4.20	4.20	4.20	0.00	0.00
TOTAL	18.70	18.70	18.70	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	- $42,000
PR	67,200
SEG	63,400
Total	$88,600

Governor/Joint Finance: Adjust the Labor and Industry Review Commission's (LIRC) base budget by -$21,000 GPR, $33,600 PR, and $31,700 SEG annually. The adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-$5,700 GPR, -$55,500 PR, and -$7,800 SEG annually), and (b) full funding of lease and directed moves costs (-$15,300 GPR, $89,100 PR, and $39,500 SEG annually).

LIRC hearings and operations are supported mostly by federal monies for unemployment insurance administration and equal rights administration, which are received by the Department of Workforce Development and transferred to LIRC as PR. LIRC also is appropriated GPR, and funds from the segregated worker's compensation operations fund.

LEGISLATURE

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$160,016,600	$158,591,100	$171,203,100	$12,612,000	8.0%	$11,186,500	7.0%
PR	4,722,800	4,865,700	4,865,700	0	0.0	142,900	3.0
TOTAL	$164,739,400	$163,456,800	$176,068,800	$12,612,000	7.7%	$11,329,400	6.9%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	758.17	758.17	758.17	0.00	0.00
PR	19.80	19.80	19.80	0.00	0.00
TOTAL	777.97	777.97	777.97	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,451,200	- $627,600	- $2,078,800
PR	4,900	0	4,900
Total	- $1,446,300	- $627,600	- $2,073,900

Governor: Provide adjustments to the base totaling -$729,700 GPR and $1,300 PR in 2021-22 and -$721,500 GPR and $3,600 PR in 2022-23. Adjustments are for: (a) turnover reduction (-$941,300 GPR annually); (b) full funding of continuing position salaries and fringe benefits ($203,500 GPR and -$3,000 PR annually); (c) full funding of lease and directed move costs ($8,100 GPR and -$5,200 PR in 2021-22 and $16,300 GPR and -$2,900 PR in 2022-23); and (d) reclassification and semiautomatic pay progression ($9,500 PR annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all

appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by -$313,800 GPR annually.

2. MEMBERSHIP DUES IN NATIONAL ASSOCIATIONS

GPR	$10,700
PR	20,000
Total	$30,700

Governor/Joint Finance: Provide $2,000 GPR and $10,000 PR in 2021-22 and $8,700 GPR and $10,000 PR in 2021-23 for dues to the National Conference of State Legislatures (NCSL), the National Conference of Commissioners on Uniform State Laws (NCCUSL) and the National Conference of Insurance Legislators (NCIL). Funding for membership dues is supported by a sum sufficient appropriation with base funding totaling $285,800 GPR annually, and a continuing PR appropriation for gifts and grants with base funding of $10,000.

3. ACTUARIAL AUDIT SERVICES

PR	$103,000

Governor/Joint Finance: Provide the Legislative Audit Bureau $50,500 in 2021-22 and $52,500 in 2022- 23 of one-time funding to contract for actuarial audit services that may be required in order to gain audit evidence under accounting standards issued by the Governmental Accounting Standards Board. Program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services.

4. PEER REVIEW OF FINANCIAL AUDITS

PR	$15,000

Governor/Joint Finance: Provide $15,000 in 2021-22 to support the peer review of all financial audits required once every three years. In accordance with government auditing standards, at least once every three years, the Legislative Audit Bureau is subject to a required external peer review. The last completed review was in September, 2018, with the next such review scheduled for September, 2021. Program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services.

5. ACTUARIAL STUDIES

GPR	$15,000

Governor/Joint Finance: Provide $15,000 in 2021-22 for the Joint Legislative Council contractual studies biennial appropriation to conduct actuarial studies approved by the Joint Survey Committee on Retirement Systems. The appropriation has no base funding in 2020-21.

6. LEGISLATIVE SUPPLIES AND SERVICES [LFB Paper 102]

GPR	$10,000,000

Joint Finance: Provide $2,500,000 annually for the Assembly and $2,500,000 annually for the Senate for increased supplies and services funding. Funding would be for expenses for litigation regarding lawsuits in which the Legislature is a defendant or plaintiff. Base supplies and services funding in the Assembly is $3,836,800, and in the Senate $3,092,900.

7. LEGISLATIVE HUMAN RESOURCES OFFICE

GPR	$2,729,600

Joint Finance: Create a biennial appropriation and provide funding of $1,364,800 annually for the Legislative Human Resources Office.

8. WISEYE SUPPORT

GPR	$450,000

Joint Finance: Create an annual appropriation funded at $225,000 in 2021-22 and 2022-23, on a one-time basis, for support of WisconsinEye.

9. TRANSFER FROM DOJ

GPR	$60,000

Joint Finance: Reestimate funding for the Assembly and the Senate by $30,000 each in 2021-22. Reduce DOJ's Legal Services General Program Operations appropriation, 20.455(1)(a), by $60,000 GPR in 2021-22 on a one-time basis.

10. EXECUTIVE SALARY GROUP RECLASSIFICATION

Governor/Joint Finance: Reassign the Director of the Legislative Technology Services Bureau from executive salary group (ESG) 5 to ESG 6. Under the state's 2019-21 compensation plan, effective January 3, 2021, ESG 5 has an annual pay range of $89,045 to $146,931 and ESG 6 a range of $96,179 to $158,704. Within the ESG range, the Joint Committee on Legislative Organization determines the Director's annual salary.

11. LEGISLATIVE INTERVENTION

Governor: Repeal the 2017 Act 369 provision which provides that the Legislature must be served with a copy of the proceedings in a legal action when a party to the action, as part of a claim or affirmative defense, challenges in state or federal court the constitutionality of a statute, facially or as applied, challenges a statute as violating or preempted by federal law, or otherwise challenges the construction or validity of a statute. Further, repeal the provisions which provide that the Committee on Assembly Organization on behalf of the Assembly, the Committee on Senate Organization on behalf of the Senate, and Joint Committee on Legislative Organization (JCLO) on behalf of the Legislature may intervene as a matter of right at any time in all such actions.

Provide that if declaratory relief is sought, JCLO must be served with a copy of the petition and JCLO, the Senate Committee on Organization, or the Assembly Committee on Organization may intervene in proceedings in which the constitutionality, construction, or application of any provision of Chapter 13 (Legislature), 20 (state finance), 111 (employment relations), 227 (administrative procedure and review), or 230 (state employment) or subchapter I (general administration), III (finance), or IV (purchasing) of Chapter 16 (department of administration) or section 753.075 (reserve judges), or of any statute allowing a legislative committee to suspend, or to delay or prevent the adoption of, an administrative rule is placed in issue by the parties.

Joint Finance: Provision not included.

12. RETENTION OF LEGAL REPRESENTATION FOR LEGISLATORS, LEGISLATIVE STAFF AND THE LEGISLATURE

Governor: Repeal 2017 Act 369 provisions and restore previous law with respect to the Legislature's retention of legal counsel. Act 369 provisions authorize the appointment of legal counsel other than from the Department of Justice (DOJ) for legislators or legislative staff if the acts or allegations underlying the action are arguably within the scope of the legislator's or employee's duties as follows:

a. For the Assembly, the Speaker of the Assembly may authorize a Representative or Assembly employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's appropriation. The Speaker is required to approve all financial costs and terms of representation.

b. For the Senate, the Senate Majority Leader may authorize a Senator or Senate employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Senate's appropriation. The Senate Majority Leader is required to approve all financial costs and terms of representation.

c. For an employee of a legislative service agency, the Co-Chairs of the Joint Committee on Legislative Organization (JCLO) may authorize an employee of a legislative service agency who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's or Senate's appropriations, as determined by the Co-Chairs. The Co-Chairs are required to approve all financial costs and terms of representation.

Further, the Assembly, Senate, or JCLO on behalf of the Legislature, are authorized to obtain legal counsel other than from DOJ, in any action in which these bodies are a party or in which the interests of these bodies are affected in a similar manner.

Prior to Act 369, Representatives to the Assembly and Senators, as well as legislative employees, could receive legal representation from DOJ in most legal proceedings. Assembly and Senate policies and practices also allowed legislators and legislative employees to retain outside legal counsel in some instances.

Joint Finance: Provision not included.

13. ADVICE AND CONSENT OF THE SENATE FOR APPOINTMENTS

Governor: Repeal the provision of 2017 Act 369 which provides that, if an individual's confirmation for the office or position is rejected by the Senate, that individual may not hold the office or position, be nominated again for the office or position, or perform any duties of the office or position during the legislative session.

Joint Finance: Provision not included.

14. ADMINISTRATIVE RULES

Governor: Repeal statutory modifications made in 2017 Act 369 related to administrative rules including: (a) deference to agency interpretations of law; (b) rule-making authority for federal compliance plans and settlement agreements; (c) advisory committees and informal consultations; and (d) suspension of administrative rules.

a. *Deference*. Repeal the prohibition on a court from according deference to agency interpretations of law in certain proceedings and prohibit agencies from seeking deference in any proceeding to agency interpretations of law.

b. *Rule-Making Authority for Federal Compliance Plans and Settlement Agreements*. Repeal the limitation that a settlement agreement, consent decree, or court order does not confer rule-making authority and cannot be used by an agency as authority to promulgate rules. Further, repeal the limitation that an agency may not agree to promulgate a rule as a term in any settlement agreement, consent decree, or stipulated order of a court unless the agency has explicit statutory authority to promulgate the rule at the time of the settlement agreement, consent decree, or stipulated order.

c. *Advisory Committees and Informal Consultations*. Repeal the requirement that whenever an agency appoints an advisory committee with respect to contemplated rule making, the agency submit a list of the members of the committee to the Joint Committee for Review of Administrative Rules.

d. *Suspension*. Repeal the ability of the Joint Committee for Review of Administrative Rules to suspend a rule multiple times.

Joint Finance: Provision not included.

15. LEGISLATIVE AND CONGRESSIONAL REDISTRICTING

Governor: Require the Legislative Reference Bureau (LRB) to draw legislative and congressional redistricting plans that give effect to the congressional and legislative redistricting plans proposed by the People's Maps Commission, created on January 27, 2020, under Executive Order 66. Once LRB has prepared the bills, LRB would be required to deliver the bills to the Governor for his or her approval. The Governor would then forward the bills to the Joint Committee on Legislative Organization, which would be required to introduce the bills without change in each house of the Legislature. Require that the Legislature take final action on either the Assembly or Senate version of the bills no later than the 60th day after the bills are introduced. Additionally, prohibit the Legislature from taking action on any other redistricting legislation until after each house of the Legislature votes on the Governor's introduced bills.

Provide that all records created or maintained by each house, committee, and member of the Legislature that relate to congressional or legislative redistricting may not be destroyed until after December 31, 2030. Under current law, legislators' records need not be retained for a specified period of time.

Provide that all records created or maintained by each house, committee, and member of the Legislature that relate to congressional or legislative redistricting are subject to public access under Wisconsin's open records law and may not be withheld from public access on the basis of any claim of confidentiality or privilege, except for records containing confidential attorney-client communications concerning a previously drafted congressional or legislative redistricting plan. Under current law, such records, depending on the circumstances, may be subject to statutory or common law confidentiality requirements or privileges, including the attorney-client privilege.

Provide that each meeting related to congressional or legislative redistricting that includes at least two members of the Legislature, members of the partisan staff of at least two legislative offices, a member of the Legislature and nonpartisan legislative staff, or a member of the Legislature and a person retained by the Legislature to assist with congressional or legislative redistricting, must be preceded by public notice in the manner provided under Wisconsin's open meetings law and must be held in a place reasonably accessible to members of the public and open to all citizens at all times. Under current law, the open meetings law applies to meetings of government bodies. It does not apply to meetings between legislators and staff.

Under the state constitution, the Legislature is directed to redistrict legislative districts according to the number of inhabitants at its next session following each decennial federal census. At the same intervals, the Legislature also reapportions congressional districts in this state pursuant to federal law. Under current law, following each decennial federal census, most municipalities are also required to divide their territory into wards. With limited exceptions, wards are required to consist of one or more whole, contiguous census blocks (the smallest geographic units for which census results are available). Traditionally, the Legislature has used municipal wards to construct legislative and congressional districts, although the Legislature may adjust the boundaries of a municipal ward and use the revised ward boundaries instead. Legislative and congressional redistricting plans enacted pursuant to this procedure are used to elect members of the Legislature and members of Congress in the fall of the second year following the year of the census. Under the bill, the Legislature would continue to have responsibility to enact legislation regarding redistricting.

Joint Finance: Provision not included.

LIEUTENANT GOVERNOR

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$875,800	$1,351,000	$941,000	- $410,000	- 30.3%	$65,200	7.4%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	5.00	7.00	5.00	- 2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$65,200

Governor/Joint Finance: Provide adjustments to the base budget totaling $32,600 annually associated with full funding of continuing positions salaries and fringe benefits.

2. ADDITIONAL ADMINISTRATIVE SUPPORT

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$410,000	2.00	- $410,000	- 2.00	$0	0.00

Governor: Provide $190,000 in 2021-22 and $220,000 in 2022-23 and 2.0 positions to provide additional administrative support to the Lieutenant Governor. The additional positions would be an operations director and a communications director.

Joint Finance: Provision not included.

3. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the Lieutenant Governor's Office is administratively attached to the Department of Administration for budgeting, program coordination, and related management purposes. While DOA currently provides such services to the Lieutenant Governor's Office, the Office is not statutorily attached to DOA. The bill would formalize current practice in statute. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

4. STATE PATROL SECURITY FOR THE LIEUTENANT GOVERNOR

Joint Finance: Prohibit the Department of Transportation from spending from the State Patrol general operations appropriations more in the 2021-23 biennium for the security and safety of the Lieutenant Governor than was expended in the 2017-19 biennium. [See "Transportation -- State Patrol"]

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
SEG	$507,000	$513,200	$513,200	$0	0.0%	$6,200	1.2%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
SEG	2.00	2.00	2.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS

SEG	$6,200

Governor/Joint Finance: Provide adjustments of $3,100 annually to the agency base budget for the following: (a) $3,700 for full funding of salaries and fringe benefits for continuing positions; and (b) -$600 for full funding of lease and directed moves costs. The Lower Wisconsin State Riverway Board is funded by the conservation fund, allocated from the water resources account (75%) and forestry account (25%).

MARIJUANA-RELATED PROVISIONS

Governor: Legalize recreational marijuana in certain amounts for personal use. Modify the Uniform Controlled Substances Act provisions and other criminal-justice related provisions to reflect marijuana legalization, including repealing certain statutes and modifying certain provisions related to marijuana and tetrahydrocannabinols (THC). Further, create a Uniform Controlled Substances Act subchapter for the regulation of marijuana, including criminal and civil provisions related to permittee allowances and prohibitions, underage persons, and special dispositions for marijuana-related crimes.

Provide that marijuana sales would be regulated and taxed. Specify that an excise tax would be imposed on marijuana sales at varying rates, depending on the type of sale (wholesale versus retail sale) in addition to a sales tax. In addition, create a medical marijuana registry program administered by the Department of Revenue (DOR), which would require DOR to process applications and issue identification cards. Individuals included in the registry would be exempt from the retail excise and sales taxes. Also, establish a program at the Department of Agriculture, Trade and Consumer Protection (DATCP) to regulate the production, processing, and laboratory testing of marijuana and THC. Under the bill, the sale and distribution of taxable marijuana would be regulated by the state under DOR and DATCP.

Further, establish: (a) a Community Reinvestment Fund consisting of 60% of all moneys received from imposed marijuana excises taxes; (b) an Equity Grant Program to promote diversity and advance inclusion; and (c) a requirement that the Joint Legislative Council study and report on the implementation of the marijuana tax and regulation, including uses for the revenues generated by the tax.

These provisions are described in detail as follows.

1. MODIFICATION OF UNIFORM CONTROLLED SUBSTANCES ACT PROVISIONS AND OTHER CRIMINAL JUSTICE-RELATED PROVISIONS AND DEFINITIONS

Governor: Modify and repeal certain statutes related to marijuana and THC, as follows:

a. Current Law Changes. Repeal Uniform Controlled Substances Act statutes related to: (1) requiring Controlled Substances Board action if cannabidiol or nabiximols is rescheduled; (2) classifying THC as a controlled hallucinogenic substance; (3) lawful possession of a cannabidiol product with a certification for medical use; (4) issuing cannabidiol products and certifications for individuals to possess cannabidiol products for medical use; (5) manufacture, distribution, or delivery of THC; (6) possession with intent to manufacture, distribute, or deliver THC; (7) possession of THC; and (8) penalties relating to THC in certain cases. In addition, repeal regulation of hemp statutes related to access to cannabidiol products.

Modify statutory provisions to: (1) remove THC from the list of substances included in

determining weight of substance provisions; (2) remove references to possession with intent to manufacture, distribute, or deliver THC from conspiracy provisions; (3) remove "or any form of THC" language from offenses involving intent to deliver or distribute a controlled substance on or near certain places provisions; (4) remove references to manufacture, distribution, or delivery of THC from crimes involving certain controlled substances provisions; and (5) renumber and rename "controlled substances therapeutic research" provisions to "marijuana therapeutic research." In addition, modify the intoxicated and reckless flying penalty provisions to provide that an individual must submit to an examination for use of THC and to specify that the required airman safety plan may include treatment for the person's misuse, abuse, or dependence on THC.

Modify statutory language to remove "marijuana" from the list of substances in the penalties statutes for possession of: (1) cocaine and cocaine base; (2) certain hallucinogenic and stimulant drugs; and (3) synthetic cannabinoids. In addition, modify statutory language to remove "marijuana" from: (1) conditional discharge for possession or attempted possession statutes; and (2) second or subsequent offense statutes (also remove references to possession of THC from these statutes).

Modify statutory language on the use or nonuse of lawful products to specify that conflicts with any federal or state statute, rule, or regulation do not apply with respect to violations concerning marijuana or THC under 21 U.S. Code Sections 841 to 865 (the Food and Drugs Title, Drug Abuse Prevention and Control Chapter).

b. Modification of County Marijuana Provisions. Rename the statutory section related to county public protection and safety from "possession of marijuana" provision to "regulation of marijuana." Modify statutory language to remove references to the prohibited possession of marijuana, and instead provide that the county board of supervisors may enact and enforce an ordinance that is consistent with marijuana regulation restrictions and penalties (including those for underage persons) in state statute, except that if a complaint is issued alleging a violation of restrictions and penalties under state statute, the subject of the complaint may not be prosecuted under the county ordinance section for the same action that is subject to the complaint, unless specific circumstances are present.

c. Definitions. For the purposes of the Uniform Controlled Substances Act, modify the definition of "marijuana" to mean all parts of the plants of the genus Cannabis, whether growing or not, with a tetrahydrocannabinols concentration that is greater than 0.3% on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. For the purposes of fair employment provisions, "lawful product" includes marijuana, and "marijuana" has the same meaning as given in the Uniform Controlled Substance Act definition.

Repeal part of the definition of "drug paraphernalia" to exclude: (1) "separation gins and sifters used, designed for use, or primarily intended for use in removing twigs and seeds from, or in otherwise cleaning or refining, marijuana"; (2) references to "roach clips," "chilams," or "bongs"; and (3) any other reference to "marijuana" in the definition.

In addition, repeal part of the definition of "restricted controlled substance" to exclude "delta-9-THC, excluding its procurers or metabolites, at a concertation of one or more nanograms

per milliliter of a person's blood."

Joint Finance: Provision not included.

2. MARIJUANA REGULATIONS -- CRIMINAL AND CIVIL PROVISIONS

Governor: Create a statutory subchapter within the Uniform Controlled Substances Act (Chapter 961) titled "Regulation of Marijuana." Establish the following provisions:

a. Underage Persons. Create statutory language to prohibit a permittee from selling, distributing, or delivering marijuana to any underage person, and from permitting (directly or indirectly) an unaccompanied underage person from entering or attempting to enter the premises of a retail outlet. A permittee that violates these prohibitions may be subject to a forfeiture of not more than $500 and to a permit suspension for an amount of time not to exceed 30 days. Specify that all relevant circumstances may be considered when determining if a permittee has committed a violation, and proof of certain facts by the permittee is a defense to prosecution for such a violation (including the fact that: (1) the underage person falsely represented that he or she had attained the legal age; (2) the appearance of the underage person was such that an ordinary and prudent person would believe that the underage person had attained the legal age; (3) the action was made in good faith and in reliance on the representation and appearance of the underage person in the belief that the underage person had attained the legal age; and (4) that the underage person supported the false representation with documentation that he or she had attained the legal age).

Specify that any underage person who does any of the following is subject to a forfeiture of not less than $250 nor more than $500: (1) procures or attempts to procure marijuana from a permittee; (2) falsely represents his or her age for the purpose of receiving marijuana from a permittee; (3) knowingly possesses or consumes marijuana; or (4) enters or knowingly attempts to enter or be on the premises of a retail outlet unaccompanied by a parent, guardian, or spouse of legal age.

Specify that any individual who has attained the legal age and who knowingly does any of the following may be subject to a forfeiture that does not exceed $1,000: (1) permits or fails to take action to prevent an underage person from possessing or consuming marijuana on premises owned by the individual or under the individual's control; or (2) encourages or contributes to an underage person procuring or attempting to procure marijuana from a permittee.

b. Prohibitions and Permittee Allowances. Specify that no person, except a permittee, may sell, possess with intent to sell, distribute or deliver, or possess with intent to distribute or deliver marijuana. Any person who violates this prohibition is guilty of a Class I felony (a maximum sentence of one and a half years of confinement and two years extended supervision and/or a $10,000 fine), except if the individual to whom the marijuana is, or is intended to be, sold, distributed, or delivered has not attained the legal age and the actual or intended seller, distributor, or deliverer is at least three years older than the underage person, in which case the person is guilty of a Class H felony (a maximum sentence of three years of confinement and three years extended supervision and/or a $10,000 fine).

Specify that a person who is not a permittee and who possesses an amount of marijuana that

exceeds the permissible amount, but does not exceed 28 grams, is subject to a civil forfeiture not to exceed $1,000, imprisonment not to exceed 90 days, or both. A person who is not a permittee who possesses an amount of marijuana that exceeds 28 grams is guilty of a Class B misdemeanor (imprisonment not to exceed 90 days or fine not to exceed $1,000, or both), unless the person has taken action to hide how much marijuana the person possess, and any of the following applies (in which case the person is guilty of a Class I felony): (1) the person has a system that could alert the person if law enforcement approaches an area that contains marijuana, if the system exceeds a security system that would be used by a reasonable person in the person's region; (2) the person has in place a method of intimidating individuals who approach an area that contains marijuana, if the method exceeds a method that would be used by a reasonable person in the person's region; or (3) the person has rigged a system so that any individual approaching the area may be injured or killed by the system.

Specify that no person except a permittee may possess marijuana plants that have reached the flowering stage. Any person who violates this prohibition must apply for a permit and is subject to a forfeiture that is not more than twice the permitting fee (the permitting fee is $2,000 per year). A person who is not a permittee who possesses more than six marijuana plants that have reached the flowering stage at one time is: (1) subject to a civil forfeiture not to exceed $1,000 or imprisonment not to exceed 90 days, or both, if the number of plants is more than six but not more than 12; (2) guilty of a Class B misdemeanor if the number of plants is more than 12 (with no other aggravating circumstances); or (3) guilty of a Class I felony if the number of plants is more than 12, the individual has taken action to hide the number of plants, and the individual has a certain system or method in place, described above.

Provide that whoever uses or displays marijuana in a public space is subject to a civil forfeiture of not more than $100. Any person who sells or attempts to sell marijuana via mail, telephone, or Internet is guilty of a Class A misdemeanor (imprisonment not to exceed nine months or fine not to exceed $10,000, or both).

c. Special Disposition for Marijuana-Related Crimes. Provide that a person serving a sentence or on probation may request resentencing or dismissal (by filing a petition with the sentencing court to request resentencing, adjustment of probation, or dismissal) if: (1) the sentence or probation period was imposed for a violation of manufacture, distribution, or delivery of THC, possession with intent to deliver THC, or possession of THC; and (2) the person either would not have been guilty of a crime, or would have been guilty of a lesser crime, had the violation occurred on or after the effective date of this provision. If the sentencing court receives a petition and determines the petitioner has met the eligibility criteria, the court must schedule a hearing on the petition. If the court determines that the person would have been guilty of a lesser crime, had it occurred on or after the effective date of this provision, the court must resentence the person or adjust the probation (in which case the person must receive credit for time served) and change the record to reflect the lesser crime. If the court determines that the person would not have been guilty of a crime, had the violation occurred on or after the effective date of this provision, the court must dismiss the conviction and expunge the record. Specify that the court must determine that the action does not present a risk or danger to public safety before resentencing, adjusting probation, or dismissing a conviction under these provisions.

Specify that this same criteria allows a person to who has completed his or her period of

probation for the specified THC violations to petition the sentencing court to request expungement of the conviction because the conviction is legally invalid, or request redesignation to a lesser crime. If the court changes or expunges a record under this section, a conviction that was changed or expunged is not considered a conviction for any purpose under state or federal law.

d. Definitions. For the purposes of the Regulation of Marijuana subchapter, the following definitions are used:

"Permissible amount" means one of the following: (1) for a person who is a resident of Wisconsin, an amount that does not exceed two ounces of usable marijuana; or (2) for a person who is not a resident of Wisconsin, an amount that does not exceed one-quarter ounce of usable marijuana.

"Tetrahydrocannabinols concentration" means the percent of delta-9-tetrahydrocannabinol content per dry weight of any part of the plant Cannabis, or per volume or weight of marijuana product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinol acid and any part of the plant Cannabis regardless of moisture content.

"Underage person" means a person who has not attained the legal age.

"Legal age" means 21 years of age, except in the case of a qualifying patient.

"Permittee," "retail outlet," and "usable marijuana" have the same meanings as given in other statutory provisions.

Joint Finance: Provision not included.

3. UNEMPLOYMENT INSURANCE -- DISCHARGE FOR USE OF MARIJUANA

Governor: Provide that an employee's use of marijuana off the employer's premises during nonworking hours, or a violation of the employer's policy concerning such use, does not constitute misconduct or substantial fault under current UI law unless termination for that use is permitted under one of the current exceptions under the state's fair employment law. Under current law, an individual may be disqualified from receiving unemployment insurance benefits if the individual is terminated because of misconduct or substantial fault. Under a separate provision, disqualification by substantial fault would be eliminated.

Under current UI law, as it pertains to the Department's pre-employment and occupational employment drug testing programs, "controlled substance" has the meaning given in 21 USC 802, which includes marijuana. This provision is not modified under the bill. However, under a separate provision in the bill, the Department's pre-employment and occupational employment drug testing programs would be eliminated. [See "Workforce Development--Unemployment Insurance."]

Joint Finance: Provision not included.

4. LICENSING OF PRODUCERS, PROCESSORS, AND TESTING LABORATORIES

Governor: Establish a program within DATCP to regulate the cultivation, processing, and laboratory testing of marijuana and products containing THC. Require individuals producing or processing marijuana in Wisconsin to hold a permit from DATCP. Exempt producers and processors handling only industrial hemp from this requirement if they hold an industrial hemp license from the Department.

For the purposes of implementing this provision, define marijuana as all parts of plants in the genus Cannabis with THC concentrations greater than 0.3% on a dry weight basis, including seeds, extracted resin, and other derivatives from the plant. Exclude from the definition of marijuana: (a) fiber from Cannabis plant stalks; (b) oil or cake made from its seeds; (c) other derivatives of mature stalks except its resin; and (d) any seeds not capable of germination. Further, define marijuana processor as an individual that processes marijuana into a form intended for human consumption, including dried marijuana flowers, marijuana-infused products, and edibles. Define marijuana producer as an individual that produces marijuana for sale at wholesale or for transfer to a processor.

a. Permit Requirements. Establish an annual permit fee of $2,000 for marijuana processors of any size. Establish an annual permit fee of $1,800 for producers of up to 1,800 plants, $2,900 for producers of up to 3,600 plants, $3,600 for producers of up to 6,000 plants, $5,100 for producers of up to 10,200 plants, and $7,100 plus $800 for every 3,600 plants more than 10,200. Limit the term of permits issued to one year unless renewed, and allow permits to be revoked by the Department at any time.

To the extent allowable under state law pertaining to prohibitions against discrimination, prohibit DATCP from issuing a permit to any individual or organization if they, or a member of the organization with at least 5% ownership interest:

(a) have been convicted of a violent misdemeanor at least three times;

(b) have been convicted of a violent felony, unless the person was pardoned;

(c) have been involuntarily committed for treatment related to drug dependence within the last three years;

(d) within the last three years have chronically or habitually consumed alcoholic beverages or other substances, including being involuntarily committed for treatment or convicted for handling of a firearm or vehicle while intoxicated;

(e) have an income derived primarily from gambling or have been convicted of multiple offenses related to gambling;

(f) have been convicted of crimes related to prostitution;

(g) have been convicted of providing disallowed compensation to persons holding licenses for sale or distribution of alcohol; or

(h) have not lived in Wisconsin continuously for at least 90 days prior to applying.

Prohibit any producer or processor with 20 or more employees from receiving a permit from the Department unless it has entered into a labor peace agreement and certified compliance with that agreement as a condition of its permit. Define a labor peace agreement as an agreement between the permittee and a labor organization that prohibits employee strikes, work stoppages, or other economic interference while also allowing the labor organization to organize employees and educate them on employment rights. Waive the current statutory provision that prohibits state or local imposition of labor peace agreements, or conditioning a regulatory approval on the existence of a labor peace agreement.

Prohibit the Department from issuing a permit to marijuana producers to operate within 500 feet of an elementary or secondary school. Prohibit DATCP from issuing a permit to individuals that have not registered with the Department of Revenue for tax purposes.

b. Application Process. Establish a nonrefundable application fee of $250 for a permit issued by DATCP. Require DATCP to implement a scoring system for approving permits for marijuana cultivation and processing that requires applicants: (a) protect the environment; (b) provide stable and family-supporting jobs; (c) ensure worker and consumer safety; (d) operate secure facilities; and (e) follow applicable laws. Allow DATCP to reject applications from individuals who lack a sufficiently high score under these criteria, and allow the Department to require applicants to provide documentation to assist DATCP in making determinations of permit approvals. Require the Department to notify an applicant in writing of its reasoning for denying a permit, and specify that either of a denial or an approval is subject to judicial review.

c. *Municipal Review of Permits.* Require DATCP to notify the municipality in which a permittee will operate prior to approving or renewing a permit for marijuana cultivation or processing. Allow a municipality to file an objection to the Department's approval of a permit within 30 days, or longer at DATCP's discretion. Require DATCP to give substantial weight to municipal objections based on: (a) chronic illegal activity associated with any premises controlled by the applicant; (b) conduct of the applicant's patrons at the applicant's premises; and (c) local zoning ordinances. Require DATCP to notify the municipality in writing the reasons for approving or for denying a permit subject to an objection.

d. Penalties. Require that any failure to seek permit, violation of a permit condition, or failure to pay permit fees result in a fine of at least $100 and up to $500 and/or six months' imprisonment. Further, require DATCP to revoke a permit of any individual found to be violating permit conditions or failing to pay permit fees, and prohibit an individual from receiving a permit within two years of such a revocation.

e. *Rules.* Require DATCP to promulgate rules to administer its marijuana regulation program, including those related to inspection of operations and products of permittees, training of permittees' employees, and scoring of applications.

f. Testing Laboratories. Require DATCP to register laboratories for testing THC, allowing them to possess or manufacture THC or related paraphernalia. Require any laboratory registered by the Department to: (a) test marijuana produced for medical use for potency, spoilage, and contaminants; (b) review and conduct research on medical use of THC and unsafe levels of contaminants; (c) provide training for safe cultivation, processing, and distribution of THC for medical use; (d) provide training on security and inventory accountability; and (e) provide training

on recent research regarding use of THC.

g. Prohibition on Local Control. Specify that no municipality may prohibit the cultivation of THC-*containing* plants outdoors if cultivation is for personal use and does not exceed six marijuana plants at one time.

h. Training and Outreach. Require DATCP to develop a training program for marijuana producers and processors on how to safely and efficiently grow, handle, and test marijuana products. Further, require DATCP to conduct an awareness campaign about the availability and viability of marijuana cultivation and sale in Wisconsin.

i. Funding. Provide the Department $203,400 PR in 2021-22 and $251,100 PR in 2022-23 with 3.0 PR positions for administration of the program, funded from permit revenues. Additional information on funding and positions related to the program is shown in an entry under "Agriculture, Trade and Consumer Protection."

Joint Finance: Provision not included.

5. MARIJUANA TAX AND REGULATION

Governor: Impose an excise tax on marijuana producers at a rate of 15% of the sales price on wholesale sales or transfers in this state of marijuana to marijuana processors. The wholesale excise tax would also apply to a microbusiness that transfers marijuana to a processing operation within the microbusiness. Additionally, impose an excise tax on marijuana retailers at a rate of 10% of the sales price on retail sales of usable marijuana. Specify that the excise tax on retail sales would not apply to sales of usable marijuana to individuals who hold a tax exemption certificate indicating that they are members of the medical marijuana registry. [See "General Fund Taxes -- Excise Taxes."] Under the bill, persons liable for the wholesale and retail excise taxes would have to pay the taxes to DOR no later than the fifteenth day of the month following the month in which the tax liability was incurred, along with a return, on a form prescribed by DOR. Specify that the state sales and use tax also would not apply for sales of useable marijuana to members of the medical marijuana registry. [See "General Fund Taxes -- Sales and Use Taxes."]

The bill generally establishes that the distribution and sale of marijuana would have to follow a four-tier distribution system, from marijuana producers to processors to distributors to retailers. It specifies that marijuana producers may not sell directly to distributors, and retailers may only purchase usable marijuana from distributors. This provision does not apply to a microbusiness that transfers marijuana or usable marijuana to another operation within the microbusiness. The bill would establish the following provisions regulating the sale and distribution of taxable marijuana.

a. Definitions. The bill would define the following terms.

1. "Marijuana" would have the same meaning as under state laws governing controlled substances. "Useable marijuana" would mean marijuana that has been processed for human consumption and would include dried marijuana flowers, marijuana-infused products, and marijuana edibles.

2. "Marijuana producer" would mean a person who produces marijuana and sells it at wholesale or otherwise transfers it to marijuana processors;

3. "Marijuana processor" would mean a person who processes marijuana into usable marijuana, packages and labels usable marijuana for sale in retail outlets, and sells at wholesale or otherwise transfers usable marijuana to marijuana distributors;

4. "Marijuana distributor" would mean a person in this state who purchases or receives usable marijuana from a marijuana processor and who sells or otherwise transfers the usable marijuana to a marijuana retailer for the purpose of resale to consumers;

5. "Marijuana retailer" would mean a person that sells usable marijuana at a retail outlet;

6. "Microbusiness" would mean a marijuana producer that produces marijuana in one area that is less than 10,000 square feet and who also operates as any two of the following: (i) marijuana processor; (ii) marijuana distributor; or (iii) marijuana retailer.

7. "Permittee" would mean a marijuana producer, marijuana processor, marijuana distributor, marijuana retailer, or microbusiness that would be issued a permit from DOR to conduct business.

8. "Retail outlet" would mean a location for the retail sale of usable marijuana.

9. "Sales price" would mean the total amount of consideration, as defined under laws governing the state sales and use tax.

10. "Lot" would mean a definite quantity of marijuana or usable marijuana identified by a lot number, every portion or package of which is consistent with the factors that appear in the labeling. A "lot number" would mean a number that specifies the marijuana permittee and the harvesting or processing date for each lot.

b. Permit Requirements. The following permit requirements apply to any officers, directors, agents, and stockholders holding 5% or more of the stock of any corporation applying for a permit from DOR. Require that all marijuana producers, processors, distributors, retailers, and microbusinesses apply for and obtain the proper permit from DOR prior to performing such operations. Specify that a separate permit would be required for, and issued to, each class of permittee, and the permit holder would only be allowed to perform operations authorized by the permit. Require each applicant for a permit to pay a nonrefundable application fee of $250. Additionally, require marijuana producers and processors to also obtain the proper permit from the Department of Agriculture, Trade, and Consumer Protection (DATCP).

Specify that permits issued by DOR would be nontransferable. Therefore, a separate permit would be required for each place in this state where the operations of a marijuana producer, processor, distributor, retailer, or microbusiness would occur, including each retail outlet. Any person who has been issued a permit to operate as a marijuana retailer, or who has any direct or indirect financial interest in the operation of a marijuana retailer, would not be issued a permit to operate as a producer, processor, or distributor. A person who intends to operate as a microbusiness

would not be required to hold separate permits to operate as a marijuana processor, distributor, or retailer, but would have to specify, on the application for a microbusiness permit, the activities that the person would be engaged in as a microbusiness.

Require DOR to implement a competitive scoring system for approving permits. Permits would be issued to the highest scoring applicants, of which DOR determines will best: (a) protect the environment; (b) provide stable, family-supporting jobs to local residents; (c) ensure worker and consumer safety; (d) operate secure facilities; and (e) uphold the laws of the jurisdictions in which they operate. With regard to an applicant for a marijuana retailer permit, DOR would be required to score the applicant, using criteria established by rule, on the applicant's ability to articulate a social equity plan related to the operation of a marijuana retail establishment. The bill would give DOR the ability to deny a permit to an applicant with a low score. DOR would also be allowed to request from the applicant, any information or documentation that the Department deems necessary for determining whether to grant or deny a permit.

Prohibit any distributor or retailer with 20 or more employees from receiving a permit from DOR unless it has entered into a labor peace agreement and certified compliance with that agreement as a condition of its permit. Certification would entail submitting to DOR a copy of the page of the labor peace agreement that contains the signatures of the union representative and the applicant. Additionally, prohibit DOR from issuing a permit to any person who does not hold a valid business tax registration certificate with DOR.

Prohibit DOR from issuing a permit to any applicant if they:

1. Have been convicted of a violent misdemeanor at least three times;

2. Have been convicted of a violent felony, unless the person was pardoned;

3. Have been committed for involuntary treatment related to drug dependence within the last three years;

4. Have income that comes principally from gambling or have been convicted of two or more gambling offenses;

5. Have been convicted of crimes relating to prostitution;

6. Have been convicted of crimes relating to loaning money, or anything of value, to persons holding alcohol beverage licenses or permits;

7. Are under the age of 21;

8. Have not lived in Wisconsin continuously for at least 90 days prior to applying; or

9. Within the last three years, have chronically and habitually consumed alcoholic beverages or other substances. This provision applies to persons that: (i) have been involuntarily committed for treatment; (ii) have been convicted for handling of a firearm while intoxicated; or (iii) have two or more cases arising out of separate incidents where a court found the person

violated a law relating to operating a motor vehicle under the influence of a controlled substance, a controlled substance analog, or a combination thereof, with an excess or specified range of alcohol concentration, or while under the influence of any drug to a degree that renders the person incapable of safely driving, whether the incident was in violation of: (a) a Wisconsin law or local ordinance in conformity with state law; (b) a law of a federally-recognized American Indian tribe or band in this state; or (c) a law of another jurisdiction.

Additionally, prohibit DOR from issuing a permit to operate any premises which would be within 500 feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation facility, child care facility, public park, public transit facility, or library.

Require that DOR, prior to issuing a new or renewed permit, give notice of the permit application to the governing body of the municipality where the permit applicant intends to operate the premises of a marijuana producer, processor, distributor, retailer, or microbusiness. The governing body of the municipality would have the option to file with DOR a written objection to granting or renewing the permit no later than 30 days after DOR submits the notice. The period for filing objections could be extended by DOR, at the municipality's request. Written objections would have to provide all the facts on which the objection is based. In determining whether to grant or deny a permit for which an objection has been filed, the bill would direct DOR to give substantial weight to an objection based on: (a) chronic illegal activity associated with the premises for which the applicant seeks a permit or the premises of any other operation in this state for which the applicant holds or has held a valid permit or license; (b) the conduct of the applicant's patrons inside or outside the premises of any other operation in this state for which the applicant holds, or has held, a valid permit or license; and (c) local zoning ordinances. Define "chronic illegal activity" as a pervasive pattern of activity that threatens the public health, safety, and welfare of the municipality, including any crime or ordinance violation, and that is documented in crime statistics, police reports, emergency medical response data, calls for service, field data, or similar law enforcement agency records.

Under the bill, if DOR denies a permit, the Department would be required to immediately notify the applicant in writing of the denial and the reasons for the denial. After making a decision to grant or deny a permit for which a municipality filed an objection, DOR would have to immediately notify the governing body of the municipality in writing of its decision and the reasons for the decision. Specify that both DOR's decisions to deny or grant a permit, regardless of an objection filed by a municipality, would be subject to judicial review.

A permit issued by DOR would be valid for one year and could be renewed, except that DOR could revoke or suspend a permit prior to its expiration. Each person granted a permit would be required to pay an annual fee of $2,000 for as long as the person held the valid permit. Permittees would not be entitled to refunds of the annual fee if their permits were revoked or suspended. Each permittee would have to post the permit in a conspicuous place on the premises to which the permit relates.

c. Regulation. Establish several regulations that govern the activities of permittees. Prohibit any permittee from employing an individual who is under the age of 21, or to which any condition under items 1. through 6. and 9. in the "Permit Requirements" section would apply. Require every employee, immediately after beginning employment, to receive training, approved

by DOR, on the safe handling of marijuana and usable marijuana, and on security and inventory accountability procedures.

Specify that retail outlets could only operate between the hours of 8:00 a.m. and 8:00 p.m., and would not be allowed to sell products or services other than usable marijuana or paraphernalia intended for the storage or use of usable marijuana. Prohibit retailers from selling more than two ounces of usable marijuana (or ¼ ounce to non-Wisconsin residents) to an individual consumer in a single transaction. In conducting the transaction, retailers could not collect, retain, or distribute personal information regarding the retailer's customers, except that which would be necessary to completing the sale of usable marijuana. Require that retailers restrict from entering or being on the premises of a retail outlet any individual under the age of 21, unless that individual is accompanied by a parent or guardian, or is a qualifying patient.

Prohibit retailers from displaying any signage in a window, on a door, or on the outside of the premises of the retail outlet that is visible to the general public from a public right-of-way, with the exception of a single sign, that is no larger than 1,600 square inches, identifying the retail outlet by the permittee's business or trade name. Additionally, prohibit retailers from displaying usable marijuana in any manner that is visible to the general public from a public right of way. Specify that all marijuana retailers and retail employees would be prohibited from consuming, or allowing to be consumed, any usable marijuana on the premises of the retail outlet.

Prohibit all permittees from placing or maintaining an advertisement of usable marijuana in any form or through any medium.

Authorize DOR to develop, by rule, standards to which marijuana and usable marijuana would have to comply. Establish the following baseline standards: (a) no permittee would be allowed to sell marijuana or usable marijuana that contains more than three parts tetrahydrocannabinol (THC) to one part cannabidiol: and (b) no permittee could sell marijuana or usable marijuana that tests positive for mold, fungus, pesticides, or other contaminants, if the contaminants, or level of contaminants, are identified by a testing laboratory to be potentially unsafe to the consumer.

In order to certify that the marijuana and usable marijuana would comply with DOR standards, including testing for potency and for mold, fungus, pesticides, and other contaminants, require that representative samples of the marijuana and usable marijuana produced or processed by every marijuana producer, processor, or microbusiness, be submitted, on a schedule determined by DOR, to a testing laboratory registered by DATCP. After testing, require each laboratory to destroy any part of the sample that remains. Require that the results of the testing be submitted by marijuana producers, processors, and microbusinesses to DOR in the manner prescribed by the Department by rule. If a representative sample does not meet DOR's prescribed standards, the Department would have to take the necessary action to ensure that the entire lot from which the sample was taken is destroyed. DOR would be responsible for promulgating rules: (a) to determine lots and lot numbers; and (b) for the reporting of lots and lot numbers to the Department.

Under the bill, a marijuana processor, or a microbusiness that operates as a marijuana processor, would have to affix a label to all usable marijuana sold to marijuana distributors. Prohibit the label from being designed to appeal to persons under the age of 18. Require the label

to include all of the following: (a) the ingredients and the THC concentration in the usable marijuana; (b) the producer's business or trade name; (c) the licensee or registrant number; (d) the unique identification number; (e) the harvest date; (f) the strain name and product identity; (g) the net weight; (h) the activation time; (i) the name of laboratory performing any test, the test batch number, and the test analysis dates; (j) the logotype for recreational marijuana developed by DATCP; and (k) warnings about all of the following: (1) the risks of marijuana use and pregnancy and the risks of marijuana use by persons under the age of 18; and (2) certain prohibitions that do not exist in current law or under the budget bill. [A technical amendment is needed to remove reference of these non-existent laws.] Additionally, the label on each package of usable marijuana could indicate that the usable marijuana is made in this state. However, this would not be a requirement, as all marijuana processors, or microbusinesses operating as processors, would be prohibited from using marijuana grown outside this state to make usable marijuana.

d. Records and Reports. Require permittees to keep accurate and complete records of the production and sales of marijuana and usable marijuana in Wisconsin. Require that the records be kept on the premises described in the permit and in such manner as to ensure permanency and accessibility for inspection at reasonable hours by DOR's authorized personnel. DOR would have to prescribe reasonable and uniform methods for recordkeeping and making reports, and would have to provide the necessary forms to permittees.

Allow DOR to require, by giving notice, that a permittee revise its records, if the Department determines that the records are not kept in the prescribed form, or are in such a condition that requires an unusual amount of time for DOR to review. If the permittee fails to comply within 30 days, DOR would send a bill requiring the permittee pay, within 10 days, the expenses reasonably attributable to a proper examination and tax determination at the rate of $30 per day for each auditor used to make the examination and determination.

Require payment of a $10 late filing fee by any permittee who fails to file a report when due. A mailed report would be filed on time if: (a) it is mailed in a properly addressed envelope with postage prepaid; (b) the envelope is officially postmarked, or marked or recorded electronically under federal postal regulations, on the due date; and (c) the report is actually received by DOR, or at the destination that DOR prescribes, within five days of the due date. These criteria would apply to reports mailed by a designated delivery service. A report that is not mailed would be timely if it were received by DOR, or at its prescribed destination, on or before the due date.

The provisions relating to taxpayer confidentiality of income, franchise, and gift tax returns, would apply under the bill to any information obtained from: (a) any permittee on a tax return, report, schedule, exhibit, or other document; or (b) an audit report relating to the return, report, schedule, exhibit, or document. The exception to this provision would be that DOR would have to publish production and sales statistics under the bill.

e. Administration and Enforcement. Authorize DOR to administer and enforce the provisions relating to marijuana taxation and regulation, and allow the Department to promulgate any rules necessary to do so. Provide duly authorized DOR employees with all necessary police powers to prevent violations. Additionally, authorized personnel of the Department of Justice and DOR, and any law enforcement officer within their respective jurisdictions, would be allowed, at

all reasonable hours, to enter the premises of any permittee and examine the books and records to determine whether the excise tax imposed has been fully paid and may enter and inspect any premises where marijuana or usable marijuana is produced, processed, made, sold, or stored, to determine whether the permittee is complying with all laws governing marijuana taxation and regulation.

Authorize DOR to suspend or revoke the permit of any permittee who violates any provision or rule governing marijuana taxation or regulation, or who violates the Unfair Sales Act. Require DOR to revoke the permit of any permittee who violates the Unfair Sales Act three or more times within a five-year period. Treat as a public nuisance, subject to closure and abatement, any building or location where unlawful sale, possession, storage, or manufacture of marijuana or usable marijuana were to occur.

Prohibit any suit that would restrain or delay collection or payment of marijuana excise taxes. Require all aggrieved taxpayers to pay tax when due and, if paid under protest, allow the taxpayer to sue the state to recover the tax paid any time within 90 days from the payment date. Specify that the taxpayer could request recovery in one suit for as many payments as have been made. Require the Secretary of Administration to pay any tax amount that is determined to be wrongfully collected.

Upon request of the Secretary of Revenue, the Attorney General may represent Wisconsin or assist a district attorney in prosecuting any case regarding marijuana excise taxes and regulation. Grant immunity from prosecution to any person compelled to testify in regard to a violation of marijuana tax regulations, of which that person may have knowledge. Specify that immunity would only apply to the use of the compelled testimony which may tend to incriminate the person.

Several current law provisions on assessment and collection of taxes, as they govern income and franchise taxes, would apply to marijuana excise taxes under the bill. These include provisions regarding: (a) office and field audits; (b) notices of adjustments; (c) notices of additional assessment; (d) additional tax collections or refunds, except that the period during which notice of additional assessment would have to be given begins on the due date of the report required from marijuana permittees; (e) additional methods of tax collection; (f) statutes of limitations on assessments and refunds; (g) tax collection and delinquency; (h) compromises; and (i) denial of licenses due to tax delinquency. The provisions on timely filing as they apply to income and franchise taxes under current law would also apply to the marijuana excise taxes.

f. Theft of Tax Moneys. Specify that all marijuana tax moneys received by a permittee for the sale of marijuana or usable marijuana on which the excise tax were to become due and not paid would be trust funds in the permittee's possession and would be the property of this state. Any permittee who fraudulently withholds, appropriates, or otherwise uses marijuana tax moneys that are the property of this state would be guilty of theft, whether or not the permittee has, or claims to have, an interest in those moneys.

g. Seizure and Confiscation. Specify that all marijuana and usable marijuana produced, processed, made, kept, stored, sold, distributed, or transported in violation of the rules and regulations governing marijuana taxation and regulation, and all tangible personal property used in connection with the marijuana or usable marijuana, would be unlawful property and subject to

seizure by DOR or a law enforcement officer.

Specify the following treatment of marijuana or usable marijuana that has been seized. If the excise tax has not been paid, the marijuana or usable marijuana could be given, if fit for use and practical, to law enforcement officers to use in criminal investigations or sold to qualified buyers by DOR, without notice. The Department could order any marijuana or usable marijuana deemed unfit or impractical for these purposes to be destroyed. If the excise tax has been paid, the marijuana or usable marijuana would be returned to the true owner if ownership could be ascertained and the owner or the owner's agent was not involved in the violation resulting in the seizure. If the ownership could not be ascertained or if the owner or the owner's agent was guilty of the violation that resulted in the seizure of the marijuana or usable marijuana, it could be sold or otherwise disposed of as provided above.

Require DOR to advertise for sale any tangible personal property seized, other than marijuana or usable marijuana, by publication in a newspaper, of which is likely to give notice in the area or to the person affected. Require DOR to insert this notice in the newspaper at least two times. If no person claiming a lien on, or ownership of, the property has notified the Department of the person's claim within 10 days after last insertion of the notice, DOR would then sell the property. If a person claiming a lien on, or ownership of, the property were to notify DOR within this time period, the Department could apply to the circuit court in the county where the property was seized for an order directing disposition of the property or the proceeds from the sale of the property. If the court orders the property to be sold, all liens, if any, would be transferred from the property to the sale proceeds. Neither the property seized nor the proceeds from the sale would be turned over to any claimant of lien or ownership unless the claimant first establishes that the property was not used in connection with any violation or that, if so used, it was done without the claimant's knowledge or consent and without the claimant's knowledge of facts that should have given the claimant reason to believe it would be put to such use. If no claim of lien or ownership is established, or if sale is not practical, the property could be ordered destroyed.

h. Interest and Penalties. Several current law provisions on interest and penalties, as they govern the cigarette tax, would also be created to apply to the excise taxes on marijuana under the bill. These include penalties for: (a) filing false or fraudulent reports; (b) failing to maintain required records; (c) refusing to permit authorized examinations or inspections, except that imprisonment would be for not more than six months; (d) violating any marijuana provision without its own penalty; and (e) violating DOR rules. Interest and penalty provisions as they apply for delinquent and nondelinquent payments and neglect would be created to also apply for marijuana excise tax purposes. Additionally, DOR would be required to revoke the permit of any person who violates the provisions and rules governing marijuana taxation, and could not issue another permit until two years following revocation.

i. Personal Use. Specify that a person possessing no more than six marijuana plants that have reached the flowering stage at any one time would not be subject to the marijuana excise taxes, while a person possessing more than six plants would be required to obtain the appropriate seller's permit and pay the appropriate excise tax.

j. Funding and Positions. Provide $3,236,600 in 2021-22 and $2,010,100 in 2022-23

and 18.00 positions annually in a new GPR appropriation under DOR for the purposes of: (a) administering the marijuana tax and; (b) covering the costs incurred in enforcing the taxation and regulation of marijuana producers, marijuana processors, and marijuana retailers. [See "Revenue -- Departmentwide."]

k. Tax Revenues. These provisions would take effect on the effective date of the bill. However, the administration indicates that it does not estimate a fiscal effect associated with the collection of marijuana sales and excise taxes until 2022-23, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made. The administration estimates that the imposition of wholesale and retail excise taxes on marijuana would result in collections of $65,100,000 and $67,100,000, respectively, beginning in 2022-23 and annually thereafter (total excise tax collections of $132,200,000 in 2022-23). The bill would specify that 60% of all moneys received from marijuana excise taxes would be deposited into the newly established Community Reinvestment Fund, and an estimated $79,320,000 SEG-REV would be deposited into that fund in 2022-23. The administration estimates that the remaining excise taxes deposited in the general fund would increase state tax revenues by $52,880,000 in 2022-23 and annually thereafter. In addition, the administration estimates the sales and use tax imposed on legal recreational marijuana would increase state tax revenues by $33,600,000 beginning in 2022-23 and annually thereafter.

Following is a summary of the taxes imposed on recreational marijuana under the bill and the estimated tax amounts to be generated in 2022-23.

	Amount
15% Excise tax on wholesale sales	$65,100,000
10% Excise tax on retail sales	67,100,000
Sales Tax	33,600,000
Total	$165,800,000
Deposited to the SEG Community Reinvestment Fund	$79,320,000
Deposited to the General Fund	86,480,000
Total	$165,800,000

l. Permit Fee Revenues. The administration estimates that DOR would issue 300 initial permits in 2021-22 and an additional 60 new permits in 2022-23. As noted above, DOR would collect fees totaling $2,250 for each new permit issued ($250 application fee plus $2,000 initial annual permit fee) and $2,000 for each permit that would be renewed in a given year. Fees collected would be deposited directly into the general fund. As a result, the administration estimates that GPR-REV from DOR would increase by $675,000 in 2021-22 and $735,000 in 2022-23. [See "Revenue -- Departmentwide."]

m. Agreement with Tribes. Allow DOR to enter into an agreement with federally-recognized American Indian tribes in this state: (a) for the administration and enforcement of marijuana excise taxes and regulation; and (b) to provide refunds of the excise taxes imposed on marijuana sold on tribal land by or to enrolled members of the tribe residing on the tribal land. Create a new sum sufficient GPR appropriation to pay refunds to eligible tribes for marijuana

excise taxes collected, including interest and penalties, and provide $6,700,000 in 2022-23 as an estimate of the amounts that would be refunded to the tribes.

Joint Finance: Provision not included.

6. MEDICAL MARIJUANA REGISTRY

Governor: Create a medical marijuana registry program administered by the Department of Revenue (DOR) as follows.

a. *Application for a Registry Identification Card.* Specify that an adult claiming to be a qualified patient may apply for a registry identification card by submitting to DOR all of the following: (a) a signed application form that contains the applicant's name, address, and date of birth; (b) a written certification; and (c) the name, address, and telephone number of the applicant's current physician, as listed in the written certification.

b. *Processing the Application.* Require DOR to verify the information submitted by an applicant to the registry and approve or deny the application within 30 days of receipt. Specify that DOR could deny an application only if the required information had not been provided, or if false information had been provided.

c. *Issuance of a Registry Identification Card.* Require DOR to issue a registry identification card and tax exemption certificate within five days of approving an application. Specify that a registry identification card and tax exemption certificate expire four years from the date of issuance, except that DOR would be authorized to void or revoke the card and certificate under certain circumstances. Specify that a registry identification card would have to contain all of the following information: (a) the name, address, and date of birth of the registrant; (b) the date of issuance and expiration of the card; (c) a photograph of the registrant; and (d) other information DOR may require by rule. DOR would determine what information the tax exemption certificate would contain. The tax exemption certificate would allow individuals holding the certificate to purchase usable marijuana without paying the sales tax or the 10% retail excise tax that would otherwise be imposed under the bill.

d. *Additional Information to Be Provided By Registrant.* Require an adult registrant to notify DOR of any change in the registrant's name and address. Specify that an adult registrant who is a qualifying patient would have to notify DOR of any change in his or her physician, or of any significant improvement in his or her health as it relates to his or her debilitating medical condition or treatment. Specify that if the registrant fails to notify DOR within 10 days of any change for which notification is required, his or her registry identification card and tax exemption certificate would be void.

e. *Definitions.* For the purposes of the registry, define a "qualifying patient" as a person who has been diagnosed by a physician as having or undergoing a debilitating medical condition or treatment, but not including a person under the age of 18 years.

Define a "debilitating medical condition or treatment" as any of the following: (a) cancer, glaucoma, acquired immunodeficiency syndrome, a positive test for the presence of HIV, antigen

or nonantigenic products of HIV, or an antibody to HIV, inflammatory bowel disease, including ulcerative colitis or Crohn's disease, a hepatitis C virus infection, Alzheimer's disease, amyotrophic lateral sclerosis, nail patella syndrome, Ehlers-Danlos Syndrome, post-traumatic stress disorder, or the treatment of these conditions; and (b) a chronic or debilitating disease or medical condition, or the treatment of such a disease or condition, that causes cachexia, severe pain, severe nausea, seizures, including those characteristic of epilepsy, or severe and persistent muscle spasms, including those characteristic of multiple sclerosis.

Define a "physician" as a person licensed to practice medicine and surgery in Wisconsin.

Define a "written certification" as a statement made by a person's physician for which all of the following apply: (a) it indicates that, in the physician's professional opinion, the person has or is undergoing a debilitating medical condition or treatment and the potential benefits of the person's use of usable marijuana would likely outweigh the health risks for the person; (b) it indicates that this opinion was formed after a full assessment of the person's medical history and current medical condition that was conducted no more than six months prior to making the statement and that the opinion was made in the course of a bona fide physician-patient relationship; (c) it is signed by the physician or is contained in the person's medical records; and (d) it contains an expiration date that is no more than 48 months (four years) after issuance and has not expired.

Define "useable marijuana" as marijuana that has been processed for human consumption and includes dried marijuana flowers, marijuana-infused products, and marijuana edibles.

Define "tax exemption certificate" to mean a certificate to claim the sales tax exemption, which would be created under the bill, from the sale of, and the storage, use, or other consumption of, usable marijuana.

f. *Records.* Require DOR to maintain a list of all registrants. Prohibit DOR from disclosing information from applications it receives or from registration cards that it issues, nonwithstanding state laws governing access to records. Permit DOR to disclose, upon request of a law enforcement agency, only information necessary to verify that a person possesses a valid registry identification card.

g. Rules. Authorize DOR to promulgate rules to implement the medical marijuana registry program.

Joint Finance: Provision not included.

7. COMMUNITY REINVESTMENT FUND

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	$79,320,000	- $79,320,000	$0

Governor: Create a separate, nonlapsible trust fund, designated the community reinvestment fund, consisting of 60% of all moneys received from marijuana excise taxes imposed

by DOR, including interest and penalties. Estimate that $79,320,000 SEG-REV would be deposited into the community reinvestment fund in 2022-23. [A technical amendment to the bill would be needed to clarify that the fund would be invested by the State of Wisconsin Investment Board.]

The bill would create the following appropriations for SEG expenditures from the community reinvestment fund in 2022-23:

a. $34,852,800 for sparsity aid [See "Public Instruction -- Categorical Aids."];

b. $20,000,000 for health equity grants [See "Health Services -- Public Health];

c. $5,000,000 for underserved community grants [See "Wisconsin Economic Development Corporation."];

d. $5,000,000 for equity grants [See "Administration -- General Agency Provisions."]; and

e. $5,000,000 for equity grants [See "Children and Families -- Departmentwide].

Of the estimated $79.3 million that would be deposited into the community reinvestment fund, $69.9 million would be appropriated under the bill and $9.4 million would remain in the fund.

Joint Finance: Provision not included.

8. JOINT LEGISLATIVE COUNCIL STUDY

Governor: Require the Joint Legislative Council to: (a) study the implementation of the marijuana tax and regulation; and (b) identify uses for the revenues generated by the tax. Specify that the Council should report its findings, conclusions, and recommendations to the Joint Committee on Finance no later than two years after the effective date of the bill.

Joint Finance: Provision not included.

MEDICAL COLLEGE OF WISCONSIN

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$21,994,600	$22,335,800	$21,818,200	- $517,600	- 2.3%	- $176,400	- 0.8%
PR	495,000	495,000	495,000	0	0.0	0	0.0
TOTAL	$22,489,600	$22,830,800	$22,313,200	- $517,600	- 2.3%	- $176,400	- 0.8%

FTE Position Summary

The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, nonprofit state-aided institution governed by a Board of Trustees.

Budget Change Item

1. DEBT SERVICE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$341,200	- $517,600	- $176,400

Governor: Provide $162,500 in 2021-22 and $178,700 in 2022-23 for a reestimate of debt service. Base level funding for the two debt service appropriations under MCW totals $3,459,300 annually.

Joint Finance: Delete $251,900 in 2021-22 and $265,700 in 2022-23 to reflect updated debt service estimates.

MILITARY AFFAIRS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$62,718,800	$72,284,100	$59,447,000	- $12,837,100	- 17.8%	- $3,271,800	- 5.2%
FED	155,168,000	160,633,700	160,353,900	- 279,800	- 0.2	5,185,900	3.3
PR	17,385,000	17,727,800	17,727,800	0	0.0	342,800	2.0
SEG	2,865,400	33,169,300	28,278,600	- 4,890,700	- 14.7	25,413,200	886.9
TOTAL	$238,137,200	$283,814,900	$265,807,300	- $18,007,600	- 6.3%	$27,670,100	11.6%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	82.08	87.08	82.08	- 5.00	0.00
FED	423.90	415.30	415.30	0.00	- 8.60
PR	45.12	45.12	45.12	0.00	0.00
SEG	3.00	3.00	3.00	0.00	0.00
TOTAL	554.10	550.50	545.50	- 5.00	- 8.60

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	- $6,200	0.00	- $94,400	0.00	- $100,600	0.00
FED	5,465,700	- 8.60	- 279,800	0.00	5,185,900	- 8.60
PR	342,800	0.00	0	0.00	342,800	0.00
SEG	125,000	0.00	0	0.00	125,000	0.00
Total	$5,927,300	- 8.60	- $374,200	0.00	$5,553,100	- 8.60

Governor: Provide adjustments to the base totaling -$3,100 GPR, $2,731,900 FED, $171,400 PR, $62,500 SEG, and -8.0 FED positions in 2021-22, and -$3,100 GPR, $2,733,800 FED, $171,400 PR, $62,500 SEG, and -8.6 FED positions in 2022-23. Adjustments are for: (a)

turnover reduction (-$141,700 GPR and -$419,800 FED annually); (b) removal of non-continuing elements from the base (-8.0 FED positions in 2021-22 and -8.6 FED positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits ($120,600 GPR, $2,743,900 FED, $145,700 PR, and $62,500 SEG annually); (d) overtime ($35,200 GPR, $384,400 FED, and $9,800 PR annually); (e) full funding of lease and directed moves costs (-$17,200 GPR annually, $23,400 FED in 2021-22, $25,300 FED in 2022-23, and $15,900 PR annually); and (f) minor transfers within the same alpha appropriation.

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $47,200 GPR and $139,900 FED annually.

2. STATEWIDE INTEROPERABLE RADIO NETWORK REPLACEMENT [LFB Paper 415]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$6,500,000	- $6,000,000	$500,000

Governor: Provide $6,500,000 in 2022-23 on a one-time basis to build a statewide interoperable radio network to replace the existing Wisconsin Interoperable System for Communications (WISCOM). Require the Department of Military Affairs (DMA) to oversee the development and operation of any current or future statewide public safety interoperable communication system and administer the system. Allow DMA to enter into agreements for the maintenance and support of, upgrades to, and enhancements for WISCOM.

The WISCOM system was developed to permit local, state, and federal emergency responders to communicate across jurisdictions. Under 2017 Act 59, DMA was required to upgrade or replace WISCOM. According to DMA, the system's key components have reached end-of-life, and its technical specifications are unable to fulfill program demand. In May, 2020, DMA solicited a request for information to develop specifications for the replacement system. The Department intends to select a vendor and system design through a request for proposal process in 2022, begin a phased deployment in 2023, and sustain the system through 2038.

Joint Finance: Provision not included. Instead, provide $500,000 GPR in 2022-23 for project management consultant services and reserve $6,000,000 GPR in 2022-23 in the Joint Committee on Finance's supplemental appropriation for a statewide interoperable radio network to replace WISCOM. Require DMA to oversee the development and operation of any current or future statewide public safety interoperable communication system and administer the system, to issue a request for proposals for the system within 30 days of the bill's effective date, and to execute a contract for the system by July 1, 2022. Allow DMA to enter into agreements for the maintenance and support of, upgrades to, and enhancements for the system.

Require that DMA submit a report to the Joint Committee on Finance for approval that

addresses: (a) the rationale for selecting the proposed vendor; (b) the vendor's solutions to resolve capacity, coverage, and interference issues; (c) the vendor's current networks in the state and country; (d) the vendor's ability to comply with criteria established by the Interoperable Council or its subcommittees; (e) the extent to which the system could serve: current WISCOM users without compatible equipment, WISCOM users with an existing 800 MHz P25 system, WISCOM users with an existing VHF P25 system, and non-WISCOM users; (f) the number of agencies in each category previously described; (g) the system's ability to accommodate new users to enhance local radio coverage; (h) potential methods to use existing systems to reduce the system's costs or improve reliability; and (i) redundant systems and capabilities. Specify that notwithstanding current procurement regulations the report must be submitted after the vendor has been selected but before the contract has been executed.

3. EXPANSION OF THE WELLNESS PROGRAM [LFB Paper 417]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$3,340,300	5.00	- $3,340,300	- 5.00	$0	0.00

Governor: Provide $1,650,100 in 2021-22, $1,690,200 in 2022-23, and 5.0 positions annually to expand the comprehensive wellness program. According to DMA, the program focuses on physical, mental, spiritual, social, and financial wellness within the Wisconsin National Guard.

Funds would be utilized for program administration, curriculum development and implementation, community partnerships, and a mobile health and wellness vehicle. The program is currently funded through the federal government on a part-time basis and is not authorized full-time staff. The expansion of the program is intended to enable the National Guard to enroll over 9,000 personnel and increase retention among Guard members.

Joint Finance: Provision not included.

4. URBAN SEARCH AND RESCUE TASK FORCE [LFB Paper 418]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Modify the regional structural collapse teams' designation under federal law to an urban search and rescue task (USR) force. According to FEMA, a USR task force is a multi-disciplined organization which conducts search, rescue, and recovery in the technical rescue disciplines, including structural collapse, rope rescue, vehicle extrication, machinery extrication, confined space, trench, excavation, and water operations.

Create a GPR appropriation and provide $500,000 GPR annually for task force training,

administration, and equipment. Create a continuing PR appropriation to support: (a) task force deployments; and (b) reimbursements to local agencies for increases in duty disability premium contributions for employees who receive such benefits because of an injury incurred as a task force member. Require local agencies to submit reimbursement requests within 45 days of a deployment and DMA to reimburse local agencies within 60 days of receiving a complete reimbursement request (whether or not DMA has collected payment from a responsible party).

Under current law, DMA contracts with local agencies to establish regional structural collapse teams that respond to structural collapse incidents. The Department reimburses teams for costs only to the extent that DMA collects reimbursement from a responsible party (the entity responsible for the incident). The teams' contracts expired in June, 2019; therefore, the teams are not currently training, deploying, or receiving funds. According to DMA, municipalities sought changes to the contracts, including modifications to the reimbursement process included in the bill.

Joint Finance: Provision not included. Instead, create a continuing GPR appropriation under DMA for training and equipment for urban search and rescue teams and reserve $500,000 GPR in 2021-22 in the Committee's supplemental appropriation.

5. TRUAX FIELD MICROGRID SYSTEM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$360,000	- $296,000	$64,000

Governor: Require DMA to conduct a study in 2022-23 to determine the feasibility of constructing an electric microgrid system at Truax Field in Madison, to include the Joint Force Headquarters, the State Emergency Operations Center, and the Joint Operations Center. Authorize one-time expenditures of not more than $64,000 in 2022-23 to support the study. If the Adjutant General then determines construction is feasible, authorize one-time expenditures of not more than $296,000 in 2022-23 for schematic designs for the system.

Microgrids are localized grids that can disconnect from the traditional grid to operate autonomously. Because they are able to operate while the main grid is down, microgrids can mitigate grid disturbances and facilitate faster system response and recovery.

Joint Finance: Modify the provision to provide $64,000 in 2022-23 to support the study. Require DMA to submit a report on the findings of the study to the Joint Committee on Finance within 60 days of completion. Funding would not be provided for system design.

6. NG911: SYSTEM IMPLEMENTATION [LFB Paper 416]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$14,678,900	$4,609,300	$19,288,200

Governor: Provide $3,447,500 in 2021-22 and $11,231,400 in 2022-23 to facilitate the transition to Next Generation 911 (NG911), as described below. The system would be funded from the police and fire protection fund using revenues from phone service surcharges. The NG911 system is not provided base funding for the 2021-23 biennium.

ESInet. Provide $1,717,500 in 2021-22 and $9,831,400 in 2022-23 to develop an emergency services internet protocol network (ESInet). The first step of upgrading the state's 911 system is to create an internet-based network to connect local public safety answering points (PSAPs) across the state. The ESInet would provide broadband speed transmissions and facilitate the delivery of data for field operations. It is anticipated that a contract to design the ESInet will be negotiated by May, 2021. According to DMA, local agencies will transition to the network in 2022.

GIS Data Management. Provide $1,730,000 in 2021-22 and $1,400,000 in 2022-23 to develop a statewide geographic information systems (GIS) database. The database would use geographic information provided by counties to route 911 calls and messages to the correct answering center, thereby decreasing call transfers and response times.

Joint Finance: Provide total funding of $7,879,600 SEG in 2021-22 and $11,408,600 SEG in 2022-23 from the police and fire protection fund to develop the NG911 Emergency Services Internet Protocol Network and Geographical Information System database based on updated system costs. Funding would support NG911 implementation as follows: (a) ESInet ($7,379,600 in 2021-22 and $9,708,600 in 2022-23); and (b) GIS database management ($500,000 in 2021-22 and $1,700,000 in 2022-23).

7. NG911: PUBLIC SAFETY ANSWERING POINT GRANTS [LFB Paper 416]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$7,500,000	- $1,500,000	$6,000,000

Governor: Provide $7,500,000 in 2022-23 to help public safety answering points (PSAPs) transition to NG911 by training staff, purchasing equipment, and upgrading software. Funding would be provided from the police and fire protection fund using revenues from phone service surcharges.

To receive and process calls through the NG911 system, PSAPs must have call answering equipment compatible with NG911 technology. Under 2019 Act 26, a competitive state grant program was created to help PSAPs transition to the NG911 system. To date, funds have not been allocated for the state grant program. However, DMA has awarded $2.9 million in federal grant funds to upgrade equipment.

Joint Finance: Modify the provision to provide total funding of $6,000,000 SEG in 2022-23 for the grants.

8. NG911: GEOGRAPHIC INFORMATION SYSTEMS GRANTS [LFB Paper 416]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$3,000,000	- $3,000,000	$0

Governor: Create a grant program and provide $3,000,000 SEG in 2022-23 to help counties compile geographic information systems (GIS) data for NG911. Specify that DMA may only award one grant per county in each fiscal year. Require DMA to coordinate with the land information program under the Department of Administration (DOA) to administer the program and to develop policies for eligibility criteria based on recommendations from the 911 Subcommittee of the Interoperability Council.

The grant program would be scheduled to sunset on June 30, 2025. The program would be supported by the police and fire protection fund, using revenues from phone service surcharges. Eligible expenses would include data preparation, data gathering, data creation, GIS staffing, data preparation and collection contracts, and training, if conducted to enable NG911. Funds could not be used for county overhead or to provide emergency services or emergency services equipment.

[Currently, a portion of county and municipal aid payments under shared revenue are made from the police and fire protection fund. The bill, as modified by the Joint Committee on Finance, would increase GPR funding for that program to replace the $26,788,200 SEG under items #6, #7, and #8 above.]

Joint Finance: Provision not included. Instead, reserve $1,500,000 SEG in 2022-23 from the police and fire protection fund in the Joint Committee on Finance's supplemental appropriation for legislation related to GIS grants.

9. DISASTER ASSISTANCE PROGRAM EXPANSION [LFB Paper 419]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$5,000,000	- $5,000,000	$0

Governor: Provide $2,500,000 annually to the state's disaster assistance program and modify eligible expenses to include costs incurred for approved hazard mitigation measures after a disaster. Funding would be provided from the petroleum inspection fund (PIF).

Under current law, the program reimburses local units of government and retail electric cooperatives for governmental costs incurred as the result of a major catastrophe, defined as a disaster (such as a flood, high wind, landslide, snowstorm, or tornado) that resulted in the Governor requesting a presidential declaration of a major disaster.

The unencumbered balance of PIF (except for 5% of gross revenues, which is held in reserve) is required to be transferred to the transportation fund at the close of the fiscal year. Under

this provision, the transfer to the transportation fund would be $5.0 million less in 2021-23 than what would otherwise occur.

Joint Finance: Provision not included.

10. MODIFY EMERGENCY ASSISTANCE APPROPRIATIONS

Governor: Modify two PR appropriations under DMA from annual to continuing. The intergovernmental services appropriation funds assistance to local units of government, while the interstate emergency assistance appropriation funds assistance to other states and territories. As continuing program revenue appropriations, DMA would be authorized to spend any amount necessary, provided that revenues are sufficient. Under current law, both appropriations are limited to amounts in the schedule of appropriations. The appropriations are funded by reimbursements from other governments for services provided.

The Emergency Management Assistance Compact is a national mutual aid agreement that enables states to share resources during disasters. States that commit to helping with an event first deploy personnel and equipment to the affected state. Deployed personnel provide receipts to their home state, which then requests reimbursement from the affected state. Due to the timing of reimbursements, the provision is intended to address the accounting problem created when the deployment and the reimbursement are processed in different fiscal years, and to provide sufficient authority to match the frequency of requests for assistance.

Joint Finance: Provision not included.

11. GENERAL FUND LAPSE

GPR-Lapse	$130,100

Governor/Joint Finance: Require DMA to lapse $130,094 to the general fund in 2021-22 from the appropriation balances in the following continuing GPR appropriations: (a) regional emergency response grants ($8,205); (b) mobile field force grants ($116,978); and (c) emergency response supplement ($4,911).

12. DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,314,000	$270,300	- $1,043,700

Governor: Reduce expenditure authority by -$579,200 in 2021-22 and -$734,800 in 2022-23 to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial debt issued for National Guard facilities by DMA. Base funding for debt service costs for National Guard facilities totals $7,038,200 annually.

Joint Finance: Increase estimated debt service by $238,800 in 2021-22 and $31,500 in

2022-23 for total debt service costs of $6,697,800 in 2021-22 and $6,334,900 in 2022-23.

13. FUEL AND UTILITIES REESTIMATE

GPR	- $314,800

Governor/Joint Finance: Reduce expenditure authority by $150,700 in 2021-22 and $164,100 in 2022-23 associated with fuel and utility cost estimates at Army and Air National Guard facilities. Base funding for agency energy costs is $2,167,300.

14. EQUITY OFFICER POSITION

Governor: Reallocate a vacant 0.5 FTE position from within DMA to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. The bill does not identify a specific funding source or position to be reallocated. The Department has not yet identified the position and funding source for the reallocation. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

15. SUM SUFFICIENT REESTIMATE [LFB Paper 102]

GPR	- $2,376,700

Joint Finance: Reestimate sum sufficient expenditures for tuition grants by -$200,000 annually and for disaster recovery aid by -$529,100 in 2021-22 and -$1,447,600 in 2022-23.

MISCELLANEOUS APPROPRIATIONS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$301,475,000	$321,431,100	$316,738,200	- $4,692,900	- 1.5%	$15,263,200	5.1%
PR	0	10,700,000	0	- 10,700,000	- 100.0	0	N.A.
SEG	61,776,800	64,024,200	64,024,200	0	0.0	2,247,400	3.6
TOTAL	$363,251,800	$396,155,300	$380,762,400	- $15,392,900	- 3.9%	$17,510,600	4.8%

FTE Position Summary

There are no authorized positions for Miscellaneous Appropriations.

Budget Change Items

1. VOLKSWAGEN SETTLEMENT DISTRIBUTIONS [LFB Paper 425]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$10,700,000	- $10,700,000	$0

Governor: Reestimate Volkswagen settlement funds by $10,700,000 in 2021-22 to allow for expenditures of that amount. Modify the requirement that the Department of Administration establish a capital transit assistance program to award grants from Volkswagen settlement funds for the replacement of public transit vehicles to allow grants to also be made from the program for the installation of charging stations for vehicles with electric motors. Require DOA to allocate $10 million for electric vehicle charging stations and any funds in excess of $10 million to the replacement of state vehicles with fuel efficient or electric vehicles, of the settlement funds that are received for grants during the 2021-23 biennium. Repeal the school bus grant program. Total settlement revenues available to the state are not anticipated to change.

Under current law, moneys received under a settlement that the state received from a legal

action against Volkswagen are held in an appropriation account that limits spending to three purposes: (a) replacement of state fleet vehicles; (b) grants for the replacement of public transit vehicles ($50.2 million awarded); and (c) grants for the replacement of school buses. Wisconsin will receive a total of $67.1 million to offset the excess pollution emitted by affected VW vehicles.

Joint Finance: Provision not included.

2. REESTIMATE GENERAL FUND TRANSFER TO THE VETERANS TRUST FUND [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $700,000	- $947,600	- $1,647,600

Governor: Reduce funding by $700,000 in 2021-22, to reflect an estimate of the funding required for transfers from the general fund to the veterans trust fund (VTF). With this adjustment, total transfers would be estimated at $15,100,000 in 2021-22 and $15,800,000 (base level) in 2022-23 in the transfer appropriation. 2019 Act 9 established a GPR, sum sufficient appropriation making these transfers, now accounting for over 95% of VTF revenues.

Joint Finance: Reduce funding by $423,800 in 2021-22 and $523,800 in 2022-23 to reflect a reestimate of the transfers in the 2021-23 biennium, based on anticipated VTF expenditures under Joint Finance. Total transfers are estimated at $14,676,200 in 2021-22 and $15,276,200 in 2022-23.

3. TRANSFERS TO THE CONSERVATION FUND [LFB Paper 102]

SEG	$2,247,400

Governor/Joint Finance: Reestimate the revenue transferred from the transportation fund to the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. The following table shows budgeted base amounts for the motorboat, snowmobile, ATV, and UTV formula transfers, and annual reestimates for each under the bill.

Recreational Vehicle Gas Tax Transfers

		2021-22		2022-23	
	Base	Change	Total	Change	Total
Motorboats	$12,951,300	$262,700	$13,214,000	$548,100	$13,499,400
Snowmobile	4,909,200	318,200	5,227,400	422,700	5,331,900
ATVs	1,874,200	19,100	1,893,300	35,500	1,909,700
UTVs	534,400	242,800	777,200	398,300	932,700
Total	$20,269,100	$842,800	$21,111,900	$1,404,600	$21,673,700

By statute, transfers are based on the fuel tax rate and the number of registered recreational vehicles as of certain dates in the preceding fiscal year.

4. OFF-HIGHWAY MOTORCYCLE REGISTRATION REESTIMATE [LFB Paper 102]

GPR	- $27,800

Joint Finance: Reestimate the transfer to the SEG conservation fund for off-highway motorcycle registration fees by -$13,900 in each year of the biennium. A transfer is made from the general fund annually to a continuing appropriation in the conservation fund equal to the amount paid for off-highway motorcycle registration fees. The appropriation funds the Department of Natural Resources (DNR) off-highway motorcycle program.

5. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND [LFB Paper 102]

GPR	- $1,000,000

Joint Finance: Delete $1,000,000 in 2021-22 from the disaster damage aids transfer appropriation to reflect the removal of first-year funding from the base. 2013 Wisconsin Act 20 established a GPR sum-sufficient appropriation to fund a transfer to the transportation fund in the second year of the biennium equal to the amount of disaster aid payments made during the biennium in excess of $1,000,000 for any single disaster event. Although the funding is only needed in the second year of each biennium, this funding is automatically included in the base funding for the first and second years of the next biennium. As a result, the first year of funding has to be removed during the biennial budget process.

6. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,384,600	$82,500	- $1,302,100

Governor: Reestimate funding by -$145,700 in 2021-22 and -$1,238,900 in 2022-23 for debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and education facility for the Marquette Dental School. Budgeted debt service costs associated with the school are $1,975,600 in 2021-22 and $882,400 in 2022-23.

Joint Finance: Modify estimated debt service amounts by $40,100 in 2021-22 and $42,400 in 2022-23.

Other Miscellaneous Appropriation Changes

The description and fiscal effect of miscellaneous appropriation changes relating to Illinois-Wisconsin income tax reciprocity ($18,000,000) and oil pipeline terminal tax distribution ($1,240,700) are summarized under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

NATURAL RESOURCES

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$211,932,400	$219,388,500	$197,526,000	- $21,862,500	- 10.0%	- $14,406,400	- 6.8%
FED	178,524,800	176,749,700	176,360,300	- 389,400	- 0.2	- 2,164,500	- 1.2
PR	68,687,800	63,728,700	68,400,600	4,671,900	7.3	- 287,200	- 0.4
SEG	665,160,200	697,326,900	682,794,400	- 14,532,500	2.1	17,634,200	2.7
TOTAL	$1,124,305,200	$1,157,193,800	$1,125,081,300	- $32,112,500	- 2.8%	$776,100	0.1%
BR		$749,500,000	$114,500,000				

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	223.52	224.52	222.52	- 2.00	- 1.00
FED	496.84	488.84	488.84	0.00	- 8.00
PR	245.89	227.14	241.89	14.75	- 4.00
SEG	1,569.35	1,604.10	1,557.68	- 46.42	- 11.67
TOTAL	2,535.60	2,544.60	2,510.93	- 33.67	- 24.67

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$895,300	0.00	- $269,200	0.00	$626,100	0.00
FED	- 1,775,100	- 8.00	- 389,400	0.00	- 2,164,500	- 8.00
PR	207,600	0.00	- 79,600	0.00	128,000	0.00
SEG	1,066,600	-1.00	- 1,718,400	0.00	-651,800	- 1.00
Total	$394,400	-9.00	- $2,456,600	0.00	- $2,062,200	- 9.00

Governor: Provide adjustments to the base budget as follows: (a) -$3,631,900 annually for turnover reduction (-$403,900 GPR, -$584,100 FED, -$119,400 PR, and -$2,524,500 SEG); (b) -$323,100 and -4.0 positions (-$210,500 FED with -3.0 positions, and -$112,600 SEG with -1.0 position) in 2021-22 and -$728,200 (-$615,600 FED with -8.0 positions and -$112,600 SEG with -1.0 position) in 2022-23 to remove noncontinuing items from the base; (c) $1,793,900 annually for full funding of continuing salaries and fringe benefits ($892,500 GPR, $179,500 FED, $208,600 PR, and $513,300 SEG); (d) $27,000 annually for reclassifications and semi-automatic pay increases ($1,800 GPR, $6,600 PR, and $18,600 SEG); (e) $3,184,000 annually for overtime ($8,000 PR and $3,176,000 SEG); and (f) -$666,900 (-$42,900 GPR, -$73,700 FED, and -$550,300 SEG) in 2021-22 and -$633,400 (-$42,600 GPR, -$66,100 FED, and -$524,700 SEG) in 2022-23 for full funding of leases and directed moves.

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $1,228,300 ($134,600 GPR, $39,800 PR, $194,700 FED and $859,200 SEG) annually.

2. AGENCY BUDGET REDUCTION

GPR	- $1,169,200

Joint Finance: Reduce the appropriation for general program operations for the Division of Internal Services by $584,600 annually.

3. DELETE VACANT POSITIONS

	Positions
GPR	- 1.00
SEG	- 12.67
PR	- 1.00
Total	- 14.67

Joint Finance: Delete 14.67 positions vacant two years or longer. The bill would not delete funding associated with the positions in the 2021-23 biennium, but associated funding would be removed under standard budget adjustments for the 2023-25 biennial budget. The following table shows the number of positions by DNR program area and fund source.

DNR Long-Term Vacancy Deletions

Program Area	Total	Fund Source
Fish and Wildlife	3.02	SEG
Parks and Forests	1.15	SEG
Air Management	1.00	PR
Remediation and Redevelopment	0.85	SEG
Facilities, Lands, and Real Estate	2.75	SEG
Information Technology	2.90	SEG
	1.00	GPR
Departmental Administration	1.00	SEG
Community Financial Assistance	1.00	SEG
Total	14.67	

4. AIDS IN LIEU OF TAXES

GPR	$6,399,200
SEG	200
Total	$6,399,400

Joint Finance: Require that DNR pay a minimum of $3.50 per acre in aids in lieu of property taxes on all DNR-owned lands. Aids increases under the provision are estimated at $3,199,600 GPR and $100 SEG in each year of the biennium.

DNR pays aids in lieu of property taxes on Department-owned lands to partially offset the loss in property tax revenues associated with public lands. The value of the aids varies by the date of acquisition, property value, and tax status in the year prior to acquisition. For lands acquired before 1969, DNR pays 88¢ per acre. For lands acquired between 1969 and 1991, DNR pays aids based on a 10-year declining payment schedule. In the first year after acquisition, DNR paid the property tax due on the property. Each year, this value was reduced by 10 percentage points until the 10th year or the value of aids in lieu of taxes was 50¢ per acre. Aids in lieu of taxes on lands acquired since 1992 are based on the estimated value of the property in the year prior to DNR acquisition, adjusted annually based on the change in equalized value of all land, excluding improvements, in the taxing jurisdiction.

5. LAW ENFORCEMENT EQUIPMENT [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$95,900	- $75,500	$20,400
SEG	2,394,200	- 1,814,700	579,500
Total	$2,490,100	- $1,890,200	$599,900

Governor: Provide $457,400 ($16,800 GPR, $25,300 environmental fund SEG, and $415,300 conservation fund SEG) each year to purchase and operate body-worn cameras and other safety equipment for DNR law enforcement wardens. The funding would acquire electroshock stun guns, opioid-blocking naloxone, and other supplies for 250 wardens and body-worn cameras for 290 wardens. Funding would also enable access to U.S. Department of Justice law enforcement systems and emergency dispatch system upgrades. Amounts would be provided under general law enforcement operations appropriations for each source.

Further, amend GPR, conservation SEG, and environmental SEG biennial appropriations to allow DNR to acquire law enforcement technology; current law authorizes DNR to use these appropriations to acquire radios. Provide one-time funding of $1,500,000 ($62,300 GPR, $93,400 environmental SEG, and $1,344,300 conservation SEG) in 2021-22 to create an integrated records management system for the Division of Public Safety and Resource Protection (PSRP).

Reallocate 2.0 conservation SEG positions to the PSRP Division to manage the system, and provide additional funding of $13,900 in 2021-22 and $61,400 in 2022-23 for the cost differential of the positions. (The 2.0 additional positions would be offset by 0.80 from wildlife management, 0.75 from parks, 0.25 from facility and property services, 0.18 from forestry, and 0.02 from fisheries management. The records system management positions would be funded at a total of $142,500 conservation SEG in 2021-22 and $190,000 in 2022-23.)

Currently, DNR law enforcement staff use several different systems to issue and track citations, develop criminal reports, track and inventory evidence, dispatch and locate wardens and other law enforcement, and report uniform crime data. DNR indicates that funding would enable the Department to procure and operate an integrated system that can perform all administrative functions for law enforcement, as is standard for other law enforcement agencies.

Joint Finance: Increase the base budget for DNR law enforcement by $227,400 ($7,200 GPR and $220,200 SEG) annually to accommodate increasing routine costs and fund data storage for body-worn cameras.

Include the provision to amend three biennial law enforcement radio appropriations to allow DNR to acquire law enforcement technology. Provide $145,100 ($6,000 GPR, $9,100 environmental SEG, and $130,000 conservation SEG) in 2021-22 as one-time funding to acquire body-worn cameras. Additionally, provide $62,300 GPR in 2021-22 in the Joint Committee on Finance supplemental appropriation for an integrated records management system. No positions would be reallocated. [See "Program Supplements."]

6. NIGHT AND WEEKEND DIFFERENTIAL PAY

SEG	$448,800

Governor/Joint Finance: Provide $224,400 conservation SEG each year to fund night and weekend differential pay. DNR pays an additional 45¢ per hour for all hours worked between 6:00 PM and 6:00 AM. DNR pays an additional 60¢ per hour for all hours worked on Saturdays and Sundays. Employees who work between 6:00 PM and 6:00 AM on weekends receive both pay differentials, adding $1.05 to their hourly wage. DOA reports that DNR has paid an average of $194,200 in night and weekend salaries and $30,200 in associated fringe costs over the last four years. The bill would increase expenditure authority by the sum of these amounts.

7. TRIBAL GAMING APPROPRIATIONS [LFB Paper 431]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $2,993,200	-10.00	$2,993,200	10.00	$0	0.00
SEG	2,993,200	10.00	- 2,993,200	- 10.00	0	0.00
Total	$0	0.00	$0	0.00	$0	0.00

Governor: Repeal three tribal gaming appropriations, totaling $1,496,600 PR and 10.0 positions for DNR each year, that fund the following DNR programs: (a) elk management; (b) whooping crane reintroduction; and (c) snowmobile enforcement. Create new conservation SEG appropriations for elk management and whooping crane reintroduction and provide funding and positions identical to the amounts deleted. Provide an identical amount of positions and funding for snowmobile enforcement under an existing conservation SEG appropriation. Funding and positions to be converted are summarized in the following table.

Tribal Gaming PR Reallocations

Appropriation	Annual Funding	Positions
Elk Management	$128,700	0.50
Reintroduction of Whooping Cranes	83,000	0.50
Snowmobile Enforcement and Safety Training	1,284,900	9.00
Total	$1,496,600	10.00

The provision is part of a reallocation of tribal gaming revenues to other programs intended to benefit tribal communities. [See "Administration -- Division of Gaming."]

Joint Finance: Provision not included.

8. TRIBAL RELATIONS PILOT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$25,000	- $25,000	$0

Governor: Provide $25,000 in 2021-22 as one-time funding for a tribal relations pilot program. The administration reports that the program would develop a DNR database for tribal officials to submit requests and file concerns with the Department.

Joint Finance: Provision not included.

9. DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $16,184,400	- $4,098,500	- $20,282,900
SEG	- 7,528,400	- 1,387,100	- 8,915,500
Total	- $23,712,800	- $5,485,600	- $29,198,400

Governor: Delete $7,124,100 ($3,977,900 GPR and $3,146,200 SEG) in 2021-22 and $16,588,700 ($12,206,500 GPR and $4,382,200 SEG) in 2022-23 to reestimate debt service payments on bonds issued for various DNR programs, as shown in the following table:

Debt Service -- Governor

		2021-22		2022-23	
	Base	Change to Base	Total	Change to Base	Total
GPR					
Stewardship and predecessors	$67,853,000	-$3,820,100	$64,032,900	-$11,671,900	$56,181,100
Combined sewer overflow	753,800	-119,700	634,100	-498,600	255,200
Municipal clean drinking water grants	6,400	-800	5,600	-4,300	2,100
Administrative facilities	586,800	-37,300	549,500	- 31,700	555,100
GPR Subtotal	$69,200,000	-$3,977,900	$65,222,100	-$12,206,500	$56,993,500
SEG					
Conservation Fund					
Dam repair and removal	$271,600	-$55,600	$216,000	-$131,900	$139,700
Administrative facilities	6,491,900	-95,800	6,396,100	503,900	6,995,800
Conservation Fund SEG Subtotal	$6,763,500	-$151,400	$6,612,100	$372,000	$7,135,500
Environmental Fund					
Remedial action	$2,094,400	-$460,600	$1,633,800	-$848,000	$1,246,400
Contaminated sediment cleanup	2,243,100	49,600	2,292,700	-100,500	2,142,600
Rural nonpoint source grants - priority watershed program	4,693,700	-778,100	3,915,600	-1,091,400	3,602,300
Rural nonpoint source grants - targeted runoff management	2,403,200	-67,000	2,336,200	433,800	2,837,000
Urban nonpoint source	3,618,000	-436,400	3,181,600	-187,000	3,431,000
Water pollution abatement	4,300,600	-1,256,200	3,044,400	-2,879,100	1,421,500
Administrative facilities	1,126,900	-46,100	1,080,800	-82,000	1,044,900
Environmental Fund SEG Subtotal	$20,479,900	-$2,994,800	$17,485,100	-$4,754,200	$15,725,700
SEG Total	$27,243,400	-$3,146,200	$24,097,200	-$4,382,200	$22,861,200
All Funds Total	$96,443,400	-$7,124,100	$89,319,300	-$16,588,700	$79,854,700

Joint Finance: Reestimate debt service by an additional -$2,263,700 (-$1,885,700 GPR and -$378,000 SEG) in 2021-22 and -$3,221,900 (-$2,212,800 GPR and -$1,009,100 SEG) in 2022-23, as shown in the following table.

Debt Service -- Joint Finance

		2021-22			2022-23		
	Base	Change to Bill	Change to Base	Reestimate	Change to Bill	Change to Base	Reestimate
GPR							
Stewardship and predecessors	$67,853,000	-$1,854,200	-$5,674,300	$62,178,700	-$2,040,700	-$13,712,600	$54,140,400
Combined sewer overflow	753,800	19,900	-99,800	654,000	23,300	-475,300	278,500
Municipal clean drinking water grants	6,400	200	-600	5,800	200	-4,100	2,300
Administrative facilities	586,800	-51,600	-88,900	497,900	-195,600	-227,300	359,500
GPR Subtotal	$69,200,000	-$1,885,700	-$5,863,600	$63,336,400	-$2,212,800	-$14,419,300	$54,780,700
SEG							
Dam repair and removal	$271,600	$3,000	$-52,600	$219,000	-$4,600	-$136,500	$135,100
Administrative facilities	6,491,900	-291,700	-387,500	6,104,400	-573,400	-69,500	6,422,400
Conservation Fund SEG Subtotal	$6,763,500	-$288,700	-$440,100	$6,323,400	-$578,000	-$206,000	$6,557,500
Remedial action	2,094,400	-7,500	-468,100	1,626,300	61,800	-786,200	1,308,200
Contaminated sediment cleanup	2,243,100	15,200	64,800	2,307,900	-108,900	-209,400	2,033,700
Rural nonpoint source grants - priority watershed program	4,693,700	-44,800	-822,900	3,870,800	-129,000	-1,220,400	3,473,300
Rural nonpoint source grants - targeted runoff management	2,403,200	-53,700	-120,700	2,282,500	-206,300	227,500	2,630,700
Urban nonpoint source	3,618,000	-130,600	-567,000	3,051,000	-207,900	-394,900	3,223,100
Water pollution abatement	4,300,600	121,900	-1,134,300	3,166,300	82,600	-2,796,500	1,504,100
Administrative facilities	1,126,900	10,200	-35,900	1,091,000	76,600	-5,400	1,121,500
Environmental Fund SEG Subtotal	$20,479,900	-$89,300	-$3,084,100	$17,395,800	-$431,100	-$5,185,300	$15,294,600
SEG Total	$27,243,400	-$378,000	-$3,524,200	$23,719,200	-$1,009,100	-$5,391,300	$21,852,100

10. MACKENZIE CENTER APPROPRIATION

Governor/Joint Finance: Convert the biennial PR appropriation for the MacKenzie Center to a continuing appropriation. The MacKenzie Center in Poynette is an environmental education center. Participants and facilities renters pay fees that are deposited in a sum-certain biennial PR appropriation. The bill would deposit fees in a continuing appropriation and allow DNR to use all moneys received from environmental education fees.

11. AUTHORIZE FISCAL YEAR 2019-20 LAPSE

GPR-Lapse	$47,500

Governor/Joint Finance: Lapse $47,500 to the general fund in 2021-22 from three continuing appropriations, as shown in the table. The lapse in intended to effect DNR's required 2019-20 general fund lapse. As continuing GPR appropriations, legislative action is required to lapse moneys to the general fund.

DNR 2019-20 Lapses

Appropriation	Amount
Water Resources - Remedial Action -- 20.370(4)(af)	$2,500
Resource Maintenance and Development - State Funds -- 20.370(7)(fa)	37,800
Facilities Acquisition, Development, and Maintenance -- 20.370(7)(ha)	7,200
Total	$47,500

12. TRANSFERS WITHIN APPROPRIATIONS

Governor/Joint Finance: Transfer positions and funding between budgetary subprograms or budgetary purposes within the same appropriation as described in the following paragraphs to reflect current allocations of program funding and responsibilities in the division indicated.

Environmental Management. Move 1.0 GPR business automation specialist position from division administration to water quality. Move 0.46 environmental SEG position from remediation and redevelopment to drinking and groundwater. This will combine with a 0.54 position in drinking and groundwater to create 1.0 position for work related to petroleum contamination.

Internal Services. Move 1.0 conservation SEG federal liaison position, budgeted as 0.98 from management and budget and 0.02 from facility and property services, to 1.0 position in central administration. Move 0.03 conservation SEG financial specialist position from facility and property services to finance.

External Services. Move 1.0 program and policy analyst, budgeted as 0.50 conservation SEG and 0.50 environmental improvement FED, from community financial assistance to environmental analysis and sustainability. Move 1.0 vacant environmental improvement FED position from watershed management to community financial assistance. Reallocate $175,300 ($2,600 environmental SEG, $123,000 environmental improvement SEG, and $49,700 environmental improvement FED) from unallotted reserves to supplies and services. Reallocate $39,600 GPR from permanent property to supplies and services.

13. TRANSFERS BETWEEN APPROPRIATIONS

Governor/Joint Finance: Transfer positions and funding between appropriations in DNR, as described in the following paragraphs, to align position funding with assigned duties or organizational and reporting structure. While transfers in certain cases would result in reallocations among segregated funds, the provisions would make no net changes to funding by source. All amounts are on an annual basis unless otherwise noted.

Fish, Wildlife and Parks. Transfer 1.0 operations associate position and $62,000 PR from technology services to wildlife management. Reallocate 1.0 conservation SEG position with $81,400 in 2021-22 and $83,600 in 2022-23 from wildlife management to natural heritage conservation to better align position funding with assigned duties.

Forestry. Transfer 0.5 vacant position and $37,400 conservation SEG from facilities and property management to forestry. The transfer would enable the Department to hire a 1.0 executive staff assistant to provide administrative services to the Chief Forester in Rhinelander.

Law Enforcement. Transfer 0.5 program and policy analyst position and $49,600 environmental improvement SEG annually from community financial assistance to law enforcement to reflect reporting structure and budget a full 1.0 position under law enforcement. Convert funding to conservation SEG.

Environmental Management. Transfer $36,600 for supplies and services, including $15,200 PR and $21,400 environmental SEG, from environmental analysis and sustainability in the Division of External Services to Division of Environmental Management administration to support the DNR actions under the federal Toxics Release Inventory program. Transfer 1.0 position and $109,400 environmental SEG from recycling administration to waste management general operations to better align position funding with assigned duties.

Internal Services. Combine 0.16 position and $12,100 GPR currently budgeted under customer services with 0.84 position in the Division of Internal Services to budget 1.0 GPR executive staff secretary position in that division.

External Services. Transfer 1.0 position and $121,400 conservation SEG from law enforcement to customer services to reflect position reporting. Within the community financial assistance program, transfer 1.0 position and $110,300 dry cleaner emergency response SEG to conservation SEG to address greater grant administration workload for all-terrain vehicle (ATV) and utility terrain vehicle (UTV) grant and aid programs.

Stewardship

1. STEWARDSHIP REAUTHORIZATION [LFB Papers 435 and 436]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$700,000,000	- $610,000,000	$90,000,000
SEG	$0	$8,000,000	$8,000,000

Governor: Reauthorize the Warren Knowles-Gaylord Nelson Stewardship Program for 10 years, from July 1, 2022, through June 30, 2032, with an annual allocation of $70 million. Provide an additional $700,000,000 bonding authority to fund the program. Current law provides DNR annual bonding authority of $33.25 million through June 30, 2022.

Under the stewardship program, DNR is authorized to incur debt for the purposes of: (a) acquiring land to expand recreational opportunities and protect environmentally sensitive areas; (b) developing outdoor recreational facilities on state conservation lands; (c) providing grants to local governments and nonprofit conservation organizations (NCOs), typically for up to 50% of the cost of acquiring or developing land for outdoor recreational activities; (d) providing grants to counties for up to 50% of the cost of acquiring forestry land; and (e) providing grants to local governments for developing all-terrain and utility terrain vehicle trails and facilities. The following table shows recommended program funding levels under the bill as well as allotments under current law.

Annual Stewardship Program Allocations -- Governor

	Current Law	Governor	
		2023-2026	2027-2032
Land Acquisition			
DNR Acquisition*	$9,000,000	$10,000,000	$10,000,000
BCPL Acquisitions	-	1,000,000	-
NCO Acquisitions	7,000,000	10,000,000	10,000,000
County Forest Grants	5,000,000	5,000,000	5,000,000
Subtotal	$21,000,000	$26,000,000	$25,000,000
Recreational Boating Aids	$2,500,000	$3,000,000	$3,000,000
Property Development and Local Assistance			
Property Development	$3,000,000	$22,000,000	$23,000,000
Friends Groups	250,000	1,000,000	1,000,000
Motorized Stewardship	500,000	0	0
Local Assistance Grants	6,000,000	18,000,000	18,000,000
Subtotal	$9,750,000	$41,000,000	$42,000,000
Total	$33,250,000	$70,000,000	$70,000,000

* The bill would continue, through June 30, 2032, requirements under current law that DNR set aside from these amounts: (a) not less than $2 million each year for matching funding on federal forest legacy grants; and (b) $1 million for activities related to the Ice Age Trail.

In addition to increasing annual allotments for selected programs, the bill would make program changes as described in the following paragraphs.

Land Acquisition Subprogram

Department Acquisitions. Under current law, DNR may spend no more than one-third ($3 million) of its annual allotment for land acquisition on fee simple acquisitions. The remaining two-thirds ($6 million) may be used only to acquire conservation easements. The bill eliminates this requirement.

Ice Age Trail. The bill continues a requirement that DNR set aside $1 million annually to acquire land and easements for the Ice Age Trail, a partially developed 1,200-mile trail throughout the state. In addition to funding for land acquisition, the bill would authorize stewardship funding for matching (50%) grants to NCOs for maintenance and development of the trail under the land acquisition program.

BCPL Natural Areas. The bill would authorize DNR to expend up to $1 million each year from 2022-23 through 2025-26 to acquire land from the Board of Commissioners of Public Lands (BCPL). BCPL manages approximately 76,200 acres in trust for public education beneficiaries. The Board has established a goal of consolidating its land holdings in northeastern Wisconsin.

County Land Acquisition. The bill would allow grants awarded to counties under the land acquisition program, including the county forest program, to support property development and maintenance, in addition to purchases of land and easements, as under current law. Further, the bill would create a matching grant for counties to acquire land from BCPL.

Property Development Subprogram

Motorized Stewardship. The bill would eliminate motorized recreation grants as a category of aids under the property development subprogram effective July 1, 2022. Current law establishes that property development subprogram funds may be used for aids to the state, counties, villages or towns for snowmobile, all-terrain vehicle (ATV), and utility terrain vehicle (UTV) trail aid projects. No annual funding level is established in statute or administrative code. DNR has allotted $500,000 annually for these aids. While the bill would eliminate motorized recreation as a category of aids that may be awarded under stewardship, it would provide an annual increase of $867,500 for ATV and UTV projects and increases snowmobile trail aids by $200,000 annually. [See "Natural Resources -- Motorized Recreation."]

Friends Grants. The bill would increase the amount set aside under the property development subprogram for grants to NCOs for development on DNR properties by $750,000, from $250,000 annually under current law to $1,000,000 annually. DNR currently may award matching grants to friends groups for property development activities in Department-owned properties including state parks and forests. The amount that may be awarded to any single project would increase from $20,000 annually under current law to $80,000 annually under the bill.

Unobligated Bonding Authority

Under current law, DNR may obligate up to $33.25 million each fiscal year. In most cases,

if DNR does not obligate this full amount, the Department is unable to carry forward unobligated bonding authority into subsequent fiscal years, unless directed by the Legislature.

General Carryover. The bill sets an annual funding level for each subprogram and authorizes DNR to carry over unobligated bonding authority on a biennial basis. If the Department does not obligate the full amount allocated under a stewardship subprogram in an odd-numbered year (e.g. 2022-23), DNR may raise the annual bonding authority for the subprogram by an amount equal to the unobligated amount in the subsequent year. If, in the subsequent even-numbered year, DNR does not obligate the full allotment for a given subprogram, including any carried-over amount, DNR may use all unobligated allotments from the biennium for property development on DNR properties or easements adjacent to DNR lands through 2031-32.

For example, under the bill, DNR may award up to $18 million in local assistance grants in each fiscal year. If, in 2022-23, DNR were to award $16 million in local assistance grants, but all other property development and local assistance funding were obligated, the Department may carry forward $2 million in the subsequent fiscal year, 2023-24, for local assistance grants. In 2023-24, DNR would be able to award up to $20 million, including the $18 million annual allotment plus $2 million carried forward from 2022-23. If in 2023-24, DNR were to obligate $16 million in property development funds and local assistance grants, the Department may carry forward $4 million for property development in any fiscal year through 2031-32.

NCO Carryover. Under current law, if at the end of a given fiscal year, any of the allocation for NCOs remains unobligated (currently $7 million), DNR may carry forward the unobligated bonding authority into the following fiscal year to be used only to provide grants in that fiscal year to counties to acquire land to be included in a county forest.

The bill would raise the annual allotment for NCO acquisitions by $3 million, to $10 million annually. Additionally, under the bill, DNR could carry forward any amounts that remain unobligated at the end of odd-numbered fiscal years from the NCO subprogram to be used in the subsequent even-numbered year for local assistance grants (rather than for grants to county forests, as under current law). If DNR does not obligate the carry-forward amount in the second year, the Department may use the unobligated amount for DNR property development in any fiscal year through 2031-32 as described above for other subprograms.

The bill would also sunset the use of any remaining stewardship bonding authority from the program's first authorization in 1989. Under current law, DNR may use the remaining bonding authority available from the 1989-2000 stewardship program for property development through June 30, 2022. The bill would extend this to June 30, 2032. As of February 28, 2021, $31,500 bonding authorization remains available.

Joint Finance: Reauthorize the stewardship program for four years, from July 1, 2022, through June 30, 2026, with an annual allocation of $33,250,000. Provide an additional $90,000,000 bonding authority to fund the program and authorize DNR to utilize any bonding authority unobligated as of June 30, 2022, to fund the program.

Authorize DNR to obligate up to $25,250,000 in bonding annually for the program, as shown in the following table. Additionally, create two annual appropriations in the forestry account

of the SEG conservation fund for DNR land acquisition and county forest grants. Provide $5,000,000 for DNR land acquisitions and $3,000,000 for county forest grants annually, beginning in 2022-23.

Stewardship Program Allocations
Joint Finance

		Joint Finance 2022-26		
	Current Law	Annual Bonding Allotment	Annual Conservation Fund Appropriation	Annual Total
Land Acquisition				
DNR Acquisitions	$9,000,000	$1,000,000	$5,000,000	$6,000,000
NCO Acquisitions	7,000,000	7,000,000		7,000,000
County Forest Grants	5,000,000		3,000,000	3,000,000
Subtotal	$21,000,000	$8,000,000	$8,000,000	$16,000,000
Recreational Boating Aids	$2,500,000	$3,000,000		$3,000,000
Property Development and Local Assistance				
DNR Property Development	$3,000,000	$4,000,000		$4,000,000
Grants to Friends Groups	250,000	500,000		500,000
Motorized Stewardship	500,000	500,000		500,000
Local Assistance Grants	6,000,000	9,250,000		9,250,000
Subtotal	$9,750,000	$14,250,000		$14,250,000
Total	$33,250,000	$25,250,000	$8,000,000	$33,250,000

2. STEWARDSHIP REVIEWS BY JOINT COMMITTEE ON FINANCE

Governor: Increase the threshold for Joint Committee on Finance review of stewardship grants and acquisitions from $250,000 to $500,000. In addition, repeal the requirement that all projects north of Highway 64 be subject to review.

Under current law, all stewardship projects of over $250,000 and any fee-simple acquisition north of state Highway 64 are subject to a 14-day passive review by the Joint Committee on Finance. After DNR has submitted a project request, the Committee has 14 working days to review the request. If, within that time period, the Co-Chairs do not notify DNR that a meeting has been scheduled, DNR may proceed with the project. If the Co-Chairs schedule a meeting, a majority vote is required to approve or amend the proposal.

Joint Finance: Provision not included.

3. STEWARDSHIP PUBLIC ACCESS REQUIREMENTS

Governor: Authorize the Natural Resources Board to consider usership patterns in determining whether to close a property to nature-based outdoor activities (NBOAs) if the property is not owned by DNR but acquired with a stewardship grant. As of July 1, 2011, properties acquired or developed using stewardship funding must generally be open to the public for such activities as

fishing, hunting, trapping, hiking, and cross-country skiing. A property may be closed to one or more of these NBOAs if the Natural Resources Board determines that a closure is necessary to protect public safety or protect a unique plant or animal community. However, as of that date, the Board is not authorized to close stewardship-funded properties to NBOAs due to accommodations of usership patterns. The bill would not affect similar provisions pertaining to most DNR-owned non-trail properties.

Additionally, under current law, DNR is required to produce a written directory of all publicly accessible stewardship lands at least every two years. The bill would delete this requirement. While DNR would not be required to produce a written directory, a statutory requirement that DNR provide an online searchable map of public-access stewardship lands would not be affected by the bill.

Joint Finance: Provision not included.

Forestry and Parks

1. COUNTY FOREST ACREAGE SHARE PAYMENTS [LFB Papers 440 and 441]

SEG	$1,567,800

Governor: Provide $783,900 from the forestry account of the conservation fund annually to increase county forest acreage share payments. Lands in the county forest program are not taxable. Under s. 28.11(8)(a) of the statutes, DNR pays towns 30¢ per acre for county forest land located in the town. The Executive Budget Book indicates the Governor intends to raise the payment to 63¢ per acre to adjust for inflation, but the bill would need to be amended to modify the statutory basis for the payment.

Joint Finance: Include the estimate of county forest acreage share payments, and modify the language to include the per acre payment increase from 30¢ to 63¢.

2. URBAN FORESTRY GRANTS [LFB Paper 442]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,640,000	- $1,640,000	$0

Governor: Provide an increase of $495,000 from the forestry account in 2021-22 and $845,000 in 2022-23 for urban forestry grants. Funding would include: (a) $345,000 annually for grants to address emerging risks to urban forests; and (b) $150,000 in 2021-22 and $500,000 beginning in 2022-23 for additional urban forestation and tree planting. Authorize DNR to use emergency rules, without a finding of emergency, to create a new categories and priorities of urban

forestry grants that would fund tree planting, and to increase the minimum grant amount that may be awarded. Further, annually increase base level funding for forestry operations by $150,000 SEG for implementation and administration of the new grant program.

The urban forestry grant program provides matching grants to local governments for forestry-related projects, including tree inventories and management plans, disease evaluations, public education and storm damage response. DNR may award up to $524,600 for urban forestry grants in each year of the 2021-23 biennium. Under administrative code Chapter NR 47, grants for urban forest management must be at least $1,000 and not more than $25,000. Additionally, DNR may award up to 20% of the amount appropriated for urban forestry grants for removing, repairing, and replacing trees that have been damaged by heavy winds, tornadoes, ice, hail, or snow. Communities are eligible in areas where the Governor has declared a state of emergency. Grant awards for storm damage may be as little as $4,000 and as large as $50,000.

Joint Finance: Provision not included.

3. WISCONSIN PRIVATE FOREST LANDOWNER GRANTS [LFB Paper 443]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$650,000	- $650,000	$0

Governor: Provide $325,000 forestry SEG annually to increase funding for private forest landowner grants. The program provides grants for the costs of developing and implementing forest stewardship management plans by owners of 500 acres or less of nonindustrial private forest land in the state. Management plans are required to contain practices that protect and enhance: (a) soil and water quality; (b) endangered, threatened or rare forest communities; (c) sustainable forestry; (d) habitat for fish and wildlife; and (e) the recreational, aesthetic and environmental benefits that the forest land provides. DNR administers the program with grants up to 50% of project costs; by administrative rule, the state share of costs may be up to 75% and not to exceed $10,000. The program has base funding of $1,147,900 in each year of the 2021-23 biennium. The bill would increase this to $1,472,900 each year.

Joint Finance: Provision not included.

4. GOOD NEIGHBOR AUTHORITY STAFFING

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$261,500	2.00	- $261,500	- 2.00	$0	0.00

Governor: Provide $112,100 forestry SEG in 2021-22 and $149,400 in 2022-23 with 2.0 positions to administer the Good Neighbor Authority (GNA) program. Under GNA, the U.S.

Forest Service enters into cooperative agreements or contracts with states to allow the states to perform watershed restoration and forest management services on national forest and certain other federal lands, in exchange for a portion of the revenues from timber harvests on lands under management. Currently, DNR Division of Forestry staff perform duties required by the GNA cooperative agreement. DNR reports that many of these tasks are time-intensive and divert staff from certain state forest management operations.

Joint Finance: Provision not included.

5. FORESTRY INFORMATION TECHNOLOGY

SEG	$760,200

Governor/Joint Finance: Provide $235,100 forestry SEG in each year of the biennium as one-time funding for maintenance and updates for Division of Forestry web applications. Further, provide $145,000 annually for replacing outdated mobile hardware and software. Funds will support contracts for software improvements to DNR's forestry and timber sale management systems and web development for DNR's fire and emergency response system. Funding will also support the ongoing replacement of outdated mobile phones and tablets and field collection software.

6. FORESTRY MILL RATE REESTIMATE [LFB Paper 102]

Governor/Joint Finance: Reestimate the transfer from the general fund to the forestry account of the conservation fund by $7,101,200 in 2021-22 and by $11,462,600 in 2022-23. 2017 Act 59 replaced the state forestry mill tax with a sum-sufficient appropriation from the general fund equal to the value of the tax, or 0.1697 mills for each dollar of the assessed valuation of taxable property in the state (16.97¢ per $1,000). Funds are transferred to the forestry account for the purposes of acquiring, preserving and developing the forests of the state. The bill budgets the transfers at $109,691,500 in 2021-23 and at $114,052,900 in 2023-23. [See "Shared Revenue and Tax Relief--Forestry Mill Rate."]

7. SALE OF COUNTY FOREST LAND TO TRIBES

Governor: Remove the requirement that lands withdrawn from county forests and offered for sale be sold for a price greater than a minimum established by DNR, provided the land is being sold to a federally-recognized tribe. Under current law, a county may not sell land withdrawn from the county forest for less than a minimum price established by DNR, although under current law and the bill, the requirement does not apply to sales to the state or to local units of government.

Joint Finance: Provision not included.

8. FREE FOURTH-GRADE ADMISSION TO STATE PARKS [LFB Paper 444]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$487,200	- $487,200	$0
SEG	- 487,200	487,200	0
Total	$0	$0	$0

Governor: Authorize the issuance of a waiver for the annual state resident park and forest vehicle admission fee to the parent or guardian of a Wisconsin fourth-grade student, beginning January 1, 2022. Create a sum-sufficient GPR appropriation equal to the value of the waivers issued in a given fiscal year to be used for parks operations. Estimate GPR parks operations at $243,600 each year, equal to 8,700 waivers of the normal $28 annual resident vehicle admission fee. Delete $175,400 annually for parks operations from the parks account of the conservation fund and $68,200 annually from the forestry account for forestry operations.

Under the bill, a parent or guardian of a fourth-grade student in a Wisconsin public, private, or home school could apply for a waiver of the annual resident parks vehicle admission fee for a single vehicle, except a motor bus. The bill would require that an application include: (a) the child's name and date of birth; (b) the name of the school the child is or will be attending, or a certification that the child is in a home-based private education program; (c) a certification that the child is, was, or will be a fourth-grade pupil on the January 1 of the calendar year for which the fee waiver is issued. Evidence of fourth-grade enrollment could include report cards, verified enrollment forms, a dated letter from the school on official letterhead, or other proof DNR may accept. The bill would authorize one fourth-grade fee waiver per household, regardless of how many children are in the family.

Joint Finance: Provision not included.

9. PARKS UTILITY AND DEVELOPMENT FUNDING [LFB Paper 445]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$190,000	$1,431,800	$1,621,800

Governor: Provide $95,000 from the parks account annually for parks general program operations to reflect increased utility costs. DNR reports that rising electricity costs and an increase in the number of electrified campsites have raised utility costs at state parks. The provision is intended to account for increased costs that could otherwise require reallocating funding from other parks program areas.

Joint Finance: Include provision, but reduce funding for utility costs by $34,100 annually and provide $750,000 in each year of the biennium as one-time funding for parks development.

10. DEPARTMENT OF CORRECTIONS PARKS STAFFING AGREEMENT [LFB Paper 445]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$312,000	- $312,000	$0

Governor: Provide $156,000 from the parks account annually, including $112,200 for limited-term employee salaries, $25,200 for fringe benefits and $18,600 for supplies and services to allow DNR to hire persons under the Department of Corrections' supervision as LTEs in state parks. The administration reports that the provision would support 1,039 hours of labor performed by two crews, each with three inmates and one crew leader.

Joint Finance: Provision not included.

11. ICE AGE AND NORTH COUNTRY TRAIL MAINTENANCE [LFB Paper 445]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$270,000	- $270,000	$0

Governor: Provide $135,000 from the parks account annually for supplies and services to maintain the Ice Age and North Country Trails. The Ice Age Trail, which runs 1,200 miles throughout the state, and North Country Trail, which runs 200 miles through northwest Wisconsin, are national scenic trails. Funds would be used to contract with nonprofit organizations to manage the trails.

Joint Finance: Provision not included.

12. SAUK PRAIRIE STATE RECREATION AREA

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$50,000	- $50,000	$0

Governor: Provide $25,000 each year from the segregated heritage state parks and forests fund for the Sauk Prairie State Recreation Area. DOA reports that the funding would support the Sauk Prairie Conservation Alliance in developing several infrastructure projects, including signage, internal roads, and hiking and picnic areas.

The heritage state parks and forests fund is a segregated trust fund that receives payments for utility easements that cross state conservation lands, as well as designated gifts, grants or bequests. The fund supports grants to nonprofit friends groups for development projects in state parks, southern forests, and recreational areas. The fund had a balance of $1.25 million as of June

30, 2020. The bill would budget funding under the only appropriation from the fund, which is a sum-sufficient appropriation.

Joint Finance: Provision not included.

13. EMINENT DOMAIN FOR STATE TRAILS

Governor: Allow DNR to use condemnation to acquire land for state trails. Current law prohibits state entities from using eminent domain to establish or extend a recreational trail, bicycle lane, or other bicycle way. Under current law and the bill, any use of condemnation would require approval by appropriate standing committees of the Legislature, as determined by the presiding officer in each house. [See "Transportation -- Local Transportation Assistance."]

Joint Finance: Provision not included.

14. PARKS AND FORESTS ACTIVITY GUIDE

Governor: Require DNR to develop an internet-based visitor activity guide for state parks, forests, recreation areas and trails.

Joint Finance: Provision not included.

Fish and Wildlife

1. DEER CARCASS DISPOSAL GRANTS [LFB Papers 450 and 451]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,100,000	- $1,100,000	$0

Governor: Provide one-time funding of $1,000,000 fish and wildlife SEG in 2021-22 in a continuing appropriation to provide grants to local governments, businesses, or nonprofit conservation organizations for the acquisition of receptacles for the disposal of deer carcasses. Additionally, provide $50,000 annually in ongoing funding for educational programming related to chronic wasting disease (CWD).

CWD is a fatal neurological disease in cervids such as deer and elk. The disease is communicable through deformed prions that can pass to other cervids through saliva, urine, or blood. Prions shed by infected animals also are thought to persist in soils, although infectivity and the length of prion viability is still being researched. The provision is intended to provide additional secured options for disposing of a deer carcass and entrails, rather than leaving the carcass at the

site of field dressing and risking the spread of prions from infected carcasses or tissues.

Joint Finance: Provision not included.

2. WATERFOWL STAMP INCREASE [LFB Paper 452]

SEG-REV	$519,000
SEG	$519,000

Governor: Increase the price of the waterfowl stamp by five dollars, from $7.00 to $12.00. (The stamp cost under current law and the bill includes a 25¢ issuing fee.) Reestimate expenditures from stamp revenues by $259,500 each year. Authorize DNR to use waterfowl stamp proceeds to provide grants to NCOs and local units of government for developing and restoring wetlands.

The waterfowl stamp is required of any person at least 16 years old who must purchase a state license to hunt waterfowl. Two-thirds of stamp revenues are to be used for managing, preserving, or restoring wetland habitat and for producing waterfowl and related species. These funds may be awarded to DNR or to other cooperating entities. Priority is given to projects including nesting habitat restoration, wetland hydrology enhancements, or major wetland management and maintenance. DNR may expend all monies received from the specified portion of stamp revenues. The appropriation would be reestimated by $173,000 each year to $530,000 under the provision.

The remaining one-third of stamp revenue is to be used to develop propagation areas in Canada to support bird populations through the state and the Mississippi River Flyway. Funds for propagation areas are provided only to nonprofit conservation organizations through a separate aids appropriation. The aids appropriation would be reestimated to $254,000 each year, an increase of $86,500.

Joint Finance: Include the provision to increase the price of the waterfowl stamp from $7 to $12, but make no change to allowable uses of waterfowl stamp revenues. Require DNR to report to the Legislature by November 15 of each odd-numbered year on the amounts in the preceding fiscal biennium: (a) received from the waterfowl stamp; (b) obligated to habitat projects; (c) expended on habitat projects; and (d) remaining unobligated.

3. PIERCE COUNTY ISLANDS WILDLIFE AREA RESTORATION [LFB Paper 453]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$3,000,000	- $3,000,000	$0

Governor: Provide $3,000,000 conservation SEG in 2022-23 as one-time funding in a continuing appropriation for a project to restore the Pierce Islands Wildlife Area on the Mississippi River in Pierce County. Funds would support wetland and habitat restoration intended to improve water quality.

Joint Finance: Provide $3,000,000 in unobligated bonding authority from the stewardship program for the Pierce County Islands Wildlife Area restoration project.

4. SHEBOYGAN MARSH DAM [LFB Paper 453]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,000,000	- $1,000,000	$0

Governor: Create a continuing appropriation and provide $1,000,000 in 2021-22 from the fish and wildlife account of the conservation fund for a grant to Sheboygan County for removal and reconstruction of the dam on the Sheboygan River at Sheboygan Marsh. In November, 2020, Sheboygan County's five-year capital plan noted the dam is nearing 100 years old, and replacement of the dam and its components would improve management of water levels and aquatic plants in Sheboygan Marsh. Sheboygan County estimated total project costs of $2.7 million. DNR reports Sheboygan Marsh is the largest restored wetland area in Wisconsin's Great Lakes basin.

Joint Finance: Direct DNR to award a $1,000,000 dam safety grant to Sheboygan County for the reconstruction of the Sheboygan Marsh Dam.

5. TERRESTRIAL INVASIVE SPECIES GRANT PROGRAM [LFB Paper 454]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,061,400	- $1,061,400	$0

Governor: Create a program to provide grants to cooperative invasive species management areas (CISMAs) for surveying, monitoring, and controlling invasive species. Provide $540,000 annually to fund the grants in a new conservation SEG annual appropriation. Additionally, reallocate 1.0 position from wildlife management to natural heritage conservation to coordinate terrestrial invasive species management. Delete $18,600 in 2021-22 to reflect the timing of filling the position mid-year.

Terrestrial invasive species include such plants as giant hogweed, garlic mustard, giant knotweed, and poison hemlock. CISMAs are organizations of landowners and land managers that work to develop a management plan to control invasive species within a defined geographical region. CISMAs receive limited operational support from DNR. DNR reports that the grants would provide stable funding and coordination for CISMAs.

Joint Finance: Provision not included.

6. WILDLIFE MANAGEMENT AND NATURAL HERITAGE CONSERVATION TRANSFERS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$137,100	1.00	- $137,100	- 1.00	$0	0.00
PR	- 338,400	- 2.00	0	0.00	- 338,400	- 2.00
SEG	209,400	1.00	0	0.00	209,400	1.00
Total	$8,100	0.00	- $137,100	- 1.00	- $129,000	- 1.00

Governor: Make the following transfers within or among appropriations in the wildlife management and natural heritage conservation programs:

Convert 1.0 position and $94,500 annually from program revenue to conservation SEG to reflect reduced revenues from an interagency agreement with the Department of Transportation (DOT), and to better align position funding with work conducted in the Natural Heritage Conservation Bureau.

Provide $900 SEG in 2021-22 and $19,500 SEG in 2022-23 from the fish and wildlife account of the conservation fund to reallocate 1.0 existing wildlife management position to a wildlife veterinarian. Additional funding would be intended to provide funding sufficient to fill the position at an annual salary of $85,000.

Convert 1.0 PR vacant position for ferrous metallic mining regulation to GPR to develop a statewide resource adaptation plan. The provision would delete $74,700 PR annually and fund the GPR position at $59,400 in 2021-22 and $77,700 in 2022-23.

Joint Finance: Modify the provisions to delete the vacant ferrous metallic mining regulation PR-funded position, rather than convert to GPR-funded.

7. RESIDENT HUNTING AND FISHING IDENTIFICATION

Governor: Allow Wisconsin residents purchasing hunting and fishing licenses, authorizations, and stamps to prove state residency using an identification card issued by DOT. Under current law, Wisconsin residents pay a lower price for hunting and fishing authorizations than nonresidents. To establish residency, purchasers must show they have maintained a permanent residence in Wisconsin for at least 30 days. Purchasers can demonstrate Wisconsin residency using a Wisconsin driver's license, utility bill, voting records, or income tax records. The bill would expand the categories of proof of residency to a non-driver identification card issued by DOT.

Joint Finance: Provision not included.

Motorized Recreation

1. BOATING SAFETY AND ENFORCEMENT AIDS [LFB Paper 455]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,800,000	- $1,038,800	$761,200

Governor: Provide an increase of $900,000 annually for boating safety and enforcement aids. Increase the reimbursement rate for enforcement aids from 75% under current law, to 80%. Under current law, DNR reimburses municipalities for up to 75% of the cost of enforcement of state and local boating laws. Aids are prorated if funding is insufficient to reimburse all eligible claims. Enforcement aids have a base budget of $1,386,000. The bill would increase this amount to $2,286,000 annually.

Joint Finance: Reduce funding under the provision by $519,400 annually to increase expenditure authority for boating enforcement aids by $380,600 annually, relative to the agency base. The provision would make no change to the reimbursement rates, which would remain at 75%. Boating safety and enforcement aids would be appropriated $1,766,600 each year of the biennium.

2. LOCAL ATV AND UTV FUNDING [LFB Paper 456]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,235,000	$265,000	$1,500,000

Governor: Increase annual funding for local all-terrain vehicle (ATV) and utility terrain vehicle (UTV) trail aids by $617,500. Trail aids are available to local governments for non-state ATV and UTV trail projects, including mapping and installation of signs, and under 2019 Wisconsin Act 183, ATV trail aids are available to nonprofit organizations for maps, digital information or applications, communications equipment, or signage. Trail aids are funded from the ATV account, which is supported primarily by ATV and UTV registration fees.

Under current law, DNR may expend up to $1,670,000 each year from ATV registration revenues and $95,600 each year from UTV registration revenues. DNR reports the provision is intended to meet continuing demand for trail maintenance and improvements as motorized recreation has increased in popularity. The bill would increase the amount available for ATV trail aids by $375,000, from $1,670,000 to $2,045,000. The amount available for UTV trail aids would increase by $242,500, from $95,600 to $338,100.

Joint Finance: Provide an additional $150,000 each year for ATV aids and reduce UTV aids under the provision by $17,500 each year. The modification results in a base increase of

$750,000 SEG, including $525,000 for ATV aids and $225,000 for UTV aids annually. ATV aids would be appropriated $2,195,000 each year, and UTV aids would be appropriated $320,600 each year.

3. STATE ATV AND UTV TRAIL MAINTENANCE

SEG	$500,000

Governor/Joint Finance: Provide a $250,000 increase in annual funding for state ATV and UTV trail maintenance and development. Under current law, DNR may spend up to $310,500 annually on ATV trail maintenance and development, and $16,900 annually on UTV trail maintenance and development. DNR reports the provision would accommodate additional maintenance of state trails in response to an increase in the number of motorized recreational trails and trail users. The bill would increase the amount available for ATV trails by $187,500, to $498,000 annually, and for UTV trails by $62,500, to $79,400 annually.

4. SNOWMOBILE TRAIL MAPPING

SEG	$400,000

Governor/Joint Finance: Increase county snowmobile trail aids by $200,000 in each year of the biennium. Expand eligible uses of snowmobile aids to include real-time online tracking of snowmobile trail conditions and geographic information system (GIS) mapping of snowmobile trails. Authorize direct aids payments to a qualified vendor to provide real-time tracking of trail grooming through an existing online system and to maintain an accurate statewide GIS map of snowmobile trails.

Under current law, DNR distributes aids to participating counties for the maintenance, development, and acquisition of land for snowmobile trails. Generally, these aids are provided to counties at 100% of eligible costs. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. The bill would increase these aids from $5,475,400 each year to $5,675,400 and authorize direct payments to a vendor for maintenance of online information on trails and conditions through the Snowmobile Automated Reporting System, or SNARS.

5. OFF-HIGHWAY MOTORCYCLE NONRESIDENT TRAIL PASS REVENUES

Governor/Joint Finance: Deposit all revenues from the nonresident off-highway motorcycle (OHM) trail pass into the continuing appropriation for OHM program administration. OHM program administration is funded by a GPR transfer to the SEG conservation fund equal to the registration fees paid by OHM owners. Revenues from the $35 annual nonresident trail pass and the $20 five-day nonresident trail pass are deposited into the conservation fund but are not available for OHM program operations.

6. RECREATIONAL VEHICLE DEALER ONLINE REGISTRATION

SEG	$340,000

Governor/Joint Finance: Provide one-time conservation SEG funding of $250,000 in

2021-22 and $90,000 in 2022-23 to develop a system within the GoWild online portal for applications for registration certificates by dealers and purchasers of ATVs, UTVs, off-highway motorcycles, and snowmobiles. GoWild is DNR's online system for purchasing fishing and hunting licenses and authorizations as well as recreational vehicle registrations and trail passes. Under current law, recreational vehicle dealers register and title recreational vehicles on behalf of the purchaser through the mail. The bill would create an internet-based system. DNR indicates that this would better secure customer data and would eliminate delays that may arise from a mail-based system. DNR intends to use the one-time funding to enter a contract with a developer to create the system.

7. RECREATIONAL VEHICLE REGISTRATION FEE RETENTION

Governor/Joint Finance: Authorize DNR to deposit issuance fees collected on recreational vehicle registrations, renewals, and transfers purchased through the GoWild online system into an existing dedicated appropriation for handling fees. Recreational vehicle users may purchase registrations, renewals, and transfers through the GoWild system, through mail, or from authorized private sector agents. Under current law, private sector agents may retain a portion of the registration fee to cover issuance and handling costs. When registrations are sold through the GoWild system, registration fees are deposited into the conservation fund and DNR must pay issuance and handling fees through general program operations appropriations. The bill would authorize DNR to deposit a portion of the license fee into a dedicated appropriation to pay issuance and handling fees. Although the provision would affect how certain fees are deposited in DNR accounts, the provision would not affect current registration fee levels for vehicle registrants, fees retained by issuing agents, or overall DNR revenues or expenditures.

8. RECREATIONAL VEHICLE FUEL TAX TRANSFER [LFB Papers 455, 456, and 457]

SEG	$1,477,600

Governor: Increase annual transfers from the transportation fund to the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. By statute, transfers are based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year.

Recreational Vehicle Gas Tax Transfers

		2021-22		2022-23	
	Base	Change	Total	Change	Total
Motorboats	$12,591,300	$262,700	$13,214,000	$548,100	$13,499,400
Snowmobile	4,909,200	318,200	5,227,400	422,700	5,331,900
ATVs	1,874,200	19,100	1,893,300	35,500	1,909,700
UTVs	534,400	242,800	777,200	398,300	932,700
Total	$20,269,100	$842,800	$21,111,900	$1,404,600	$21,673,700

[See "Miscellaneous Appropriations" for corresponding transportation fund SEG transfer entries.]

Joint Finance: Reestimate trail aids appropriations budgeted under DNR based on the motor fuel tax transfers from the transportation fund as shown in the following table. Additionally, reestimate supplemental snowmobile trail aids by $24,800 SEG in 2021-22 and $16,200 in 2022-23. Snowmobile supplemental trail aids are based on the number of nonresident annual snowmobile trail passes sold in the prior fiscal year multiplied by $47.

Motor Fuel Tax Transfer and Trail Aids Reestimates -- Joint Finance

		2021-22		2022-23	
	Base	Change	Total	Change	Total
Snowmobile	4,909,200	$318,200	$5,227,400	$422,700	$5,331,900
Supplemental Snowmobile Aids	966,100	24,800	990,900	16,200	982,300
ATVs	1,874,200	19,100	1,893,300	35,500	1,909,700
UTVs	534,400	242,800	777,200	398,300	932,700
Total	$8,283,900	$604,900	$8,888,800	$872,700	$9,156,600

Waste, Remediation, and Air

1. PFAS ACTION PLAN IMPLEMENTATION AND STAFFING [LFB Papers 460 and 461]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$3,028,000	11.00	- $3,028,000	- 11.00	$0	0.00

Governor: Provide funding of $731,300 SEG in 2021-22 and $936,700 SEG in 2022-23 with 11.0 positions to implement portions of the Wisconsin PFAS Action Plan released in December, 2020. Per- and polyfluoroalkyl substances, known as PFAS, are synthetic chemicals commonly found in nonstick surfaces and cookware, paint, and firefighting foam. Research and studies indicate PFAS are toxic to humans. PFAS do not easily degrade and tend to accumulate in humans and the environment. Since 2013, more than 30 contaminated sites with PFAS groundwater, drinking water, surface water, sediment, or soil contamination have been reported to DNR at locations around the state as a result of various private and governmental uses of the chemicals.

The following table summarizes positions recommended by the Governor by DNR program area. All positions shown would be funded from the environmental management account of the environmental fund, except those for wildlife management, which would be supported by the fish and wildlife account of the conservation fund.

PFAS Action Plan Positions and Funding

DNR Program / Positions	2021-22	2022-23	Positions
Drinking and Groundwater Water Supply Specialists	$197,100	$253,100	3.00
Water Quality Wastewater Specialists	121,100	158,400	2.00
Air Management			
Air Management Engineer/Air Management Specialist	171,000	208,400	2.00*
Remediation and Redevelopment			
Hydrogeologist Program Coordinator/Hydrogeologist	121,100	158,400	2.00
Waste and Materials Management Hydrogeologist	60,500	79,200	1.00
Wildlife Management Toxicologist	60,500	79,200	1.00
Total	$731,300	$936,700	11.00

* Includes 1.0 four-year project position.

(The state budget system would erroneously allocate the 2.0 water quality positions and funding to waste and materials management. A modification would accomplish the intent of the provision.)

Additionally, provide $600,000 environmental management SEG each year in the DNR continuing appropriation for state responses to hazardous substance spills and discharges. Further, provide $80,000 environmental management SEG each year in ongoing operations funding for testing of PFAS contamination in water supplies, including: (a) $55,000 for waterway testing and sampling; and (b) $25,000 each year for PFAS testing at wastewater treatment facilities.

Joint Finance: Provision not included.

2. PFAS MUNICIPAL GRANT PROGRAM [LFB Paper 462]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$20,000,000	- $20,000,000	$0

Governor: Provide ongoing funding of $10,000,000 each year in a continuing appropriation for the creation of a grant program for municipalities to investigate and respond to PFAS contamination statewide.

Municipality Eligibility. Specify that eligible municipalities include any city, village, town, county, utility district, lake protection district, sewerage district, or municipal airport, and require one of the following to have occurred: (a) the municipality or a third party tested or trained with a class B firefighting foam that contained intentionally added PFAS in accordance with applicable state and federal law, and within the boundaries of the municipality; (b) the municipality applied bio-solids to land under a DNR-issued wastewater permit; or (c) PFAS are impacting the municipality's drinking water supply, surface water, or groundwater within the municipality, and the responsible party is unknown, unwilling, or unable to take the necessary response actions.

Require applicants to contribute matching funds equal to at least 20% of the amount of the grant, including either cash or in-kind contributions.

Eligible Activities. Authorize DNR to award grants for any of the following activities: (a) investigating potential PFAS impacts to the air, land, or water at a site or facility; (b) treating or disposing of PFAS-containing firefighting foam containers from a municipal site or facility; (c) sampling a private water supply within three miles of a site or facility known to contain PFAS or to have caused a PFAS discharge; (d) providing a temporary emergency water supply, a water treatment system, or bulk water to replace water contaminated with PFAS; (e) conducting emergency, interim, or remedial actions to mitigate, treat, dispose of, or remove PFAS contamination in the air, land, or waters of the state; (f) removing or treating PFAS in a public water system using the most cost-effective method to provide safe drinking water in areas where PFAS levels exceed either the maximum contaminant level or an enforcement standard for PFAS, or where the state has issued a health advisory for PFAS.

Evaluation Criteria. Applicant municipalities would be required to demonstrate the following: (a) financial and administrative commitment to performing and completing eligible activities; (b) the degree to which the project would have a positive impact on public health and the environment; and (c) other criteria on which DNR prioritizes available grant funds. Authorize DNR to request any applicant provide information necessary to determine the eligibility of the project, identify the funding requested, determine the priority of the project, and calculate the amount of a grant.

Emergency Rules. Authorize DNR to issue emergency rules for the PFAS municipal grant program, without the finding of emergency or providing evidence that an emergency rule is necessary to preserve public health, peace, safety or welfare. Waive the requirements that DNR prepare a scope statement and submit proposed emergency rules to the Governor.

Joint Finance: Provision not included.

3. PFAS-CONTAINING FIREFIGHTING FOAM DISPOSAL [LFB Paper 463]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,000,000	- $1,000,000	$0

Governor: Provide $1,000,000 in 2021-22 in a new continuing appropriation from environmental management SEG for collecting and disposing of PFAS-containing firefighting foam. Authorize DNR to issue emergency rules for the collection program, without the finding of emergency or providing evidence that an emergency rule is necessary to preserve public health, peace, safety or welfare. Waive the requirements that DNR prepare a scope statement and submit proposed emergency rules to the Governor.

In 2020, DNR and the PFAS Action Committee estimated that the total amount of PFAS-containing firefighting foam held by all 825 fire departments in the state is between 63,200 gallons

and 96,300 gallons. Of those amounts, DNR estimates that approximately 23,700 to 44,700 gallons are expired and in need of disposal, and these foams are located at just over half of fire departments in the state. The provision is intended to provide one-time funding to dispose of the PFAS-containing foams currently possessed by fire departments.

Joint Finance: Include the provision to create a continuing appropriation in DNR for disposal of PFAS-containing firefighting foam. Provide $1,000,000 in 2021-22, but specify that the funding be placed in the Committee's supplemental appropriation. [See "Program Supplements."]

4. PFAS PUBLIC WATER SUPPLY SAMPLING [LFB Paper 464]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$750,000	- $750,000	$0

Governor: Provide $750,000 environmental management SEG in 2021-22 in a new continuing appropriation for sampling and testing public water supplies for PFAS. DNR reports funding would be expected to support certain internal operational expenses as well as payments to the Wisconsin State Laboratory of Hygiene for testing samples. Funding would be provided on a one-time basis and available under the continuing appropriation until fully expended.

Joint Finance: Provision not included.

5. PFAS STANDARDS

Governor: Require DNR to promulgate emergency rules to establish acceptable levels, performance standards, monitoring requirements, and required response actions for PFAS. Require rules to apply to any per- or polyfluoroalkyl substance, or group or class of substances, that DNR determines are harmful to human health and the environment in the following media: (a) drinking water; (b) surface water from both point sources and nonpoint sources; (c) groundwater; (d) air, if necessary to provide adequate protection for public health and welfare; (e) solid waste and solid waste facilities; (f) beds of navigable waters; and (g) soil and other sediment.

In addition, require DNR to promulgate emergency rules to do the following: (a) add individual substances or classes of PFAS to the list of toxic pollutants in water for setting state effluent standards under the Wisconsin pollutant discharge elimination system for wastewater, provided DNR determines the substance or class to be harmful to human health; (b) identify and list PFAS as a hazardous waste constituent, provided DNR determines the listing necessary to protect human health, safety, or welfare; and (c) administer and enforce requirements under Chapter 292 of the statutes, related to remedial cleanup of hazardous substance discharges, for PFAS discharges to the environment.

Require rules described above to include sampling, monitoring, testing, enforcement, and response provisions for at least the following substances: perfluorooctanoic acid (PFOA),

perfluorooctane sulfonic acid (PFOS), perfluorohexane sulfonic acid (PFHxS), perfluorononanoic acid (PFNA), and perfluorobutane sulfonic acid (PFBS). Specify DNR may promulgate emergency rules without finding of emergency or providing evidence the rule is necessary to preserve public health and welfare. Specify emergency rules remain in effect until July 1, 2022, or the date on which permanent rules take effect, whichever is sooner.

Groundwater Contaminants List. Require DNR to add to the state list of groundwater contaminants any individual PFAS or class of PFAS shown to involve public health concerns and that has a reasonable probability of entering the groundwater. By statute, any substance added to the state list of groundwater contaminants is assessed for risks to public health or welfare. The Department of Health Services (DHS) and DNR then must establish an enforcement standard and preventive action limit for each substance. Enforcement standards generally represent the maximum level of contamination to which the public can be exposed; remedial responses are required if groundwater exceeds an enforcement standard. Preventive action limits by statute are between 10% and 50% of the enforcement standard, and are levels at which contamination could be investigated and mitigated to prevent an enforcement level exceedance.

Additionally, the bill would authorize DHS to recommend enforcement standards for each individual PFAS, PFAS as a class of substances, or different groups of PFAS. If DHS were to recommend an enforcement standard for PFAS, DNR would be required to apply the standard as an interim enforcement standard, unless emergency or permanent rules implemented an enforcement standard for the same substances. Further, if an interim enforcement standard were applied, DNR would be required to establish an interim preventive action limit of 20% of the concentration of the interim enforcement standard.

Further, the bill would require DNR to establish a DHS-recommended enforcement standard for an individual PFAS or class of PFAS as an interim maximum contaminant level (MCL) for public water systems, water suppliers, and certified laboratories analyzing drinking water, unless emergency or permanent rules had taken effect. This would take effect on the first day of the seventh month beginning after the bill's publication. Under current law, no water source exceeding any primary MCL may be connected to a public water system.

Water Quality Standards. Require DNR to promulgate water quality standards for PFOA, PFOS, PFHxS, PFNA, and PFBS, in addition to any other individual PFAS or class of PFAS that DNR determines is harmful to human health, and from which it is necessary to protect a water's designated use. Water quality standards are established by DNR to describe conditions under which state waters can fulfill designated uses such, including those supporting fish, wildlife and human domestic, commercial or recreational activities.

Air Standards and Emissions Reporting. Create a finding that PFAS emissions standards are required to provide adequate protection of public health and welfare. (The finding would be inconsistent with nonstatutory language under the provision giving DNR discretion to determine whether air standards were necessary to protect public health. A modification to the bill would clarify the provision's intent.) Require DNR to promulgate emissions standards for any known PFAS to adequately protect public health, but specify DNR is to account for energy, economic, and environmental impacts or other costs affecting emissions sources.

Further, require DNR to consider all PFAS as air contaminants for purposes of required

reporting of certain hazardous substance or air contaminant discharges in Wisconsin. Establish the reporting level of zero pounds per year, meaning any emissions would be subject to reporting.

Joint Finance: Provision not included.

6. FINANCIAL RESPONSIBILITY FOR PFAS

Governor: Authorize DNR to require proof of financial responsibility from individuals or businesses that possess or control PFAS. Financial responsibility would be intended to ensure means of addressing potential discharges or contamination, including emergency responses, remedial action, and long-term care of contaminated sites. Require DNR to establish rules for procedures to determine when proof of financial responsibility is necessary. Specify that rules may establish types of financial responsibility, procedures for calculating necessary amounts, and other conditions determined by DNR. Specify proof of financial responsibility for PFAS is in addition to any other requirements provided under Chapter 292 of the statutes (environmental remedial action).

Joint Finance: Provision not included.

7. CERTIFIED PFAS TESTING LABORATORIES

Governor: Require DNR to issue emergency rules for certifying laboratories that test for PFAS, including standards and methods for testing. Rules would remain in effect until July 1, 2022, or the date on which permanent rules take effect, whichever is sooner. Specify that DNR is not required to make a finding of an emergency, and is not required to provide evidence that emergency rules are necessary for the protection of public health, safety, or welfare. Specify that DNR may require testing for PFAS using nationally recognized procedures prior to emergency rules being issued.

Joint Finance: Provision not included.

8. HAZARDOUS SUBSTANCE DISCHARGE INVESTIGATIONS

Governor: Authorize DNR to request, from an individual or business that generated a solid or hazardous waste at a site under DNR investigation, any records or documents related to waste that was transported to, treated at, stored at, or disposed of at another site, facility or location. Records or documents may include information on: (a) the type and quantity of waste generated; (b) the site or facility to which it was transported, treated, or stored; and (c) the dates and locations of the aforementioned activities.

Currently, the state environmental repair law under s. 292.31 of the statutes authorizes DNR to request, and requires persons to provide, information regarding wastes or discharges at sites under investigation for environmental contamination. Such investigations are intended to determine the nature and extent of contamination and the identity of potentially responsible parties.

The bill would amend current authority to include investigations of solid or hazardous wastes that were moved to other sites.

Joint Finance: Provision not included.

9. BONDING FOR GREAT LAKES CONTAMINATED SEDIMENT REMOVAL [LFB Paper 465]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$25,000,000	- $21,000,000	$4,000,000

Governor: Increase bonding authority by $25,000,000 for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries. Since 2007, DNR has been authorized $36 million in contaminated sediment bonding authority, including $4 million provided by 2019 Act 9. Of these amounts, DNR has expended $27.2 million as of September 30, 2020, on nine projects in which the state was responsible for cleanup, or a viable responsible party could not be identified. Funding under the provision would support a portion of approximately $37.25 million in additional state funding obligations identified for remediation in the Milwaukee Estuary and St. Louis River (Douglas County) Areas of Concern (AOC). DNR reports most of the $8.8 million remaining in existing bonding authority is also being designated for these areas.

Debt service for contaminated sediment bonding is supported by environmental management SEG. The bill estimates this debt service at $2.3 million in 2021-22 and $2.0 million in 2022-23.

Joint Finance: Modify provision to provide bonding authority of $4,000,000 for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries. Total authorized bonding for contaminated sediment removal would increase to $40 million.

10. MILWAUKEE METROPOLITAN SEWERAGE DISTRICT DREDGED MATERIAL MANAGEMENT FACILITY [LFB Paper 465]

Governor: Allow a commission for a metropolitan sewerage district serving a first-class city (the Milwaukee Metropolitan Sewerage District) to finance and construct a dredged material management facility. Specify that the authority to construct a dredged material management facility expires January 1, 2032. Provide that MMSD, notwithstanding requirements to the contrary, shall cover costs of the facility through its capital budget and is to finance the cost over a period of 35 years. Allow the MMSD Commission to reserve space in the dredged material management facility for disposal of sediment from flood management projects.

The provision is primarily intended to grant authority to MMSD to construct a facility to process and store contaminated sediment from the Milwaukee Estuary Area of Concern and upstream sources. The facility would abut Jones Island and be designed to store approximately 1.7 million to 1.9 million cubic yards of sediment. An August, 2020, update of the Milwaukee Estuary

AOC Remedial Action Plan estimated the cost of the dredged material management facility at $65 million to $90 million. The project is estimated to take two to four years.

Joint Finance: Provision not included.

11. TIPPING FEE EXEMPTION FOR WASTE-TO-ENERGY FACILITIES [LFB Paper 466]

SEG-REV	- $544,200
PR-REV	- $400

Governor/Joint Finance: Create an exemption from solid waste disposal fees (tipping fees) for facilities that incinerate solid waste for the purpose of energy recovery, often known as "waste-to-energy facilities." Specify that the exemption applies to facilities that: (a) are licensed as a municipal solid waste combustor; (b) under their approved plan of operation, must report the weight of material entering facility, the weight of material rejected by facility and where it was sent, and the weight of residue and where it was sent; and (c) are in compliance with their approved plan of operation. Facilities meeting the requirements would have an exemption from tipping fees for residual waste sent to landfills in the state, but not more than 30% of the total weight of material accepted by the facility. The exemption would not apply to ash generated by the facility.

Under current law, "qualified materials recovery facilities" that process postconsumer waste or construction and demolition waste for recycling are exempt from all state statutory tipping fees for certain residual non-recyclable waste, subject to certain limits. The fee exemption totals $12.847 per ton, including tipping fees for recycling ($7 per ton), environmental repair ($5.70 per ton), groundwater ($0.10 per ton), well compensation ($0.04 per ton), and the state Solid Waste Facility Siting Board ($0.007 per ton). The bill would exempt residual waste from waste-to-energy facilities from the tipping fees listed. The bill would also change the name of qualified materials recovery facilities to "qualified facilities."

It is expected that two facilities, one each in La Crosse and Barron Counties, would qualify for the exemption. DNR estimates a reduction in tipping fees of $272,100 annually for the environmental fund. An additional $200 annually in reduced program revenues would be estimated for the Solid Waste Facility Siting Board.

12. RURAL ELECTRONICS RECYCLING GRANTS

Governor: Require DNR to create a program to provide grants for the expansion of electronics recycling collection in rural counties of Wisconsin. Authorize grants to local government, businesses, and nonprofit organizations for the hosting of collection sites using available balances and revenues allocated from the E-Cycle program. DNR estimates that it would utilize $25,000 to $50,000 annually for perhaps five to 10 grants to areas of Wisconsin that lack access to recycling programs.

DNR administers the electronics recycling program established under 2009 Wisconsin Act 50. The program includes requirements for sales and recycling of covered electronic devices used by households, K-12 schools, and private school choice program schools (covered schools). It also

includes requirements for manufacturers, retailers, collectors, and recyclers of covered electronic devices. Covered electronic devices include televisions and computer monitors with a tube or screen at least seven inches at its longest diagonal measurement, computers, and printers. Revenues to the program are from registration fees assessed to manufacturers and fees assessed for manufacturers recycling fewer devices than sold in a year. The E-Cycle program had a June 30, 2020, balance of $532,000.

Joint Finance: Provision not included.

13. AIR MANAGEMENT POSITIONS TRANSFER

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $2,176,600	- 9.75	$2,176,600	9.75	$0	0.00
SEG	2,176,600	9.75	- 2,176,600	- 9.75	0	0.00
Total	$0	0.00	$0	0.00	$0	0.00

Governor: Transfer 9.75 positions and $1,088,300 PR funded by operation permit fees for federally-regulated (Title V) stationary air pollution sources to environmental fund SEG. The positions to be transferred are those budgeted for Division of Environmental Management administration, enforcement and other all-agency programs, on the basis of staffing associated with the federal operation permit program. The administration indicates permit fee revenues from federally-regulated sources are insufficient to fund all currently authorized positions. The positions and funding to be moved from PR to SEG are summarized in the following table.

Air Program Positions Transfers

DNR Program	Annual Funding	Positions
Environmental Management Administration	$493,500	3.00
Enforcement	104,000	1.00
External Services		
Customer Services	216,300	3.25
Environmental Analysis and Sustainability	272,000	2.50
Communications	2,500	0.00
Total	$1,088,300	9.75

Additionally, reallocate 0.5 position and $43,700 between PR appropriations, from operation permit fees for federally-regulated sources to an appropriation for certification of operators of water systems. The transfer would add to an existing 0.5 position in the environmental analysis and sustainability program to create 1.0 position.

Joint Finance: Provision not included.

14. BAN ON COAL TAR-BASED SEALANTS

Governor: Beginning January 1, 2022, prohibit the sale of coal tar-based sealant products and sealant products containing more than 0.1% polycyclic aromatic hydrocarbons (PAHs) by weight. Additionally, prohibit the use of these products beginning July 1, 2022. Authorize DNR to grant exemptions for research on the effects of a coal tar sealant or high-PAH sealant, or for a person developing an alternative technology if prohibited compounds are required for research or development.

Joint Finance: Provision not included.

15. LOCAL REGULATION OF AUXILIARY CONTAINERS

Governor: Allow DNR to grant municipal exemptions from the ban on local regulation of auxiliary containers. Require municipalities to submit an application to DNR describing the type of container to be exempt, and demonstrate that the municipality could not sell the type of container at a price that would exceed the recycling processing costs of that container. Provide that an exemption may be approved for up to two years.

Under current law, cities, towns, and villages do not have the authority to prohibit, restrict, impose fees on, or otherwise regulate the use of auxiliary containers. Auxiliary containers are typically single-use items made of plastic, aluminum, glass, or cardboard, that are meant to transport and protect merchandise and food items.

Joint Finance: Provision not included.

Water Quality

1. WELL COMPENSATION GRANT PROGRAM [LFB Paper 470]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	- $2,000,000	$0
SEG	0	2,000,000	2,000,000
Total	$2,000,000	$0	$2,000,000

Governor: Provide $1,000,000 each year in a new annual appropriation for well compensation and well abandonment grants. DNR's well compensation grant program provides funding to eligible landowners or renters to replace, reconstruct, or treat contaminated private water supplies that serve a residence or provide water to livestock. The bill would also make changes to program eligibility and awards provisions as described in the following paragraphs.

Eligibility. Change eligibility criteria for the well compensation grant program as follows: (a) increase the annual family income limit to $100,000 from $65,000; and (b) specify a well or private water supply that produces water with a concentration of at least 10 parts per billion of arsenic or 10 parts per million of nitrate nitrogen is an eligible contaminated well or contaminated private water supply.

Additionally, repeal the requirement that if a claim is based on contamination by nitrates and not by any other substance, DNR may make a well compensation award only if the well: (a) is used as a source of drinking water for livestock or for both livestock and a residence; (b) is used at least three months of each year and while in use provides an estimated average of more than 100 gallons per day for consumption by livestock; and (c) produces water containing nitrates exceeding 40 parts per million (ppm) nitrate-nitrogen. This would make residential wells with nitrate contamination eligible for the program.

Grant Awards. Further, make the following program changes regarding well compensation grant awards: (a) allow a claimant whose family income is below the state's median income (estimated currently at $57,500 for a family of four) to receive a grant of up to 100% of eligible project costs, rather than 75% under current law, but not to exceed $16,000 as under current law; and (b) eliminate the requirement to reduce an award by 30% of the amount by which the claimant's income exceeds $45,000 if the claimant's family income exceeds $45,000.

Further, create an exception to the current requirement that DNR must allocate money for the payment of claims according to the order in which completed claims are received. The exception would specify that if the well compensation grant program has insufficient funds to pay claims, DNR would have discretion to prioritize claims based on nitrate contamination in the following order of priority: (1) claims based on water containing more than 40 ppm nitrate nitrogen; (2) claims based on water containing more than 30 but not more than 40 ppm nitrate nitrogen; (3) claims based on water containing more than 25 but not more than 30 ppm nitrate nitrogen; (4) claims based on water containing more than 20 but not more than 25 ppm nitrate nitrogen; and (5) claims based on water containing more than 10 but not more than 20 ppm nitrate nitrogen. The bill would apply this prioritization to funding if the existing well compensation grant appropriation of $200,000 environmental management SEG each year were insufficient to pay claims.

Under current law and the bill as introduced, DNR is appropriated $200,000 environmental management SEG each year in a continuing appropriation for well compensation grants. As a result, well compensation grants would be appropriated a total of $1,200,000 each year under this provision.

Joint Finance: Delete GPR funding and increase funding by $1,000,000 environmental management SEG each year, but specify that the funding is one-time. No changes would be made to eligibility provisions or award amounts under current law.

2. WELL CONSTRUCTION NOTIFICATION FEE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$332,000	- $332,000	$0

Governor: Increase the well construction notification fee to $70. Currently, the fee is set at $50, and the statutes also require a processing fee of $0.50. The statutes require that a property owner provides advance notice to DNR before construction of any new private well that is not a high-capacity well. The administration estimates that the well notification fee would generate approximately $166,000 annually. Revenues from well notification and other groundwater withdrawal fees are deposited to program revenue appropriations for groundwater administration, research and management.

Joint Finance: Provision not included.

3. WELL CONSTRUCTION VARIANCES APPLICATION FEE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$50,000	- $50,000	$0

Governor: Require DNR to collect a $100 fee from a person who is requesting a well construction variance. Under Chapter NR 812 of the administrative code, DNR regulates the location and operation of wells for groundwater withdrawal. NR 812 allows variances to these requirements if individuals are not feasibly able to comply. This bill would require DNR to collect a $100 fee from any individual requiring a variance. The administration estimates that the variance application fee would generate approximately $25,000 annually.

Joint Finance: Provision not included.

4. WELL INSPECTOR POSITION [LFB Paper 471]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $89,800	0.00	- $130,800	- 1.00	- $220,600	- 1.00
SEG	0	0.00	130,800	1.00	130,800	1.00
Total	- $89,800	0.00	$0	0.00	- $89,800	0.00

Governor: Reallocate 1.0 vacant position in the DNR air management program for a well inspector in the DNR drinking water and groundwater program. The provision would add 1.0 position to the DNR appropriation for groundwater quantity administration and delete 1.0 position from the appropriation for permit fees from federally regulated (Title V) stationary air pollution sources. The bill would provide $56,100 in 2021-22 and $74,700 in 2022-23 from the groundwater

management appropriation for salary and fringe benefits for the position. Funding of $74,700 annually would be deleted from the air management program, as would an additional $35,600 annually for supplies and LTEs for groundwater management.

Joint Finance: Include provisions to delete 1.0 air management position and funding of $74,700 PR annually, as well as $35,600 PR for groundwater management. Provide 1.0 well inspector and funding of $56,100 in 2021-22 and $74,700 in 2022-23 from environmental management SEG, instead of the position being PR-funded.

5. GREAT LAKES EROSION CONTROL LOAN PROGRAM [LFB Paper 472]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$5,000,000	- $5,000,000	$0

Governor: Create a continuing appropriation and provide one-time funding of $5,000,000 in 2021-22 from the environmental management account of the environmental fund to support a revolving loan fund for municipalities and homeowners to ensure structural integrity of buildings threatened by erosion of the shoreline of Lake Superior and Lake Michigan. Require DNR to promulgate rules to administer this provision, including establishing eligibility criteria and income limits for loans. Further, allow the Department to promulgate an emergency rule while a final rule is being drafted, and allow the emergency rule to be promulgated without the finding of an emergency. Emergency rules would remain in effect for up to two years, unless repealed or otherwise superseded by permanent rules.

Joint Finance: Provision not included.

6. URBAN NONPOINT SOURCE BONDING [LFB Paper 474]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$12,000,000	- $8,000,000	$4,000,000

Governor: Provide $12,000,000 in SEG-supported general obligation bonding for the urban nonpoint source and storm water management (UNPS) and municipal flood control and riparian restoration (MFC) programs. Specify that of this amount, $8 million is to be allocated for MFC grants. Typically, DNR determines allocations of all new bonding authority to each program, but would retain that flexibility for the remaining $4 million of the new authorization.

The UNPS program supports projects that manage storm water runoff in urban settings. The MFC program supports flood-control and flood-proofing projects in urban settings, including property acquisition and structure removal. Grants generally support cost-sharing of up to 50%. Principal and interest payments on these bonds are supported by the nonpoint account of the

environmental fund and are budgeted at $3.1 million in 2021-22 and $3.2 million in 2022-23.

Joint Finance: Reduce bonding authority by $8,000,000 to provide $4,000,000 in SEG-supported general obligation bonding for the UNPS and MFC programs.

7. FLOOD MAPPING AND FLOOD INSURANCE STUDIES [LFB Papers 473 and 474]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$2,000,000	- $2,000,000	$0

Governor: Provide $1,000,000 nonpoint SEG each year of the 2021-23 biennium in one-time funding for preparation of flood insurance studies and other flood mapping projects.

Joint Finance: Provision not included.

8. DAM SAFETY BONDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$6,000,000	$4,000,000	$10,000,0000

Governor: Provide $6,000,000 in GPR-supported general obligation bonding authority for dam safety grants. DNR administers the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns, public inland lake protection and rehabilitation districts, and other dam owners for the repair, reconstruction, or removal of dams. To qualify for a grant, a dam must be inspected and be under a DNR directive to repair or remove the dam. A total of $36.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program through 2019-21, including $4 million in each biennium since 2009-11.

Joint Finance: Increase bonding authority by $4,000,000 to provide $10,000,000 in GPR-supported general obligation bonding authority for dam safety grants. Further, specify that, beginning in 2021-22, the maximum dam safety grant be $1,000,000 and require the state to offer a cost-share match of 50% for the first $1,000,000 in project costs, and 25% cost-share for the next $2,000,000 in costs, for a total of up to $1,000,000 in state cost-share for a project cost of $3,000,000.

9. RURAL NONPOINT SOURCE BONDING

BR	$6,500,000

Governor/Joint Finance: Provide $6,500,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. Bond proceeds support the targeted runoff management (TRM) program and provide the required 70% state cost share for the installation of structures in rural settings to improve water quality by preventing soil erosion and

animal waste runoff. Bonding authority also may be disbursed as grants under a separate program to address runoff only from animal feeding operations that have been issued a notice of discharge or notice of intent to issue a notice of discharge for impermissible runoff to state waters. Principal and interest payments on these bonds are supported by nonpoint SEG and budgeted at $2.3 million SEG in 2021-22 and $2.6 million SEG in 2022-23.

10. NONPOINT SOURCE GRANTS

SEG	$200,000

Governor/Joint Finance: Provide $100,000 nonpoint SEG each year on an ongoing basis for nonpoint source grants. These funds are allocated by DNR to support nonstructural practices required of TRM projects. Additionally, some funds are allocated under a companion program to cost-share the installation of pollution abatement practices at animal feeding operations that have been issued a notice of discharge for impermissible manure runoff. Funding of $100,000 nonpoint SEG for these purposes was provided on a one-time basis each year of the 2017-19 and 2019-21 biennia.

11. NONPOINT CONTRACTS [LFB Paper 475]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,230,000	- $230,000	$1,000,000

Governor: Provide an additional $615,000 nonpoint SEG each year on an ongoing basis for nonpoint source contracts. Contracts support informational, educational, training, or research projects that assist implementation of state nonpoint source water pollution abatement programs. Most contracts have historically funded projects of UW-Extension and other UW System institutions. Recent contracts have supported the Natural Resources Education program at UW-Extension, the Center for Land Use Education (CLUE) at UW-Stevens Point, nutrient management planning software development and maintenance, best management practices tracking system development and maintenance, and nonpoint runoff research. 2019 Act 9 provided funding of $767,600 each year for nonpoint contracts, including $500,000 each year in one-time funding.

Joint Finance: Reduce funding by $115,000 nonpoint SEG each year to provide an additional $500,000 nonpoint SEG each year on a one-time basis. Total funding for nonpoint contracts during the 2021-23 biennium equals $767,600, including $267,600 in base funding.

12. BEST MANAGEMENT PRACTICES TRACKING SYSTEM DEVELOPMENT [LFB Paper 475]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$300,000	- $300,000	$0

Governor: Provide $150,000 nonpoint SEG each year on a one-time basis for development of adaptive management and water quality trading modules as part of the Department's best management practices implementation tracking system. Currently, development and maintenance of the system is supported by nonpoint contracts discussed in the previous item, with an allocation totaling $155,000 during the 2019-21 biennium. The system would receive data demonstrating use and effectiveness of grants provided by the Department as part of its urban and rural nonpoint programs, and tracking of compliance with requirements of state and federal water quality standards.

Joint Finance: Provision not included.

13. WATERWAY AND WETLAND PERMITTING DATABASE

SEG	$440,000

Governor/Joint Finance: Provide $220,000 each year in one-time funding from environmental management SEG to support development of a new waterway and wetland permit database.

14. WETLAND MITIGATION PROGRAM STAFF

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$431,300	3.00	- $287,500	- 3.00	$143,800	0.00

Governor: Provide $188,300 in 2021-22 and $243,000 in 2022-23 with 2.0 permanent positions and 1.0 two-year project position to support administration of the Department's wetland mitigation program. The program collects fees of $60,000 to $85,000 per acre to support creation, restoration, and conservation of wetlands. Fees are intended to offset negative impacts of development approved under wetland permits, and are held in trust to compensate individuals conducting mitigation projects near a permitted site. As of December 1, 2020, the program has allocated $18 million in wetland mitigation credits. The program is currently administered with 1.0 position and funding from general program operations GPR.

Joint Finance: Reduce funding by $125,500 PR in 2021-22 and $162,000 PR in 2022-23 with -2.0 PR positions to provide $62,800 PR in 2021-22 and $81,000 PR in 2022-23 with 1.0 PR two-year project position to support administration of the wetland mitigation program. Further, delete 0.5 vacant PR position from the Division of Environmental Management appropriation for solid and hazardous waste disposal administration, and delete 0.5 vacant PR position from the Division of Internal Services appropriation for geographic information systems general operations.

15. CONCENTRATED ANIMAL FEEDING OPERATION FEES [LFB Paper 476]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$190,000	- $190,000	$0

Governor: Increase the fee paid by Wisconsin pollutant discharge elimination system (WPDES) permit holders that operate concentrated animal feeding operations (CAFOs) from $345 annually to $545 annually, and establish an application fee of $3,270 for those applying for a new permit. The administration indicates that the application fee is intended to apply only to new CAFOs, and not operations seeking to renew an existing permit. It is estimated the proposal would increase CAFO fee revenue by $95,000 annually, for a total of $420,000 in fees over the biennium.

DNR is responsible for regulating CAFOs as point sources of discharges with WPDES permits issued under s. 283.31 of the statutes. Permits are issued with five-year terms, and DNR reports 319 permitted CAFOs in Wisconsin as of January, 2021. Fees are deposited into a program revenue appropriation supporting staff and operation costs associated with CAFO regulation.

Joint Finance: Provision not included.

16. FLOODPLAIN TECHNICAL SUPPORT PROJECT POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$148,800	1.00	- $148,800	- 1.00	$0	0.00

Governor: Provide $65,100 in 2021-22 and $83,700 in 2022-23 with 1.0 four-year project position from the water resources account of the conservation fund. The position is intended to support identification and mapping of structures located in floodplains.

Joint Finance: Provision not included.

17. UPPER MISSISSIPPI MANAGEMENT PROJECT POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$139,800	1.00	- $139,800	- 1.00	$0	0.00

Governor: Provide $60,600 in 2021-22 and $79,200 in 2022-23 with 1.0 four-year project position from the water resources account of the conservation fund. The position is intended to support the Upper Mississippi River Basin Association (UMRBA) and U.S. Army Corps of

Engineers flood control and dredging efforts along the Mississippi River. UMRBA was created as a joint endeavor of Illinois, Iowa, Minnesota, Missouri, and Wisconsin to facilitate regional coordination on the study, management, and protection of the Upper Mississippi River. The group consists of members from each state's environmental protection department, as well as federal agencies involved in management of the Mississippi River.

Joint Finance: Provision not included.

18. NEW BERLIN ROAD RECONSTRUCTION

SEG	$2,000,000

Joint Finance: Create a biennial appropriation and provide $2,000,000 environmental management SEG in 2021-22 to make a grant to the City of New Berlin, Waukesha County, for road reconstruction related to the City of Waukesha Lake Michigan diversion. Repeal the appropriation on June 30, 2023.

19. CLAM FALLS DAM REPAIR

SEG	$2,000,000

Joint Finance: Create a biennial appropriation and provide $2,000,000 environmental management SEG in 2021-22 to make a grant to Polk County for repairs to the dam on Clam River near the Town of Clam Falls. Repeal the appropriation on June 30, 2023.

20. BEAVER DAM LAKE RESTORATION

SEG	$220,200

Joint Finance: Create a biennial appropriation and provide $220,200 environmental management SEG in 2021-22 to make a grant to the Beaver Dam Lake Improvement Association for restoration of shoreline along Beaver Dam Lake at Puckagee Springs Creek. Repeal the appropriation on June 30, 2023.

21. SOUTHEASTERN WISCONSIN FOX RIVER COMMISSION

SEG	$200,000

Joint Finance: Create a biennial appropriation and provide $200,000 environmental management SEG in 2021-22 to make a grant to the Southeastern Wisconsin Fox River Commission for strategic planning and to pursue grant funding opportunities. Repeal the appropriation on June 30, 2023.

22. NEKOOSA STORM WATER PROJECT

SEG	$200,000

Joint Finance: Create a biennial appropriation and provide $200,000 environmental management SEG in 2021-22 to make a grant to the City of Nekoosa, Wood County, for a storm water management project. Repeal the appropriation on June 30, 2023.

23. DEAD PIKE LAKE RESTORATION

SEG	$125,000

Joint Finance: Create a biennial appropriation and provide $125,000 environmental management SEG in 2021-22 to make a grant to the Town of Manitowish Waters, Vilas County, for installation of a water control structure. Repeal the appropriation on June 30, 2023.

24. STORM WATER MANAGEMENT APPROPRIATION

Governor: Convert the program revenue appropriation for administration and enforcement of storm water discharge permits from an annual sum-certain appropriation to an all-moneys-received continuing appropriation. The appropriation receives fees from storm water discharge permits issued under s. 283.33 of the statutes to commercial and industrial users, large urbanized municipalities, and for transportation facilities and construction sites.

Joint Finance: Provision not included.

25. AQUATIC PLANT MANAGEMENT APPROPRIATION

Governor: Create a program revenue continuing appropriation for the Division of Environmental Management to receive aquatic plant management permit fees, and authorize the Department to expend all monies received for administration of its aquatic plant management program. Under current law, aquatic plant management permit fees are deposited into a general operations appropriation comingled with other program revenues. The bill would not affect fees assessed by DNR, and would not budget expenditure authority for the appropriation during the biennium. Revenues in recent years have typically averaged $150,000.

Section 23.24 of the statutes requires DNR to conduct efforts to preserve diverse and stable communities of native aquatic plants. DNR is also required to establish, by administrative rule, procedures to issue permits under which a holder may remove aquatic plants through biological, chemical or manual means.

Joint Finance: Provision not included.

26. CLEAN WATER FUND PROGRAM OPERATIONS

Governor/Joint Finance: Convert clean water fund program operations from a continuing appropriation to an all-moneys-received appropriation funded through the deposit of a portion of federal clean water capitalization grants. The clean water fund administers financial assistance through a revolving loan fund. The state receives federal capitalization grants and is required to match 20% through state sources. While the state is required to hold federal revolving funds in perpetuity, the state may use a portion of federal grants and program funds to pay for administrative activities. Federal law establishes the maximum annual allowance for state administrative activities. Under current law, administrative activities are funded through a sum-certain continuing appropriation.

27. HYDROLOGIC RESTORATION COUNCIL AND GENERAL PERMIT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	- $4,000	$4,000	$0

Governor: Modify provisions for certain wetland restoration permits as follows:

General Permit Issuance. Require DNR to create a general permit for wetland, stream, and floodplain restoration and management. Specify that activities authorized under the permit be designed to return wetland, stream, and floodplain hydrology to a natural, self-regulating condition, to limit flooding, improve water quality, and increase groundwater filtration. Specify that activities under the general permit be allowable only if a permittee can demonstrate net improvements in hydrologic conditions without causing damage to the rights and interests of the public or riparian owners. Allow DNR to impose conditions as necessary to ensure protection of riparian rights.

Under the general permit: (a) allow hydrologic restoration activities that would reconnect streams and floodplains, reestablish channel form and condition, reduce wetland drainage, improve flow of water and sediment, and restore vegetation and site stability; (b) allow hydrologic restoration activities that affect areas of special natural resource interest if those activities restore water flow within the area or to the area; (c) prohibit construction of wetlands, storm water retention ponds, large dams, or practices that harden or accelerate stream channels; and (d) prohibit fish and wildlife habitat restoration not associated with a larger hydrologic plan.

Specify the Department shall consider and may allow activities under the permit that result in net improvements in hydrologic conditions, even if they result in temporary impacts to navigable waterways or water quality, or result in permanent, net-positive changes to plant and wildlife communities or physiochemical conditions due to restoring natural hydrology. In implementing the general permit, allow the Department discretion to waive fees, modify reporting requirements, waive requirements for wetland delineation and functional assessments, simplify applications for voluntary projects, and waive requirements for wetland mitigation for incidental damage from a project improving wetland hydrology.

Require DNR to explain in writing its determination for denying an applicant a general permit and requiring an individual permit. Require DNR to provide a preapplication meeting, in conjunction with local zoning authorities, for any interested applicants for this permit. Specify that the general permit under this provision may not be used in lieu of an individual permit required by the Department for wetland mitigation required as a result of discharges into wetlands. Limit the term of the general permit to five years unless the Department determines otherwise.

The Department estimates perhaps eight projects would be eligible over the biennium under this provision and pay general permit fees of $303 per project. Under current law, such permittees would be subject to wetland individual permit fees of $803 per project. Thus, it is estimated the provision would reduce Department permit revenues by $4,000 over the biennium.

Creation of Council. Create a Hydrologic Restoration and Management Advisory Council,

consisting of seven to 15 members appointed by the DNR Secretary. Specify that members include representatives from local, state, and federal government, tribal partners, academic and nongovernmental institutions, and the private sector with expertise related to wetland, stream, and watershed restoration, floodplain management, and surface and groundwater hydrology. Require the Council to: (a) provide guidance on implementation of policies and projects related to hydrologic restoration, including development of the general permit for wetland, stream, and floodplain restoration; (b) improve interagency coordination on review of proposals to restore connections of streams and floodplains; (c) make recommendations to local governments to implement hydrologic restoration projects; (d) make recommendations for program and policy changes to increase use of hydrologic restoration strategies in state programs related to flood mitigation, water quality, and fish and wildlife management; and (e) support the Department in planning and implementation of training on hydrologic restoration for Department staff and other relevant audiences.

Joint Finance: Provision not included.

28. CREATE WETLANDS AND WATERWAYS SUBPROGRAM

Governor/Joint Finance: Create a wetlands and waterways budgetary subprogram to reflect DNR's creation of the Bureau of Wetlands and Waterways in September, 2019, and transfer the amounts in the following table from the watershed management subprogram to the new subprogram. The transfer would delineate waterway, wetland, and shoreland permitting, policy development, and statewide coordination and implementation from other watershed management subprogram activities. The watershed management subprogram is housed within the Division of External Services, and is responsible for: (a) runoff management, including watershed analysis and planning, statewide coordination and implementation of watershed policy, regulation of concentrated animal feeding operations (CAFOs), and nonpoint source water pollution abatement coordination and grant making; (b) dam safety and floodplain management, including mapping and zoning, statewide coordination, dam inspections and engineering plan reviews, and emergency response activities; and (c) waterway and wetland activities described previously. The watershed management subprogram has an annual adjusted base budget of $17.5 million with 148.31 positions. The transfer results in no net change in funding or positions and no shift in funding or positions between appropriations.

Wetlands and Waterways Subprogram Summary

	Amount	Fund	Positions
General Program Operations			
State Funds	$3,670,800	GPR	34.78
Federal Funds	1,063,400	FED	7.22
Service Funds	458,800	PR-S	5.00
Water Regulation and Zoning - Fees	1,538,200	PR	13.00
Water Resources Management - Lakes, Rivers, and Invasive Species (Conservation Fund)	875,900	SEG	7.50
Water Regulation and Zoning - Dam Safety and Wetland Mapping (Conservation Fund)	727,100	SEG	6.00
Total Transferred	$8,334,200		73.50

PROGRAM SUPPLEMENTS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$14,282,000	$21,682,000	$266,900,900	$245,218,900	1,131.0%	$252,618,900	1,768.8%
PR	0	0	11,703,600	11,703,600	N.A.	11,703,600	N.A.
SEG	0	0	2,500,000	2,500,000	N.A.	2,500,000	N.A.
TOTAL	$14,282,000	$21,682,000	$281,104,500	$259,422,500	1,196.5%	$266,822,500	1,868.2%

FTE Position Summary

There are no authorized positions for program supplements.

Budget Change Items

1. RESTORE DISCRETIONARY MERIT COMPENSATION FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$7,400,000	- $7,400,000	$0

Governor: Provide $3,700,000 annually to the discretionary merit compensation (DMC) program appropriation. Base funding for the DMC program is $2,300,000.

The program provides appointing authorities the discretion to provide employees economic recognition for merit. While appointing authorities have discretion in providing employees DMC awards, such awards must be made under the policy guidelines established each fiscal year by the DOA's Division of Personnel Management (DPM) and must generally be approved by DPM prior to being granted, unless DPM delegates this authority to the appointing authority. Awards funded from the DMC appropriation are given as lump sum awards. Under 2019 Act 9, funding for the discretionary merit program was reduced by $3,700,000 annually. The bill would restore the appropriation reduction, providing the program total funding of $6,000,000 annually.

Joint Finance: Provision not included.

2. DISCRETIONARY MERIT COMPENSATION BASE BUDGET DELETION

GPR	- $4,600,000

Joint Finance: Reduce the appropriation for discretionary merit compensation by $2,300,000 annually, which would delete base funding for the program.

3. CAPITOL EXECUTIVE RESIDENCE MAINTENANCE BASE BUDGET DELETION

GPR	- $9,017,800

Joint Finance: Reduce the appropriation for maintenance of the State Capitol and executive residence by $4,508,900 annually, which would delete base funding for the program.

4. JOINT COMMITTEE ON FINANCE APPROPRIATION FOR AGENCY SUPPLEMENTS [LFB Papers 463 and 552]

GPR	$266,236,700
PR	11,703,600
SEG	2,500,000
Total	$280,440,300

Joint Finance: Add the amounts identified in the table below to the Committee's supplemental appropriations.

Joint Committee on Finance Supplemental Appropriations

Agency	Purpose	Funding Amount 2021-22	Funding Amount 2022-23	Fund Source
Public Instruction	School Safety Mapping	$2,000,000	$0	GPR
Public Instruction	Benchmark Assessments	2,000,000	0	GPR
UW System	Freshwater Collaborative	2,500,000	2,500,000	GPR
UW System	UW-Extension Cooperative County Specialists	1,000,000	1,000,000	GPR
UW System	Foster Youth Programs	250,000	500,000	GPR
UW System	UW-Madison Nelson Institute Collaborative Studies with Federal Department of Defense	250,000	0	GPR
UW System	Water-Related Collaborative Studies with Federal Department of Defense	250,000	0	GPR
Higher Educational Aids Board	Nurse Educators	0	5,000,000	GPR
Natural Resources	Law Enforcement Integrated Records Management System	62,300	0	GPR
Natural Resources	PFAS-Containing Firefighting Foam Collection/Disposal	1,000,000	0	SEG
Workforce Development	Unemployment Insurance Study	25,000	0	GPR
DATCP	Meat Processor Grants	200,000	200,000	GPR
DATCP	Wisconsin Initiative for Agricultural Exports	558,400	558,400	GPR
Safety & Professional Services	eSLA Upgrades	3,000,000	2,000,000	PR
Military Affairs	Statewide Interoperable Radio Network (WISCOM)	0	6,000,000	GPR
Military Affairs	Urban Search and Rescue Task Force	500,000	0	GPR
Military Affairs	GIS Grants for Next Generation 911	0	1,500,000	SEG
Justice	Grants for Body Cameras	2,000,000	0	GPR
Justice	Community Orientated Police Housing Grants	1,000,000	0	GPR
Health Services	FoodShare Employment and Training Program	0	4,027,400	GPR
Health Services	Regional Crisis Response Grants	10,000,000	0	GPR
Health Services	Medication-Assisted Treatment	500,000	1,000,000	GPR
Health Services	Methamphetamine Treatment Training	150,000	300,000	GPR

Agency	Purpose	Funding Amount 2021-22	Funding Amount 2022-23	Fund Source
Health Services	Substance Abuse Treatment Platform	$0	$300,000	GPR
Health Services	DHS Facility Overtime Supplement	5,827,600	5,827,600	GPR
Health Services	DHS Facility Overtime Supplement	3,351,800	3,351,800	PR
Children and Families	Subsidized Guardianship	2,400,000	5,200,000	GPR
Shared Revenue and Tax Relief	Personal Property Tax Exemption	0	202,350,000	GPR
	Total	$38,825,100	$241,615,200	Total
		31,473,300	234,763,400	GPR
		6,351,800	5,351,800	PR
		1,000,000	1,500,000	SEG

In addition to the reserved funding, unreserved amounts of $133,600 GPR are provided annually.

PUBLIC DEFENDER

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$215,887,200	$225,977,900	$224,013,700	- $1,964,200	- 0.9%	$8,126,500	3.8%
PR	2,904,800	2,981,600	2,981,600	0	0.0	76,800	2.6
TOTAL	$218,792,000	$228,959,500	$226,995,300	- $1,964,200	- 0.9%	$8,203,300	3.7%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	609.85	619.85	614.85	- 5.00	5.00
PR	5.00	5.00	5.00	0.00	0.00
TOTAL	614.85	624.85	619.85	- 5.00	5.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $89,800	$5,217,200	$5,127,400
PR	76,800	0	76,800
Total	- $13,000	$5,217,200	$5,204,200

Governor: Provide adjustments to the base totaling -$77,500 GPR and $37,500 PR in 2021-22 and -$12,300 GPR and $39,300 PR in 2022-23. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-$61,000 GPR and $1,400 PR annually); (b) overtime ($219,700 GPR and $2,900 PR annually); and (c) full funding of lease and directed moves costs (-$236,200 GPR and $33,200 PR in 2021-22 and -$171,000 GPR and $35,000 PR in 2022-23).

Joint Finance: Provide $2,608,600 GPR annually for the State Public Defender to support

the annualized costs for 2020-21 attorney pay progression made in accordance with 2021 Act 7 (enacted on March 1, 2021). [Funding for this purpose was initially provided in the bill as a component of pay progression (see item #2).]

2. PAY PROGRESSION [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,591,800	- $9,270,800	$1,321,000

Governor: Provide $4,415,200 in 2021-22 and $6,176,600 in 2022-23 to support pay progression plan for assistant state public defender (ASPD) attorneys to increase retention of experienced counsel. The ASPD pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary ($54,434 as of January 3, 2021) and the highest annual salary ($131,456 as of January 3, 2021). The value of one hourly salary step equals $4,534 annually. Notwithstanding the creation of a 17 hourly salary step pay progression plan, the State Public Defender is authorized to: (a) deny annual salary increases to individual ASPDs; and (b) increase the salary of individual ASPDs by up to 10% per year. Funding requested is approximately equal to one step in each year of the biennium and the difference between the general wage adjustments and two steps for each qualified ASPD for the prior biennium (2019-21).

Provide a one-time exemption to the maximum salary adjustment limitation to allow assistant state public defenders to receive pay progression that is greater than 10% of salary in 2021-22.

On March 1, 2021, 2021 Act 7 was enacted which specified that the State Public Defender (SPD) may provide pay progression increases for ASPDs in fiscal year 2020-21, and that such increases may exceed 10% of base pay during a fiscal year.

Joint Finance: Modify SPD pay progression funding by -$1,372,400 in 2021-22 and -$2,681,200 in 2022-23, which results in net funding of $434,200 in 2021-22 and $886,800 in 2022-23. Adopt a non-statutory provision for the 2021-23 biennium to exempt the State Public Defender from the requirement that pay progression be provided beginning with the first pay period after July 1. Funding is intended to provide for a half step increase starting January 1, 2022 and 2023. [Note that $2,608,600 annually initially provided in the bill to fund the annualized costs of a full pay step increase in 2020-21 is identified under standard budget adjustments (see item #1).]

3. CHARGING AND SENTENCING ALTERNATIVES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $4,065,500	$4,065,500	$0

Governor: Modify funding by -$1,355,200 in 2021-22 and -$2,710,300 in 2022-23, and adopt the following law changes in order to reduce the number of SPD appointments. [Note that estimated annual savings from all requested law changes are generally halved in 2021-22 since 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 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 3,773 cases and reduce SPD costs by $1,149,400.

b. Modify current law to legalize the possession and use of marijuana. Cost savings to the SPD associated with this modification are estimated at $595,500 annually. Note that the estimate is based on the agency's budget request 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. [See "Marijuana-Related Provisions"]

c. Modify current law to provide that violations of probation or extended supervision that are based only on a violation of a condition of release, not be subject to revocation, but be subject only to non-custodial sanctions. The SPD estimates that this law change would affect 2,090 revocation cases. If these rule violations had not become revocations, the SPD estimates annual savings of $808,400. [See "Corrections -- Adult Sentencing."]

d. Modify current law to provide that bail jumping be reclassified as a misdemeanor no matter the initial charge. Under current law, bail jumping means failure to comply with the terms of a bond after being released from custody in a pending criminal matter. Bail jumping for a defendant who has been released on bond after being charged with a crime is a Class A misdemeanor (imprisonment not to exceed nine months or fine not to exceed $10,000, or both) if the offense with which the defendant is charged is a misdemeanor and a Class H felony (a maximum sentence of three years of confinement and three years extended supervision and/or a $10,000 fine) if the offense with which the defendant is charged is a felony, and bail jumping for a witness for whom bail has been required is a Class I felony (a maximum sentence of one and a half years of confinement and two years extended supervision and/or a $10,000 fine). In 2019-20, SPD provided representation in 5,479 felony bail jumping cases. If these felonies had been misdemeanors, the SPD estimates annual savings of $157,000.

Joint Finance: Provision not included.

4. VIDEO EVIDENCE: WORKLOAD STAFFING [LFB Paper 485]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$369,600	10.00	- $183,500	- 5.00	$186,100	5.00

Governor: Provide a net increase of $188,200 in 2021-22 and $181,400 in 2022-23 and 10.0 positions for the resources to receive and review video evidence such as police body worn cameras. Positions would include: (a) 7.0 attorneys; (b) 2.0 paralegals; and (c) 1.0 client service specialist. Funding would include $665,800 in 2021-22, $818,200 in 2022-23 and 10.0 positions in each year and reductions to the appropriation for private bar and investigator reimbursement to reflect cost reductions generated by the additional trial attorney positions (-$477,600 in 2021-22 and -$636,800 in 2022-23).

Joint Finance: Modify the provision by -$94,100 in 2021-22 and -$89,400 in 2022-23 and -5.0 positions for the resources to receive and review video evidence such as police body worn cameras.

5. VIDEO EVIDENCE: SERVER STORAGE [LFB Paper 485]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,733,800	- $1,366,800	$1,367,000

Governor: Provide $1,366,900 annually to account for the increased data storage costs of video evidence such as police body worn cameras. The bill reflects the agency's estimated cost to purchase sufficient server storage capacity to meet its current storage needs.

Joint Finance: Modify the provision by -$683,400 annually to account for the increased data storage costs of video evidence such as police body worn cameras.

6. EARLY AMORTIZATION PAYOFF [LFB Paper 486]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$507,200	- $425,800	$81,400

Governor: Provide $507,200 in 2021-22 to pay off the amortized principal on improvements to office spaced leased for the State Public Defender in Madison. In conjunction with the consolidating multiple Madison area locations into a single location, interior improvements to the leased space were undertaken, and financed over a five-year period beginning in January, 2020. The recommendation would repay the financed improvements approximately

three years in advance.

Joint Finance: Include provision. In addition, reduce funding for the State Public Defenders Office by $210,000 in 2021-22 and $215,800 in 2022-23 associated with current lease payments for remodeling costs.

7. INTERPRETER FUNDING

GPR	$43,600

Governor/Joint Finance: Provide $21,800 annually to support payments for interpreters. Base funding for interpreters within the program operations appropriation is $87,100. In recent years, the SPD has reallocated funding from trial representation and appellate representation to support the costs of interpreters. In 2019-20, the SPD incurred $99,500 in interpreter costs.

8. INDEX PRIVATE BAR ATTORNEY COMPENSATION

Governor: Provide that the private bar rate be adjusted biennially by a percentage equal to the average of the consumer price index over the preceding 12-month period, all items, U.S. city average, as determined by the Bureau of Labor Statistics of the Federal Department of Labor. The increase in hourly compensation would apply to cases assigned on or after July 1, 2023. The current private bar rate is $70 per hour for time spent related to a case and $25 per hour for travel time.

Joint Finance: Provision not included.

9. PILOT CHIPS EXTENSION

Governor/Joint Finance: Extend the sunset date on the pilot program to provide counsel for parents of a child subject to a Child in Need of Protection or Services (CHIPS) proceeding in five counties from June 30, 2021 through the end of 2022-23. Under 2017 Act 253, the State Public Defender was required to establish a pilot program in Brown, Outagamie, Racine, Kenosha, and Winnebago counties to provide counsel to nonpetitioning parents in CHIPS proceedings. The act specified that the pilot program does not apply to a proceeding commenced after June 30, 2021.

PUBLIC INSTRUCTION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$13,590,141,800	$15,231,894,900	$14,244,097,500	- $987,797,400	- 6.5%	$653,955,700	4.8%
FED	1,764,709,000	1,765,084,600	1,764,686,800	- 397,800	0.0	- 22,200	0.0
PR	95,071,000	107,136,300	106,736,300	- 400,000	- 0.4	11,665,300	12.3
SEG	123,877,600	171,668,600	136,815,800	- 34,852,800	- 20.3	12,938,200	10.4
TOTAL	$15,573,799,400	$17,275,784,400	$16,252,336,400	- $1,023,448,000	- 5.9%	$678,537,000	4.4%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	252.47	253.47	252.47	- 1.00	0.00
FED	313.84	313.84	313.84	0.00	0.00
PR	76.69	76.69	76.69	0.00	0.00
TOTAL	643.00	644.00	643.00	- 1.00	0.00

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 496]

Governor: Provide $6,908,916,200 in 2021-22 and $7,237,834,900 in 2022-23 for general and categorical school aids. Compared to the 2020-21 base level funding of $6,295,280,100, school aids would increase by $613,636,100 (9.7%) in 2021-22 and $942,554,800 (15.0%) in 2022-23. These proposed funding levels would represent annual changes to the prior year of 9.7% in 2021-22 and 4.8% in 2022-23.

Under the definition of state funding for support of K-12 education (the sum of state general and categorical school aids, the school levy and first dollar credits, and the general program operations appropriation for the program for the deaf and hard of hearing and the center for the

blind and visually impaired), the bill would increase state support from the base amount of $7,397,208,500 in 2020-21 to $8,011,790,600 in 2021-22 and $8,340,709,300 in 2022-23. These proposed funding levels would represent annual changes to the prior year of 8.3% in 2021-22 and 4.1% in 2022-23.

Using the definition of partial school revenues (the sum of state school aids and property taxes levied for school districts), the administration estimates that state support of partial school revenues would increase from 65.2% in 2020-21 to approximately 67.0% in 2021-22 and 67.5% in 2022-23. These estimates incorporate the state support funding in the bill, which is presented in Table 1.

Joint Finance: Provide $6,435,378,000 in 2021-22 and $6,675,125,900 in 2022-23 for general and categorical school aids. Compared to the 2020-21 base year, school aids would increase by $140,097,900 (2.2%) in 2021-22 and $379,845,800 (6.0%) in 2022-23. These proposed funding levels would represent annual changes to the prior year of 2.2% in 2021-22 and 3.7% in 2022-23. Compared to the Governor's recommendations, school aids would be reduced by $473,538,200 in 2021-22 and $562,709,000 in 2022-23.

Using the traditional definition of state support of K-12 education, total funding would increase from $7,397,208,500 in 2020-21 to $7,538,252,400 in 2021-22 and $7,778,000,300 in 2022-23. These funding levels would represent annual changes to the prior year of 1.9% in 2021-22 and 3.2% in 2022-23. With the changes to K-12 school finance adopted by Joint Finance, it is estimated that state support of partial school revenues under the traditional definition would be 66.55% in 2021-22 and 68.0% in 2022-23. A summary of the funding amounts for state support under the recommendations of the Governor and Joint Finance is presented in Table 1.

TABLE 1

State Support for K-12 Education

State Funding	2020-21 Base Year	Governor 2021-22	Governor 2022-23	Joint Finance 2021-22	Joint Finance 2022-23
General School Aids	$4,920,420,000	$5,141,830,000	$5,311,830,000	$5,030,420,000	$5,218,420,000
Categorical Aids	1,374,860,100	1,767,086,200	1,926,004,900	1,404,958,000	1,456,705,900
School Levy Tax Credit	940,000,000	940,000,000	940,000,000	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	11,928,400	12,874,400	12,874,400	12,874,400	12,874,400
Total	$7,397,208,500	$8,011,790,600	$8,340,709,300	$7,538,252,400	$7,778,000,300
Change to Prior Year:					
Amount		$614,582,100	$328,918,700	$141,043,900	$239,747,900
Percent		8.3%	4.1%	1.9%	3.2%
Change to Base:					
Amount		$614,582,100	$943,500,800	$141,043,900	$380,791,800
Percent		8.3%	12.8%	1.9%	5.1%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the funding recommendations of the Governor and Joint Finance for each general and categorical school aid program as compared to the 2020-21 base funding level. The recommendations of the Governor and Joint Finance relating to individual school aid programs are summarized in the items that follow.

TABLE 2

State Support for K-12 Education by Fund Source

	2020-21	Governor		Joint Finance	
	Base Year	2021-22	2022-23	2021-22	2022-23
GPR					
General School Aids	$4,920,420,000	$5,141,830,000	$5,311,830,000	$5,030,420,000	$5,218,420,000
Categorical Aids	1,317,068,400	1,707,394,500	1,828,460,400	1,345,466,300	1,394,214,200
School Levy Tax Credit	940,000,000	940,000,000	940,000,000	940,000,000	940,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	11,928,400	12,874,400	12,874,400	12,874,400	12,874,400
GPR Subtotal	$7,339,416,800	$7,952,098,900	$8,243,164,800	$7,478,760,700	$7,715,508,600
PR					
Categorical Aids	$1,507,500	$1,707,500	$1,707,500	$1,507,500	$1,507,500
SEG					
Categorical Aids	$56,284,200	$57,984,200	$95,837,000	$57,984,200	$60,984,200
Total State Support - All Funds	$7,397,208,500	$8,011,790,600	$8,340,709,300	$7,538,252,400	$7,778,000,300

TABLE 3

General and Categorical School Aid by Funding Source
2020-21 Base Year Compared to the Governor's and Joint Finance's Budget

Agency	Type and Purpose of Aid	2020-21 Base Year	Governor 2021-22	Governor 2022-23	Joint Finance 2021-22	Joint Finance 2022-23
	General Aid					
DPI	General School Aids	$4,903,590,000	$5,125,000,000*	$5,295,000,000	$5,013,590,000*	$5,201,590,000
	High Poverty Aid	16,830,000	16,830,000	16,830,000	16,830,000	16,830,000
	Total General Aid	$4,920,420,000	$5,141,830,000	$5,311,830,000	$5,030,420,000	$5,218,420,000
	Categorical Aid--GPR Funded					
DPI	Per Pupil Aid	$616,973,000	$648,150,000	$646,625,000	$608,756,800	$607,527,300
	Supplemental Per Pupil Aid	2,500,000	0	0	0	0
	Special Education	450,276,200	746,970,800	863,166,300	468,091,800	517,890,000
	High-Cost Special Education Aid	9,353,800	11,106,000	17,158,700	11,106,000	11,439,200
	Spec. Ed. Transitions Incentive Grants	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
	Transition Readiness Investment Grant	1,500,000	1,500,000	3,000,000	1,500,000	1,500,000
	Achievement Gap Reduction	109,184,500	109,184,500	109,184,500	109,184,500	109,184,500
	SAGE--Debt Service	133,700	133,700	133,700	133,700	133,700
	Sparsity Aid	24,813,900	34,736,000	0	27,962,400	27,983,800
	Pupil Transportation	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
	High-Cost Transportation Aid	13,500,000	15,500,000	15,500,000	19,856,200	19,856,200
	Bilingual-Bicultural Aid	8,589,800	18,335,300	26,877,000	8,589,800	8,589,800
	Tuition Payments	8,242,900	8,242,900	8,242,900	8,242,900	8,242,900
	Mental Health Collaboration Grants	6,500,000	10,000,000	10,000,000	10,000,000	10,000,000
	Aid for School Mental Health Programs	6,000,000	28,500,000	30,000,000	12,000,000	12,000,000
	Peer-to-Peer Suicide Prevention Grants	250,000	250,000	250,000	250,000	250,000
	Head Start Supplement	6,264,100	0	0	6,264,100	6,264,100
	Educator Effectiveness Grants	5,746,000	5,746,000	5,746,000	5,746,000	5,746,000
	School Lunch	4,218,100	4,218,100	4,218,100	4,218,100	4,218,100
	County Children with Disabilities Educ. Boards	4,067,300	4,067,300	4,067,300	4,067,300	4,067,300
	School Breakfast	2,510,500	4,970,000	5,070,000	2,510,500	2,510,500
	Supplemental Nutrition Aid	0	2,432,000	2,432,000	0	0
	Peer Review and Mentoring	1,606,700	1,606,700	1,606,700	1,606,700	1,606,700
	Rural School Teacher Talent Pilot Program	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
	MPS Summer School Grant Program	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
	Four-Year-Old Kindergarten Grants	1,350,000	1,300,000	650,000	1,350,000	1,350,000
	School Day Milk	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Robotics League Participation Grants	500,000	500,000	500,000	500,000	500,000
	Aid for Transportation--Open Enrollment	454,200	1,099,900	1,213,600	454,200	454,200
	Lakeland STAR Academy	0	0	0	250,000	500,000
	Gifted and Talented	237,200	237,200	237,200	474,400	474,400
	Supplemental Aid	100,000	100,000	100,000	100,000	100,000
	Out-Of-School-Time Program Grants	0	0	20,000,000	0	0
	Energy Efficiency Project Grants	0	10,000,000	10,000,000	0	0
	Driver Education Aid	0	0	2,900,000	0	0
	Bilingual/ESL Licensure Grants	0	0	750,000	0	0
	Computer Science Licensure Grants	0	0	750,000	0	0
	Aid for Transportation--Early College Credit	0	10,000	10,000	0	0
DCF	Head Start Supplement	0	6,264,100	6,264,100	0	0
DOA	Debt Service--Tech. Infrastructure Bonding	696,500	734,000	307,300	750,900	325,500
	Total Categorical Aid--GPR Funded	$1,317,068,400	$1,707,394,500	$1,828,460,400	$1,345,466,300	$1,394,214,200
	Categorical Aid--PR Funded					
DPI	AODA	$1,284,700	$1,284,700	$1,284,700	$1,284,700	$1,284,700
	Tribal Language Revitalization Grants	222,800	222,800	222,800	222,800	222,800
	Grants to Replace Race-Based Nicknames	0	200,000	200,000	0	0
	Total Categorical Aid--PR Funded	$1,507,500	$1,707,500	$1,707,500	$1,507,500	$1,507,500

Agency	Type and Purpose of Aid	2020-21 Base Year	Governor 2021-22	Governor 2022-23	Joint Finance 2021-22	Joint Finance 2022-23
	Categorical Aid--SEG Funded					
DPI	School Library Aids	$40,300,000	$42,000,000	$45,000,000	$42,000,000	$45,000,000
	Sparsity Aid	0	0	34,852,800	0	0
DOA	Educ. Telecommunications Access Support	15,984,200	15,984,200	15,984,200	15,984,200	15,984,200
	Total Categorical Aid--SEG Funded	$56,284,200	$57,984,200	$95,837,000	$57,984,200	$60,984,200
	Total Categorical Aid--All Funds	$1,374,860,100	$1,767,086,200	$1,926,004,900	$1,404,958,000	$1,456,705,900
	Total School Aid--All Funds	$6,295,280,100	$6,908,916,200	$7,237,834,900	$6,435,378,000	$6,675,125,900

*Reflects the total amount of funding that would be distributed through the formula for the 2021-22 school year; does not include the $75 million in funding that would be appropriated in 2021-22 to buy back the current law delayed aid payment.

2. GENERAL SCHOOL AID BASE FUNDING INCREASE [LFB Paper 496]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$612,820,000	- $204,820,000	$408,000,000

Governor: Provide $221,410,000 in 2021-22 and $391,410,000 in 2022-23 for general school aids. Base level funding is $4,903,590,000. The general school aids appropriation funds equalization, integration, and special adjustment aid. This bill funding would represent an increase of 4.5% in 2021-22 and 3.3% in 2022-23 compared to the prior year.

Joint Finance: Provide $110,000,000 in 2021-22 and $298,000,000 in 2022-23 above base level, which would be reductions of $111,410,000 in 2021-22 and $93,410,000 in 2022-23 from the bill. This would represent an increase of 2.2% in 2021-22 and 3.7% in 2022-23 compared to the prior year.

3. BUYBACK OF CURRENT LAW GENERAL SCHOOL AID PAYMENT DELAY [LFB Paper 497]

GPR	$75,000,000

Governor: Provide $75,000,000 in 2021-22 for general school aids and, beginning in the 2021-22 school year, delete the current law provisions under which the state annually pays that amount of aid on a delayed basis on the fourth Monday in July of the following school year. (A technical correction would need to be made to treat the general aid appropriation as if there were no buyback so as to distribute the correct amount of funding for 2021-22 through the general aid formula.)

Under current law, equalization aid is distributed to districts according to the following payment schedule: 15% on the third Monday in September; 25% on the first Monday in December; 25% on the fourth Monday in March; and 35% on the third Monday in June. Total aid entitlements on each of the four dates are reduced by the percentage that generates the $75 million amount for the school year, which is paid in the following July.

Joint Finance: Include provision with technical correction relating to the establishment of the secondary guaranteed valuation.

4. SPECIAL ADJUSTMENT AID [LFB Paper 498]

Governor: Specify that special adjustment aid would be calculated based on 90% of a district's prior year general school aids payment for the distribution of general aid in 2021-22 and 2022-23 school years.

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 for the two years specified.

Joint Finance: Provision not included.

5. INDEPENDENT CHARTER SCHOOL AID REDUCTION

GPR Effect of Change to Aid Reductions	$166,700,000

Joint Finance: Beginning in the 2021-22 school year, delete the general school aids reduction associated with the payments to independent charter schools authorized by the City of Milwaukee, UW-Milwaukee, and UW-Parkside. Reduce GPR lapses by $82,800,000 in 2021-22 and $83,900,000 in 2022-23. Under this provision, net general school aids received by school districts would increase correspondingly.

Under current law, DPI pays the operators of these charter schools a statutorily-determined per pupil amount ($9,165 in 2020-21) from a separate, GPR sum sufficient appropriation established for these payments. The cost of the payments for pupils attending these schools is offset by a lapse from the general school aids appropriation to the general fund in an amount equal to the estimated payments. DPI is required to proportionately reduce the general school aids for which each school district is eligible by an amount totaling the charter lapse (a 1.6% reduction in aid in 2020-21).

6. TWO-THIRDS FUNDING OF PARTIAL SCHOOL REVENUES

Governor: Beginning in 2021-22, restore the requirement that that state fund two-thirds of K-12 partial school revenues and the associated statutory provisions that existed prior to its repeal in the 2003-05 biennial budget, as modified to reflect changes to K-12 funding provisions in the intervening time.

Define "partial school revenues" as the sum of state school aids, property taxes levied for school districts, and exempt property aid payments to school districts, less the following: (a) the amount of any revenue limit increase due to a school board's increasing the services that it provides by adding responsibility for providing a service transferred to it from another school board; (b) the amount of any revenue limit increase due to a school board increasing the services that it provides by adding responsibility for providing a service that is transferred to it from another governmental

unit for a child with a disability or for a limited-English proficient pupil; (c) the amount of any revenue limit increase due to a district depositing funds into a specified capital improvement fund; (d) the amount of property taxes levied for community service activities; (e) an amount equal to the net general aid reduction to the Milwaukee Public Schools' aid entitlement related to the Milwaukee private school choice program; and (f) the amount by which the property tax levy for debt service on referenda-approved debt referendum exceeds $490 million.

Define "state school aids" as the sum of the following: (a) the amounts appropriated under s. 20.255(2), which is the statutory subsection containing the aids for local educational programming, less the appropriations for high poverty aid, federal and program revenue aid appropriations, and the appropriations for the private school choice, independent charter school, and special needs scholarship programs, which are also under s. 20.255(2); (b) the general program operations appropriation for the program for the deaf and hard of hearing and the center for the blind and visually impaired; (c) the DOA appropriation for debt service costs for educational technology infrastructure financial assistance to school districts; (d) the amount, as determined by the DOA Secretary, in the DOA appropriation for telecommunications access for educational agencies allocated for payments to telecommunications providers under contracts with school districts and cooperative educational service agencies; and (e) the current law DPI appropriation for the Head Start supplement which would be transferred to the Department of Children and Families (DCF) under the bill.

Require the Departments of Public Instruction and Administration and the Legislative Fiscal Bureau to jointly certify, by May 15, 2022, and annually by May 15 thereafter, to the Joint Committee on Finance an estimate of the amount necessary to appropriate in the general school aids appropriation in the following school year to ensure that state school aids equal two-thirds of partial school revenues. Require the Joint Committee on Finance, by June 30, 2022, and biennially by June 30 thereafter, to determine the amount appropriated in the general school aids appropriation in following school year. Modify the general school aids appropriation from a sum certain appropriation to a sum sufficient equal to the amount determined by law in the 2021-22 fiscal year and biennially thereafter, and equal to the amount determined by Joint Finance in the 2022-23 fiscal year and biennially thereafter.

Joint Finance: Provision not included.

7. REVENUE LIMIT PER PUPIL ADJUSTMENT [LFB Paper 496]

Governor: Set the per pupil adjustment under revenue limits at $200 in 2021-22 and $204 in 2022-23 and restore the pre-2009-10 inflationary adjustment beginning in 2023-24. Under the inflationary adjustment, the per pupil adjustment in 2023-24 would be the prior year per pupil amount ($204) times the percentage change in the consumer price index.

Under revenue limits, the amount of revenue a school district can raise from general school aids, property taxes, and exempt property aids 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. In 2020-21, a $179 per pupil adjustment was added to each district's base revenue per

pupil to determine its current year revenue per pupil. Under current law, no per pupil adjustment will be made in 2021-22 and in each year thereafter. 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 positive, 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 bill compared to current law.

Per Pupil Adjustment

	2020-21	2021-22	2022-23
Current Law	$179	$0	$0
Bill	179	200	204

Joint Finance: Provision not included.

8. LOW REVENUE ADJUSTMENT [LFB Paper 496]

Governor: Set the low revenue adjustment amount under revenue limits at $10,250 per pupil in 2021-22 and $10,500 per pupil in 2022-23 and each year thereafter. Also, beginning in 2021-22, delete the statutory provisions generally restricting otherwise-eligible districts from any low revenue adjustment increases for three years after a failed operating referendum.

Under the low revenue adjustment, if the sum of the base revenue per pupil and the revenue limit per pupil adjustment for a district is below the statutorily-specified amount, a district may increase its revenue to that amount. The low revenue adjustment amount in 2020-21 is $10,000 per pupil, with the three-year exception for districts with failed referenda. Under current law, the low revenue adjustment amount will remain at $10,000 per pupil in future years. The following table shows the low revenue adjustment amount under the bill compared to current law.

Low Revenue Adjustment - Per Pupil Amount

	2020-21	2021-22	2022-23
Current Law	$10,000	$10,000	$10,000
Bill	10,000	10,250	10,500

Joint Finance: Provision not included.

9. REVENUE LIMIT ENROLLMENT FOR THE 2020-21 SCHOOL YEAR [LFB Paper 499]

Governor: Specify that for calculating a school district's revenue limit for the 2021-22,

2022-23, and 2023-24 school years, the number of pupils enrolled in the district in the 2020-21 school year is the sum of the following: (a) the greater of the number of pupils enrolled in the district's September enrollment count in the 2019-20 school year or in the 2020-21 school year; and (b) the greater of 40% of the district's summer enrollment in the 2019-20 school year or in the 2020-21 school year.

For revenue limit purposes, a district's enrollment is the sum of its pupil count taken on the third Friday in September plus 40% of its full-time equivalent summer enrollment. A three-year rolling average of a district's enrollment is used to calculate its revenue limit. For example, for the 2020-21 revenue limit, the average of the 2017, 2018, and 2019 enrollments is used to calculate the 2019-20 base year revenue per pupil. Then, the average of the 2018, 2019, and 2020 enrollments is used to calculate the 2020-21 current year revenue per pupil.

Joint Finance: Provision not included.

10. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP

Governor: Specify that a four-year-old kindergarten (K4) pupil enrolled in a program that requires full-day attendance by the pupil for five days a week would be counted as 1.0 pupil for membership purposes, beginning with the distribution of school aid in, and the calculation or revenue limits for 2022-23. This membership change would apply to school district revenue limits and general aid and payments to schools in private school choice programs and the independent charter school program.

Under current law, a K4 pupil is counted as 0.5 member if the pupil attends for at least 437 hours, unless the program provides at least 87.5 additional hours of outreach activities, in which case the pupil is counted as 0.6 member. Under the bill, a K4 pupil enrolled in a program requiring less than full-day attendance by the pupil for five days a week would be counted as 0.5 or 0.6 member, depending on whether the additional outreach is provided.

Joint Finance: Provision not included.

Categorical Aids

1. SPECIAL EDUCATION [LFB Paper 505]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$709,584,700	- $624,155,300	$85,429,400

Governor: Provide $296,694,600 in 2021-22 and $412,890,100 in 2022-23 for special

education categorical aid, and modify the appropriation from sum certain to be a sum sufficient appropriation paying 45% of eligible costs in 2021-22 and 50% in 2022-23 and annually thereafter. Base level funding is $450,276,200, which DPI estimates will reimburse approximately 28.2% of eligible costs in 2020-21.

Joint Finance: Provide $17,815,600 in 2021-22 and $67,613,800 in 2022-23, a change of -$278,879,000 in 2021-22 and -$345,276,300 in 2022-23 relative to the amounts in the bill. It is estimated that this funding would maintain the current proration rate of 28.2% in 2021-22 and increase the proration rate to 30.0% in 2022-23.

2. HIGH COST SPECIAL EDUCATION AID [LFB Paper 505]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,557,100	- $5,719,500	$3,837,600

Governor: Provide $1,752,200 in 2021-22 and $7,804,900 in 2022-23 for high cost special education aid. It is estimated that this funding would increase the proration rate to 40% in 2021-22 and 60% in 2022-23. Base level funding is $9,353,800, which DPI estimates will reimburse approximately 31% of eligible costs in 2020-21.

Under current law, applicants are eligible for high-cost aid for 90% of non-administrative costs above $30,000 for an individual pupil in the previous school year, if the costs were not reimbursed by state special education categorical aid, federal Individual with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient, payments are prorated.

Joint Finance: Provide $1,752,200 in 2021-22 and $2,085,400 in 2022-23, which would provide the same amount of funding in 2021-22 and reduce funding by $5,719,500 in 2022-23 compared to the bill. It is estimated that this funding would increase the proration rate to 40% in each year.

3. SPECIAL EDUCATION TRANSITION READINESS GRANT [LFB Paper 505]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,500,000	- $1,500,000	$0

Governor: Provide $1,500,000 in 2022-23 above base level funding of $1,500,000 for competitive grants for special education workforce transition support services.

Under current law, school districts and independent charter schools are eligible for grants of $25,000 to $100,000 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 to help pupils with disabilities transition into the workforce.

Joint Finance: Provision not included.

4. COUNTY CHILDREN WITH DISABILITIES EDUCATION BOARD AID

Governor/Joint Finance: Specify that county children with disabilities education boards (CCDEBs) would be eligible to receive state aid on behalf of pupils with disabilities who are attending a school district under the full-time open enrollment program but are solely enrolled in a special education program provided by the CCDEB in the same manner as they receive state aid on behalf of pupils attending school in their district of residence who are solely enrolled in the CCDEB. Under current law, aid is calculated by determining the percentage of a district's shared costs that it would receive from state general aids if its membership included each pupil residing in the district who is fully enrolled in a CCDEB and the district's shared costs were increased by the costs of the CCDEB program for all pupils participating in the CCDEB program who are residents of the school district, and multiplying the costs of the CCDEB program by that percentage.

Additionally, specify that costs of the CCDEB program for pupils with disabilities who are attending a school district under the full-time open enrollment program but are solely enrolled in a special education program provided by the CCDEB would be excluded from the calculation of a school district's base revenue per member, in the same manner as for pupils attending school in their district of residence who are solely enrolled the CCDEB.

Fiscally independent CCDEBs, which fund the local share of their educational programs through the county property tax levy, receive state aid. The state provides aid for pupils enrolled solely in CCDEB-operated programs and for costs incurred by CCDEBs for pupils jointly enrolled in school district and CCDEB programs. There are three fiscally independent CCDEBs in the state, located in Brown, Calumet, and Walworth counties.

These provisions would have the effect of modifying current law so that for pupils who open enroll into another school district in order to attend a CCDEB, state aid for the CCDEB and the effect of the pupil's enrollment on the school district would be calculated as if the pupil was enrolled in their district of attendance.

5. PER PUPIL AID [LFB Paper 496]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$60,829,000	- $78,490,900	- $17,661,900

Governor: Provide $31,177,000 in 2021-22 and $29,652,000 in 2022-23 above base level funding of $616,973,000 for per pupil aid.

Each school district receives a statutorily-specified, flat per pupil aid payment, outside of revenue limits, from the sum sufficient appropriation for per pupil aid. Under current law this payment is $742 per pupil in 2020-21 and each year thereafter. A district's current three-year rolling average pupil count under revenue limits is used to calculate the aid payment.

There are three components in the bill relating to per pupil aid. The funding levels for each, and in total, are based on the administration's enrollment estimates of 829,096 pupils in 2021-22 and 827,146 pupils in 2022-23. These estimates include the effect of separate bill provisions that would modify the enrollment used for revenue limit purposes.

a. Current payment reestimate. Delete $1,783,800 in 2021-22 and $3,230,700 in 2022-23 as a reestimate of payments using the current payment amount.

b. Per pupil payment increase. Provide $6,632,800 in 2021-22 and $6,617,200 in 2022-23 to increase the per pupil payment from $742 in 2020-21 to $750 in 2021-22 and each year thereafter.

c. Additional payment for economically disadvantaged pupils. Provide $26,328,000 in 2021-22 and $26,265,500 in 2022-23 for an additional $75 per pupil payment for economically disadvantaged pupils, beginning in the 2021-22 school year. These funding levels would provide aid for 351,039 pupils in 2021-22 and 350,214 pupils in 2022-23.

Define "economically disadvantaged pupil" as a pupil that satisfies either the income eligibility criteria for a free or reduced-price lunch under federal law or other measures of poverty, as determined by the Department. (In 2020-21, a family of four qualifies for a free or reduced-price lunch with an income of less than $48,470.) Specify that, in the 2021-22 and 2022-23 school years, each district be paid an amount equal to the district's enrollment multiplied by the district's rate of economically disadvantaged pupils in the 2019-20 school year multiplied by $75. Define "rate of economically disadvantaged pupils" as the number of economically disadvantaged pupils enrolled in a district divided by the number of pupils enrolled in the district. Specify that, beginning in the 2023-24 school year, the rate of economically disadvantaged pupils for this calculation would be the figure from the previous school year, rather than from the 2019-20 school year.

Joint Finance: Provision not included. Reduce funding by $8,216,200 in 2021-22 and by $9,445,700 in 2022-23 as the result of a sum sufficient reestimate of estimated per pupil aid payments using the current law definition of enrollment used for revenue limit and per pupil aid purposes, which would represent reductions of $39,393,200 in 2021-22 and $39,097,700 in 2022-23 compared to the bill.

6. SUPPLEMENTAL PER PUPIL AID [LFB Paper 506]

GPR	- $5,000,000

Governor/Joint Finance: Delete $2,500,000 annually and the appropriation and program statutes for supplemental per pupil aid.

As passed by the Legislature in the 2019-21 budget bill, supplemental per pupil aid was

intended to provide additional per pupil aid to higher-value districts. As vetoed by the Governor, a school district is eligible for this aid and DPI must pay each eligible school district an amount. DPI distributes this aid by dividing the amount appropriated by the statewide current-year three year average enrollment under revenue limits and distributing the aid to all districts on a per pupil basis. In 2020-21, districts will receive an estimated $3 per pupil from this appropriation.

7. PER PUPIL AID -- CLARIFY CURRENT LAW

Governor/Joint Finance: Delete obsolete statutory language relating to the delayed payment of per pupil aid for the 2015-16 school year.

Also, change the cross-reference for the exclusions from per pupil aid enrollment to a current reference, rather than an outdated one. Under current law, pupils who attend certain independent charter schools are included in their resident districts' enrollments for revenue limit purposes. The revenue limit count is used for per pupil aid, but the provision excluding these pupils for per pupil aid refers to an outdated statutory paragraph.

8. SCHOOL MENTAL HEALTH AID [LFB Paper 507]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$46,500,000	- $34,500,000	$12,000,000

Governor: Provide $22,500,000 in 2021-22 and $24,000,000 in 2022-23 above annual base level funding of $6,000,000 for aid for school mental health programs.

Modify current law to include expenditures for any pupil services professional, rather than only social workers as under current law. Define pupil services professional as a school counselor, school social worker, school psychologist, or school nurse. Modify the program to specify that beginning in the 2021-22 school year, school districts, independent charter schools, and private schools participating in one of the private school choice programs would be eligible for reimbursement of any expenditures made to employ, hire, or retain pupil services professionals, rather than only 50% of the increase in expenditures to employ, hire, or retain school social workers. Specify that if funding in the appropriation is insufficient to pay the full amount of aid, payments would be prorated among the school districts, independent charter schools, and private schools that are eligible for aid.

Modify the name of the appropriation to be mental health programs and pupil wellness aid, rather than aid for school mental health programs as under current law. Exclude the program from the indexing provision used to determine the per pupil payment increase for independent charter schools, private choice schools, and open enrollment pupils.

Under current law, the program reimburses eligible districts and schools for expenditures on social worker services as follows: (a) 50% reimbursement of the increase in expenditures for

school social worker services from one year to the next; and (b) a proportion of unreimbursed expenditures for social workers, based on the amount remaining in the appropriation after payments are made under (a). Eligible districts and schools are defined as school districts, independent charter schools, and private schools participating in a choice program that increased their expenditures on social workers from one year to the next.

Joint Finance: Provide $6,000,000 annually above base level funding, which would reduce funding by $16,500,000 in 2021-22 and $18,000,000 in 2022-23 compared to the bill. Delete the statutory language modifications included in the Governor's proposal.

9. SCHOOL-BASED MENTAL HEALTH SERVICES COLLABORATION GRANT [LFB Paper 507]

GPR	$7,000,000

Governor/Joint Finance: Provide $3,500,000 annually above base level funding of $6,500,000 for grants to school districts and independent charter schools for collaboration with community partners to provide mental health services to pupils. Additionally, modify current law to change the program purpose to collaborate with "community mental health agencies" to instead reference collaboration with "mental health providers."

In 2019-20, 106 grants were awarded to recipients including 97 individual school districts, eight consortia representing an additional 23 districts, and one independent charter school.

10. BILINGUAL BICULTURAL AID [LFB Paper 508]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$28,032,700	- $28,032,700	$0

Governor: Provide $9,745,500 in 2021-22 and $18,287,200 in 2022-23 for aid for bilingual-bicultural programs. Base level funding for the program is equal to $8,589,800 annually.

Modify the program to allow independent charter schools to qualify for aid, beginning in the 2022-23 school year. Additionally, modify the program to establish that aid would be paid to an eligible school district or independent charter school in the following amounts, beginning in the 2022-23 school year: (a) $10,000, if there was at least one limited-English proficient (LEP) pupil enrolled in the school district or attending the charter school in the previous school year; (b) an additional $500 for each LEP pupil over 20 pupils enrolled in the school district or attending the charter school in the previous school year. Require DPI to prorate payments if the amount in the appropriation is insufficient to fully fund payments under the program. Delete current law specifying the number of LEP pupils required for a school board to be eligible for aid, effective for the 2022-23 school year.

Specify that the current law payment determination would apply in the 2021-22 school year. Create a hold-harmless that would apply to a school board that received a payment in the 2021-22

school year. Under the hold-harmless, in the 2022-23 school year, the board would receive an amount equal to the greater of the following: (a) the amount calculated under the new methodology as described above; or (b) the amount received by the board in 2020-21. In the 2023-24 school year, the school board would receive the greater of the following: (a) the amount calculated using the new methodology; or (b) the amount under (a) plus 50% of the difference between that amount and the amount received by the board in 2020-21.

Specify that a school board that is required to establish a bilingual-bicultural education program is eligible for state aid only if the State Superintendent is satisfied that the school board maintained the bilingual-bicultural education program in accordance with the requirements in the statutes. Require that school districts include a summary of the costs incurred to operate the bilingual-bicultural program in the previous school year and the estimated budget for the program in the current school year in the annual report each school district operating a bilingual-bicultural education program is required to submit to the State Superintendent.

Require school boards and independent charter school operators to report to the State Superintendent the number of limited-English proficient pupils enrolled in the district or school in the previous school year and the classification of those pupils by language group annually, on or before August 15. Specify that current law requiring school districts to conduct a count of LEP pupils, assess their language proficiency, and classify the pupils by language group, grade level, age, and English language proficiency annually on or before March 1 would also apply to independent charter schools, and specify that a school board or independent charter school operator would only be eligible for aid if this count is conducted. Specify that a school board or independent charter school operator is eligible for aid only if it submits the reports required under state law.

In the current annual report submitted by the State Superintendent to the Legislature, require that DPI report the number of LEP pupils in each language group enrolled in each school district and attending each independent charter school, and delete current law requiring that the Department include the per-pupil cost of the bilingual-bicultural education program for each school district, language group, and program type. Specify in statute that it is the policy of this state to provide support to school districts and independent charter schools for the added costs of educating LEP pupils.

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 LEP pupils in kindergarten to grade three, or 20 or more LEP pupils in grades four to eight or grades nine to 12. Aid is provided to districts to reimburse eligible costs related to providing services for English learners. Districts in which English learners comprise 15% or more of total enrollment are eligible for additional aid from a $250,000 set-aside, which is divided proportionately among eligible districts based on their costs. In 2019-20, the reimbursement rate under the program was approximately 8.1%.

Joint Finance: Provision not included.

11. CAPACITY BUILDING GRANTS FOR BILINGUAL EDUCATORS [LFB Paper 508]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$750,000	- $750,000	$0

Governor: Provide $750,000 in 2022-23 for a new grant program to provide funding for a school board or independent charter school operator to provide support and financial assistance to its staff and teachers in obtaining licensure or certification as bilingual teachers and teachers of English as a second language. School boards or independent charter school operators could apply for a grant, and DPI could award grants from the appropriation beginning in the 2022-23 school year in an amount determined by the Department. Specify that DPI could promulgate rules to implement and administer the program.

Joint Finance: Provision not included.

12. OUT-OF-SCHOOL-TIME PROGRAM GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$20,000,000	- $20,000,000	$0

Governor: Provide $20,000,000 in 2022-23 in a continuing appropriation for a new grant program to support high-quality after-school programs and other out-of-school-time programs that provide services to school-age children. Require DPI to award grants to school boards and organizations beginning in the 2022-23 school year. Require DPI to award grants of between $80,000 and $145,000, and specify that grants could continue for up to five school years. In each school year, require DPI to award not less than 30% of all grant moneys to out-of-school time programs that serve pupils in the elementary grades. Provide that DPI could promulgate rules to implement and administer the program.

Joint Finance: Provision not included.

13. ENERGY EFFICIENCY GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$20,000,000	- $20,000,000	$0

Governor: Provide $10,000,000 annually in a new biennial appropriation for grants to school districts for energy efficiency projects in school buildings beginning in the 2021-22 school year. Require DPI to give preference to projects that relate to heating, ventilation, and air conditioning systems in awarding grants for the 2021-22 and 2022-23 school years. Specify that

DPI could promulgate rules to implement the program in consultation with the Office of Environmental Justice that would be created under the Department of Administration under the bill.

Joint Finance: Provision not included.

14. SPARSITY AID [LFB Paper 509]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $14,891,800	$21,210,200	$6,318,400
SEG	34,852,8000	- 34,852,800	0
Total	$19,961,000	- $13,642,600	$6,318,400

Governor: Provide $9,922,100 GPR in 2021-22, and in 2022-23 delete $24,813,900 GPR and provide $34,852,800 SEG. The segregated funds would be from the community reinvestment fund created under the Department of Revenue. Monies to the fund would be provided from taxes generated on the sale of marijuana. The net effect would be an increase of $9,922,100 in 2021-22 and $10,038,900 in 2022-23 above base level funding of $24,813,900 for sparsity aid, with the funding source for the program shifting from GPR in 2021-22 to SEG in 2022-23.

Additionally, modify the program in 2021-22 by creating an additional tier of aid eligibility that would provide $100 per pupil to any district with an enrollment of more than 745 pupils and a population density of fewer than 10 pupils per square mile.

Under current law, districts qualify for $400 per pupil if, in the prior school year, they had an enrollment of less than 745 pupils and had a population density of fewer than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. In 2020-21, 145 school districts qualified for aid, and aid payments were prorated at 99%. It is estimated that an additional 85 districts would have qualified for aid in 2020-21 had the expanded eligibility provision been in place in that year.

Additionally, modify the provision that exists under current law to allow a district that loses its eligibility as a result of an increase in its pupil population density to receive up to 50% of its prior year award. This would replace the current provision where any district that qualified for sparsity aid in one year but did not qualify the following year due to an increase in its enrollment is eligible to receive 50% of its prior year award. One district qualified for aid under this provision in 2020-21.

Joint Finance: Modify the funding provided in the bill by -$6,773,600 GPR in 2021-22 and $27,983,800 GPR in 2022-23. Delete $34,852,800 SEG provided under the bill, and delete the proposal to shift funding for the program to segregated funds. The net effect would be an increase of $3,148,500 GPR in 2020-21 and $3,169,900 GPR relative to base level funding.

Modify the program beginning in 2021-22 by creating an additional tier of aid eligibility. Specify that a district would be eligible for aid of $100 per pupil with an enrollment of between 745 and 1,000 pupils and a population density of fewer than 10 pupils per square mile, which

would replace the Governor's provision that added a second tier of aid but did not include the 1,000 pupil limit.

15. TRANSFER HEAD START SUPPLEMENT TO DCF

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $12,528,200	$12,528,200	$0

Governor: Transfer supplemental aid for Head Start programs to the Department of Children and Families beginning in 2021-22 with $6,264,100 of annual funding. As under current law, grants under the program would be awarded to federal Head Start sites to allow expansion of their programs to serve additional children. The federal Head Start program provides comprehensive educational, health, nutritional, social, and other services to economically disadvantaged preschool children and their families.

Joint Finance: Provision not included.

16. SCHOOL BREAKFAST PROGRAMS [LFB Paper 510]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,019,000	- $5,019,000	$0

Governor: Provide $2,459,500 in 2021-22 and $2,559,500 in 2022-23 over annual base level funding of $2,510,500 for the school breakfast program. 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 approximately 7.9 cents per meal served in 2020-21. It is estimated that the additional funding would increase the state reimbursement rate to 15.0 cents per meal served.

Additionally, modify statutory language to allow independent charter schools, the state's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired, and residential care centers to be eligible for reimbursement. Specify that schools that ceased operations during the prior school year are not eligible for reimbursement for any breakfasts served during that year.

Joint Finance: Provision not included.

17. SUPPLEMENTAL NUTRITION AID [LFB Paper 510]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,864,000	- $4,864,000	$0

Governor: Provide $2,432,000 annually in a new sum sufficient appropriation for reimbursing educational agencies for the cost of reduced-cost meals, so that those meals would be provided at no cost to eligible pupils, defined as pupils who meet the eligibility criteria for a reduced-price lunch.

Under the program, an educational agency would be eligible to receive an annual payment equal to the sum of the following: (a) the number of school lunches provided to pupils eligible for a reduced-price lunch multiplied by the difference between the reimbursement amount for a reduced-price lunch and a free lunch in the previous school year; (b) the number of school breakfasts provided to pupils eligible for a reduced-price breakfast multiplied by the difference between the reimbursement amount for a reduced-price breakfast and a free breakfast in the previous school year; and (c) the number of meal supplements provided to pupils eligible for a reduced-price meal supplement multiplied by the difference between the reimbursement amount for a reduced-price meal supplement and a free meal supplement in the previous school year. An educational agency would be defined as a school board, an operator of an independent charter school, a private school, a tribal school, an operator of a residential care center for children and youth, and the state's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired. To be eligible for reimbursement, the educational agency could not charge eligible pupils for school meals.

The basic cash reimbursement rates under the federal school lunch program in 2020-21 are $3.51 for a free lunch and $3.11 for a reduced-price lunch; $1.89 for a free breakfast and $1.59 for a reduced-price breakfast; and $0.96 for a free snack and $0.48 for a reduced-price snack. In the same year, a family of four qualifies for a free lunch with an annual income of less than $34,060, and a reduced-price lunch with an income of between $34,060 and $48,470. In the 2019-20 school year, approximately 337,000 public school pupils in Wisconsin qualified for free meals, and 44,500 pupils qualified for reduced-price meals.

Joint Finance: Provision not included.

18. HIGH COST TRANSPORTATION AID [LFB Paper 510]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,000,000	$8,712,400	$12,712,400

Governor: Provide $2,000,000 annually above base level funding of $12,700,000 for high cost transportation aid. It is estimated that this amount would fully fund payments to eligible

districts in each year. Additionally, eliminate the $200,000 cap for payments for school districts that qualified for aid in the previous year, but did not qualify in the current year, beginning with aid paid in 2021-22. Also, clarify that DPI can prorate payments if funding is insufficient to fully fund eligible expenses.

Under current law, districts qualify for aid if they meet the following eligibility requirements: (a) a transportation cost per member greater than 145% of the state average in the prior year; and (b) a pupil population density of 50 pupils per square mile or less, calculated by dividing the school district's membership in the previous school year by the district's area in square miles. Any district that qualified for aid in the preceding school year but is ineligible for aid in the current school year is eligible to receive an amount equal to 50% of its prior year award, with the sum of all payments under this provision not to exceed $200,000 in any fiscal year. In 2019-20, 136 districts were eligible for aid under the program, and payments to those districts were prorated at 79.3%. Twenty-two districts had been eligible in the previous year but did not meet the eligibility requirements in the current year, and received payments equal to 36.5% of the maximum amount for which they were eligible (50% of their prior year payment).

Joint Finance: Provide $6,356,200 annually for high cost transportation aid, an increase of $4,356,200 annually above the Governor's recommendation. Modify the program by lowering the aid threshold from 145% of statewide average transportation costs to 140% of statewide average transportation costs beginning in the 2021-22 school year. Specify that a district would be eligible for aid if its membership in the previous year was less than 3,500 pupils, and delete current law limiting eligibility to districts with a pupil population density of 50 pupils per square mile or less. It is estimated that the funding provided would reimburse 100% of eligible costs.

19. PUPIL TRANSPORTATION AID

Governor/Joint Finance: Increase the reimbursement rate for pupils transported over 12 miles to and from school in the regular school year from $365 to $375 beginning in the 2021-22 school year. It is estimated that the current funding level would fully fund payments at the increased rate.

Additionally, delete a current law provision requiring DPI to prorate summer school transportation payments if a pupil attends less than 30 days during the summer session, beginning in the 2021-22 school year.

	Current Law		Bill	
Mileage	School Year	Summer School	School Year	Summer School
0-2 miles (hazardous area)	$15	--	$15	---
2-5 miles	35	$10	35	$10
5-8 miles	55	20	55	20
8-12 miles	110	20	110	20
Over 12 miles	365	20	375	20

20. DRIVER EDUCATION AID

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,900,000	- $2,900,000	$0

Governor: Provide $2,900,000 beginning in 2022-23 in a new sum sufficient appropriation for driver education aid. Define a driver education program as an instructional program in driver education approved by DPI and operated by a driver school or a qualified driver education provider, which would include school boards, operators of an independent charter school, and cooperative educational service agencies. Specify that eligible pupils would be pupils who qualified for free or reduced-price lunch in the federal school lunch program in the previous school year. Provide that in order to receive grants, qualified driver education providers would have to: (a) demonstrate to DPI that the provider waived at least 50% of the fees it would otherwise charge for eligible pupils; and (b) by October 1, 2022, and annually thereafter, report the number of eligible pupils who enrolled in and successfully completed its driver education program in the previous school year and the amount charged to a pupil who was not an eligible pupil to enroll in and complete the program in the previous year.

Require DPI to calculate the amount paid to each qualified driver education provider by multiplying the number of eligible pupils reported as having successfully completed a program in the previous school year by 50% of the amount that the provider reported that it charged a pupil who was not an eligible pupil in the previous year. Provide that DPI could promulgate rules to implement and administer this program.

Joint Finance: Provision not included.

21. OPEN ENROLLMENT TRANSPORTATION AID [LFB Paper 512]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,405,100	- $1,405,100	$0

Governor: Provide $645,700 in 2021-22 and $759,400 in 2022-23 above base level funding of $454,200 for open enrollment transportation aid.

Under the full-time 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, payments are prorated. The administration estimates that the requested funding would

fund 50% of eligible claims for each year of the biennium. In 2019-20, payments were prorated at 24.9% of claims.

Joint Finance: Provision not included.

22. COMPUTER SCIENCE LICENSURE GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$750,000	- $750,000	$0

Governor: Provide $750,000 in 2022-23 for a new program to award grants to school districts to provide assistance to eligible employees for the purpose of obtaining a license or permit that authorizes the eligible employee to teach computer science. An eligible employee would be defined as a school district employee who holds a license or permit to teach issued by DPI that does not authorize the employee to teach computer science.

Require DPI to give priority to applications submitted by a district that meet either of the following criteria: (a) at least 50% of the school district's membership is eligible for a free or reduced-price lunch; or (b) at least 40% of the school district's membership identifies as a minority group pupil according to a definition under current law that includes pupils who are black or African American, Hispanic, American Indian, an Alaskan native, or a person of Asian or Pacific Island origin, and who has reached the age of four on or before September 1 of the year he or she enters school.

Specify that DPI could promulgate rules to establish and administer the program. The appropriation would take effect on July 1, 2022.

Joint Finance: Provision not included.

23. FOUR-YEAR-OLD KINDERGARTEN GRANTS [LFB Paper 513]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $750,000	$750,000	$0

Governor: Delete $50,000 in 2021-22 and $700,000 in 2022-23 from the appropriation for four-year-old kindergarten (K4) grants. Base level funding is $1,350,000.

This program provides two-year grants to school districts that implement a new K4 program. Each eligible district receives up to $3,000 for each K4 pupil enrolled in the district in the first year of the grant and up to $1,500 for each K4 pupil enrolled in the second year of the grant. The administration estimates that the funding in the bill would fully fund eligible payments in the biennium.

Joint Finance: Provision not included.

24. EARLY COLLEGE CREDIT PROGRAM TRANSPORTATION AID

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$20,000	- $20,000	$0

Governor: Provide $10,000 annually in a newly-created appropriation to reimburse parents and guardians for the cost of transporting pupils under the early college credit program. Delete references to the early college credit program from the appropriation for aid for transportation for the open enrollment program, which is combined with aid for transportation for the early college credit program under current law.

Under the early college credit program, any public or private high school pupil can enroll in an institution of higher education for the purpose of taking one or more nonsectarian courses, including during a summer semester or session. An institution of higher education is defined as: (a) an institution within the University of Wisconsin System; (b) a tribally-controlled college; or (c) a private, nonprofit institution of higher education located in Wisconsin. Parents are responsible for transporting pupils to and from courses. The parent of a pupil can apply to DPI for reimbursement of the costs of the pupil's transportation if the pupil and parent are unable to pay the cost of such transportation. DPI determines the amount of the reimbursement. DPI must give preference in making reimbursements to pupils who would be eligible for the federal free or reduced-price lunch program.

Joint Finance: Provision not included.

25. GIFTED AND TALENTED GRANTS

GPR	$474,400

Joint Finance: Provide an increase of $237,200 annually for gifted and talented grants.

Under current law, grants may be awarded to provide gifted and talented pupils with any services and activities not ordinarily provided in a regular school program to allow such pupils to fully develop their capabilities. Under the program, grants may be awarded to nonprofit organizations, cooperative educational service agencies, institutions within the UW System, and school districts. Base level funding is $237,200 annually

26. SCHOOL LIBRARY AIDS REESTIMATE

SEG	$6,400,000

Governor/Joint Finance: Reestimate school library aids by $1,700,000 in 2021-22 and $4,700,000 in 2022-23. Base level funding is $40,300,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

27. GRANTS TO REPLACE CERTAIN RACE-BASED NICKNAMES, LOGOS, MASCOTS, AND TEAM NAMES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$400,000	- $400,000	$0

Governor: Provide $200,000 for grants to school boards for the costs associated with adopting and implementing a nickname, logo, mascot, or team name that is not race-based. The State Superintendent could award a grant to a school board that adopts a resolution to terminate the use of a race-based nickname, logo, mascot, or team name that is associated with a federally recognized American Indian tribe or American Indians in general, regardless of whether the board has received an objection from a school district resident or an order to terminate the use of the nickname, logo, mascot, or team name from the Division of Hearings and Appeals. Specify that the amount of the grant could not exceed the greater of $50,000 or the school board's actual costs to adopt and implement the new team name.

The program revenue would be from tribal gaming revenue transferred from DOA.

Joint Finance: Provision not included.

28. GRANTS TO LAKELAND STAR ACADEMY

GPR	$750,000

Joint Finance: Provide $250,000 in 2021-22 and $500,000 in 2022-23 in a newly-created annual appropriation for grants to the Lakeland STAR Academy. Require DPI to provide a grant equal to the amount appropriated in each year to the Lakeland UHS School District for the Lakeland STAR Academy, a charter school authorized by that district. Repeal the appropriation on July 1, 2023.

Choice, Charter, and Open Enrollment

1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $5,502,000	- $10,927,000	- $16,429,000
GPR Effect of Aid Reductions	24,566,100	853,100	25,419,200
Net GPR	$19,064,100	- $10,073,900	$8,990,200

Governor: Modify funding by -$5,717,200 in 2021-22 and $215,200 in 2022-23 from the

base year funding of $250,323,300 for the Milwaukee private school choice program to reflect changes in pupil participation and per pupil payments under the bill. This would reflect an increase in pupil participation from 27,800 pupils in 2020-21 to an estimated 28,100 pupils in 2021-22 and 2022-23. The table below shows the per pupil payments under the bill based on the increase in the per pupil adjustment under revenue limits provided in the bill.

Per Pupil Payments Under the Bill, 2021-22 and 2022-23

	Current Law	Bill	
	2020-21	2021-22	2022-23
K-8	$8,300	$8,508	$8,712
9-12	8,946	9,154	9,358
Change to prior year		208	204

Under current law, the estimated cost to the state of the payments from the Milwaukee choice program appropriation is partially offset by a reduction (after consideration of aid paid to the City of Milwaukee to defray the choice levy, which would be eliminated under another provision of the bill) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 9.6% of the total cost of the program in 2021-22 and 6.4% of the total cost of the program in 2022-23. The aid reduction will decrease by 3.2 percentage points each year until it is phased out in 2024-25. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction (less the amount of high poverty aid paid to MPS).

Under the bill, the aid reduction for MPS would decrease by $8,559,200 in 2021-22 and $16,006,900 in 2022-23 from the base choice reduction of $32,041,400. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of $2,842,000 in 2021-22 and of $16,222,100 in 2022-23.

The total change in funding provided for the Milwaukee choice program under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items. The table below shows the total cost of the Milwaukee program under current law, the fiscal effect of these changes, the total cost of the program under the bill, and the change to base level funding in each year.

Cost of the Milwaukee Private School Choice Program Under the Bill, 2021-22 and 2022-23

	2021-22			2022-23		
	Total GPR	GPR Effect of Aid Reduction	Net GPR	Total GPR	GPR Effect of Aid Reduction	Net GPR
Base	$250,323,300	-$32,041,400	$218,281,900	$250,323,300	-$32,041,400	$218,281,900
Changes under the bill						
Current law reestimate*	-$11,562,000	$9,120,300	-$2,441,700	-$8,775,100	$16,582,300	$7,807,200
Participation cap	0	0	0	-9,226,900	590,500	-8,636,400
Count 4K as 1.0 FTE	0	0	0	6,640,000	-425,000	6,215,000
Modification to payment amount	5,844,800	-561,100	5,283,700	11,577,200	-740,900	10,836,300
Subtotal	-$5,717,200	$8,559,200	$2,842,000	$215,200	$16,006,900	$16,222,100
Total cost of the program as modified by the bill	$244,606,100	-$23,482,200	$221,123,900	$250,538,500	-$16,034,500	$234,504,000

*Assumes no increase to the 2020-21 per pupil payment amount; under current law, the per pupil payment will be adjusted in each year by any revenue limit per pupil adjustment provided to public school pupils, if positive, and any increase in the per pupil categorical aid funding. This indexing mechanism would be modified under another provision of the bill.

Joint Finance: Reduce funding from the base by $10,522,300 in 2021-22 and $5,906,700 in 2022-23 for the Milwaukee private school choice program to reflect the following modifications made by the Committee: (a) deleting the participation cap ($9,226,900 in 2022-23); (b) deleting the proposal to count 4K pupils as 1.0 FTE (-$6,640,000 in 2022-23); and (c) reestimating participation counts and per pupil payment amounts (-$10,522,300 in 2021-22 and -$8,493,600 in 2022-23). These funding adjustments would represent changes to the bill of -$4,805,100 in 2021-22 and -$6,121,900 in 2022-23.

As a result of these changes, the total cost of the program would equal an estimated $239,801,000 in 2021-22 and $244,416,600 in 2022-23. The aid reduction would be equal to -$23,020,900 in 2021-22 and -$15,642,700 in 2022-23, for a net GPR cost of $216,780,100 in 2021-22 and $228,773,900.

Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated $37 in 2021-22 and a further $64 in 2022-23 under Joint Finance for per pupil payments of $8,337 for K-8 pupils and $8,983 for 9-12 pupils in 2021-22 and $8,401 for K-8 pupils and $9,047 for 9-12 pupils in 2022-23.

2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$40,791,000	$9,534,700	$50,325,700
GPR Effect of Aid Reductions	- 45,670,900	- 9,985,700	- 55,656,600
Net GPR	- $4,879,900	- $451,000	- $5,330,900

Governor: Provide $18,499,400 in 2021-22 and $22,291,600 in 2022-23 over the base year funding of $137,512,600 for the Racine and statewide private school choice programs to reflect changes in the bill.

The table below shows the per pupil payments under the bill based on the increase in the per pupil adjustment under revenue limits provided in the bill.

Per Pupil Payments Under the Bill, 2021-22 and 2022-23

	Current Law	Bill	
	2020-21	2021-22	2022-23
K-8	$8,300	$8,508	$8,712
9-12	8,946	9,154	9,358
Change to prior year		208	204

Estimated pupil participation in each year of the biennium is shown in the table below.

Estimated Racine and Statewide Private School Choice Program Participation

	2020-21	2021-22	2022-23
Racine	3,760	3,900	3,900
Statewide	11,700	14,100	14,100
Total	15,460	18,000	18,000

Under current law, the cost of payments for legacy pupils (pupils who first participated in the programs in the 2014-15 school year or earlier) is fully funded through GPR. Payments for all other pupils are fully funded through an aid reduction in the general school aids that would otherwise be paid to those pupils school districts of residence. School districts receive a revenue limit adjustment equal to the amount of the aid reduction in the current year.

Under the bill, the aid reduction for the programs would total $147,130,100 in 2021-22 and $151,544,400 in 2022-23 from the base choice aid reduction of $126,501,800. The net general fund fiscal effect for the Racine and statewide programs would be decreased expenditures of

$2,128,900 in 2021-22 and $2,751,000 in 2022-23 compared to the base.

The total change in funding provided for the Racine and statewide choice programs under this item include the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items. The table below shows the total cost of the Racine and statewide programs under current law, the fiscal effect of these changes, and the total cost of the program under the bill.

Cost of the Racine and Statewide Private School Choice Programs Under the Bill, 2021-22 and 2022-23

	2021-22			2022-23		
	Total GPR	GPR Effect of Aid Reduction	Net GPR	Total GPR	GPR Effect of Aid Reduction	Net GPR
Base	$137,512,600	-$126,501,800	$11,010,800	$137,512,600	-$126,501,800	$11,010,800
Changes under the bill						
Current law reestimate*	$14,755,300	-$17,092,300	-$2,336,900	$32,867,200	-$35,989,000	-$3,121,800
Participation cap	0	0	0	-21,519,100	21,519,100	0
Count 4K as 1.0 FTE	0	0	0	3,527,500	-3,527,500	0
Modification to payment amount	3,744,000	-3,536,000	208,000	7,416,000	-7,045,200	370,800
Subtotal	$18,499,300	-$20,628,300	-$2,128,900	$22,291,600	-$25,042,600	-$2,751,000
Total cost of the program as modified by the bill	$156,012,000	-$147,131,800	$8,881,900	$159,804,200	-$151,544,400	$8,259,800

*Assumes no increase to the 2020-21 per pupil payment amount; under current law, the per pupil payment will be adjusted in each year by any revenue limit per pupil adjustment provided to public school pupils, if positive, and any increase in the per pupil categorical aid funding. This indexing mechanism would be modified under another provision of the bill.

Joint Finance: Provide $15,421,300 in 2021-22 and $34,904,400 in 2022-23 relative to base level funding for the statewide and Racine private school choice programs to reflect the following modifications made by the Committee: (a) deleting the participation cap ($21,519,100 in 2022-23); (b) deleting the proposal to count 4K pupils as 1.0 FTE (-$3,527,500 in 2022-23); and (c) reestimating participation counts and per pupil payment amounts ($15,421,300 in 2021-22 and $27,435,100 in 2022-23). These funding adjustments would represent changes to the bill of -$3,078,100 in 2021-22 and $12,612,800 in 2022-23.

As a result of these changes, the total cost of the program would equal an estimated $152,933,900 in 2021-22 and $172,417,000 in 2022-23. The aid reduction would be equal to -$144,223,100 in 2021-22 and -$164,437,100 in 2022-23, for a net GPR cost of $8,710,900 in 2021-22 and $7,979,900.

Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated $37 in 2021-22 and a further $64 in 2022-23 under Joint Finance for per pupil payments of $8,337 for K-8 pupils and $8,983 for 9-12 pupils in 2021-22 and $8,401 for K-8 pupils and $9,047 for 9-12 pupils in 2022-23.

3. PRIVATE SCHOOL CHOICE PROGRAMS AND SPECIAL NEEDS SCHOLARSHIP PROGRAM -- CAP PARTICIPATION AT 2021-22 LEVELS

Governor: Beginning in the 2022-23 school year, specify that the total number of pupils who can participate in each of the three choice programs and the special needs scholarship program could not exceed a program cap for each program defined as the total number of pupils who attended private schools under that program in the 2021-22 school year.

Specify that a private school participating in the program could accept applications from eligible pupils during application periods determined by DPI. For the Racine and Milwaukee choice programs, require DPI to establish one or more application periods, the first of which may begin no earlier than the first weekday in February of the previous school year and the last of which may end no later than September 14 of the applicable school year. For the statewide choice program, maintain the application period under current law (February 1 to April 20 of the previous school year). For the special needs scholarship program, require a participating private school to notify DPI of its intent to participate in the program by the first Monday in March of the previous school year, and specify that the school could accept applications for the following school year between the first weekday in April and the first Thursday in June. Delete current law allowing a pupil to apply to the special needs scholarship program at any time during the school year.

Require each private school to report to DPI the number of pupils who applied to attend the school under each program, and the names of those applicants who have siblings who also applied to attend the school under the program. For the choice programs, require that this information is reported no later than 10 days after each application period ends, and for the special needs scholarship program, require that this information is reported no later than the third Thursday in June immediately following the application period.

At the end of each application period, require DPI to determine the sum of all applicants, counting a pupil who has applied to attend more than one private school under a choice program or under the special needs scholarship program only once. If the sum exceeds the program cap (or, for the statewide program, the district participation limits under current law), require DPI to determine which applications to accept on a random basis, with the following exceptions: (a) for the choice programs, the pupil preferences established under current law; and (b) for the special needs scholarship program, children who attended a different eligible school under the special needs scholarship program in the previous school year, and siblings of pupils who already attend the private school. Delete current law related to procedures for private schools to determine which applications to accept under the Racine or statewide choice programs.

Require DPI to establish a waiting list for those pupils whose applications are not accepted in accordance with the current law preferences. Require a private school to notify DPI if an accepted pupil will not attend the school, and require DPI to fill any available slot with a pupil from the waiting list. Allow a pupil on the waiting list under the choice programs to be admitted for the following school year without submitting additional financial information, provided that the applicant continues to meet the residency requirements for the program for which the pupil is applying. For the Racine and statewide programs, specify that a pupil on the waiting list would be considered to meet the prior year attendance requirements under current law.

No later than 60 days after the end of the application period for the special needs scholarship program, require DPI to notify each applicant and each eligible school, in writing, whether the applicant has been approved to receive a scholarship. For the Milwaukee, Racine, and statewide choice programs, require a private school to notify each applicant who is not eligible to participate in the programs for any reason, including the program caps, that their application has been rejected. Require that the notification be made in writing, and that it includes the reason the application was rejected.

Specify that a pupil could transfer between private schools participating in the special needs scholarship program at any time during a school year. The governing body of a private school could accept a pupil's application, and could approve it if the school has an unfilled available space for a pupil attending the school under the special needs scholarship program as specified in the notice the school submitted to DPI of its intent to participate in the program. Require the governing body to notify DPI if it approves the transfer request. Specify that this provision would not apply to a child who is reevaluated and determined to no longer be a child with a disability by the child's individualized education program team.

Specify that current law that creates an exception under which pupils who apply to a private school under the statewide choice program but move to Milwaukee or Racine before the 3rd Friday in September and continue to attend the same private school under the Milwaukee or Racine choice programs are not counted for the school district participation limits would also apply to the program caps for that school year.

Additionally, require DPI to promulgate rules to ensure that if a pupil who accepts a space at a private school participating in the Milwaukee, Racine, or statewide choice programs changes their residence, the pupil will not be counted under the program cap or the current law participation limit. Allow DPI to promulgate emergency rules to implement these exceptions, and specify that any such emergency rules would remain in effect until July 1, 2024, or the date on which permanent rules take effect, whichever is sooner.

Specify that these provisions would first apply to program caps and applications or transfer of applications for the 2022-23 school year.

Joint Finance: Provision not included.

4. PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- TEACHER LICENSURE REQUIREMENT

Governor: Require that beginning on July 1, 2024, all of a participating private school's teachers have a teaching license or permit issued by DPI, except teachers who teach only rabbinical studies. This requirement would apply to the Milwaukee, Racine, and statewide choice programs, and the special needs scholarship program.

Specify that any teacher employed by the school on July 1, 2024, who has been teaching for at least the five consecutive years immediately preceding that date and who does not have a teaching license or permit issued by DPI could apply for a temporary, nonrenewable waiver on a

form prepared by DPI. Require DPI to promulgate rules to implement this provision, including the form of the application and the process by which the waiver application would be reviewed. Require that the waiver application require the applicant to submit a plan for satisfying the licensure requirement. Specify that no waiver would be valid after July 1, 2029.

Modify current law teacher licensure requirements to include private schools participating in these programs, including the following: (a) specify that an individual located in another state may teach an online course without a Wisconsin license if he or she is properly licensed in the state from which the course is provided; (b) allow a faculty member of an institution of higher education to teach without a license or permit if the faculty member satisfies certain requirements, including a background investigation; (c) prohibit a teaching license from being issued to any individual without a bachelor's degree, with certain exceptions, or anyone who completed a professional training program outside of Wisconsin that did not include a student teaching component; (d) specify that an individual certified to teach native American languages and culture cannot teach other courses; (e) allow a private school participating in these programs to employ an individual who teaches a technical or vocational education subject with an experience-based license if the school fulfills certain requirements; and (f) require that a private school participating in the private school choice programs employing a person who holds a professional teaching permit does not fill the position following the removal of a regularly licensed teacher. Specify that these provisions would first take effect on July 1, 2024.

Joint Finance: Provision not included.

5. PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- INFORMATION REQUIRED ON PROPERTY TAX BILL

Governor: Require property tax bills to include information from the school district where the property is located regarding the amount of any gross reduction in state aid to the district under the private school choice and special needs scholarship programs in the previous year and the current year and the percentage change between those years, if such a reduction occurs in that year.

Require the following insert to also be included in substantially similar form: "The gross reduction in state aid to your school district in the …. (current year) is $ … as a result of pupils enrolled in the … (statewide choice program) (Racine choice program) (Milwaukee choice program) or as a result of payments to … (a private school) under the special needs scholarship program. Your school district had the option to increase property taxes to replace this aid reduction."

Joint Finance: Provision not included.

6. RACINE AND STATEWIDE CHOICE PROGRAMS -- PRIOR YEAR ATTENDANCE REQUIREMENT

Governor: Specify that a pupil is considered to be enrolled in a public school in the previous school year for purposes of the current prior year attendance requirement if the pupil was counted

in the school district's membership on either of the count dates defined under current law, or attended an independent charter school, and the pupil did not attend a private school during the previous school year. Specify that this provision would first apply to an application to attend a private school in the 2022-23 school year.

Under current law, to be eligible to participate in the Racine or statewide programs, a pupil must satisfy one or more of the following criteria in the year prior, or be enrolling in kindergarten, first grade, or ninth grade in the current year: (a) was enrolled in a public school; (b) was not enrolled in school; (c) was enrolled in a private school choice program; (d) was enrolled in a school in another state; (e) had applied to attend a private school under any of the choice programs and was placed on a waiting list because the private school to which he or she applied did not have space; or (f) applied to participate in the statewide choice program and was placed on a waiting list because of the district's pupil participation limit.

Joint Finance: Provision not included.

7. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM -- ELIMINATE CITY CHOICE LEVY AID

Governor: Eliminate the city choice levy aid paid to the City of Milwaukee to reduce the choice program levy used to fund a portion of the cost of the Milwaukee program. Instead, these moneys would be paid directly to Milwaukee Public Schools (MPS) and would have the same effect of reducing the MPS choice levy.

Under current law, the City of Milwaukee receives moneys from the general equalization aids appropriation equal to 6.6% of the total cost of the Milwaukee choice program that otherwise would have gone to MPS. The City is then required to use the amount to defray the choice program levy it raises on behalf of MPS.

Joint Finance: Provision not included.

8. SPECIAL NEEDS SCHOLARSHIP PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$18,329,000	$13,828,600	$32,157,600
GPR Effect of Aid Reductions	- 18,329,000	- 13,828,600	- 32,157,600
Net GPR	$0	$0	$0

Governor: Provide $8,952,600 in 2021-22 and $9,376,400 in 2022-23 above base level funding of $17,084,900 for the special needs scholarship program to reflect changes in pupil participation and per pupil payments under the bill. This would reflect changes in pupil participation from 1,400 pupils in 2020-21 to 1,970 pupils in 2021-22 and 2022-23. Based on the increase in the per pupil revenue limit adjustment provided in the bill, the per pupil payment under

the program would increase from $12,977 in 2020-21 to $13,185 in 2021-22 and $13,389 in 2022-23.

Under current law, the cost of payments for pupils attending a private school under the special needs scholarship program are fully offset through an aid reduction in the general school aids that would otherwise be paid to those pupils' school districts of residence and a corresponding revenue limit increase.

The total change in funding provided for the program under this item include the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items. The table below shows the total cost of the program under current law, the fiscal effect of these changes, and the total cost of the program under the bill.

Cost of the Special Needs Scholarship Program
Under the Bill, 2021-22 and 2022-23

	2021-22			2022-23		
	Total GPR	GPR Effect of Aid Reduction	Net GPR	Total GPR	GPR Effect of Aid Reduction	Net GPR
Base	$17,084,900	-$17,084,900	$0	$17,084,900	-$17,084,900	$0
Changes under the bill						
Current law reestimate*	$8,542,800	-$8,542,800	$0	$23,228,800	-$23,228,800	$0
Participation cap	0	0	0	-14,923,600	14,923,600	0
Count 4K as 1.0 FTE	0	0	0	259,600	-259,600	0
Modification to payment amount	409,800	-409,800	0	811,600	-811,600	0
Subtotal	$8,952,600	-$8,952,600	$0	$9,376,400	-$9,376,400	$0
Total cost of the program as modified by the bill	$26,037,500	-$26,037,500	$0	$26,461,300	-$26,461,300	$0

*Assumes no increase to the 2020-21 per pupil payment amount; under current law, the per pupil payment will be adjusted in each year by any revenue limit per pupil adjustment provided to public school pupils, if positive, and any increase in the per pupil categorical aid funding. This indexing mechanism would be modified under another provision of the bill.

Joint Finance: Provide $8,615,700 in 2021-22 and $23,541,900 in 2022-23 relative to base level funding for the special needs scholarship program to reflect the following modifications made by the Committee: (a) deleting the participation cap ($14,923,600 in 2022-23); (b) deleting the proposal to count 4K pupils as 1.0 FTE (-$259,600 in 2022-23); and (c) reestimating participation counts and per pupil payment amounts ($8,615,700 in 2021-22 and $8,877,900 in 2022-23). The appropriation changes in each year would be offset by equal changes in the associated aid reductions under the program. These funding adjustments would represent changes to the bill of -$336,900 in 2021-22 and $14,165,500 in 2022-23.

As a result of these changes, the total cost of the program, and the associated aid reductions, would equal an estimated $25,700,600 in 2021-22 and $40,626,800 in 2022-23.

Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated $37 in 2021-22 and a further $64 in 2022-23 under Joint Finance for per pupil payments of $13,014 in 2021-22 and $13,078 in 2022-23.

9. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- DELETE ACTUAL COST REIMBURSEMENT PROVISION

Governor: Delete current law allowing a private school to submit a financial statement showing the actual costs that the private school incurred to implement a participating pupil's most recent individualized education program or services plan, as modified by an agreement between the private school and the pupil's parent, and specifying that the financial statement would be used to calculate the per pupil payment for that pupil in the following school year. Specify that the last payments using this provision would be those made in the 2020-21 school year. As a result of deleting this provision, payments for all pupils would be equal to the amount specified in current law, with adjustments for increases in the revenue limit per pupil adjustment and per pupil aid for public school districts.

Under current law, if a private school chooses to submit a financial statement, payments of up to 150% of the per pupil payment amount for that year are fully funded through a reduction in the general aid that is otherwise paid to each pupil's school district of residence, offset with an equal revenue limit adjustment for the district. If the costs incurred by the school in the previous school year exceed 150% of the per pupil payment, the school is reimbursed for 90% of the remaining costs, but no corresponding aid reduction would occur. (As a result, payments made for 90% of costs incurred above 150% of the per pupil payment are funded with state GPR; the private school would pay for the other 10% of costs.) The first payments under the actual cost reimbursement provision were made in the 2019-20 school year. In 2020-21, a total of $113,715 was paid to three schools on behalf of five participating pupils, based on the actual costs of educating those pupils in the 2019-20 school year.

Joint Finance: Provision not included.

10. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- PRIVATE SCHOOL REQUIREMENTS

Governor: Require that a school that begins participating in the special needs scholarship program in the 2022-23 school year or any school year thereafter also participate in the Milwaukee, Racine, or statewide private school choice program in the year in which the school receives a scholarship on behalf of an eligible pupil attending the school.

This provision would have the effect of modifying current law so that private schools participating in the special needs scholarship program would meet the same requirements as schools participating in one of the choice programs, such as requirements related to teacher qualifications, minimum hours of instruction, and participating in the state's accountability report system.

Joint Finance: Provision not included.

11. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- RELIGIOUS ACTIVITY OPT-OUT

Governor: Require a private school participating in the program to allow a participating pupil to refrain from participating in any religious activity if the pupil's parent submits to the pupil's teacher or the private school's principal a written request that the pupil be exempt from such activities.

Joint Finance: Provision not included.

12. INDEPENDENT CHARTER SCHOOL PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net
GPR	$9,245,500	- $6,501,400	$2,744,100
GPR Effect of Aid Reduction	- 9,245,500	6,501,400	- 2,744,100
Net GPR	$0	$0	$0

Governor: Provide $1,938,500 in 2021-22 and $5,800,700 in 2022-23 as a reestimate of sum sufficient funding in the main appropriation for the independent charter school program. Base level funding is $82,755,000.

The main appropriation for the program currently funds payments to charter schools that the City of Milwaukee, UW-Milwaukee, UW-Parkside, and the Lac Courte Oreilles Ojibwa Community College contract to operate. The administration estimates that 9,000 pupils in 2021-22 and 9,200 pupils in 2022-23 will attend schools funded from this appropriation and that, based on the relevant provisions in the bill, the per pupil payment under the program would increase from $9,165 in 2020-21 to $9,373 in 2021-22 and $9,577 in 2022-23.

Provide $216,600 in 2021-22 and $1,289,700 in 2022-23 as a reestimate of sum sufficient funding in the appropriation for independent charter schools authorized by the Office of Educational Opportunity (OEO) in the UW System. Base level funding is $4,045,400.

The administration estimates that 450 pupils in 2021-22 and 550 pupils in 2022-23 will attend schools funded from this appropriation. DPI pays the operators of these charter schools the same per pupil payment as other independent charter schools.

By law, DPI is required to proportionally reduce the general aid for which each school district is eligible by an amount totaling the estimated payments to schools authorized by the City of Milwaukee, UW-Milwaukee, and UW-Parkside. Under revenue limits, districts may levy property taxes to make up for the amount of revenue lost due to these aid reductions. These pupils are not counted by any district for revenue limit and general aid purposes. In 2020-21, a 1.6% reduction was made in the general aid received by school districts statewide.

Pupils that attend charter schools authorized by the OEO or the Lac Courte Oreilles Ojibwa Community College are counted by their district of residence for revenue limit and general aid purposes. DPI is required to reduce the district's general aid payment in an amount equal to the total of the per pupil payments made for pupils residing in the district. Districts are not allowed to levy to backfill, or replace, that aid reduction.

The total change in funding provided for the independent charter school program under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items. The table below shows the total cost of the program under current law, the fiscal effect of these changes, the total cost of the program under the bill, and the change to base level funding in each year.

Cost of the Independent Charter School Program
Under the Bill, 2021-22 and 2022-23

	2021-22			2022-23		
	Total GPR	GPR Effect of Aid Reduction	Net GPR	Total GPR	GPR Effect of Aid Reduction	Net GPR
Base	$86,800,400	-$86,800,400	$0	$86,800,400	-$86,800,400	$0
Changes under the bill						
Current law reestimate*	$189,500	-$189,500	$0	$1,240,300	-$1,240,300	$0
Count 4K as 1.0 FTE	0	0	0	1,833,100	-1,833,100	0
Modification to payment amount	1,965,600	-1,965,600	0	4,017,000	-4,017,000	0
Subtotal	$2,155,100	-$2,155,100	$0	$7,090,400	-$7,090,400	$0
Total cost of the program as modified by the bill	$88,955,500	-$88,955,500	$0	$93,890,800	-$93,890,800	$0

*Assumes no increase to the 2020-21 per pupil payment amount. Under current law, the per pupil payment will be adjusted in each year by any revenue limit per pupil adjustment provided to public school pupils, if positive, and any increase in the per pupil categorical aid funding. This indexing mechanism would be modified under another provision of the bill.

Joint Finance: Provide $539,200 in 2021-22 and $2,204,900 in 2022-23, which would represent reductions of $1,615,900 in 2021-22 and $4,885,500 in 2022-23 for the independent charter school program. Of those reductions, $1,539,000 in 2021-22 and $4,251,100 in 2022-23 would be in the main appropriation for the independent charter school program, and $76,900 in 2021-22 and $634,400 in 2022-23 would be attributable to the appropriation for independent charter schools authorized by the OEO. The appropriation changes in each year would be offset by equal changes in the associated aid reductions under the program.

These reestimates would reflect the following modifications made by the Committee: (a) deleting the proposal to count 4K pupils as 1.0 FTE (-$1,833,100 in 2022-23); and (b) reestimating per pupil payment amounts (-$1,615,900 in 2021-22 and -$3,052,400 in 2022-23). As a result of these changes, the total cost of the program, and the associated aid reductions, would equal an estimated $87,339,600 in 2021-22 and $89,005,300 in 2022-23. Under the current law indexing mechanism, it is estimated that per pupil payments would increase by an estimated $37 in 2021-22 and a further $64 in 2022-23 under Joint Finance for per pupil payments of $9,202 in 2021-22

and $9,266 in 2022-23.

13. CHOICE, CHARTER, AND OPEN ENROLLMENT PAYMENT INDEXING MECHANISM

Governor: Modify the indexing mechanism for the payments for the private school choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program to specify that, beginning in 2021-22, these payments would increase by an amount equal to the per pupil revenue limit adjustment for the current year, if positive, plus the change in the per pupil aid payment amount between the previous year and the current year, if positive. (These provisions would also apply to payments for children with disabilities under a whole grade sharing agreement and for payments under a school board contract with Second Chance Partners for Education or similar nonprofits.)

Under current law, the various per pupil payment amounts under these programs are equal to the sum of the payment amount for the program in the previous year plus the per pupil revenue limit adjustment for the current year, if positive, plus the statewide change in funding per pupil for statutorily-specified categorical school aid appropriations, including per pupil aid, between the previous year and the current year, if positive.

Under the bill, the revenue limit per pupil adjustment would be set at $200 per pupil in 2021-22 and $204 per pupil in 2022-23. The per pupil aid payment amount would increase by $8 in 2021-22 and remained unchanged in 2022-23. Thus, under the bill, the various per pupil aid payments would increase by $208 per pupil in 2021-22 and a further $204 per pupil in 2022-23 as a change to the prior year. If the bill provisions for categorical aid funding, the revenue limit per pupil adjustment, and revenue limit enrollment were included in the current law indexing calculation, it is estimated that the various program payments would increase by approximately $675 per pupil in 2021-22 and a further $400 per pupil in 2022-23 as a change to the prior year.

Joint Finance: Provision not included. Under the current law indexing mechanism, the various per pupil payments would increase by an estimated $37 in 2021-22 and a further $64 in 2022-23 under Joint Finance.

14. ELIMINATE OFFICE OF EDUCATIONAL OPPORTUNITY

Governor: Delete the Office of Educational Opportunity (OEO) in the UW System, and transfer oversight responsibilities for the charter schools currently authorized by the OEO from the OEO Director to the Chancellor of UW-Madison.

Specify that, beginning on the effective date of the bill, the Chancellor may not contract with a person to operate a charter school under the statutory authority of the OEO, including the separate statutory authority of the OEO to enter into a contract to operate a recovery charter school. Provide that a contract entered into before the effective date of the bill by the Director of the OEO with a person to operate a charter school under the statutory authority of the OEO remains in full force and effect, but that the Chancellor may not renew or modify the contract. Require the Chancellor

to carry out the OEO Director's obligations under a contract.

Specify that, unless the Chancellor revokes the school's charter, the operator of the charter school may continue to operate the charter school under the terms of its contract that is effective on the effective date of the bill for the remaining term of the contract, but that the contract is not renewable for any additional term and may not be extended. Specify that unless the Chancellor revokes the charter school's charter, the operator of the charter school may enter into a contract with a school district or another independent charter authorizer to operate the charter school.

Require the Chancellor to monitor pupil academic performance and the overall operations of charter schools previously authorized by the OEO, as well as the performance and compliance of each charter school in accordance with the terms of each charter school contract. Specify that the Chancellor could appoint up to two assistants in carrying out duties related to OEO charters. Specify that the Chancellor could solicit private gifts and grants for charter schools previously authorized by the OEO, and would be required to report to the Board of Regents regarding any such private gift or grant received for these purposes and the intended use of the gift or grant. (These provisions apply to the Director of the OEO under current law.)

Require the Chancellor to provide notice to the Legislature, Governor, and State Superintendent within 30 days of the termination of all OEO charter school contracts. Provide that all requirements and authority of the Chancellor related to OEO charter schools would terminate after the Chancellor provides the notice. Specify that no moneys could be encumbered from the appropriations for payments to OEO charter schools after the Chancellor provides the notice.

Joint Finance: Provision not included.

15. PAYMENT TO INDEPENDENT CHARTER SCHOOLS AUTHORIZED BY TRIBAL COLLEGES

Governor: Specify that the per pupil payment for independent charter schools authorized by tribal colleges would be equal to the per pupil payment for the other authorizers of independent charter schools, beginning in the 2021-22 school year.

Under the independent charter school program, certain statutorily-specified entities other than school districts can contract to operate charter schools. The per pupil payments to most of these entities is equal to the prior year payment indexed to the change in the revenue limit per pupil adjustment and categorical aid per pupil. The per pupil payment to tribal colleges (the College of Menominee Nation and the Lac Courte Oreilles Ojibwa Community College) is equal to the per pupil academic base funding provided to tribal schools by the federal Bureau of Indian Education in the previous school year. In 2020-21, the payment to tribal colleges is $8,568 per pupil, while the payment to other authorizers is $9,165 per pupil. In the 2020-21 school year, the Lac Courte Oreilles Ojibwa Community College has authorized one charter school.

Joint Finance: Provision not included.

16. INDEPENDENT CHARTER SCHOOLS -- DRIVER EDUCATION PROGRAM FEES

Governor: Modify current law that authorizes school districts and technical college districts to charge reasonable fees for any driver education program or part of a program which is neither required for graduation nor credited toward graduation to also authorize operators of independent charter schools and cooperative educational service agencies to charge such fees.

Joint Finance: Provision not included.

17. CHARTER SCHOOL AUTHORIZER REPORT

Governor: Delete the current law provision under which a charter school authorizer is required to submit an annual report with certain statutorily-required items.

Under current law, a school board or an independent charter school authorizer is required to submit an annual report to the State Superintendent and Legislature that includes the following information: (a) an identification of each charter school operating under contract with the authorizer, each charter school that operated under contract with the authorizer but had its contract nonrenewed or revoked or that closed, and each charter school under contract with the authorizer that has not yet begun to operate; (b) the academic and financial performance of each charter school operated under contract with the authorizer; (c) the operating costs of the school board or independent charter school authorizer incurred under its required duties, detailed in an audited financial statement prepared in accordance with generally accepted accounting principles; and (d) the services that the school board or independent charter school authorizer has provided to the charter schools under contract with it and an itemized accounting of the costs of the services.

Joint Finance: Provision not included.

18. OPEN ENROLLMENT AID TRANSFER AMOUNT -- SPECIAL EDUCATION

Governor: Delete the current law provisions under which the aid transfer amount for special education students participating in the open enrollment program can be increased, and restore prior law under which a single aid transfer amount applied to all of these students, beginning in the 2021-22 school year.

Under the 2017-19 budget act, a process was created under which the open enrollment aid transfer amount for a special education pupil ($12,977 in 2020-21) could be adjusted. Beginning in the 2018-19 school year, at the end of a school year in which a special education pupil has participated in the program, a nonresident district may submit to DPI a financial statement that shows the actual costs the nonresident district incurred to provide a free appropriate public education to the pupil during that year. DPI is required to provide the resident district with a copy of any financial statement it receives. Beginning in the 2019-20 school year, the aid transfer amount for a pupil for whom the nonresident district does not submit a financial statement will equal the indexed amount described above. The aid transfer amount for a pupil for whom the nonresident district has submitted a financial statement will be the amount shown on the financial

statement for that child for the previous school year, up to a maximum of $30,000.

Joint Finance: Provision not included.

19. EARLY COLLEGE CREDIT PROGRAM -- PAYMENT TO PRIVATE SCHOOLS

Governor: Modify the appropriation for the early college credit program to specify that reimbursements could be made to private schools.

Under the program, the cost of a course is shared between the student's school or school district and the state, if the student will receive high school credit for the course, or between the school or school district, the state, and the student, if the student will receive only postsecondary credit for the course. The state portion of the cost is paid to school districts as a reimbursement for a portion of the cost of tuition paid to the institution of higher education on behalf of the participating pupil.

Joint Finance: Provision not included.

20. EARLY COLLEGE CREDIT PROGRAM -- INDEPENDENT CHARTER SCHOOL PUPILS

Governor: Modify current law under the early college credit program to allow pupils enrolled in an independent charter school to participate in the program beginning in the 2021-22 school year.

Specify that payments under the program could be made to independent charter schools. The role and responsibilities that apply to a school board under current law would apply to the governing board of the independent charter school, including the following: (a) being notified of a pupil's intent to participate in the program; (b) determining whether a course is comparable to a course offered by the school, whether the course satisfies high school graduation requirements, and how many credits to award for the course; (c) being notified by an institution of higher education that admits a pupil attending the school; (d) being notified if a pupil is admitted to attend a different course than the one the pupil originally specified; (e) paying the specified tuition amount to the institution of higher education, and funding a portion of the cost of the program; (f) paying the cost of books and other necessary materials for the course; (g) waiving the student's portion of the cost if DPI determines that the cost would pose an undue financial burden on the pupil's family; (h) establishing a written policy limiting the number of credits for which a governing board will pay, if the governing board chooses to do so; (i) being reimbursed by a pupil or his or her parent or guardian for the cost of a course that a pupil fails; and (j) entering into an agreement with an institution of higher education to facilitate the program, if the governing board wishes to do so. Prohibit the governing board from charging additional fees for the course. Specify that a pupil is not responsible for any portion of the cost of a course that is not comparable to a course offered by the school, as determined by the school's governing board.

Specify that the provisions under the early college credit program would not apply to a course for which a high school pupil attending an independent charter school may earn

postsecondary credit if the governing board of the charter school has entered into an agreement with a UW System institution or a private, nonprofit institution before, on, or after the effective date of the bill. The agreement would be to provide a college credit in high school program to academically qualified pupils under which pupils may take a course for postsecondary credit, if the instruction of pupils takes place in the charter school building. Require that under the agreement, either of the following would apply: (a) the instructor is a high school teacher employed by the charter school and certified or approved to provide the instruction by the participating UW institution or a faculty member of the UW institution, if the agreement is made with a UW institution; or (b) the instructor is a high school teacher employed by the charter school and certified or approved to provide the instruction by the participating private, nonprofit institution or a faculty member of the private institution, if the agreement is made with a private institution.

Under current law, high school students enrolled in a public or private school can enroll in courses at a UW institution, a private, non-profit college or university, or a tribal college under the early college credit program. Under the program, the cost of a course is shared between the student's school or school district and the state, if the student will receive high school credit for the course, or between the school or school district, the state, and the student, if the student will receive only postsecondary credit for the course. Tuition is charged at a reduced rate for pupils participating in the program.

Joint Finance: Provision not included.

21. OPPORTUNITY SCHOOLS AND PARTNERSHIP PROGRAM

Governor: Delete current law related to the opportunity schools and partnership programs (OSPP), which was created in the 2015-17 budget act and modified in the 2017-19 budget act.

In general, an OSPP is modeled as a "turnaround school district," with the potential to affect Milwaukee, Racine, and Madison. Currently, no districts or schools are participating in an OSPP.

More specifically, the 2015-17 budget act (2015 Act 55) created an OSPP within the Milwaukee Public Schools (MPS) under the management and control of a Commissioner appointed by the Milwaukee County Executive. Generally, the Commissioner could select MPS schools that either received the lowest rating on the most recent school accountability report or was identified as a vacant or underutilized building to be transferred to the OSPP. The Commissioner could transfer the operation and management of an OSPP school to either a nonprofit group operating a charter school, the governing body of a nonsectarian private school participating in a private school choice program, or an individual or group not currently operating a school, provided that the entity meets certain statutory criteria. The Commissioner could transfer a school out of their OSPP if the Commissioner determined that the school has been placed in a performance category of "meets expectations" or higher on the three preceding consecutive accountability reports published for the school. The Commissioner could return operation and management of the school to the MPS Board (provided MPS has not received a grade of "fails to meet expectations" on the school district accountability reports in the three most recent consecutive school years) or to an individual or group as a non-instrumentality charter, or to the governing body of a private school.

Act 55 also created an OSPP (modeled on the above provisions) within MPS under the management and control of the MPS Superintendent and allowed for the creation of an OSPP within other eligible school districts that: (a) were assigned to the lowest performance category on two school district accountability reports in the most recent consecutive years; (b) had a pupil membership of over 15,000; and (c) received intradistrict transfer aid in the two school years in which the district was assigned the lowest performance category on the school district accountability reports.

The 2017-19 budget act (2017 Act 59) created additional provisions under which an eligible unified school district could be identified, with additional criteria based on the number and size of municipalities within the district and the delegation of decision-making authority related to employee benefits. Act 59 also created a procedure under which the village boards of each village within an eligible unified school district could initiate the process for the creation of a new school district, subject to a binding referendum on the proposed creation by voters in the territory of the proposed school district.

Joint Finance: Provision not included.

School Operations and Curriculum

1. PROHIBIT VAPING ON SCHOOL PROPERTY

Governor: Specify that no individual may vape on school premises. Define "vape" as to inhale or exhale vapor from a vapor product, as defined under current state law. Define "school premises" as all of the following: (a) real property owned or rented by, or under the control of a school board, including playgrounds, athletic facilities or fields, and any other property that is occupied by pupils on a regular basis; (b) real property owned or rented by an operator or governing board of a charter school that is used for the operation of a charter school, including playgrounds, athletic facilities or fields, and any other property that is occupied on a regular basis by pupils attending the charter school; and (c) real property owned or rented by the governing body of a private school that is used for the operation of a private school, including playgrounds, athletic facilities or fields, and any other property that is occupied on a regular basis by pupils attending the private school.

Joint Finance: Provision not included.

2. DELETE MPS TRUANCY CENTER AND LAW ENFORCEMENT OFFICER REQUIREMENTS

Governor: Delete current law requiring Milwaukee Public Schools (MPS) to establish at least two youth service centers for the counseling of children who are taken into custody for being absent from school without an acceptable excuse, and requiring the MPS board to pay the City of Milwaukee for the costs of salaries and fringe benefits of four law enforcement officers to work

on truancy abatement and burglary suppression on a full-time basis.

Joint Finance: Provision not included.

3. AMERICAN INDIAN STUDIES REQUIRED IN CURRICULUM -- SCHOOL DISTRICTS

Governor: Modify current law to require that beginning September 1, 2022, instruction in the culture, tribal sovereignty, and contemporary and historical significant events of the federally recognized American Indian tribes and bands located in this state must be provided at least once in grades K-2, once in grades 3-5, and twice in grades 6-8 as part of the social studies curriculum.

Additionally, require that beginning September 1, 2022, instruction in the culture, tribal sovereignty, and contemporary and historical significant events of the federally recognized American Indian tribes and bands located in this state must be provided at least once in each of the high school grades as part of the high school curriculum. Specify that in at least one high school grade, the school board must include the instruction in the social studies curriculum.

Under current law, instruction in the history, culture, and tribal sovereignty of the federally recognized American Indian tribes and bands located in this state must be provided at least twice in the elementary grades and at least once in the high school grades as part of the social studies curriculum.

Joint Finance: Provision not included.

4. AMERICAN INDIAN STUDIES REQUIRED IN CURRICULUM -- CHOICE AND CHARTER SCHOOLS

Governor: Require that beginning in the 2022-23 school year, independent charter schools and private choice schools include in their curriculum instruction in the culture, tribal sovereignty, and contemporary and historical significant events of the federally recognized American Indian tribes and bands located in this state at least twice in the elementary grades and at least once in the high school grades.

Under current law, instruction in the history, culture, and tribal sovereignty of the federally recognized American Indian tribes and bands located in this state must be provided at least twice in the elementary grades and at least once in the high school grades as part of the social studies curriculum.

Joint Finance: Provision not included.

5. HEALTH PROBLEMS EDUCATION PROGRAMS

Governor: Make minor changes to statutory language to create a numbered list describing the topics that must be included in the comprehensive education curricula developed by the critical

health problems education program under DPI, rather than a list separated by commas.

Joint Finance: Provision not included.

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,269,200	- $352,600	$916,600
FED	375,600	- 397,800	- 22,200
PR	821,800	0	821,800
Total	$2,466,600	- $705,400	$1,716,200

Governor: Adjust the base budget by $634,600 GPR, $187,800 FED, and $410,900 PR annually for: (a) turnover reduction (-$440,500 GPR and -$526,000 FED annually); (b) full funding of continuing position salaries and fringe benefits ($741,400 GPR, $700,000 FED, and $396,800 PR annually); (c) overtime ($274,000 GPR, $41,900 FED, and $13,900 PR annually); (d) night and weekend differential pay ($55,300 GPR, $400 FED, and $200 PR annually); and (e) lease and directed moves costs ($4,400 GPR and -$28,500 FED annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $176,300 GPR and $198,900 FED annually.

2. PUPIL ASSESSMENT

GPR	- $4,000,000

Governor/Joint Finance: Reduce funding by $2,000,000 annually from annual base level funding of $18,558,400 to reflect the current DPI estimate of moneys required for contract payments to vendors.

3. GENERAL EDUCATIONAL DEVELOPMENT TEST FEE PAYMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,300,000	- $1,300,000	$0

Governor: Provide $400,000 in 2021-22 and $900,000 in 2022-23 in a new sum sufficient

appropriation to subsidize testing fees for individuals taking the general educational development (GED) test beginning on January 1, 2022. Payments would be made to GED Testing Service LLC equal to $30 for each eligible individual who takes a content area test given under the GED test at a testing site in Wisconsin that is approved by the State Superintendent. Define an eligible individual as one who meets the following criteria: (a) meets the eligibility requirements promulgated by DPI by rule for a high school equivalency diploma or certificate of general educational development; and (b) takes and receives a passing score on a practice test for the content area that is developed by GED Testing Service LLC. Specify that for each eligible individual, no more than one testing service fee could be paid for each content area test in a calendar year.

The GED consists of tests to measure competency in math, science, social studies, and language arts. Wisconsin administrative code requires that, to be eligible to take the GED, an individual must meet the following criteria: (a) be a resident of Wisconsin for voting purposes, or have lived in Wisconsin for at least 10 days, or be a migrant worker or the child of a migrant worker; (b) be at least 18 years six months of age, or have entered 9th grade with a class that has graduated from high school; (c) have not graduated from high school, and are not enrolled in a public or private high school; and (d) have completed a career counseling session provided by a high school, technical college district, community-based organization, college, university, licensed psychologist, or licensed school counselor. In 2019, 7,624 Wisconsin residents took the GED. Each of the four sections of the test costs $33.75.

Joint Finance: Provision not included.

4. ACADEMIC AND CAREER PLANNING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,055,000	- $1,055,000	$0

Governor: Provide $339,000 in 2021-22 and $716,000 in 2022-23 over annual base level funding of $1,100,000.

This funding would be used to support the academic and career planning program that was created under the 2013-15 budget. Under current law, the State Superintendent is required to do the following: (a) ensure that every school board is providing academic and career planning services to pupils in grades 6-12; and (b) procure, install, and maintain information technology, including computer software, to be used by school districts to provide academic and career planning services. DPI provides districts with computer software for college and career planning, and maintains contracts with each of the twelve cooperative educational service agencies (CESAs) to support academic and career planning, including subsidizing the cost of academic and career planning coordinators in each CESA.

Joint Finance: Provision not included.

5. MENTAL HEALTH TRAINING PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 annually for mental health training. Require DPI to provide training to school district staff and the instructional staff of independent charter schools regarding social and emotional learning, in addition to the other types of training required under current law.

Under current law, DPI is required to provide training to school district staff and the instructional staff of independent charter schools regarding the following: (a) screening, brief interventions, and referral to treatment (SBIRT); (b) trauma sensitive schools; and (c) youth mental health first aid. Funding equal to $420,000 GPR annually is provided for the trainings.

Joint Finance: Provision not included.

6. DELETE LAPSE OF TEACHER LICENSING FEES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	- $800,000	$800,000	$0
PR-REV	800,000	- 800,000	0
Total	$0	$0	$0

Governor: Specify that all program revenue received in the appropriation for teacher licensure would be credited to the appropriation for that purpose, rather than 90% of certain revenues as under current law. This would result in an estimated decrease of GPR-Earned equal to $400,000 annually.

Modify the appropriation to authorize the expenditure of all moneys received rather than the amounts in the schedule of appropriations as under current law.

Under current law, 90% of revenues received from fees for the licensure of school and public library personnel are retained by DPI. The remaining 10% is credited to the general fund.

Joint Finance: Provision not included.

7. CITY YEAR MILWAUKEE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$760,000	- $760,000	$0

Governor: Provide $380,000 annually for a grant for City Year Milwaukee, and require the State Superintendent to award the funds annually to City Year, Inc.

City Year is a non-profit organization that places AmeriCorps members full-time in schools to partner with classroom teachers, tutor pupils one-on-one or in groups, organize school-wide events, and run after-school programs. The program targets pupils in 3rd through 9th grades who exhibit one or more warning signs of not completing high school. It is anticipated that the funding would allow the organization to expand to two additional schools.

Joint Finance: Provision not included.

8. RECOLLECTION WISCONSIN

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$450,000	- $450,000	$0

Governor: Provide $150,000 in 2021-22 and $300,000 in 2022-23 for Recollection Wisconsin, and require the State Superintendent to annually distribute the funding to Wisconsin Library Services, Inc (WiLs). Create an annual sum certain GPR appropriation for this purpose.

Recollection Wisconsin is a consortium administered by WiLs, a nonprofit organization of Wisconsin libraries and other organizations, with the Wisconsin Historical Society, UW-Milwaukee, UW-Madison, the Milwaukee Public Library, Marquette University, and DPI also serving as governing partners. Its purpose is to collect digital historical resources from Wisconsin libraries, archives, museums, and historical societies, and makes them publicly available.

Joint Finance: Provision not included.

9. WISELEARN

GPR	- $350,000

Governor/Joint Finance: Reduce funding for WISELearn by $150,000 in 2021-22 and $200,000 in 2022-23. Base level funding for WISELearn is $1,359,000.

Under current law, DPI is required to develop and maintain an online resource, called WISELearn, to provide educational resources for parents, teachers, and pupils; offer online learning opportunities; provide regional technical support centers; provide professional development for teachers; and enable video conferencing.

10. FUEL AND UTILITIES REESTIMATE

GPR	- $239,100

Governor/Joint Finance: Reduce funding by $118,900 in 2021-22 and $120,200 in 2022-23 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is equal to $548,500 annually.

11. DIGITIZE PAPER GED TEST CREDENTIALS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$145,000	- $145,000	$0

Governor: Provide $145,000 in 2021-22 to digitize paper records related to the General Educational Development (GED) test, including hard copy GED credentials from past test-takers. DPI is responsible for maintaining GED records, providing credential records to individuals who have taken the test, and responding to verification requests from employers or institutions of higher education. A corrective amendment is needed to create the biennial appropriation with this funding.

Joint Finance: Provision not included.

12. EQUITY OFFICER POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$144,800	1.00	- $144,800	- 1.00	$0	0.00

Governor: Provide $63,500 in 2021-22 and $81,300 in 2022-23 and 1.0 position beginning in 2021-22 to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

13. DEBT SERVICE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $6,900	- $158,400	- $165,300

Governor: Modify funding by -$114,300 in 2021-22 and $107,400 in 2022-23 as a reestimate of debt service payments for the state residential schools. Annual base level funding is $1,020,000.

Joint Finance: Reestimate debt service by $107,900 in 2021-22 and -$266,300 in 2022-23.

14. WISCONSIN READING CORPS

GPR	$1,600,000

Joint Finance: Provide $300,000 in 2021-22 and $1,300,000 in 2022-23 for the Wisconsin Reading Corps, an AmeriCorps program that provides one-on-one literacy tutoring. Current base level funding is $700,000 annually.

15. AGENCY BUDGET REDUCTION

GPR	- $1,465,200

Joint Finance: Reduce funding by $270,000 annually in the appropriation for general program operations, $450,000 annually in the appropriation for the longitudinal data system, and $12,600 annually in the appropriation for renewable energy costs.

16. SCHOOL SAFETY MAPPING

Joint Finance: Provide $2,000,000 GPR in the Joint Committee on Finance supplemental appropriation in 2021-22 for school safety mapping for release upon request and approval by the Committee. The fiscal effect of this item is shown under "Program Supplements."

17. BENCHMARK ASSESSMENTS

Joint Finance: Provide $2,000,000 GPR in the Joint Committee on Finance supplemental appropriation in 2021-22 for benchmark assessments for release upon request and approval by the Committee. The fiscal effect of this item is shown under "Program Supplements."

18. PROGRAM REVENUE REESTIMATES

PR	$10,843,500

Governor/Joint Finance: Reestimate program revenue by $5,428,300 in 2021-22 and $5,415,200 in 2022-23. The reestimate includes $958,600 annually in the appropriation for personnel licensure to reflect projected teacher license fee revenue; -$30,300 in 2021-22 and -$43,400 in 2022-23 in the appropriation for general educational development and high school graduation equivalency to reflect projected GED/HSED credential fee revenue; and $4,500,000 annually in the appropriation for transfers from other state agencies for assistance to school districts.

19. PUBLIC LIBRARY AID

SEG	$6,500,000

Governor/Joint Finance: Provide $2,500,000 in 2021-22 and $4,000,000 in 2022-23 above base level funding of $16,013,100 for public library system aid. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

20. LIBRARY SERVICE CONTRACTS

SEG	$38,200

Governor/Joint Finance: Provide $12,900 in 2021-22 and $25,300 in 2022-23 above base level funding of $1,342,400 to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information.

DPI contracts with four service providers: (a) the Milwaukee Public Library; (b) the University of Wisconsin-Madison; (c) the Wisconsin Talking Book and Braille Library; and (d) the Cooperative Children's Book Center. DPI indicated in its agency request document that projected costs for each of the contracts will increase over the biennium due to general operating cost increases, and insufficient funding would result in a cap on the amount of material that can be requested from the Milwaukee Public Library and the UW-Madison library. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

21. BULLYING PREVENTION GRANTS

Governor: Modify current law relating to the grant for bullying prevention to specify that, beginning in the 2021-22 school year, the grant must be awarded annually to the nonprofit organization that received the award in the 2019-20 and 2020-21 school years. (The grant was awarded in those years to the Children's Hospital of Wisconsin.)

Funding is equal to $150,000 GPR annually, and the grants are required to provide training and an online bullying prevention curriculum for pupils in grades kindergarten to eight.

Joint Finance: Provision not included.

22. REPORT ON HOMELESS PUPILS

Governor: Require the State Superintendent to submit an annual report on the number of homeless children and youths, as defined under federal law, in the public schools of Wisconsin. The report would be submitted to the Chief Clerk of each house of the Legislature for distribution to the Legislature.

Under federal law, homeless children and youths are defined as follows: (a) children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason, are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations, are living in emergency or transitional shelters, or are abandoned in hospitals; (b) children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings; (c) children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and (d) migratory children who are living in circumstances described in (a) through (c).

Joint Finance: Provision not included.

23. CLIMATE CHANGE IN MODEL ACADEMIC STANDARDS

Governor: Require that if the State Superintendent adopts model academic standards for any of the following subjects, the standards for that subject incorporate information about climate change: (a) science; (b) mathematics; (c) social studies; (d) English language arts; (e) agriculture; (f) food and natural resources; (g) environmental literacy and sustainability; and (h) nutrition education. Require that the standards incorporate an understanding of climate, the interconnected nature of climate change, the potential local and global impacts of climate change, and individual and societal actions that may mitigate the harmful effects of climate change.

Joint Finance: Provision not included.

24. AMERICAN INDIAN INSTRUCTION -- TEACHING LICENSE

Governor: Modify a current requirement that the State Superintendent cannot grant a teaching license to any person unless the person has received instruction in the history, culture, and tribal sovereignty of the federally recognized American Indian tribes and bands located in the state, to delete the reference to history and instead refer to contemporary and historical significant events.

Joint Finance: Provision not included.

PUBLIC SERVICE COMMISSION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$155,600,000	$0	-$155,600,000	- 100.0%	$0	N/A
FED	5,669,400	5,960,200	5,960,200	0	0.0	290,800	5.1
PR	42,143,600	42,945,600	41,389,600	- 1,556,000	- 3.6	- 754,000	- 1.8
SEG	57,036,000	17,041,000	17,041,000	0	0.0	- 39,995,000	- 70.1
TOTAL	$104,849,000	$221,546,800	$64,390,800	- $157,156,000	- 70.9%	- $40,458,200	- 38.6%
BR			$125,000,000				

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	0.00	8.50	0.00	- 8.50	0.00
FED	11.75	11.75	11.75	0.00	0.00
PR	139.00	136.00	139.00	3.00	0.00
SEG	4.00	4.00	4.00	0.00	0.00
TOTAL	154.75	160.25	154.75	- 5.50	0.00

Budget Change Items

Broadband Provisions

1. BROADBAND EXPANSION GRANTS [LFB Paper 525]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$147,734,100	- $147,734,100	$0
SEG	4,000,000	0	4,000,000
Total	$151,734,100	- $147,734,100	$4,000,000
BR	$0	$125,000,000	$125,000,000

Governor: Create an annual appropriation and provide $74,793,100 GPR in 2021-22 and $72,941,000 GPR beginning in 2022-23 for broadband expansion grants. Additionally, reestimate the transfer provided from unencumbered amounts in other universal service fund (USF) appropriations at $2,000,000 USF SEG each year. Combined, the total amount budgeted for broadband expansion grants would be $151,734,100 during the 2021-23 biennium.

Created in 2013, the broadband expansion grant program supports projects that increase broadband access and capacity in underserved areas of the state. Since its inception through January 1, 2021, the program has awarded $49.6 million in grants to 221 projects. In the 2019-21 biennium, funding of $44 million for broadband expansion grants was transferred to the USF on a one-time basis from federal e-rate funds under 2019 Act 9. Additional amounts of $6.5 million were provided from year-end unencumbered amounts, or "sweeps," transferred from other USF appropriations, and $5.4 million was awarded from the state's allocation from the federal Coronavirus Relief Fund. Although the bill removes one-time funding of $44,000,000 SEG as a standard budget adjustment, the statutes provide a minimum of $2,000,000 each year in ongoing funding for broadband expansion grants from USF sweeps and, if necessary, USF assessments on telecommunications providers. The reestimate would account for this minimum amount of annual funding.

Joint Finance: Authorize the issuance of $125,000,000 in general fund-supported general obligation bonds for broadband expansion grants and reestimate year-end transfers of unencumbered amounts in universal service fund appropriations at $2,000,000 SEG each year for broadband expansion grants. Total funding provided for broadband expansion grants equals $129,000,000 over the 2021-23 biennium.

Specify that the Legislature finds and determines that: (a) provision of broadband internet access is essential to the welfare of the citizens of this state and the economic development of this state, and therefore the provision of internet access is a governmental function and statewide responsibility of statewide dimension; and (b) sufficient private capital has been and continues to be unavailable to fulfill the need for development of broadband internet access in underserved and unserved areas of this state. Further, specify that it is in the public interest, and it is the public policy of this state, to assist internet service providers in providing access to high-speed internet to all residents of Wisconsin. Specify that the Building Commission may authorize the issuance of bonds for broadband expansion projects approved by the PSC. Specify that if, for any reason, bond funding provided for a broadband expansion grant is not used for that purpose, the state shall retain an ownership interest in the project equal to the amount of the state's grant.

2. BROADBAND EXPANSION GRANT ELIGIBILITY FOR MUNICIPALITIES

Governor: Expand eligibility for broadband expansion grants to include municipalities that: (a) lack access to at least two broadband service providers; or (b) lack access to fixed wireless or wired service at speeds of at least 5 megabits per second (Mbps) download speed and 0.6 Mbps upload speed. Under current law, municipalities are only eligible to receive broadband expansion grants if they apply in partnership with a telecommunications utility or other organization.

Joint Finance: Provision not included.

3. STATE BROADBAND OFFICE APPROPRIATION [LFB Paper 526]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$1,679,300	6.50	- $1,679,300	- 6.50	$0	0.00
PR	- 1,183,000	- 5.50	1,183,000	5.50	0	0.00
Total	$496,300	1.00	- $496,300	- 1.00	$0	0.00

Governor: Convert funding for the State Broadband Office from PR to GPR and increase funding and positions for the Office by: (a) creating a new appropriation and providing $808,900 GPR in 2021-22 and $870,400 GPR in 2022-23 with 6.5 GPR positions; and (b) deleting $591,500 PR each year and 5.5 PR positions. Under current law, the State Broadband Office is supported by the Commission's general utility regulation PR appropriation, which is funded by assessments imposed on all utilities in proportion to their gross revenue.

Joint Finance: Provision not included.

4. BROADBAND LINE EXTENSION GRANTS [LFB Papers 525 and 526]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$5,413,400	1.00	- $5,413,400	- 1.00	$0	0.00

Governor: Create a broadband line extension grant program, and provide grant funding of $1,750,000 in 2021-22 and $3,500,000 beginning in 2022-23. Authorize the Commission to make grants of up to $4,000 to residents of properties not served by a broadband service provider to assist in paying customer costs associated with connecting to broadband service. Allow the Commission to establish criteria for evaluating applications and awarding grants, and require the Commission to give priority to grants for properties of primary residence. Provide $71,900 in 2021-22 and $91,500 in 2022-23 with 1.0 position to administer the program. Provide funding as part of the State Broadband Office appropriation created in another item.

Joint Finance: Provision not included.

5. BROADBAND CONNECTOR PROGRAM AND BROADBAND PLANNING GRANTS [LFB Paper 525]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$600,000	- $600,000	$0

Governor: Provide $300,000 each year for broadband planning grants of up to $50,000 per

recipient to municipalities, school districts, tribal governments, regional planning commissions, nonprofit organizations, and local economic development organizations to conduct planning activities related to broadband, including feasibility engineering, adoption planning, and digital inclusion activities. Additionally, authorize the PSC to provide training, technical assistance, and information related to broadband engineering and deployment. The bill terms the combined grant and technical assistance components the broadband connector program. Grant and technical assistance funding would be provided under the State Broadband Office appropriation.

Joint Finance: Provision not included.

6. REPORTING OF BROADBAND SERVICE BY LOCATION [LFB Papers 525 and 526]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$173,200	1.00	- $173,200	- 1.00	$0	0.00

Governor: Require each internet service provider in Wisconsin to report to the PSC by April 1 each year the properties it serves, the average minimum download and upload speeds at which it provides service to those properties, and a description of its service territory. Direct the PSC to use information collected to compile maps of broadband service and facilitate access to broadband service. Specify that competitive information collected be exempt from disclosure under the state open records law if the Commission determines that public disclosure is not necessary to compile broadband maps and facilitate access to broadband service. Additionally, provide $76,100 in 2021-22 and $97,100 in 2022-23 with 1.0 position to administer this provision.

Currently, data on broadband service and speed is reported by internet service providers to the Federal Communications Commission. Service reporting reflects the highest speed offered to any single property in a census block, which may not be universally available in that block. The provision is intended to generate data for the PSC's mapping and programmatic purposes that would offer greater resolution for determining broadband service coverage and grant eligibility.

Joint Finance: Provision not included.

7. MUNICIPAL BROADBAND FACILITIES IN UNDERSERVED OR UNSERVED AREAS

Governor: Modify provisions relating to municipal broadband facilities to create separate requirements for broadband facilities that are intended to serve areas defined as underserved or unserved under broadband expansion grant program eligibility criteria.

Under current law, no city, village, or town may enact an ordinance or adopt a resolution authorizing the municipality to construct, own, or operate any facility for providing video service, telecommunications service, or broadband service to the public unless certain public hearing,

notice, revenue and cost reporting, and cost-benefit analysis requirements are met. Specifically, municipalities are to provide personnel costs and costs of acquiring, installing, maintaining, repairing, or operating any plant or equipment. Additionally, municipalities are to include an appropriate allocated portion of costs of personnel, plant, or equipment that are used to provide jointly both telecommunications services and other services. The bill would specify that a municipal broadband facility that serves an underserved or unserved area would not have to provide information on these specific costs.

Also under current law, the public hearing, notice, revenue, and cost reporting requirements do not apply to cases in which the municipality in writing solicits responses from area broadband providers as to whether the provider offers service in the municipality's boundaries, or intends to offer service in the area within nine months, and one of the following occurs: (a) no persons respond to the municipality's request within 60 days; (b) all respondents who purport to offer service are found not to offer service; or (c) a person intending to offer service within nine months does not meet such a time limit. The bill would specify: (a) for unserved or underserved areas, a provider would have to expect to offer service within three months; and (b) a person must actively plan to offer service within either the nine- or three-month limit.

Further, current law provides public hearing, notice, revenue, and cost reporting requirements are not required for a broadband service facility if the following apply: (a) the municipality itself does not use the facility to provide service to end users; and (b) the municipality determines at the time the facility is authorized that the facility does not compete with more than one broadband service provider. The bill would amend the provisions to specify facilities intended for unserved or underserved areas would not have to meet these requirements. The bill would not change a requirement that a municipality must offer use of the facility on a nondiscriminatory basis to persons who provide broadband service to end users of the service.

Joint Finance: Provision not included.

8. USE OF ELECTRIC TRANSMISSION EASEMENT FOR BROADBAND SERVICE

Governor: Specify that an electric provider may use an easement it holds to install or maintain broadband service infrastructure, including allowing a broadband service provider to use that easement, except if the easement applies to property owned by the state or a municipality, or if the easement expressly prohibits use of the property for broadband purposes. Further, allow an electric provider to lease or otherwise provide to a broadband service provider any excess capacity in the electric provider's broadband infrastructure. Specify that these allowances do not exempt providers from state or federal law requirements related to siting or provision of broadband service.

Definitions. Define electric provider as a public utility or cooperative that generates, transmits, or distributes wholesale or retail electric energy to its customers or members. Define broadband infrastructure as property that can be used to facilitate, originate, send, and receive high-quality voice, data, graphics, and video communications, including only the following: (a) materials; (b) wires; (c) cables, including optical fiber or copper and regardless of whether they are currently in use; (d) conduits; (e) antennas; (f) equipment; (g) fixtures; (h) multiplexors (analog/digital switches); (i) poles; (j) routers; (k) switches; (l) servers; (m) appurtenances; (n)

facilities; and (o) ancillary or auxiliary equipment. For the purposes of this proposal, exclude from the definition of broadband infrastructure new poles or towers used exclusively for the provision of broadband service.

Providing Notice. Require that an electric provider must make a reasonable effort to provide notice to the property owner at least 30 days prior to using an easement for broadband service purposes. Specify that the notice include: (a) identification of the property subject to the easement; (b) a statement that the provider intends to install or use broadband infrastructure consistent with this provision; (c) an estimate of when the installation or use of the easement will begin; (d) notice that the electric provider may record the authorized use of the easement for broadband services with the register of deeds; and (e) notice that the property owner may not bring an action against the electric provider for use of the easement consistent with this provision more than one year after the date of notice. After 30 days of providing notice, allow the electric provider to record with the register of deeds its authority to use the property for broadband service purposes. Specify that the record include information about the easement and the authority to use the easement under this provision.

Dispute of Appraisal and Damages. Within one year of the original filing of notice or recording of the amended easement, allow an owner of property with an easement used for broadband service purposes to provide the easement holder with an appraisal from a licensed appraiser reporting the value of property lost due to its use for broadband service purposes. Require the easement holder to pay the owner for the lost value, as determined by the appraisal, unless it disputes the appraisal within 90 days and provides an alternative appraisal. If an alternative appraisal is offered, allow an owner 30 days to bring action against the easement holder for that appraised difference. Limit damages allowable for loss in real property associated with this provision to only the difference in appraised value immediately before and after installation of broadband service using the easement.

Prior Use of Easements. Specify that no use of an easement for broadband service purposes prior to the effective date of the bill, or a lease of excess capacity by the electric provider to a supplier of broadband services, may be disputed by a property owner more than one year after the effective date of the bill.

Joint Finance: Provision not included.

9. INTERNET SERVICE PROVIDER REGISTRATION

Governor: Require that any person providing internet service in Wisconsin register with the PSC by December 31, 2021.

Joint Finance: Provision not included.

10. BROADBAND CONSUMER PROTECTIONS

Governor: Create certain requirements for broadband service providers related to access

for low-income subscribers, discrimination, advertising standards, adequacy of service, notices for interruption of service, and billing practices. These consumer protections would be administered by the Department of Agriculture, Trade and Consumer Protection.

Joint Finance: Provision not included.

Departmentwide and Energy Programs

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$34,400	- $188,400	- $154,000
FED	290,800	0	290,800
SEG	- 43,995,000	0	- 43,995,000
Total	- $43,669,800	- $188,400	$43,858,200

Governor: Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-$282,800 PR each year); (b) full funding of continuing position salaries and fringe benefits ($298,200 PR, $133,700 FED, and -$5,100 SEG each year); (c) reclassifications and semi-automatic pay progression ($19,500 PR each year); (d) full funding of lease and directed moves costs (-$17,700 PR, $11,700 FED, and $7,600 SEG each year); and (e) removal of noncontinuing elements from the base (-$22,000,000 USF SEG each year).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $94,200 PR annually.

2. FOCUS ON ENERGY CONTRIBUTION RATE

Governor: Increase from 1.2% to 2.4% the required energy utility contribution of annual operating revenues to fund statewide energy efficiency and renewable resource programs. Wisconsin investor-owned utilities, and select municipal utilities and cooperatives, collectively operate a statewide energy efficiency and renewable resource program known as Focus on Energy (Focus). Focus provides incentives, technical resources, and information to help residential and business customers reduce energy consumption and its resulting environmental impacts through conservation, energy efficiency practices, and implementation of new technology.

PSC estimates the proposal would increase funding for Focus programs by $100 million annually. While mandated by statute, Focus is administered directly by a nonprofit constituting participating utilities, and any revenue generated from the contribution requirement is not subject to the state budget process. In calendar year 2019, Focus collected revenues of $101.8 million.

Joint Finance: Provision not included.

3. FOCUS ON ENERGY PROGRAMS FOR LOW-INCOME HOUSEHOLDS

Governor: Require programs administered as part of Focus on Energy to promote energy efficiency and renewable energy activities for low-income households, defined as those with income below 60% of statewide median income (currently estimated at $57,500 for a family of four), including initiatives and market strategies to address the energy needs and decrease the energy burden on such households. Further, require the Commission to promulgate rules establishing minimum requirements for Focus programs for low-income households, including eligibility requirements for such programs.

Joint Finance: Provision not included.

4. WATER UTILITY TRAINING AND DATA REPORTING

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$2,476,500	2.00	- $2,476,500	- 2.00	$0	0.00

Governor: Provide $1,342,200 in 2021-22 and $1,134,300 in 2022-23 with 2.0 positions from the PSC's general utility regulation appropriation to support PSC oversight of water utilities. The administration indicates funding is intended to support a water conservation training program for utilities serving greater than 3,300 residents, and to support modernization of water utility data reporting for use in oversight activities.

Joint Finance: Provision not included.

5. INTERVENOR COMPENSATION FOR CITIZENS UTILITY BOARD

PR	- $600,000

Governor: Delete $300,000 each year of the biennium typically provided as a grant under the intervenor compensation program to the Citizens Utility Board (CUB) to support its operating costs related to advocating for the interests of utility ratepayers. Instead, establish a statutory process under which CUB would annually submit a budget of up to $900,000 to the PSC for modification and approval.

Create a legislative declaration that it is in the public interest to have an independent, nonpartisan advocate for residential, small commercial, and small industrial utility customers, and that the advocate be sufficiently funded to represent those customers' interests before the PSC. Require the Commission to approve the CUB budget if it is consistent with the legislative declaration, and if the budget would cover salaries, fringe benefits, overhead expenses, and other necessary costs of representing the interests of energy utility customers. Specify that if the Commission does not take action on the request within 60 days of submittal, the request is considered approved. Prohibit use of funds provided to CUB under this process for costs related to lobbying or participation in proceedings related to only municipal utilities, and require CUB to

maintain records of expenditures for at least three years after receipt of funding. Require the Commission to review the use of funds provided under this provision.

Specify that if the budget were approved by the Commission, within 60 days of approval, investor-owned utilities in Wisconsin would provide payment directly to CUB for their proportionate share of the budget based on the number of residential, small commercial, and small industrial meters served, and that those contributions are to be recovered by utilities from ratepayers. In addition to funding under the general operations grant, CUB has regularly applied for and received reimbursement for costs accrued intervening in specific cases before the Commission. The proposal would cap funding provided to CUB for participation in specific cases at $100,000 annually.

The Citizens Utility Board was originally created under Chapter 199 of the statutes, but later converted to a nonprofit corporation. Under current law, the Commission may provide grants of up to $300,000 each year to nonstock, nonprofit corporations with a history of advocating on behalf of ratepayers to cover a portion of the corporations' operating costs. While other entities are eligible, only CUB has received funding under the provision, which has totaled $2.4 million since its enactment in 2009-10.

Joint Finance: Retain deletion of $300,000 PR each year from the intervenor compensation appropriation associated with the now-repealed grant to the Citizens Utility Board, but delete obsolete language associated with the proposed alternate funding mechanism. (2021 Wisconsin Act 24 incorporated a generally similar provision to provide funding of up to $900,000 directly to the Citizens Utility Board.)

6. LOW-INCOME ADVOCATE INTERVENOR COMPENSATION

Governor: Modify the intervenor compensation program to establish a set-aside of $50,000 annually for intervenors in Commission proceedings dedicated to advocating for low-income populations on economic and environmental issues. The intervenor compensation program provides financial assistance to organizations and individuals who choose to become an intervenor for a Commission proceeding. Organizations or individuals granted intervenor status may submit testimony and exhibits at hearings, which become part of the record considered by the Commission in making decisions. Intervenor financing is provided through assessments on utilities involved in a given proceeding.

Joint Finance: Provision not included.

7. EQUITY OFFICER POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$74,100	0.50	- $74,100	- 0.50	$0	0.00

Governor: Provide $30,400 in 2021-22 and $43,700 in 2022-23 with 0.5 position to create

an agency equity officer funded from the Commission's general utility regulation appropriation. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

8. SOCIAL COST OF CARBON

Governor: Require PSC to consider the social cost of carbon in approving utility construction projects, such as those for electricity generation facilities and transmission lines. Define social cost of carbon as a measure of the cost in dollars of economic and other harm resulting from the emission of one ton of carbon dioxide into the atmosphere. Require PSC, in consultation with the Department of Natural Resources, to biennially determine the social cost of carbon using integrated assessment models and appropriate discount rates. Require that the determined social cost of carbon be consistent with international consensus. Require PSC to submit a report biennially to relevant standing committees of the Legislature that describes the Commission's evaluation and established price. Specify that this provision first applies to applications for PSC approvals filed on December 31, 2021.

Joint Finance: Provision not included.

9. UTILITY FINANCING OF ENERGY IMPROVEMENTS

Governor: Allow the PSC to create a program by which a utility may offer financing for energy improvements at a location it serves, and collect repayments through a surcharge on that customer's utility bill. If the PSC intends to implement such a program, require it to promulgate rules to do so.

Joint Finance: Provision not included.

10. MODEL ORDINANCE FOR PROPERTY ASSESSED CLEAN ENERGY PROGRAMS

Governor: Require the PSC to create a model ordinance for municipalities to use in implementing property assessed clean energy (PACE) programs. PACE programs allow a municipality to offer loans for investment in property improvements that are repaid through special assessments by the municipality on the improved property. PACE programs allow financing associated with improvements to remain assigned to a property, regardless of owner. Require that the ordinance address making loans or other agreements for installation of energy efficiency improvements, water efficiency improvements, and use of renewable resources at a premises. Further, allow Focus on Energy program offerings to include advertising PACE programs.

Joint Finance: Provision not included.

11. FINANCING FOR RETIREMENT OF NONRENEWABLE GENERATING FACILITIES

Governor: Allow energy utilities to issue bonds to finance costs related to retiring a generation facility that uses nonrenewable combustible resources, such as coal or natural gas. Under the bill, the utility would apply to the Commission to issue such bonds, and repay them with the future revenues from its services. Under current law, a utility may issue bonds to finance costs related to retiring, or installing equipment at, a generation facility to prevent or control environmental pollution produced by that facility.

Joint Finance: Provision not included.

12. VOLUNTARY INNOVATIVE TECHNOLOGY PROGRAM

Governor: Authorize an energy utility, with approval from the PSC, to operate an innovative technology program from rates charged by the utility, or another financing method approved by the Commission. Prohibit the Commission from requiring a utility to operate such a program. Require the PSC to include a pilot period for any approved innovative technology program, after which the Commission would evaluate the program to establish or modify performance criteria for the program. Allow a utility that begins an innovative technology program to request, at any time, PSC approval for modification or discontinuation of the program. Require the Commission to promulgate rules to implement programs under this provision.

The bill does not specify what would constitute innovative technologies, although the administration indicates the program is intended to support development of electricity storage technology and microgrids to pursue the Governor's goal that utilities in Wisconsin invest $100 million in such technology over the next five years.

Joint Finance: Provision not included.

13. INCREASE PIPELINE SAFETY PENALTY

Governor: Increase the penalty for violation of PSC regulations on the safe production, transmission, and distribution of natural gas from a maximum of $25,000 to a maximum of $200,000 per instance (or each day of violation). Further, increase the cap on penalties for a single persistent violation from $500,000 to $2,000,000. Clarify that such penalties are to be deposited into the common school fund.

Joint Finance: Provision not included.

14. NONUTILITY ELECTRIC VEHICLE CHARGING STATIONS

Governor: Exempt from the definition of public utility those persons that provide electricity only at electric vehicle charging stations for use in an electric vehicle. Under current law, such provision of electricity would be subject to the same regulation as a utility providing electricity service.

Joint Finance: Provision not included.

15. TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES

Governor: Transfer administration of one-time environmental impact fees and annual impact fees paid by persons granted certificates of public convenience and necessity for construction and operation of high-voltage transmission lines from the Department of Administration (DOA) to the PSC.

Under current law, owners of high-voltage transmission lines make a one-time payment equal to 5% of the cost of the transmission line, and annual payments equal to 0.3% of the cost of the transmission line to DOA, which then distributes the amounts in a proportional manner to local governments affected by the transmission line.

Joint Finance: Provision not included.

REVENUE

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$382,254,200	$388,518,300	$374,600,800	- $13,917,500	- 3.6%	- $7,653,400	- 2.0%
PR	43,026,600	43,745,900	42,667,900	- 1,078,000	- 2.5	- 358,700	- 0.8
SEG	31,320,400	44,660,300	60,193,500	15,533,200	34.8	28,873,100	92.2
TOTAL	$456,601,200	$476,924,500	$477,462,200	$537,700	0.1%	$20,861,000	4.6%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	953.08	971.08	950.15	- 20.93	- 2.93
PR	136.50	136.50	135.40	- 1.10	- 1.10
SEG	92.45	93.45	92.45	- 1.00	0.00
TOTAL	1,182.03	1,201.03	1,178.00	- 23.03	- 4.03

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR-REV	- $4,031,700		$0		- $4,031,700	
PR-REV	- 5,100,000		0		- 5,100,000	
GPR	$873,200	- 1.00	- $1,197,800	0.00	- $324,600	- 1.00
PR	- 598,400	- 10.00	0	0.00	- 598,400	- 10.00
SEG	730,500	0.00	- 83,800	0.00	646,700	0.00
Total	$1,005,300	-11.00	- $1,281,600	0.00	- $276,300	- 11.00

Governor: Provide adjustments to the base budget for: (a) turnover reduction (-$1,797,100 GPR and -$125,800 SEG annually); (b) removal of noncontinuing elements from the base (-$49,000 GPR and -$578,900 PR and -2.00 PR positions in 2021-22 and -$65,300 GPR and -$738,800 PR and -1.00 GPR and -10.00 PR positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits ($2,385,100 GPR, $298,400 PR, and $470,400 SEG annually); (d) reclassifications and semiautomatic pay progression ($27,200 PR and $12,000 SEG in 2021-22 and $99,600 PR and $29,300 SEG in 2022-23); (e) full funding of lease and directed moves costs (-$96,800 GPR and -$2,300 PR in 2021-22 and -$91,700 GPR and -$2,000 PR in 2022-23); and (f) minor transfers within the same alpha appropriation. [A technical change to the budget system is needed to remove project positions in 2021-22 that expire on September 31, 2021.]

According to the Department of Revenue (DOR), eight of the PR positions that would be removed under standard budget adjustments are project positions provided in 2017 Act 59 (the 2017-19 biennial budget) to increase debt collection activity for the Statewide Debt Collection Program (SDC). The positions include seven debt collection agents, including one lead worker, and one support staff. Debts collected by DOR are remitted to the respective state agency or governmental entity. Additionally, fees are imposed on debtors and collected by the Department to offset its administrative expenses for this program. At the end of each fiscal year, any fee revenue exceeding DOR's administrative costs transfers to the general fund. DOR estimates that eliminating these eight positions would: (a) reduce fees collected by DOR by $2,200,000 PR-REV in 2021-22 and $2,900,000 PR-REV in 2022-23; (b) reduce program expenditures by $454,200 PR in 2021-22 and $614,100 PR in 2022-23; and (c) reduce the year end transfer to the general fund by an estimated $1,745,800 GPR-REV in 2021-22 and $2,285,900 GPR-REV in 2022-23. DOR also estimates a loss of approximately $14 million in annual debts collected and remitted to agency partners as a result of eliminating these positions.

Additionally, DOR notes that the two other 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 2022-23. It should be noted that these two positions were first authorized under the 2005-07 biennial budget bill and have been extended or otherwise reauthorized under each subsequent budget bill.

Joint Finance: Include provision with the following modifications. Remove 1.00 GPR and 8.00 PR expiring project positions in 2021-22 that were not removed under the Governor's provisions. Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $598,900 GPR and $41,900 SEG annually.

2. STATEWIDE DEBT COLLECTION POSITIONS [LFB Paper 540]

	Funding	Positions
GPR-REV	$4,031,700	
PR-REV	5,100,000	
PR	$1,068,300	8.00

Governor: Provide $454,200 in 2021-22 and $614,100 and 8.00 FTE permanent positions in 2022-23 to DOR's collection of taxes -- debt collection appropriation, to assist in the collection of debts owed to state and local governments.

The 8.00 project positions provided for the SDC program under 2017 Act 59 are scheduled to expire on September 30, 2021. The administration indicates that the 8.00 permanent FTE positions would replace the expiring project positions. Authorization and funding for the permanent positions would begin on October 1, 2021. [A technical change to the budget system is needed to reflect the Governor's intended start date for the 8.00 permanent positions.]

DOR indicates that providing these eight permanent positions would recover the following revenues, which would have otherwise been foregone with the expiration of the project positions under standard budget adjustments described above: (a) $2,200,000 PR-REV in 2021-22 and $2,900,000 PR-REV in 2022-23 from additional fees collected by DOR; and (b) $1,745,800 GPR-REV in 2021-22 and $2,285,900 GPR-REV in 2022-23 from an increased year end transfer to the general fund. DOR also indicates that the authorization of these permanent positions would ensure the collection and remittance of an estimated $14 million in annual debts that would have been foregone as a result of eliminating these positions.

Joint Finance: Include provision with a technical modification to provide 8.00 FTE permanent positions in 2021-22.

3. EXTEND UNCLAIMED PROPERTY PROGRAM PERMANENT PROJECT POSITIONS [LFB Paper 541]

	Funding	Positions
PR	$249,400	2.00

Governor: Provide $124,700 annually associated with 2.0 permanent project positions for the unclaimed property program and extend the positions two years, from an end date of June 30, 2021, to an end date of June 30, 2023. Funding for the positions is from unclaimed property program revenue.

Joint Finance: Include provision. However, provide 2.0 permanent positions, rather than permanent project positions, annually to DOR to maintain unclaimed property program staffing at its current level.

4. APPROPRIATION REDUCTION

GPR-REV	$1,080,000
GPR	- $7,328,800
PR	- 1,080,000
Total	- $8,408,800

Joint Finance: Delete $3,664,400 GPR and $540,000 PR annually. Increase GPR-REV by $540,000 annually to reflect reduced expenditure authority in the PR appropriations. The reductions, by appropriation, are shown below:

Fund Source	Appropriation	Base	Annual Reduction
GPR	Collection of taxes -- general program operations	$70,337,600	-$2,764,400
GPR	State and local finance -- general program operations	8,467,200	-90,000
GPR	Administrative services and space rental -- general program operations	32,625,700	-810,000
PR	Collection of taxes -- collections by the department	1,261,800	-90,000
PR	Collection of taxes -- business tax registration	1,799,000	-90,000
PR	Collection of taxes -- administration of county and municipal sales and use taxes	3,193,900	-270,000
PR	Collection of taxes -- debt collection	3,053,100	-90,000

5. ELIMINATE VACANT POSITIONS

GPR	- 1.93
PR	- 1.10

Joint Finance: Delete 1.93 GPR and 1.10 PR positions that have been vacant for 24 months or longer. The reductions, by appropriation, are shown below:

Fund Source	Appropriation	Base	Annual Reduction
GPR	Collection of taxes -- general program operations	698.58	-0.93
GPR	Administrative services and space rental -- general program operations	160.75	-1.00
PR	Collection of taxes -- administration of local professional football stadium district taxes	1.00	-1.00
PR	Collection of taxes -- administration of resort tax	0.25	-0.10

6. ADMINISTRATION AND ENFORCEMENT OF MARIJUANA TAX AND REGULATION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$5,246,700	18.00	- $5,246,700	- 18.00	$0	0.00

Governor: Provide $3,236,600 in 2021-22 and $2,010,100 in 2022-23 and 18.00 positions annually in a new appropriation for the purposes of: (a) administering the marijuana tax; and (b) covering the costs incurred in enforcing the taxation and regulation of marijuana producers, marijuana processors, and marijuana retailers.

The legalization and taxation of marijuana would be authorized under separate provisions of the bill. [See "Marijuana-Related Provisions."]

Joint Finance: Provision not included.

7. MARIJUANA PERMIT FEES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	$1,410,000	- $1,410,000	$0

Governor: Estimate additional GPR-REV of $675,000 in 2021-22 and $735,000 in 2022-23 for the collection of marijuana permit fees. Under the bill, DOR would charge a $250 application fee to every person applying for a marijuana permit, as well as an annual fee of $2,000 to each person holding a valid permit. Fees would be paid to DOR and deposited directly into the general fund. [For additional information, see "Marijuana-Related Provisions."]

Joint Finance: Provision not included.

8. EQUITY OFFICER POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$144,200	1.00	- $144,200	- 1.00	$0	0.00

Governor: Provide $63,200 in 2021-22 and $81,000 in 2022-23 and 1.00 position annually to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. [For additional information, see "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

9. NOTICE OF UTILITY TAXES BY CERTIFIED MAIL

Governor: Eliminate the requirement that ad valorem public utility tax notices be sent by certified mail. Under current law, DOR must annually assess the value of property of all ad valorem public utility companies, including railroads, air carriers, pipeline companies, telephone companies, and conservation and regulation companies, for purposes of levying and collecting public utility taxes. The Department is required to provide, via certified mail, the following information: (a) a notice to each company assessed of the amount of its assessment or adjustment; (b) a notice of a scheduled hearing or presentation requested by the company; (c) any order from DOR after the requested hearing; and (d) the notice of tax due, including any reassessment of tax due. The bill would remove reference to a specific mode of communication, allowing DOR to choose how notices are provided to assessed companies. The administration indicates that delivery by certified mail is no longer necessary, as quick and secure electronic communications are now available.

Joint Finance: Provision not included.

10. MULTISTATE SSTP MEMBERSHIP FEES

PR	$2,000

Joint Finance: Increase funding by $1,000 annually for DOR's collections under multistate Streamlined Sales Tax Project (SSTP) sum sufficient appropriation to pay the fees necessary to participate in the Governing Board of the SSTP. With the adjustment, the estimated cost of membership fees would increase from base funding of $40,000 to $41,000 annually.

Regulation of Alcohol, Tobacco, Nicotine Products, and Vapor Products

1. PUBLICATION OF LIST OF ALCOHOL BEVERAGE RETAIL LICENSEES

Governor: Require DOR to publish a list on DOR's internet site. Under current law, all alcohol beverage retail licenses are issued by the municipality in which the alcohol beverage is to be sold. Annually, by July 15, the clerk of each municipality must provide DOR with a list of the municipality's retail licensees, including the name, address, and trade name of each person holding a license (other than a manager's or operator's license), as well as the type of license and the name of the appointed agent (in the case of corporations and limited liability companies).

The bill would require DOR to publish the information described above on DOR's internet site. According to the administration, publishing this list on the Department's internet site would make this information more readily accessible to local governments and state agencies.

Joint Finance: Provision not included.

2. EXTEND CLOSING HOURS DURING SPECIAL EVENTS

Governor: Allow municipalities to designate by ordinance special events lasting fewer than eight consecutive days during which closing hours are extended for premises operating under Class "B", "Class B", or "Class C" licenses, if the premises hold a special event permit for that event.

Class "B" licenses permit the retail sale of fermented malt beverages (beer) for consumption both on and off the premises, while "Class B" licenses permit the retail sale of intoxicating liquor, including wine and hard cider, by the glass, for consumption on the premises where sold. Under certain circumstances, "Class B" licenses permit the retail sale of intoxicating liquor for consumption off the premises. "Class C" licenses are issued to restaurants to permit the retail sale of wine for consumption on the premises.

Under current law, premises operating under Class "B", "Class B", or "Class C" licenses are required to close between the hours of 2:00 a.m. and 6:00 a.m. on weekdays, and between the

hours of 2:30 a.m. and 6:00 a.m. on Saturday and Sunday. Closing hours vary on January 1 and on the Sunday that daylight saving time begins. Generally, the following businesses are not required to close during the hours specified above and may remain open to conduct their regular business: (a) bowling centers; (b) movie theaters; (c) painting studios; (d) indoor golf and baseball facilities; (e) indoor horseshoe-pitching facilities; (f) curling clubs; (g) golf courses and golf clubhouses; and (h) hotels and restaurants of which the principal business is the furnishing of food and lodging to patrons. However, alcohol beverages may not be sold by these businesses during the hours listed above. Municipalities are not allowed to impose more restrictive closing hours than are described above.

Under the bill, a municipality may, by ordinance enacted by at least a two-thirds vote of the municipality's governing body, designate a special event lasting fewer than eight consecutive days during which special closing hours apply to Class "B", "Class B", and "Class C" premises holding a special event permit for the event issued by the municipality. The bill specifies that during a special event, closing hours would be between 4:00 a.m. and 6:00 a.m. Municipalities could choose to impose more restrictive hours during the special event, but could not require premises to close before 2:00 a.m. on weekdays and 2:30 a.m. on Saturday and Sunday. The bill would also specify that a municipality would not be allowed to designate more than four special events in a calendar year. The municipality could charge a fee for special event permits, but money collected would have to be used for purposes related to the special event. These provisions would take effect on January 1, 2022.

Joint Finance: Provision not included.

3. MINIMUM AGE FOR CIGARETTES, NICOTINE, TOBACCO, AND VAPOR PRODUCTS

Governor: Raise the Wisconsin minimum age for the purchase of cigarettes, tobacco products, and nicotine products from 18 to 21. The bill would impose the same minimum age for the purchase of vapor products.

Under Wisconsin law, purchases of cigarettes, tobacco products, and nicotine products by persons under the age of 18 (underage person) are prohibited. Similarly, the sale or gift of such products to underage persons is prohibited, as is the purchase of these products on behalf of such persons. Under laws governing the direct marketing of cigarettes, certain provisions apply for direct marketers to ensure that the purchaser is at least 18 years of age.

An underage person who is at least 15 years of age may attempt to purchase a cigarette, nicotine product, or tobacco product with the permission of his or her parent or guardian under current law, provided such an attempt is made during an authorized compliance investigation concerning sales to underage persons. Additionally, a person under the age of 18 may purchase such products for the sole purpose of resale in the course of employment, during working hours, if employed by a retailer.

However, on December 20, 2019, the federal minimum age for the purchase of cigarettes, tobacco products, and vapor products was raised from 18 to 21, making it illegal under federal law

for Wisconsin retailers to sell such products to anyone under age 21. Therefore, the Governor's recommendation would codify the federal minimum age in state law.

The bill would prohibit individuals under the age of 21, rather than 18, from purchasing cigarettes, tobacco products, and nicotine products, and would also prohibit such individuals from purchasing vapor products. The bill would similarly prohibit the sale or gift of such products to, and purchases of such products on behalf of, persons under 21 years of age. Such products in the possession of persons under the age of 21 would be subject to seizure by a law enforcement officer. Current law provisions regarding the sale of such products in the presence of underage persons would be modified to include the sale of vapor products, and the presence of persons under the age of 21. In addition, under laws governing restrictions on the sale or gift of cigarettes, nicotine products, or tobacco products, a retailer would include a person who sells vapor products to any person not holding a cigarette and tobacco product retailer license or a tobacco product distributor permit.

Current law provisions governing the direct marketing of cigarettes would be updated to comport with the new minimum age requirements under the bill. The bill would also modify current law provisions concerning compliance investigations to reflect the new minimum age of purchase and sale under the bill, and would add vapor products to the list of products for which such investigations can be conducted. Finally, the bill would modify current law requirements regarding the posting of notices by retailers and vending machine operators, compliance training for employees of cigarette and tobacco products retailers, and defense to a prosecution in cases of sales to underage persons, to also apply to vapor products and to conform with the new minimum age of purchase and sale under the bill.

These provisions would take effect on the bill's effective date and would first apply to: (a) the purchases, attempts to purchase, possession, and false representations of age for the purpose of receiving any cigarette, nicotine product, tobacco product, or vapor product by persons under 21 years of age; and (b) sales or the provision of cigarettes, nicotine products, tobacco products, or vapor products to persons under 21 years of age.

Joint Finance: Provision not included.

Lottery Administration

1. LOTTERY SALES PROJECTIONS [LFB Paper 545]

Governor: Project sales of $715.0 million in 2021-22 and $716.9 million in 2022-23. 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 Governor's 2021-23 projected sales are based on sales models utilized by DOR to estimate both lotto (on-line) and instant ticket games. The following

table shows these projections, as well as 2019-20 actual lottery sales and estimated sales in 2020-21.

The 2020-21 sales projections are higher than from those estimated in October, 2020, when the amount available for the 2020(21) lottery property tax credit was certified. The higher projected revenues in 2020-21 are due to a delay in the planned expansion of Powerball to additional international markets, which would have prevented the state's continued participation in the Powerball game under existing state law. As a result, the October, 2020, projections included no Powerball draws or revenue for the last quarter of 2020-21 and thereafter. As a result of the delay in the Powerball expansion, the state is now expected to participate in that game for the entire year and the sales projections now include a full year of Powerball draws. Further, 2021 Wisconsin Act 6 modified the definition of "multijurisdictional" for the purposes of the lottery, which allows the state to continue participating in Powerball draws following any expansion to additional international markets.

Lottery Sales Projections
($ in millions)

Game Type	Actual 2019-20	2020-21	2021-22	Percent Change from 2020-21	2022-23	Percent Change from 2021-22
Scratch	$513.0	$515.0	$498.6	-3.2%	$498.6	0.0%
Pull-tab	0.8	0.4	0.4	0.0	0.4	0.0
Lotto	211.7	221.5	216.0	-2.5	217.9	0.9
Total	$725.5	$736.9	$715.0	-3.0%	$716.9	0.3%

Joint Finance: Reestimate 2020-21 lottery sales to $907.0 million to reflect recent sales experience. Reestimate 2021-22 and 2022-23 sales to $815.6 million.

Game Type	2020-21	2021-22	Percent Change from 2020-21	2022-23	Percent Change from 2021-22
Scratch	645.8	562.9	-12.8%	562.9	0.0%
Pull-tab	0.4	0.4	0.0	0.4	0.0
Lotto	260.8	252.3	-3.3	252.3	0.0
Total	907.0	815.6	-10.1%	815.6	0.0%

2. LOTTERY FUND CONDITION STATEMENT [LFB Paper #545]

Governor: The total revenue available for tax relief, minus a statutory reserve (2% of gross revenue) and the amount appropriated for the lottery and gaming credit late applications payments, determines the amount available for the lottery and gaming tax credit. The following fund condition statement provides information on operating revenues, appropriated amounts for expenditures, estimates of interest earnings and gaming-related revenue, and the amounts available

for tax relief credits under the bill. The bill would appropriate $266,347,800 in 2021-22 and $247,945,700 in 2022-23 for both the lottery and gaming credit and the late applications lottery and gaming credit.

	Projected 2021-22	Projected 2022-23
Fiscal Year Opening Balance	$33,238,900	$14,303,300
Operating Revenues		
Total Ticket Sales	$715,024,100	$716,857,500
Retailer Fees and Miscellaneous	142,300	142,300
Gross Revenues	$715,166,400	$716,999,800
Expenditures (SEG)		
Prizes	$447,469,700	$448,395,800
General Program Operations	19,389,400	19,574,000
Gaming Law Enforcement	457,000	457,200
Lottery Credit Administration	316,900	316,900
Program Reserves	149,600	301,900
Total SEG Expenditures	$467,782,600	$469,045,800
Expenditures (GPR)		
Retailer Compensation	$50,285,700	$50,404,800
Vendor Fees	20,828,300	20,875,400
General Program Operations	1,761,000	1,594,800
Total GPR Expenditures	$72,875,000	$72,875,000
Net SEG Proceeds	$247,383,800	$247,954,000
Interest Earnings	$28,400	$28,400
Gaming-Related Revenue	$0	$0
Total Available for Tax Relief *	$280,651,100	$262,285,700
Appropriations For Tax Relief		
Lottery and Gaming Credit	$265,682,200	$247,280,100
Late Lottery and Gaming Credit Applications	665,600	665,600
Total Appropriations for Tax Relief	$266,347,800	$247,945,700
Gross Closing Balance	$14,303,300	$14,340,000
Reserve (2% of Gross Revenues)	$14,303,300	$14,340,000
Net Closing Balance	$0	$0

*Opening balance, net proceeds, interest earnings, and gaming-related revenue.

Joint Finance: Modify the lottery fund condition statement and reestimate the lottery and gaming credit by $75,874,200 SEG in 2021-22 and $29,835,900 SEG in 2022-23 to reflect the following: (a) an estimated increase in the 2021-22 opening balance of $48,961,500 SEG based on

projected sales in 2020-21; (b) an estimated increase in ticket sales of $104,585,900 SEG annually; (c) increased SEG expenditures for the lottery of $71,762,000 SEG in 2021-22 and $69,054,800 SEG in 2022-23.

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

*Opening balance, net proceeds, interest earnings, and gaming-related revenue.

3. LOTTERY ADMINISTRATION FUNDING CHANGES [LFB Paper #545]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $10,780,800	- $3,355,800	- $14,136,600
SEG	10,780,800	3,355,800	14,136,600
Total	$0	$0	$0

Governor: Provide $5,307,300 SEG in 2021-22 and $5,473,500 SEG in 2022-23 to fund a greater share of lottery administrative expenses from SEG funding. Make a corresponding reduction of $5,307,300 GPR in 2021-22 and $5,473,500 GPR in 2022-23 to reduce the share lottery administrative expenses funded from GPR.

Joint Finance: Provide an additional $1,761,000 SEG in 2021-22 and $1,594,800 SEG in 2022-23 for lottery administrative expenses, for total funding of $7,068,300 SEG annually. Make a corresponding reduction of $1,761,000 GPR in 2021-22 and $1,594,800 GPR in 2022-23 to remove GPR funding from lottery administrative expenses.

4. LOTTERY RETAILER COMPENSATION AND VENDOR FEES [LFB Paper 545]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,780,800	$3,355,800	$14,136,600
SEG	0	14,089,800	14,089,800
Total	$10,780,800	$17,445,600	$28,226,400

Governor: Provide $2,305,000 GPR in 2021-22 and $2,424,100 GPR in 2022-23 for retailer compensation and $3,002,300 GPR in 2021-22 and $3,049,400 GPR in 2022-23 for vendor fees associated with increases in estimated lottery sales. This would increase base level GPR funding for retailer compensation from $47,980,700 annually to $50,285,700 in 2021-22 and $50,404,800 in 2022-23. Base level GPR funding for vendor fees would increase from $17,826,000 annually to $20,828,300 in 2021-22 and $20,875,400 in 2022-23. GPR funding for retailer compensation and vendor fees is provided from two separate annual appropriations. If GPR funding is insufficient to pay the full costs of annual retailer compensation and vendor fees, two separate SEG sum sufficient appropriations for these purposes are also available to cover those costs.

Basic retailer compensation is established by statute at 5.5% of the retail price of lotto lottery tickets and 6.25% of the retail price of instant tickets sold by the retailer. In addition, the retailer performance program provides an amount of up to 1% of gross lottery sales as incentive payments to retailers. Vendor fees are paid under a major procurement contract for the provision of data processing services to both the lotto and instant lottery games.

The administration indicates that the purpose of Items #3 and #4 is to increase GPR funding for retailer compensation and vendor fees and provide more SEG funding for lottery administration.

Joint Finance: Make the following changes for retailer compensation and vendor fees: (a) provide $1,761,000 GPR in 2021-22 and $1,594,800 GPR in 2022-23 for retailer compensation; (b) provide $5,258,700 SEG in 2021-22 and $5,305,000 SEG for retailer compensation; and (c) provide $2,589,100 SEG in 2021-22 and $937,000 SEG in 2022-23 for vendor fees.

5. LOTTERY DRAW STAFF [LFB Paper 545]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$128,600	1.0	- $128,600	- 1.0	$0	0.0

Governor: Provide $55,100 SEG in 2021-22 and $73,500 in 2022-23 and 1.0 positon to the Lottery Division's SEG general operations appropriation to assist with both the increased number of lotto games and the mid-day draws that have been implemented for several lotto games.

Joint Finance: Provision not included.

6. LOTTERY PRODUCT INFORMATION [LFB Paper 545]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,700,000	- $1,700,000	$0

Governor: Increase funding by $850,000 annually to the Division's SEG general operations appropriation to provide a 10% increase to the lottery product information budget. The Division's lottery product information activities provide lottery players with sufficient notice of game changes and game draws.

Joint Finance: Provision not included.

7. WISCONSIN LOTTERY -- DEFINITION OF MULTIJURISDICTIONAL

Governor: For purposes of the Wisconsin Lottery, expand the definition of multijurisdictional to include any country or nation other than the United States or Canada, for the purposes of the lottery. Current law allows Wisconsin to participate in a multijurisdictional lottery, but defines multijurisdictional as including only the United States, Puerto Rico, any territorial or possession of the United States, and Canada. This provision would allow for the continued participation in a multijurisdictional lottery following any international expansion.

Joint Finance: Provision not included. This provision was signed into law as 2021 Wisconsin Act 6 on February 25, 2021.

SAFETY AND PROFESSIONAL SERVICES

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
FED	$1,040,800	$1,066,000	$1,066,000	$0	0.0%	25,200	2.4%
PR	114,840,400	122,772,300	119,142,900	- 3,629,400	- 3.0	4,302,500	3.7
TOTAL	$115,881,200	$123,838,300	$120,208,900	- $3,629,400	- 2.9%	$4,327,700	3.7%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
FED	1.70	1.70	1.70	0.00	0.00
PR	239.44	251.94	240.44	- 11.50	1.00
TOTAL	241.14	253.64	242.14	- 11.50	1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
FED	$25,200	0.00	$0	0.00	$25,000	0.00
PR	- 2,429,200	- 4.00	- 229,800	0.00	- 2,659,000	- 4.00
Total	- $2,404,000	- 4.00	- $229,800	0.00	- $2,633,800	- 4.00

Governor: Reduce funding by $1,102,700 ($12,600 FED and -$1,115,300 PR) in 2021-22 and by $1,301,300 ($12,600 FED and -$1,313,900 PR) and delete 4.0 PR positions, beginning in 2022-23, to reflect the net effect of the following standard budget adjustments: (a) turnover reduction (-$353,600 PR annually); (b) removal of non-continuing elements (-$840,000 PR in 2021-22 and -$1,038,600 PR and -4.0 PR positions, beginning in 2022-23); (c) full funding of continuing salaries and fringe benefits ($12,600 FED and $46,400 PR annually); and (d) changes in lease costs ($31,900 PR annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $114,900 PR annually.

2. PROFESSIONAL LICENSING AND REGULATION STAFF [LFB Paper 550]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$2,086,000	16.00	- $1,465,300	- 11.00	$620,700	5.00

Governor: Provide $907,900 in 2021-22 and $1,178,100 in 2022-23 to support 14.0 permanent positions, beginning in 2021-22, and 2.0 two-year project positions beginning October 1, 2021, and ending September 30, 2023, to improve professional licensing and regulation functions.

The following table shows how these additional positions would be allocated within the Department, the types of positions that would be provided, and the funding that would be budgeted to support these positions in 2021-22 and 2022-23.

Licensing and Regulation Staff
Governor's Recommendations

Division and Subunit	Positions	FTE Positions	Funding 2021-22	Funding 2022-23
Professional Credential Processing				
Call Center	Program Operation Associates	4.0	$178,000	$226,600
Health	Paralegals	2.0	150,600	195,400
Health	License and Permit Program Associates -- Project Positions	2.0	88,900	113,200
Legal	Paralegal	1.0	75,300	97,600
Business, Trades and Manufactured Homes	License and Permit Program Associate	1.0	44,300	56,400
Subtotal		10.0	$537,100	$689,200
Industry Services				
Administrative Services	Operations Program Associate	1.0	$42,600	$56,700
Technical Services	Fire Suppression Systems Specialist	1.0	93,700	124,900
Subtotal		2.0	$136,300	$181,600
Legal Services and Compliance				
Health	Consumer Protection Investigators	2.0	$97,900	$125,200
Division of Policy Development				
Prescription Drug Monitoring Program	Program Managers	2.0	$136,600	$182,100
Total		16.0	$907,900	$1,178,100

Joint Finance: Delete $638,400 in 2021-22 and $826,900 in 2022-23 and 11.0 permanent positions so that $269,500 in 2021-22 and $351,200 in 2022-23 and 3.0 permanent positions and 2.0 two-year project positions, beginning October 1, 2021, and ending September 30, 2023, would be provided.

In summary, Joint Finance would provide: (a) 2.0 project health license and permit program associate positions and $88,900 in 2021-22 and $113,200 in 2022-23 for the Division of Professional Credential Processing (DPCP); (b) 1.0 permanent license and permit program associate position and $44,300 in 2021-22 and $56,400 in 2022-23 for the Business, Trades, and Manufactured Homes section in DPCP; (c) 1.0 permanent operations program associate position and $42,600 in 2021-22 and $56,700 in 2022-23 for the Division of Industry Services (DIS); and (d) 1.0 permanent fire suppression systems consultant position and $93,700 in 2021-22 and $124,900 in 2022-23 for DIS.

3. PRIVATE ON-SITE WASTEWATER TREATMENT SYSTEM GRANTS [LFB Paper 551]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$1,680,000	- $1,680,000	$0

Governor: Reinstate the grant program for the replacement or rehabilitation of failing private on-site wastewater treatment systems (POWTS), also called septic systems. Under current law, the program is repealed on June 30, 2021. Provide $840,000 each year in a continuing appropriation, which is identical to current program funding.

In addition, change the installation deadline for POWTS grant eligibility to include systems installed at least 33 years before a person submitted a grant application. Current program eligibility extends only to systems installed before July 1, 1978, or approximately 43 years ago.

Further, retain the current program limit of $45,000 in annual family income for persons applying for a grant for a POWTS serving a principal residence. However, require DSPS on July 1, 2022, and each July 1 thereafter, to adjust the income limit by the percentage change in the U.S. Consumer Price Index for urban wage earners and clerical workers (CPI-W), U.S. city average, for the prior year, rounded to the nearest dollar. Require DSPS to publish the change in income limit on the Department website. Exempt the annual income limit change from being promulgated through the administrative rule process.

Under current law, the last year of funding for the POWTS grant program is 2020-21, and final awards were made in the fall of 2020. The provision would extend the program indefinitely. The program is funded from a transfer from the DSPS safety and buildings operations appropriation, which receives program revenue from sanitary permits and private onsite wastewater treatment system plan review fees, as well as fees from other building permit, plan review, inspection, and credentialing activities. The bill would recreate statutes governing the POWTS grant program nearly identically to the current program provisions except for the provisions described above.

Joint Finance: Provision not included.

4. ELECTRONIC SAFETY AND LICENSING APPLICATION [LFB Paper 552]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$5,000,000	- $5,000,000	$0

Governor: Provide $3,000,000 in 2021-22 and $2,000,000 in 2022-23 to fund phase three of DSPS' ongoing modernization of the Electronic Safety and Licensing Application (eSLA) in the 2021-23 biennium. All of the funding would be provided by the safety and buildings operations appropriation that primarily funds the Division of Industry Services. Total funding would include: (a) $1,300,000 in 2021-22 and $300,000 in 2022-23 in one-time funding; and (b) $1,700,000 in both 2021-22 and 2022-23 in ongoing funding for the costs associated with the licenses and customer portal of the completed applications.

Subsequent to the bill's introduction, the administration submitted an errata to allocate funding between the appropriations for: (a) the Medical Examining Board, its affiliated boards, costs associated with the Interstate Licensure Compact, and the prescription drug monitoring program; and (b) general operations for professional regulation and administrative services. The errata requested reallocation of funding as follows: (a) $1,740,000 in 2021-22 and $1,160,000 in 2022-23 under the appropriation for the Medical Examining Board and related functions; and (b) $1,260,000 in 2021-22 and $840,000 in 2022-23 under the appropriation for general professional regulation operations.

The eSLA project is intended to upgrade DSPS systems for credential processing, including making credential information publicly accessible, as well as allow for online submittal of license applications, building plans, and other transactions with the Department. Phase one of the information technology modernization project was supported by $4.4 million approved by the Joint Committee on Finance in April, 2018. Phase one included development of a replacement for the "regulated objects" system, a 20-year old software application used for commercial building inspection permits, plan reviews, and credentialing by the Division. Phase two replaced trades credentialing capabilities not completed in phase one, including such functions as issuing a new license or renewing an existing license. 2019 Act 9 provided $5,025,000 in one-time funding for phase two deployment and software licensing. Phase three would include a migration of business and medical profession credentials into the eSLA system.

Joint Finance: Delete funding for this purpose in DSPS. Instead, place this funding in the Joint Committee on Finance PR program supplements appropriation. DSPS would be able to request release of the funding under s. 16.515 of the statutes.

5. INFORMATION TECHNOLOGY ENHANCEMENTS [LFB Paper 552]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$619,800	- $136,800	$483,000

Governor: Provide $309,900 annually to fund several ongoing and one-time information technology (IT) projects, including $293,400 annually to fund: (a) a document management system project ($180,000); (b) IT consulting services from Gartner Consulting for developing and implementing IT projects ($32,000); (c) replacement and upgrades to approximately 50 computers per year ($40,800); and (d) IT systems changes to provide and maintain state email addresses for Board members ($40,600). One-time funding in 2021-22 and 2022-23 would be provided to replace the Contact Center Anywhere call center software ($16,500 in 2021-22 and 2022-23).

Joint Finance: Reduce funding by $43,400 in 2021-22 and $93,400 in 2022-23, so that a total of $266,500 in 2021-22 and $216,500 in 2022-23, including $200,000 in ongoing funding, is provided for information technology projects.

6. INSPECTION CONTRACT ACCOUNTING [LFB Paper 553]

PR	$1,130,000

Joint Finance: Provide $565,000 in each of 2021-22 and 2022-23 under the DSPS safety and buildings appropriation for contractual services done on behalf of the Department. DSPS is one of several state agencies that have at times since the 1990s not included in its annual fiscal reporting certain amounts associated with contractor activities for which the agency does not directly receive revenues or incur expenses. DSPS indicates these activities relate to inspections performed on behalf of the Division of Industry Services for such things as boilers, electrical systems, uniform dwelling code inspections, and elevators. Although these activities have been reported in the Wisconsin Annual Fiscal Report, they are presented as accounting notes rather than transactions under legislatively created appropriations. Additional expenditure authority under the provision for DSPS safety and buildings operations would allow the agency to report revenues and expenditures of contractual activities under current appropriations, in accordance with statutory requirements.

7. PRESCRIPTION DRUG MONITORING PROGRAM

PR	$500,000

Governor/Joint Finance: Provide $250,000 in 2021-22 and 2022-23 in one-time funding to make technological changes to the prescription drug monitoring program (PDMP). Provide funding in two appropriations: the agency's appropriation for general program operations of professional regulation and administrative services ($125,000 annually) and the appropriation that funds the operations of the Medical Examining Board, its affiliated boards, costs associated with the Interstate Licensure Compact, and the operations of the PDMP ($125,000 annually).

DSPS is currently working with prescribers and the current technology vendor for the PDMP (Wisconsin Interactive Network, LLC) to determine ways to enable more prescribers to use the

full range of PDMP tools and patient information without barriers. One goal is to expand integration with prescribers' electronic health record systems, to increase the number of prescribers with "one-click access" to their patients' history of controlled substance prescriptions.

8. LIMITED-TERM EMPLOYEE STAFF

PR	$200,000

Governor/Joint Finance: Provide $100,000 annually for DSPS limited-term employee (LTE) costs. Funding would be provided in the following appropriations: (a) $48,500 for health and business professional regulation; (b) $42,200 for safety and buildings operations; and (c) $9,300 for operations of the Medical Examining Board, its affiliated credentialing boards, and the prescription drug monitoring program. Currently, DSPS utilizes LTEs for multiple program areas, including the customer service call center, health professions credentialing team, building plan review and permit support, and legal services.

9. YOUTH VOLUNTEER FIREFIGHTING TRAINING GRANTS

PR	$100,000

Governor/Joint Finance: Provide $50,000 each year in one-time funding from the DSPS safety and buildings operations appropriation for the development and implementation of a youth volunteer firefighter training grant program. The program would issue grants for youth firefighter training pilot programs in volunteer fire departments to increase recruitment and improve retention of volunteer firefighters. The program would aim to recruit diverse 17- and 18-year-old students. DSPS intends to offer funding for up to five programs around the state, and DSPS staff would provide technical assistance and oversight for the programs.

10. MILITARY TRAINING FOR CIVILIAN CAREERS

PR	$100,000

Governor/Joint Finance: Provide $50,000 each year in one-time funding for the development of a program by which military training and credentials may be creditable or transferrable to credentials for certain civilian jobs. The administration indicates the proposal would involve identifying occupations for which military service provides training or experience substantially related to that required of credentialed civilians. Participating educational or training organizations would adjust existing training programs or create military-specific programs to allow service members or veterans to gain any needed additional training for civilian credentials. Funding under the provision would consist of $25,000 annually from each of the DSPS primary operations appropriations for: (a) health and business professional regulation; and (b) safety and buildings operations.

11. FIRE DEPARTMENT DUES DISTRIBUTION RE-ESTIMATE [LFB Paper 554]

PR	$3,830,000

Joint Finance: Provide $1,670,000 in 2021-22 and $2,160,000 in 2022-23 to estimate fire dues distributions at $24,230,000 in 2021-22 and $24,720,000 in 2022-23. The state fire

department dues program primarily funds local governments that maintain eligible fire departments. The program is funded by an amount equal to 2% of the fire insurance premiums collected from fire insurance companies in the state. A portion of revenues also support state fire prevention and fire protection programs under DSPS and the Wisconsin Technical College System.

12. EQUITY OFFICER POSITION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$77,500	0.50	- $77,500	- 0.50	$0	0.00

Governor: Provide $31,800 in 2021-22 and $45,700 in 2022-23 and 0.5 PR position, beginning in 2021-22, to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

13. UNCLASSIFIED POSITION REALLOCATIONS

Governor/Joint Finance: Reallocate base funding ($986,500 annually) and position authority for 7.0 unclassified positions that are currently budgeted for the agency's professional regulation and administrative services general program operations to other appropriations, beginning in 2021-22, as follows: (a) $442,200 and 3.15 positions for the general program operations of the Medical Examining Board and related Boards, the interstate medical licensure compact, and the prescription drug monitoring program; (b) $367,300 and 2.50 positions for safety and building administrative services; (c) $139,900 and 1.10 position for safety and building operations; (d) $22,300 and 0.15 position for examinations general program operations; and (e) $14,800 and 0.10 position for proprietary school programs.

These funding and position adjustments are intended to more accurately reflect the current allocation of work conducted by these positions.

14. CONSTRUCTION CONTRACTOR REGISTRATION

Governor: Require any person who holds himself or herself as, or acts as, a construction contractor to register with DSPS. Exempt the following from the registration requirement: (a) a person who engages in construction on property owned or leased by that person; (b) a state agency or local governmental unit; and (c) a person who engages in construction as part of his or her employment by a state agency or local government.

Require a construction contractor registration application to include the applicant's name,

contact information, and physical address of the business principal. If the applicant is a corporation, limited liability company, limited partnership, or limited liability partnership, require submission of evidence that they are registered to transact business in the state. Further, require an applicant to submit evidence of compliance with requirements related to unemployment insurance contributions, wage reporting, and worker's compensation insurance coverage. Additionally, require applicants to attest to acknowledgement of worker classification laws and penalties to ensure that registered construction contractors are aware of their obligations.

Direct DSPS to promulgate administrative rules to administer the program, with the advice of the Department of Workforce Development. Require DSPS to promulgate administrative rules to establish fees for registering contractors, and require fees to attempt to equal the Department's costs of administration. Authorize DSPS to directly assess a forfeiture by issuing an order against a person who violates the provision.

Under Chapters 101 and 145 of the statutes, DSPS is to protect public health, safety, and welfare by promulgating comprehensive requirements for design, construction, use and maintenance of public buildings, places of employment, public swimming pools, and water attractions. The Department adopts rules that establish uniform, statewide standards for the construction of one- and two-family dwellings, and additional provisions require licensure or other credentialing of various occupations in the building trades.

The provision in the bill would recreate the construction contractor registration program, which was enacted under 2009 Wisconsin Act 28 and repealed by 2013 Wisconsin Act 20. At the time of repeal, the program required fees of $115 for a four-year contractor registration. The administration indicates it does not have current estimates of the number of contractors that would register, or the fees that would be assessed to cover DSPS program costs under the provision.

In repealing the contractor registration program, Act 20 amended the statutes to specify that DSPS may not promulgate or enforce a rule that requires registration of persons engaged, or offering to be engaged, in construction work, except if such rules pertain to licenses specifically required under Chapters 101 and 145. The bill would not affect that provision.

Joint Finance: Provision not included.

15. PROHIBIT USE OF VAPOR PRODUCTS IN INDOOR LOCATIONS

Governor: Specify that the general prohibition on smoking indoors under Chapter 101 of the statutes (industry, safety and buildings) applies to the use of vapor products. Under current law, a vapor product is defined as "a noncombustible product that produces vapor or aerosol for inhalation from the application of a heating element to a liquid or other substance that is depleted as the product is used, regardless of whether the liquid or other substance contains nicotine." The bill would also make changes to the definition of vapor product. [See "General Fund Taxes -- Excise Taxes."]

Joint Finance: Provision not included.

16. EMAIL COMMUNICATION WITH CREDENTIAL HOLDERS AND APPLICANTS

PR	- $2,200

Governor/Joint Finance: Require credential applicants and credential holders to provide DSPS with a current electronic mail address at the time of application or renewal that may be used to receive electronic communications from DSPS. Require any credential applicant or credential holder who changes his or her electronic mail address or whose current electronic mail address becomes inactive to notify DSPS of the change within 30 days of the change in writing or in accordance with other notification procedures approved by DSPS.

Exempt from this requirement applicants who do not have reasonable access to the internet, specifying that they may maintain paper communication with the department. Specify that email may not be substituted for the service of any process, notice, or demand by mail.

Reduce funding by $1,100 annually to reflect anticipated savings from maintaining electronic mail addresses with credential holders and applicants.

17. CREATE AN APPROPRIATION TO RECEIVE INTER-AGENCY TRANSFERS

Governor: Create a continuing program revenue (PR) appropriation that would enable DSPS to receive all moneys from other state agencies or other DSPS appropriations, other than moneys credited to two current PR appropriations for specific purposes, for the administration of programs or projects for which the moneys are received.

Joint Finance: Provision not included.

18. DENTAL THERAPISTS

Governor: Authorize individuals to practice dental therapy in Wisconsin by: (a) creating licensure requirements; (b) specifying conditions under which dental therapy can be practiced; (c) defining the scope of practice for dental therapists; (d) specifying the settings where a dental therapist may practice; and (e) providing new responsibilities to the Dentistry Examining Board relating to the regulation of dental therapists. Under current law, the Board licenses and regulates dentists and dental hygienists. The current statutes contain no references to the practice of dental therapy. In general terms, a dental therapist would have a broader scope of practice than a dental hygienist, but not the full authority granted to a dentist.

Initial Licensure Requirements. Require the Board to grant a license for dental therapy to an individual who satisfies the following criteria: (a) submits an application for the license to the Department; (b) pays the applicable license fee; (c) submits evidence satisfactory to the Board that he or she has graduated from: (1) an accredited dental therapy program; or (2) a dental therapy education program that was not accredited or approved by a state dental licensing board, but was certified as a community health aide program dental therapy education under U.S. Indian Health Service Standards, or is otherwise approved by the Board as being substantially comparable to an accredited program; (d) submits evidence satisfactory to the Board that he or she has passed a

national dental therapy examination and a dental therapy clinical examination administered by a regional testing service approved by the Board, or, if such an examination does not exist, an alternative examination administered by another entity or testing service approved by the Board; (e) passes an examination administered by the Board on Wisconsin's statutes and rules relating to dental therapy; (f) demonstrates to the Board current proficiency in cardiopulmonary resuscitation (CPR), including the use of an automated external defibrillator achieved by an individual, organization, or institution of higher education to provide such instruction; (g) completes any other requirements established by the Board by rule that are comparable to, and no more restrictive than, the requirements established by the Board for dentists and dental hygienists.

Specify that the Board may grant a license to practice dental therapy to an individual who is licensed or certified in good standing to practice dental therapy in another state or country, or by the Indian Health Service community aide program, if the applicant pays the applicable fees, meets any requirements for licensure established by the Board in rule, and demonstrates to the Board current proficiency in CPR, including the use of a defibrillator. Require the Board to consult with the Department of Health Services to determine whether an individual, organization, or institution of higher education is qualified to provide CPR instruction.

Continuing Education Requirements. Provide that, in order to be eligible for renewal of a license, a dental therapist must complete 12 credit hours of continuing education relating to the practice of dental therapy that is sponsored or recognized by a local, state, regional, national, or international dental, dental therapy, dental hygiene, dental assisting, or medical-related professional organization, during the two-year period immediately preceding the renewal date.

Specify that applicants for renewal must maintain current proficiency in CPR, achieved through approved instruction, and that their continuing education may include up to two hours of training in basic life support or CPR. Require that the 12 credit hours include at least two hours of infection control, and courses in any specific clinical subjects established in rule by the board, in consultation with DHS. Specify that these credit hours may be satisfied by independent study, correspondence, or online courses. Specify that a person may substitute credit hours of college level courses related to dental therapy for the credit hour requirements, and that one credit hour of a college level course is equivalent to six hours of continuing education. Provide that one hour of teaching or preparing a continuing education program is equivalent to one hour of continuing education, but a person preparing a program my obtain credit for that program only once during the two-year period. Authorize the Board to require applicants for a renewal of a license to practice dental therapy to submit proof of compliance with these requirements.

Collaborative Management Agreements. Specify that, prior to providing any dental therapy services, a dental therapist must enter into a written collaborative management agreement with a qualifying dentist who would serve as the supervising dentist. The agreement must address all of the following: (a) the practice settings where services may be provided and the patient populations that may be served; (b) any conditions or limitations on the services that may be provided by the dental therapist, the level of supervision required, and any circumstances requiring consultation prior to performing services; (c) age-specific and procedure-specific practice protocols; (d) dental record-keeping procedures; (e) plans for managing dental or medical emergencies; (f) a quality assurance plan for monitoring care provided by the dental therapist; (g) protocols for administering

and dispensing medications; (h) criteria or protocols relating to the provision of care to patients with specific medical conditions, treatments, or medications; (i) policies relating to supervision of dental hygienists and other staff; (j) a plan for the referral of patients to other dental or health care professionals or clinics when services needed are beyond the scope of practice or authorization of the dental therapist; (k) whether and to what extent the dental therapist may perform nonsurgical extractions, as defined in the bill.

Provide that each collaborative management agreement must be limited to covering one qualifying dentist and one dental therapist. Provide that a dental therapist may enter into multiple collaborative management agreements, but that no dentist may have collaborative management agreements with more than five dental therapists at any time.

Scope of Practice. Specify that the scope of practice of a dental therapist would be limited to providing the following services: (a) oral evaluation and assessment of dental disease and formulation of an individualized treatment plan; (b) identification of oral and systemic conditions requiring evaluation or treatment by dentists, physicians, or other health care providers and managing referrals; (c) comprehensive charting of the oral cavity; (d) oral health instruction and disease prevention education, including nutritional counseling and dietary analysis; (e) exposure and evaluation of radiographic images; (f) dental prophylaxis, including subgingival scaling and polishing procedures; (g) dispensing and administration via the oral or topical route of nonnarcotic analgesic, anti-inflammatory, and antibiotic medications as prescribed by a licensed health care provider; (h) application of topical preventive or prophylactic agents, including fluoride varnish, antimicrobial agents, caries arresting medicaments, and pit and fissure sealants; (i) pulp vitality testing; (j) application of desensitizing medications or resins; (k) fabrication of athletic mouth guards and soft occlusal guards; (l) changing of periodontal dressing; (m) administration of local anesthetic and nitrous oxide; (n) simple extraction of erupted primary teeth; (o) nonsurgical extraction of periodontally diseased permanent teeth with tooth mobility of +3 to +4 to the extent authorized in the dental therapist's collaborative management agreement, except that “dental therapy” does not include the extraction of a tooth that is unerupted, impacted, or fractured or that needs to be sectioned for removal; (p) emergency palliative treatment of dental pain; (q) preparation and placement of direct restoration in primary and permanent teeth; (r) fabrication and placement of single-tooth temporary crowns; (s) preparation and placement of preformed crowns on primary teeth; (t) indirect and direct pulp capping on permanent teeth; (u) indirect pulp capping on primary teeth; (v) intraoral suture placement and removal; (w) minor adjustment and repair of removable prostheses; (x) placement and removal of space maintainers; (y) pulpotomy on primary teeth; (z) tooth reimplantation and stabilization; (aa) recementing of a permanent crown; and (ab) any additional services, treatments, or procedures specified in the rules promulgated by the Board.

Specify that a dental therapist may provide services only under the general supervision of a dentist with whom the dental therapist has entered into a collaborative management agreement. Specify that "general supervision of a dental therapist by a dentist" requires that a task or procedure be performed by a dental therapist with the prior knowledge and consent of the dentist, but does not require the presence of the dentist in the office or on the premises at the time a task or procedure is being performed by the dental therapist and does not require prior examination or diagnosis of a patient by the dentist before the dental therapist provides dental therapy services to the patient.

Specify that a supervising dentist must accept responsibility for all services performed by a dental therapist pursuant to a collaborative management agreement and that if services needed by a patient are beyond the dental therapist's scope of practice or authorization under the collaborative management agreement, the dental therapist must consult with the supervising dentist as needed to arrange for those services to be provided by a dentist or another qualified health care professional.

Specify that a dental therapist may authorize a dental hygienist to practice dental hygiene in a facility where the dental therapist is present, or another facility under a written or oral prescription. A dental therapist may also delegate to any unlicensed individual the performance of remediable procedures in a facility where the dental therapist is present, in accordance with an approved treatment plan and subject to inspection by the dental therapist. Specify that a dental therapist may authorize, by prescription, a licensed operator to use diagnostic X-ray equipment on a patient.

Specify that no employment contract under which a dental therapist is employed to practice dental therapy may require a dental therapist to meet a minimum quota for the number of patients seen or the number of procedures performed.

Location of Practice. Require the Dentistry Examining Board to promulgate rules limiting the locations where dental therapists may practice to settings that primarily serve low-income, uninsured, and underserved patients. Specify that these must include dental health professional shortage areas as designated by the U.S. Department of Health and Human Services, military and veterans administration care settings, and any other setting in which at least 50% of the patients either receive medical assistance, or have no dental insurance and have a family income at or below 200% of the federal poverty line.

Composition of the Dentistry Examining Board. Specify that, effective when the first individual becomes licensed as a dental therapist in the state, following the Board's notification to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register, two dental therapists must be added to the Dentistry Examining Board.

Rulemaking. Require the Board to present a statement of scope for permanent and emergency rules required to implement the licensure of dental therapists no later than the 30th day after the bill's general effective date. Provide that if the Governor does not disapprove the statement of scope by the 30th day after the statement is presented to the Department of Administration, the statement would be considered approved by the Governor.

Require the Board to promulgate emergency rules that are necessary to implement these provisions, which would remain in effect for two years, or until the date on which permanent rules take effect, whichever is sooner. Require the Board to submit a proposed emergency rules no later than the 150th day after the bill's general effective date, and specify that if the Governor does not reject the proposed emergency rule by the 14th day after the rule is submitted to the Governor in final draft form, the emergency rule would be considered approved by the Governor.

Require the Board to submit a proposed permanent rule required to implement these provisions no later than 365 days after the effective date of the bill. Provide that if the Governor

does not reject the proposed permanent rule by the 30th day after the rule is submitted to the Governor in final draft form, the permanent rule would be considered to be approved by the Governor.

Other Provisions. Modify various statutory provisions relating to healthcare provider rights and responsibilities that apply to dentists to also apply to dental therapists, including: (a) specifying that dental therapists are eligible for the health care provider loan assistance program; (b) expanding the definition of "health care provider" for the purposes of the health care records law to include dental therapists; (c) expanding the definition of "volunteer health care provider" for the purposes of the volunteer health care provider program to include dental therapists, and specify that a dental therapist may provide dental services under this program; (d) expanding the definition of "health care provider" for the purposes of the health care worker protection program enforced by the Department of Workforce Development to include dental therapists; (e) expanding the definition of "health care provider" for the purposes of power of attorney for health care to include dental therapists; (f) specifying that the statutes prohibiting discrimination on the basis of HIV status apply to dental therapists; (g) expanding the definition of "health care provider" for the purposes of the emergency volunteer health care practitioner law to include dental therapists; (h) specifying that a dental therapist must provide patients with the same information about alternate modes of treatment as is required of a dentist; (i) modifying the statutes relating to insurance coverage to specify that no policy, plan or contract may exclude coverage for diagnosis and treatment of a condition or complaint by a licensed dental therapist within the scope of the dental therapist's license, if the policy, plan or contract covers diagnosis and treatment of the condition or complaint by another health care provider; (j) modifying the civil liability exemption for emergency medical care to cover health care rendered by dental therapists; and (k) modifying the criminal statute relating to possession, distribution, or delivery of nitrous oxide to specify that nitrous oxide may be administered by a dental therapist for the purpose of providing dental care.

Joint Finance: Provision not included.

19. PHARMACIST TRAINING IN NALOXONE USE

Governor: Require the Pharmacy Examining Board to promulgate rules requiring all pharmacists to receive training on delivering or dispensing opioid antagonists such as naloxone. Specify that this training may be approved to count toward pharmacists' continuing education requirement. Grant emergency rulemaking authority to implement this requirement.

Opioid antagonists are a class of prescription drugs including naloxone (sold under the brand names NARCAN and EVZIO), which attach to opioid receptors, blocking the effect of opioid drugs. They are designed to be used to rescue patients suffering an opioid overdose, and can be administered via a nasal spray, auto-injector (similar to an EpiPen), or injection. A statewide standing prescription order for naloxone allows pharmacists in Wisconsin to sell naloxone to anyone at risk of an opioid overdose, as well as their family, friends, and anyone who may witness an opioid overdose. This order only applies to pharmacists who first complete at least one hour of training. The bill would make this training mandatory for all pharmacists.

Joint Finance: Provision not included.

20. PHARMACIST CONTINUING EDUCATION

Governor: Specify that pharmacists may count up to 10 hours of volunteer work at a free or charitable clinic toward their biennial continuing education requirement. Current law requires pharmacists to renew their license every two years, and submit proof that they have completed 30 hours total of continuing education during the preceding two years.

Joint Finance: Provision not included.

SECRETARY OF STATE

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
PR	$566,000	$880,500	$562,800	- $317,700	- 36.1%	- $3,200	- 0.6%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
PR	2.00	4.00	2.00	- 2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

PR	- $3,200

Governor/Joint Finance: Provide an adjustment of -$1,600 annually to the Secretary of State's (SOS) program fees appropriation for full funding of continuing position salaries and fringe benefits.

2. ADDITIONAL RESOURCES FOR THE OFFICE

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
PR	$317,700	2.00	- $317,700	- 2.00	$0	0.00

Governor: Provide $154,900 in 2021-22 and $162,800 in 2022-23 and 2.00 FTE positions annually to the SOS's program fees appropriation. The increased expenditure authority would reflect increased funding for salary, fringe, and supplies and services, partially offset by reduced LTE funding, for a new unclassified Deputy (Assistant) Secretary of State position and a classified Office Operations Associate position for the Office of the Secretary of State, including one-time

financing ($20,700) that would be necessary to move the office to a new location to accommodate the additional positions. The administration indicates that the new positions created under the bill would restore SOS staffing levels to those experienced prior to 2015 Act 55. According to the administration, the new location for the office has not been determined.

The bill would allow the SOS to appoint an Assistant Secretary of State who could perform and execute any of the duties and powers of the SOS, except as a member of the Board of Commissioners of Public Lands. The Assistant would have to take and subscribe the Oath of Office, as prescribed under the state constitution, and would have to give bond to the SOS in the sum and with the conditions prescribed by the Secretary, conditioned for the faithful discharge of the duties. The Oath would have to be filed and preserved in the Office of the Governor. The salary of the Assistant could not exceed the maximum of the salary range one range below the salary range of the executive salary group to which the SOS is assigned.

The Office Operations Associate position would take the place of the current LTE position provided to the SOS. Duties of this position would include records management, as it relates to apostilles and other authentications, and office assistant responsibilities that had to be reallocated when staffing levels were reduced.

Joint Finance: Provision not included.

3. TRANSFER FROM DFI

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	$80,000	- $80,000	$0

Governor: Provide an increase in the amount of funds transferred from the Department of Financial Institutions' (DFI) general program operations appropriation to the SOS's program fees appropriation from $150,000 to $190,000, annually. As a result, increase estimated program revenues deposited into the SOS's program fees appropriation by $40,000, annually. The administration indicates that the increased revenue transfer would support the SOS's general program operations, including the additional requested positions.

Joint Finance: Provision not included.

4. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the Office be administratively attached to the Department of Administration (DOA) for budgeting, program coordination, and related management purposes. While DOA currently provides such services to the SOS, the Office is not statutorily attached to DOA. The bill would formalize current practice in statute. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

5. TRANSFER MUNICIPAL FILING RECORDS AND DUTIES TO DOA

Governor: Transfer the duty of filing certain municipal records from the SOS to the Secretary of Administration, and transfer all relevant records. 2015 Act 55 (the 2015-17 biennial budget) transferred most, but not all, municipal records filing duties to DOA. This bill would transfer the remainder of these duties, including the filing of the following records: (a) retrocessions of jurisdiction; (b) certain county board ordinances; (c) county board redistricting plans and amendments and changes to the number of county supervisors; (d) county clerk and register of deeds signatures and official seal impressions; (e) lists of local officials; (f) city and village charter ordinances; (g) joint local water authority and municipal electric company contracts; (h) certificates of dissolution, relating to redevelopment corporations; (i) bridge construction findings, determinations, and orders; (j) local referendum results and documents relating to municipal power and water districts; (k) subdistrict director appointment results; (l) certified copies of municipal water district boundaries; and (m) the Oath of Office for metropolitan sewerage district commissioners. In addition, DOA, rather than the SOS, would be required to send tax apportionment notices to county officials.

The Office notes that only the duties and records for filing of charter ordinances remains with the SOS. However, the administration indicates that it is currently accepting the files identified in this transfer. Therefore, this provision would mainly serve to update state law to reflect current practices.

Joint Finance: Provision not included.

SHARED REVENUE AND TAX RELIEF

Budget Summary by Funding Source

	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
Direct Aid Payments							
Expenditure Restraint	$118,623,400	$118,623,400	$118,623,400	$0	0.0%	$0	0.0%
County and Municipal Aid	1,383,037,400	1,452,149,500	1,408,273,000	- 43,876,500	- 1.6	25,235,600	0.9
Public Utility Distribution	157,000,000	169,755,900	169,755,900	0	0.0	12,755,900	4.1
State Aid; Tax Exempt Property	196,094,200	196,094,200	196,094,200	0	0.0	0	0.0
State Aid; Personal Property Tax Exemption	149,460,200	148,413,600	148,413,600	0	0.0	-1,046,600	-0.4
State Aid; Video Service Provider Fee	10,000,000	20,016,400	20,016,400	0	0.0	10,016,400	50.1
Interest Payments on Overassessments of Manufacturing Property	20,000	20,000	20,000	0	0.0	0	0.0
Payments for Municipal Services	37,168,400	41,298,400	37,168,400	- 4,130,000	- 5.6	0	0.0
Property Tax Credits							
Homestead Tax Credit*	142,000,000	199,980,000	118,680,000	- 81,300,000	-28.6	-23,320,000	- 8.2
Pre-2010 Farmland Preservation Credit	700,000	620,000	620,000	0	0.0	-80,000	- 5.7
Farmland Preservation Per-Acre Credit	34,200,000	32,060,000	33,600,000	1,540,000	2.3	-600,000	- 0.9
School Levy Tax Credit	1,880,000,000	1,880,000,000	1,880,000,000	0	0.0	0	0.0
First Dollar Credit	300,000,000	296,637,900	296,637,900	0	0.0	-3,362,100	- 0.6
Other Credits							
Claim of Right Credit	240,000	264,000	264,000	0	0.0	24,000	5.0
Jobs Tax Credit	5,800,000	2,675,000	3,700,000	1,025,000	8.8	-2,100,000	- 18.1
Business Development Credit	38,200,000	35,000,000	27,600,000	- 7,400,000	- 9.7	-10,600,000	- 13.9
Enterprise Zone Jobs Credit	163,400,000	133,400,000	158,000,000	24,600,000	7.5	-5,400,000	- 1.7
EITM Zone Credit	423,909,800	0	37,385,000	37,385,000	4.4	-386,524,800	- 45.6
Research Credit	18,000,000	39,200,000	45,200,000	6,000,000	16.7	27,200,000	75.6
Veterans and Surviving Spouses Property Tax Credit	72,000,000	92,900,000	83,000,000	- 9,900,000	-6.9	11,000,000	7.6
Cigarette and Tobacco Products Tax Refunds	63,400,000	61,730,000	59,900,000	- 1,830,000	- 1.4	-3,500,000	- 2.8
Marijuana Tax Refunds	0	6,700,000	0	- 6,700,000	-100.0	0	0.0
Earned Income Tax Credit	52,400,000	193,283,600	45,800,000	- 147,483,600	-140.7	-6,600,000	- 6.3
Forestry Mill Rate							
Forestry Mill Rate -- GPR Transfer to Conservation Fund	205,180,600	223,744,400	223,744,400	0	0.0	18,563,800	4.5
GPR Total	$5,450,834,000	$5,343,886,300	$5,111,816,200	-$232,070,100	- 2.1%	- $339,017,800	- 3.1%
Other Credits							
Earned Income Tax Credit; Temporary Assistance for Needy Families	$139,400,000	$186,416,400	$130,200,000	- $56,216,400	- 20.2%	- $9,200,000	- 3.3%
PR Total	$139,400,000	$186,416,400	$130,200,000	- $56,216,400	- 20.2%	- $9,200,000	- 3.3%
Direct Aid Payments							
County and Municipal Aid; Police and Fire Protection Fund	$105,114,000	$81,487,900	$79,878,600	- $1,609,300	- 0.8%	- $25,235,400	- 12.0%
Property Tax Credits							
Lottery and Gaming Credit	513,157,800	512,962,300	618,672,400	105,710,100	10.30	105,514,600	10.3
Lottery and Gaming Credit; Late Applications	623,000	1,331,200	1,331,200	0	0.0	708,200	56.8
SEG Total	$618,894,800	$595,781,400	$699,882,200	$104,100,800	8.4%	$80,987,400	6.5%
TOTAL	$6,209,128,800	$6,126,084,100	$5,941,898,400	- $184,185,700	- 3.0%	- $267,230,400	- 4.3%

*The Governor's recommendation includes $340,000 in 2021-22 and 2022-23 under provisions of 2021 Act 1.

Budget Change Items

Direct Aid Payments

1. COUNTY AND MUNICIPAL AID INCREASE [LFB Paper 555]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$45,485,800	- $45,485,800	$0

Governor: Increase payments under the county and municipal aid program by $15,061,500 in 2021-22 and by $30,424,300 in 2022-23 to provide each county and municipality a 2% increase in their payment for 2021 and 2022. Currently, each county or municipality receives an aid payment equal to what it received in 2012.

County and municipal aid is primarily funded from a sum-sufficient GPR appropriation, but the amounts are partially offset by revenues from the police and fire protection fund (reestimated at $53,333,400 annually, under current law). Set the statutory aid distribution from these sources at $763,137,200 for the 2021 distribution (payable 2021-22), and set the statutory aid distribution from these sources at $778,500,000 for the 2022 distribution (payable 2022-23) and thereafter to reflect the recommended 2% increase. Because the increase would first affect calendar year 2021 payments, the proposed increase would be available for current year municipal budgets, which were levied in December, 2020.

County and municipal aid is paid in July and November of each year. Therefore, local governments will receive calendar year 2021 payments in 2021-22. Modify the statutes to reflect that prior year aid amounts would no longer apply for 2020 and thereafter.

Joint Finance: Provision not included.

2. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION REVENUE REESTIMATE [LFB Paper 102]

GPR	- $1,552,600
SEG	1,552,800
Total	$200

Governor/Joint Finance: Decrease funding by $776,300 GPR annually and increase funding by $776,400 SEG annually in the appropriations for the county and municipal aid program. The SEG adjustment reflects the estimated increase in revenue collected in the police and fire protection fund, which is the source for a portion of county and municipal aid program payments. Revenues deposited to the police and fire protection fund are from a fee imposed on each active retail voice communications service connection with an assigned telephone number at a rate of $0.75 per month. The GPR reductions reflect a corresponding adjustment to the sum

sufficient appropriation to offset the estimated annual increase in police and fire protection fund (SEG) revenue. With these adjustments, estimated current law GPR payments for the county and municipal aid program would be $692,295,500 annually. Under current law, estimated payments from the police and fire protection fund would be $53,333,400 annually (these estimated amounts would be reduced associated under a separate recommendation, as shown below, that would use police and fire protection fund SEG funding for the Department of Military Affairs Next Generation 911 project implementation).

3. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION FUNDING FOR NEXT GENERATION 911 [LFB Paper 416]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$25,178,900	$1,609,300	$26,788,200
SEG	-25,178,900	- 1,609,300	- 26,788,200
Total	$0	$0	$0

Governor: Provide an increase in funding of $3,447,500 GPR in 2021-22 and $21,731,400 GPR in 2022-23 and make a corresponding decrease in funding of $3,447,500 SEG in 2021-22 and $21,731,400 SEG in 2022-23 in the appropriations that fund the county and municipal aid program. These funding changes reflect the Governor's recommendation to provide the Department of Military Affairs $3,447,500 in 2021-22 and $21,731,400 in 2022-23 from the police and fire protection fund for the implementation of Next Generation 911 (see "Military Affairs"). County and municipal aid is paid from sum sufficient GPR and police and fire protection fund SEG appropriations. The GPR increase reflects a reestimate of the GPR sum sufficient appropriation that would be needed to offset the police and fire protection fund SEG funding decrease. Under the bill, the sum-sufficient GPR appropriation for county and municipal aid would be offset by an estimated $49,885,900 SEG in 2021-22 and $31,602,000 SEG in 2022-23.

Joint Finance: Make the following modifications in funding to the county and municipal aid program appropriations associated with funding for Next Generation 911: (a) increase funding by $4,432,100 GPR in 2021-22 and decrease funding by $2,822,800 GPR in 2022-23; and (b) decrease funding by $4,432,100 SEG in 2021-22 and increase funding by $2,822,800 SEG in 2022-23 in the appropriations for the county and municipal aid program. A total of $7,879,600 SEG in 2021-22 and $18,908,600 SEG in 2022-23 from the police and fire protection fund would be provided for Department of Military Affairs Next Generation 911 activities (See "Military Affairs"). The changes to GPR reflect corresponding adjustments to the county and municipal aid sum sufficient appropriation to offset the change in SEG funding from the police and fire protection fund.

4. PUBLIC UTILITY AID -- SUM SUFFICIENT REESTIMATE [LFB Paper 102]

GPR	$12,755,900

Governor/Joint Finance: Provide $3,797,500 in 2021-22 and $8,958,400 in 2022-23 to the sum sufficient utility aid distribution account to reflect estimated payment amounts in the

biennium. With these adjustments, base level funding of $78,500,000 would increase to $82,297,500 in 2021-22 and $87,458,400 in 2022-23. The public utility aid distribution account is used to make aid payments to counties and municipalities containing certain types of public utility property that are exempt from local property taxation.

5. STATE AID FOR EXEMPT PERSONAL PROPERTY [LFB Paper 102]

GPR	- $1,046,600

Governor/Joint Finance: Decrease funding by $523,300 annually to reflect a decrease in estimated payments due to the expected closure of tax incremental financing (TIF) districts. With these adjustments, base level funding of $74,730,100 would decrease to $74,206,800 in both years of the biennium. The appropriation provides aid payments to local governments for exempt personal property classified as non-manufacturing machinery, tools, and patterns. Under 2017 Act 59, payments to taxing jurisdictions will remain at the 2019-20 level for each year thereafter with only those entities receiving a payment in 2018-19 continuing to receive a payment. However, when a TIF district closes, the payment that had been made to the district is not redistributed among other overlying taxing jurisdictions.

6. VIDEO SERVICE PROVIDER FEE [LFB Paper 556]

GPR	$10,016,400

Governor: Increase funding by $5,008,200 annually, for a total of $10,008,200, to hold municipalities harmless for the required reduction to video service provider fees, effective January 1, 2021. Convert the sum certain GPR appropriation for the video service provider fee aid payment appropriation to a sum sufficient GPR appropriation. Under 2019 Act 9, for two consecutive years, municipalities were required to reduce by 0.5% per year the fee percentage that each municipality can assess on its video service providers' gross receipts. The first payment was made in July, 2020, to compensate municipalities for the first 0.5% required rate reduction. Effective January 1, 2021, this percentage is capped at the percentage applied on December 31, 2018, less 1.0%. The state aid payment was created to compensate municipalities for the reduction in fee revenues associated with the required rate reductions.

Joint Finance: Provide the increased funding of $5,008,200 annually, but maintain the existing sum certain GPR appropriation.

7. PAYMENTS FOR MUNICIPAL SERVICES PROGRAM [LFB Paper 557]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$4,130,000	-$4,130,000	$0
GPR-REV	2,065,000	- 2,065,000	0

Governor: Increase funding for the payments for municipal services program by $2,065,000 annually, from a base level of $18,584,200 to $20,649,200. Increase GPR-REV amounts associated with agency chargebacks by $1,032,500 annually. The program provides

annual payments to reimburse municipalities for all or a portion of property tax supported expenses incurred in providing services to state facilities, which are exempt from property taxation. When calculated entitlements under the program exceed the appropriation, payments are prorated. In 2020-21, payments under this program were prorated at 34.6% of total calculated entitlements.

Joint Finance: Provision not included.

8. PERSONAL PROPERTY TAX

Joint Finance: Create a sum certain GPR appropriation, with $0 appropriated in each year, to be used to make aid payments to taxing jurisdictions in the event that the Legislature eliminates the personal property tax under Chapter 70 of the statutes effective with January, 2022, assessments from taxation during the 2021-22 legislative session. Provide $202,350,000 GPR in 2022-23, on a one-time basis, associated with the reduction in local property taxes associated with the elimination of personal property from property taxation in the 2021-22 legislative session, to the biennial JFC supplemental appropriation in 2022-23 (see "Program Supplements" for fiscal effect). Require the Department of Administration to submit a request to the Committee under s. 13.10 for funds from the Committee's continuing supplemental appropriation to supplement the sum certain GPR appropriation in 2022-23 for the purpose of making payments to local taxing jurisdictions equal to the amount of revenue not collected due to the elimination of personal property from taxation during the 2021-22 legislative session.

9. EXPENDITURE RESTRAINT PROGRAM -- DEFINITION OF MUNICIPAL BUDGET

Governor: Specify that for the purposes of determining eligibility for an expenditure restraint payment, the definition of "municipal budget" would not include revenues resulting from the following; (a) a referendum to exceed the municipal levy limit; or (b) a referendum to increase a premier resort tax rate from 1.0% to 1.25% in the City of Wisconsin Dells and Village of Lake Delton. This provision would first apply to expenditure restraint program distributions made in 2022.

Under current law, a municipality must satisfy two eligibility criteria to receive an expenditure restraint payment: (a) a municipality must have a full value property tax rate that exceeds five mills; and (b) a municipality must restrict the rate of year-to-year growth in its municipal budget to a percentage determined by a statutory formula. For the purpose of determining eligibility for an expenditure restraint payment, this provision would exclude from a municipality's budget the amount by which a municipality would be allowed to adjust its allowable levy following passage of a referendum to increase the municipal levy limit.

The provision would also exclude from a municipality's budget the amount of revenues associated with an increase in the City of Wisconsin Dells and Village of Lake Delton premier area resort tax rate approved at referendum. Premier area resort taxes are applied to sales made by certain tourism-related retailers. Under 2009 Wisconsin Act 28, any municipality that enacted an ordinance to impose a 0.5% premier resort area tax prior to January 1, 2000, can amend its

ordinance to increase the tax rate to 1.0%. Only the Village of Lake Delton and the City of Wisconsin Dells meet this specified date. Both municipalities increased their premier resort area tax rates to 1%, effective January 1, 2010. Subsequently, under 2013 Wisconsin Act 20, the rate in these two municipalities could be increased to 1.25%, if approved by a majority of the municipal electors. Following such approval, both municipalities increased their premier resort area tax rate to 1.25%, effective July 1, 2014.

Joint Finance: Provision not included.

Property Tax Credits

1. FIRST DOLLAR CREDIT REESTIMATE [LFB Paper 102]

GPR	- $3,362,100

Governor/Joint Finance: Decrease funding by $1,862,100 in 2021-22 and $1,500,000 in 2022-23 to reflect the $148,137,900 actual amount of property tax year 2020(21) credits be paid in 2021-22 and the estimated credits to be paid in 2022-23 for property tax year 2021(22). The 2020(21) credits are to be distributed in July, 2021, based on the $7,100 credit base established by the Department of Revenue in November, 2020, and an estimate of the eligible parcels on which the credit was claimed. The current law funding level for the first dollar credit is $150 million.

2. FARMLAND PRESERVATION CREDIT REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $2,220,000	$1,540,000	- $680,000

Governor: Decrease funding by $1,090,000 in 2021-22 and $1,130,000 in 2022-23 to reestimate the sum-sufficient appropriations for the farmland preservation tax credit, which applies to certain lands in farmland preservation zoning districts and under farmland preservation agreements. With these reestimates, farmland preservation tax credits are estimated at $16,360,000 in 2021-22 and $16,320,000 in 2022-23.

Joint Finance: Increase funding by $770,000 annually to reflect the reestimate the farmland preservation tax credit at $17,130,000 in 2021-22 and $17,090,000 in 2022-23.

3. LOTTERY AND GAMING CREDIT REESTIMATE [LFB Paper 545]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $195,500	$105,710,100	$105,514,600

Governor: Increase funding by $9,103,300 in 2021-22 and decrease funding by $9,298,800 in 2022-23 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for property tax credit distribution. With these adjustments, estimated total funding for the credit would increase from an adjusted base level of $256,578,900 to $265,682,200 in 2021-22 and decrease to $247,280,100 in 2022-23. The estimated cost of the credit for 2020-21 is $237.4 million.

Joint Finance: Increase funding by $75,874,200 SEG in 2021-22 and $29,835,900 SEG in 2022-23 to reflect the reestimate of the lottery fund condition. With these increases, funding for the credit would equal an estimated $341,556,400 SEG in 2021-22 and $277,116,000 SEG in 2022-23.

4. LOTTERY AND GAMING CREDIT: LATE APPLICATIONS

SEG	$708,200

[LFB Paper 102]

Governor/Joint Finance: Increase funding by $354,100 annually to the sum sufficient appropriation to reflect estimates of the amounts of credits to be paid to persons who apply for the credit after tax bills have been issued. As a result, funding for tax credit distributions for late applications would increase from an adjusted base level of $311,500 to $665,600 annually.

Property Taxation

1. LEVY LIMITS -- 2% MINIMUM LEVY INCREASE

Governor: Increase the minimum allowable percentage change that counties and municipalities may increase their allowable levies from 0% to 2%. Current law prohibits counties and municipalities from increasing their levies by a percentage that exceeds their valuation factor. The "valuation factor" is currently defined as a percentage equal to the greater of either the percentage change in a county or municipality's January 1 equalized value due to new construction, less improvements removed between the previous year and current year ("net new construction"), or 0%. This valuation factor is then multiplied by each county's and municipality's actual prior year levy to obtain their allowable levy for the current year prior to any allowable exclusions or adjustments.

Under this provision, the definition of "valuation factor" would be changed so that the minimum allowable percentage change to county and municipal levies is 2% rather than 0%. As a result, this modification would allow counties and municipalities to increase their annual levies over their prior year actual levies by the greater of the percentage change in equalized values due to net new construction or 2%. This provision would first apply to property tax levies imposed in December, 2021.

For tax year 2019(20), the statewide average change in levies due to the change in equalized

value from net new construction was 1.2% for towns, 1.3% for villages, 1.4% for cities, and 1.3% for counties. For 2019(20), 122 towns, 80 villages, 35 cities, and seven counties had a change in their levy above 2% due to the change in equalized value from net new construction.

Joint Finance: Provision not included.

2. LEVY LIMITS -- REPEAL OF NEGATIVE ADJUSTMENT FOR FEES FROM COVERED SERVICES

Governor: Repeal the negative levy limit adjustment for covered services. Current law requires counties and municipalities to reduce their allowable levies by an amount equal to the estimated fee revenues received in lieu of property taxes for providing a covered service that was funded with the property tax levy in 2013. A "covered service" is defined to mean garbage collection, fire protection, snow plowing, street sweeping, or storm water management, although some specific exceptions exist (garbage collection for any county or municipality that owned and operated a landfill on January 1, 2013, and fire protection services, including the production, storage, transmission, sale and delivery, or furnishing of water for public fire protection services). Under this provision, counties and municipalities that receive new or additional annual fee revenues for covered services, which were previously funded from their levy, would no longer be required to reduce their allowable levies by the estimated annual fee revenues.

Joint Finance: Provision not included.

3. LEVY LIMITS -- REPEAL OF NEGATIVE ADJUSTMENT FOR TRANSFERRED SERVICES

Governor: Repeal the negative adjustment to the annual levy limit that is required for a county or municipality that transfers services to another local government. Current law requires a county or municipality to reduce their allowable levy after transferring the responsibility for providing a service to another unit of government. The amount of this reduction is equal to the cost that the county or municipality would have incurred if it had continued to provide the transferred service. Under this provision, any county and municipality that transfers services to another unit of government would no longer be required to reduce their annual allowable levy associated with the cost of the transferred service. Specify that this provision would first apply to levies imposed in December, 2021 (payable in 2022).

Joint Finance: Provision not included.

4. LEVY LIMIT -- EXCLUSION FOR REGIONAL PLANNING COMMISSION CONTRIBUTIONS

Governor: Create an exclusion to county and municipal levy limit for amounts levied in a year to pay for the county or municipality's share of a regional planning commission's budget. As a result, these costs would not be subject to the annual levy limit of the affected local governments. This provision would first apply to levies imposed in December 2021. Further, specify that for the

purpose of a levy imposed in December, 2021, the amount levied in the previous year to pay for a county or municipality's share of a regional planning commission's budget would not be included in the base levy amount to which the levy limit applies.

Joint Finance: Provision not included.

5. LEVY LIMIT -- EXCLUSION FOR CROSS-BORDER TRANSIT ROUTES

Governor: Create an exclusion to the county and municipal annual levy limit for amounts levied in a year for operating and capital costs directly related to the provision of new or enhanced transit services across adjacent county or municipal borders. As a result, these costs would not be subject to the annual levy limit of the affected local governments.

Specify that all of the following would have to apply for the exclusion to be taken: (a) the starting date for the new or enhanced transit services occurs after the effective date of the bill; (b) the political subdivisions between which the new or enhanced transit routes operate have entered into an intergovernmental cooperation agreement to provide for the new or enhanced transit routes, and the agreement describes the services and the amounts that must be levied to pay for those services; and (c) the intergovernmental cooperation agreement is approved in a referendum, by the electors of each political subdivision that is a party to the agreement. Specify that the referendum be held at the next succeeding spring primary or election, partisan primary, or general election, which could be held no earlier than 70 days after the adoption of the agreement by all parties. Require the governing body that has proposed the referendum to file the resolution to be submitted to the electors under current law referenda filing procedures.

Joint Finance: Provision not included.

6. DARK PROPERTY AND LEASED PROPERTY TAX ASSESSMENTS ("DARK STORES")

Governor: Require that real property be valued by an assessor at its highest and best use. Define "highest and best use" to mean: (a) the specific current use of the property; or (b) a higher use for which the property may be used as of the current assessment date, if the property is marketable for that use, is legally permissible, physically possible, not highly speculative, and financially feasible and provides the highest net return. Specify that "legally permissible" would not include a conditional use that has not been granted as of the assessment date. Further specify that when the current use of a property is the highest and best use of that property, the value in the current use would equal full market value.

Under current law, an assessor is required to consider recent arm's-length sales of the assessed property. The bill would define "arm's-length sale" to mean a sale between a willing buyer and willing seller, neither being under compulsion to buy or sell, and each being familiar with the attributes of the property.

Require that in determining the value of real property, an assessor must consider any lease

provisions and actual rent pertaining to a property and affecting its value. Specify that the assessor include the lease provisions and rent associated with a sale and leaseback of the property, if all such lease provisions and rent are the result of an arm's-length transaction involving persons who are not related, as provided under section 267 (b) of the Internal Revenue Code (relating to certain transactions between related taxpayers) for the year of the transaction. With regard to this provision, an "arm's-length transaction" would mean an agreement between willing parties, neither being under compulsion to act, and each being familiar with the attributes of the property.

Specify that in determining the value of property using generally accepted appraisal methods, an assessor would be required to consider all of the following as comparable to the property being assessed:

a. sales or rentals of properties exhibiting the same or a similar highest and best use, with placement in the same real estate market segment. Define "real estate market segment" to mean a pool of potential buyers and sellers that typically buy and sell properties similar to the property being assessed, including potential buyers who are investors or owner-occupants. Specify that depending on the property being assessed, the pool of potential buyers and sellers may be found locally, regionally, nationally, or internationally.

b. sales or rentals of properties, that may be found locally, regionally, or nationally, which are similar to the property being assessed with regard to age, condition, use, type of construction, location, design, physical features, and economic characteristics, including similarities in occupancy and the potential to generate rental income.

For the purpose of determining the value of a property using generally accepted appraisal methods, specify that a property would not be comparable to the property being assessed if at, or before, the time of the sale: (a) the seller places any deed restriction on the property that changes the highest and best use of the property or prohibits competition, so that it no longer qualifies as a comparable property; and (b) the property being assessed lacks such a restriction. Further specify that a property would not be comparable if the property is dark property and the property being assessed is not dark property. Define "dark property" to mean property that is vacant or unoccupied beyond the normal period for property in the same real estate market segment. Specify that what would be considered vacant or unoccupied beyond the normal period could vary depending on the property location.

Modify the current law definition of "real property," "real estate," and "land" to include fixtures and leases, as well as assets that cannot be taxed separately as real property, but are inextricably intertwined with the real property, enable the real property to achieve its highest and best use, and are transferrable to future owners. With regard to this definition, a "lease" would mean a right in real estate that is related primarily to the property and not to the labor, skill, or business acumen of the property owner or tenant. Specify that, similar to the current law definition, the proposed changes to the definition of real property, real estate, and land would apply to the statutes pertaining to property taxes, income taxes, motor vehicle fuel and general aviation taxes, and state shared revenue.

Specify that these provisions first apply to property tax assessments as of January 1, 2022 (property tax year 2022(23)).

The provisions related to the assessment of leased property would attempt to remove the legal basis of a 2008 decision by the Wisconsin Supreme Court (*Walgreen Company v. City of Madison*) that held an assessment of leased retail property using the income assessment approach must be based on market rent, which is what a person would pay based on similar rentals, rather than the actual rent.

Joint Finance: Provision not included.

7. COMMUNITY HEALTH CENTER PROPERTY TAX EXEMPTION

Governor: Provide an exemption from property taxation for any property owned and used exclusively by a community health center. Specify the community health center must have all the following characteristics in order to qualify for this exemption: (a) is a federal section 501(c)(3) nonprofit organization that is exempt from federal income taxation; (b) receives a federal health center grant for providing primary health services to a population that is medically underserved, or a special medically underserved population comprised of migratory and seasonal agricultural workers, the homeless, or residents of public housing; and (c) annually treats at least 30,000 patients. Limit the exemption to 25 acres of land, necessary for location and convenience of buildings while such property is not used for profit. Under the bill, this provision would first apply to property tax assessments as of January 1, 2020. However, the administration indicates that this provision was intended to first apply to property tax assessments as of January 1, 2022. Allow owners of such property to claim the exemption by filing a property tax exemption form with the assessor of the taxation district within 30 days of the effective date of the bill.

The administration indicates that the provision would apply to the 16th Street Community Health Center in Milwaukee and any others who meet the criteria for the exemption.

Joint Finance: Provision not included.

8. COLLECTION OF MANUFACTURING PROPERTY ASSESSMENT FEES

Governor: Direct the Department of Revenue (DOR) to collect manufacturing property assessment fees by reducing municipalities' shared revenue payments in the following year by the amount of the fee rather than first attempting to directly collect the fee from each municipality. Any amount that the Department is unable to collect from a municipality by reducing its shared revenue payment, would be directly imposed on the municipality.

DOR is responsible for assessing manufacturing property for the purposes of the property tax, and imposes a fee on municipalities where manufacturing property is located in order to cover the cost of that assessment. Under current law, this fee is first imposed directly on municipalities, and only if a municipality does not pay by March 31 of the following year can the Department reduce its July shared revenue payment by the amount of the fee.

Joint Finance: Provision not included.

9. CITY OF WISCONSIN DELLS TIF DISTRICTS -- EXTENSION OF ALLOWABLE EXPENDITURE PERIOD

Governor: Extend the allowable expenditure period for which project costs may be made for tax incremental district number two (TID #2) in the City of Wisconsin Dells through November 2026. While the maximum life of TID #2 was previously extended from November 20, 2027, to November 20, 2031, current law allows that the district may only incur project costs through November 20, 2022.

In addition, extend the allowable expenditure period for tax incremental district number three (TID #3) in the City of Wisconsin Dells through May, 2040. The maximum life of TID #3 was previously extended from May 17, 2025, to May 17, 2045, but current law only allows expenditures for project costs for the district to be incurred through May 17, 2020.

Under current law, a TIF district's expenditure period is the period of time during the life of the district when expenses may be incurred to implement approved projects. Unless a specific exception is provided in statute, the maximum expenditure period for TIF districts (except for certain environmental remediation districts) ends five years before the unextended maximum life of the district.

Joint Finance: Provision not included.

10. WORKFORCE HOUSING LAWS RELATED TO TIF DISTRICTS, LOCAL HOUSING INTIATIVES AND STATE GRANTS, AND IMPACT FEES

Governor: Make the following changes to current law pertaining to low-cost and affordable housing related to TIF districts, local housing initiatives and related state grants, and impact fees.

TIF Law Modifications. Modify current tax incremental financing law to allow that after a district created by a city, village, or towns of a certain size ($500 million of total assessed value and a population of at least 3,500) pays off all of its project costs, the life of the district may be extended for up to three years, instead of one year, if a city or village: (a) adopts a resolution extending the life of the district for a specified number of months that specifies how it intends to increase the number of affordable and workforce housing units, instead of only stating how the city intends to improve its housing stock; and (b) uses the tax increments received during the district's extended life to increase the number of affordable and workforce housing units, instead of being required under current law to use at least 75% of the increments received to benefit affordable housing in the city, village, or town, and the remaining portion of the increments to improve the municipality's housing stock. A city or village would have to continue to meet the current law requirement to forward a copy of the resolution adopted under these provisions to DOR, which notifies the Department to continue to authorize the allocation of tax increments to the district.

Delete the definition of "affordable housing" under current TIF law and replace with the term "workforce housing." The bill would define “workforce housing” to mean housing to which all of the following apply: (a) the housing costs a household no more than 30% of the household's

gross median income, and (b) the residential units are for initial occupancy by individuals whose household median income is no more than 120% of the county's gross median income. Under the bill, income and housing cost figures would be adjusted for family size and the county in which the household is located, based on the county's five-year average median income and housing costs as calculated by the U.S. Census Bureau in its American Community Survey. Under current law, affordable housing is defined as housing that costs a household no more than 30% of the household's gross monthly income.

Modify the definition of “mixed-use development" under current TIF law to allow newly platted residential uses to exceed the current law limit of 35% of the real property area of a TIF district, to up to 60% of the real property area within the TIF district, if the residential use that exceeds the existing 35% limit is used solely for workforce housing. Under current law, “mixed-use development" means a development that contains a combination of industrial, commercial, or residential uses, except that lands proposed for newly-platted residential use, as shown in the project plan, may not exceed 35%, by area, of the real property within the district.

Workforce Housing Initiatives and Grant Priority. Specify that, after June 30, 2021, if a political subdivision has in effect at the same time at least three workforce housing initiatives, a housing agency must give priority to housing grant applications from, or that relate to a project in, the political subdivision.

To implement a workforce housing initiative, a political subdivision may enact an ordinance, adopt a resolution, or put into effect a policy to accomplish any of the following: (a) reduce by at least 10% the processing time for all permits related to workforce housing; (b) reduce by at least 10% the cost of impact fees that a political subdivision may impose on developments that include workforce housing units; (c) reduce by at least 10% the parking requirements for developments that include workforce housing units; (d) increase by at least 10% the allowable zoning density for developments that include workforce housing units; (e) establish a mixed-use TIF district with at least 20% of the housing units to be used for workforce housing; (f) demonstrate compliance with a housing affordability report as specified under current law; (g) rehabilitate at least five dwelling units of existing, uninhabitable housing stock into habitable workforce housing; (h) modify existing zoning ordinances to allow for the development of workforce housing in areas zoned for commercial or mixed-use development, or in areas near employment centers or major transit corridors; (i) extend the life of a TIF district to increase the number of affordable and workforce housing units; (j) reduce by at least 10% the cost of roads for developments that include workforce housing units; or (k) implement any other initiative to address the workforce housing needs of the political subdivision.

Specify that after a political subdivision completes one of the specified workforce housing initiatives, the initiative be considered in effect once the political subdivision submits to the Department of Administration (DOA) a written explanation of how the action complies with the workforce housing initiative and posts the explanation on the political subdivision's website. Provide that, once a political subdivision's action takes effect, its workforce housing initiative remains in effect for five years.

Create the following definitions related to workforce housing initiatives: (a) "housing

agency" would mean the Wisconsin Housing and Economic Development Authority, the Wisconsin Economic Development Corporation, or DOA; (b) "housing grant" would mean any grant administered by a housing agency that relates to housing; and (c) "political subdivision" would mean any city, village, town, or county.

Impact Fee Exemptions and Deductions. Extend the low-cost housing impact fee exemption and fee deduction specified in current law to also apply to workforce housing, as defined above. Currently, a municipality may provide an exemption from, or a reduction in the amount of, impact fees on land development that provides low-cost housing, except that no amount of an impact fee for which an exemption or reduction is provided may be shifted to any other development in the land development in which the low-cost housing is located or to any other land development in the municipality. Under the bill, workforce housing would be included with low-cost housing for the purposes of these impact fee exemptions and deductions.

Joint Finance: Provision not included.

Forestry Mill Rate

1. FORESTRY MILL RATE -- GPR TRANSFER TO CONSERVATION FUND [LFB Paper 102]

GPR	$18,563,800

Governor/Joint Finance: Increase funding by $7,101,200 in 2021-22 and $11,462,600 in 2022-23 for the annual transfer to the conservation fund from the sum sufficient appropriation to reflect projected changes in statewide equalized values. Funds equal to the amount calculated by multiplying the value of all taxable property in the state, as determined by DOR, by a rate of 0.1697 mills (0.01697%) are transferred from the general fund to the conservation fund annually. This transfer occurs due to the repeal of the state forestry mill tax as of property taxes levied in 2017, payable in 2018. With these adjustments, base level funding of $102,590,300 would increase to $109,691,500 in 2021-22 and $114,052,900 in 2022-23. Additional information on this program, as it relates to the Department of Natural Resources is included under a separate item (see "Natural Resources -- Forestry and Parks").

Local Revenue Options

1. LOCAL SALES TAX AUTHORITY

Governor: Specify that a county or a municipality with a population exceeding 30,000 may enact an ordinance, if approved by a majority of electors in the county or municipality at a

referendum, to impose a 0.5% local sales and use tax. Provide that the revenue from the taxes may be used for any purpose designated by the county board or governing body of the municipality or as specified in the ordinance or in the referendum approving the ordinance. Specify that a municipality with a population exceeding 30,000 would be determined by data from the 2020 federal decennial census or under the Department of Administration's (DOA) population estimates for 2020.

Similar to the existing county sales and use taxes, require that the taxes imposed under these provisions may be imposed only in their entirety (meaning at only a 0.5% rate). Specify, that any tax imposed by a county under these provisions would be in addition to its existing authority to impose a 0.5% county sales and use tax. Including the state 5.0% sales and use tax rate, under these provisions, the maximum sales and use tax rate that could be imposed in the state would be 6.5%, if the electors of a county and an eligible municipality in a county, that has the existing county sales and use tax both choose to impose the taxes allowed under these provisions.

Create provisions related to the imposition, collection, distribution, enforcement, and administration of the newly created county and municipal sales and use taxes similar to those that currently exist for the county sales and use tax. However, the current law provision for the existing county sales and use taxes that specifies that those taxes may only be imposed for the purpose of directly reducing the property tax levy would not apply to the taxes allowed under these provisions.

Using current law authority, 68 of Wisconsin's 72 counties have adopted a 0.5% sales tax and use tax imposed on the same goods and services that are subject to the state sales tax. The current 0.5% county tax applies to items purchased within the county and to some items purchased in a county without a tax, if they are customarily kept in a county with a tax (this is the "use" tax). The existing county tax is "piggybacked" onto the state sales tax in that the county rate is added to the state rate and is administered, enforced, and collected by the state. The Department of Revenue (DOR) retains 1.75% of the county sales and use taxes to cover the administrative costs of collecting the existing county taxes. At the end of each fiscal year, any unencumbered balance in DOR's appropriation account for administration of the taxes is lapsed to the general fund. In addition, retailers are permitted to retain 0.5% of the taxes collected to cover their administrative costs. Thus, 97.75% of county sales and use tax collections are paid to the county. As with the existing county sales and use tax, the county and municipal sales tax authority provided under the bill would "piggyback" onto the state sales and use tax and be administered and enforced by DOR in the same manner. Given that the additional local sales and use tax authority allowed under these provisions would be subject to referendum, no estimate of an increase in amount of lapses to the general fund from DOR's county sales tax administration appropriation resulting from Department's administration of any taxes imposed under these provisions are included in the bill.

Joint Finance: Provision not included.

2. CITY OF SUPERIOR LOCAL EXPOSITION DISTRICT

Governor: Provide that, upon approval by a majority of electors in the city, the City of Superior may create a local exposition district for the purpose of funding the development and construction of an exposition center. Specify that the district may impose a room tax of up to 2.0% and a food and beverage tax of 0.25% or 0.50% for the purposes of the district. A district created by the City of Superior would not be allowed to impose the local vehicle rental tax that is currently allowed for other local exposition districts.

Room Tax. Specify that if a local exposition district created by the City of Superior adopts a resolution imposing a room tax, the amount of the tax may not exceed 2.0% of total room charges, and the City of Superior may also impose and collect a room tax without regard to whether the local exposition district also imposes a room tax. Currently, the City of Superior imposes a room tax of 7.5%.

Food and Beverage Tax. As allowed under current law for local exposition districts, provide a local exposition district created by the City of Superior the authority to impose a tax on the retail sale within the district's jurisdiction of all of the following: (a) alcoholic beverages, if the alcohol is consumed on the seller's premises; (b) candy and soft drinks; and (c) prepared food. The tax would be imposed on the sale of taxable products at the rate of 0.25% of the sales price, except that the district, by a vote of a majority of its board of directors, may impose the tax at the rate of 0.5% of the sales price. A majority of the authorized members of the district's board may also vote that, if the balance in a special debt service reserve fund of the district is less than what is required to satisfy the special debt service reserve fund requirement, the tax rate is 0.5% of the sales price.

Referendum Requirements. Specify that, before an enabling resolution adopted by the City of Superior may take effect, it must be approved by a majority of the electors in the city voting on the resolution at a referendum. The referendum must be held at the first spring or general election following by at least 70 days the date of adoption of the resolution.

Bonding Limitations. Limit the maximum amount of bond proceeds that a district may receive from bonds issued to fund the development and construction of an exposition center to $20,300,000. Allow the district to receive additional proceeds from the bonds to pay issuance or administrative costs related to the bonds, to make deposits in reserve funds related to the bonds, to pay accrued or funded interest on the bonds, and to pay the costs of credit enhancement for the bonds. Specify that the amount of all bonds, other than refunding bonds that may be secured by all special debt service reserve funds of the district, must not exceed $20,000,000.

District Dissolution. Specify that, subject to providing for the payment of its bonds, including interest on the bonds, and the performance of its other contractual obligations, a local exposition district must be dissolved by the joint action of the district's board of directors and the City of Superior.

Other Provisions. Require a local exposition district created by the City of Superior to contract with a local tourism entity, as defined under current law, to promote, advertise, and publicize its exposition center, exposition center facilities, and related activities.

With regard to a district that is created by the City of Superior, define "exposition center" to mean one or more related structures, including fixtures and equipment, owned, operated, or leased by a district and used primarily for conventions, expositions, trade shows, musical or dramatic events, other events involving educational, cultural, or commercial activities, or sporting tournaments and intended to be used by transient tourists and to generate tourism activity including paid overnight stays and purchases at establishments where local food and beverage sales taxes are imposed.

Specify that, with regard to any district that is created by the City of Superior, the following current law provisions relating to an exposition district would not apply: (a) legislative findings that the district, as well as its facilities for which bonds are issued, both serve a statewide public purpose; (b) adoption of a resolution by the sponsoring municipality certifying that the development meets certain facility size, job creation, economic impact, visitor attraction, and tax revenue criteria; (c) that the bonds, other than refunding bonds, be issued no later than December 31, 2021; and (c) the authority of the district to impose local car rental tax.

Current Exposition District Laws Applying to City of Superior District

The following items represent the current law provisions relating to a local exposition center that would apply to a district created by the City of Superior.

Creation and Organization of a District. A sponsoring municipality may create a special purpose district that is a unit of government independent of the state and the sponsoring municipality and that has the powers delegated to it under current exposition center law, if the sponsoring municipality does all of the following: (a) adopts an enabling resolution, that declares the need for establishing the district, contains findings of public purpose, names the district, and contains a description of the exposition center to be developed, owned, leased or operated by the district; and (b) files copies of the enabling resolution with the DOA Secretary, the DOR Secretary and the county executive.

Board of Directors Composition, Appointments, and Terms. A district must be governed by a board of directors consisting of six members, all of whom must reside in the district and be appointed by the sponsoring municipality's chief executive officer. Three of the members must be elected or appointed public officials of the sponsoring municipality, and: (a) one must own, operate or manage a hotel, motel and lodging industry that is located within the district; (b) one must own, operate or manage a food and beverage establishment that is located within the district; and (c) one must be an at-large appointment who is an employee or officer of a private sector entity. Board appointments are subject to confirmation by the governing body of the sponsoring municipality. After the initial staggering of terms after the board is created, board members serve a three year term.

District Powers. In addition to all other powers granted to a local exposition district under current law, a district may do any of the following: (a) acquire, construct, equip, maintain, improve, operate and manage the exposition center and exposition center facilities, or engage other persons to do these things; (b) acquire, lease, transfer, or accept transfers of property; (c) with approval from the sponsoring municipality of the district, acquire property by condemnation; (d) employ personnel and maintain an office; (e) mortgage, pledge or otherwise encumber the district's

property or funds; (f) maintain funds with financial investments; (g) establish rates or charges for the use of its exposition center facilities; and (h) enter into partnerships and joint ventures to the further the district's purposes.

Contracting Requirements. A minimum percentage of the total value of contracts awarded by a district must be to minority (25%), women (5%) and disabled veteran-owned (1%) businesses. A person who is awarded a contract by a district must hire a minimum percentage of minority employees (25%), women employees (5%), and employees of a disabled veteran-owned business (1%).

Issuance of Bonds. A district may issue bonds for costs that are related to an exposition center, including: (a) costs of acquiring, constructing, equipping, maintaining or improving an exposition center; (b) costs of acquiring or improving an exposition center site; (c) costs related to engineering, architectural or consultant fees, environmental or feasibility studies, permit and license fees; (d) budgeted costs for an exposition center facilities for the six-month period immediately following the completion of its construction; (e) expenses related to the authorization, issuance and sale of the bonds, and (f) funding reserves authorized by the bond resolution.

Establishment of Special Debt Service Reserve Funds. A district may establish one or more special funds to secure its bonds, referred to as a special debt service reserve fund, if the DOA Secretary determines that certain conditions are satisfied, including whether there is a reasonable likelihood that the bonds will be repaid without the necessity of drawing on funds in the special debt service reserve fund that secures the bonds. As provided under current law, the Secretary may not make this determination unless: (a) the balance in a special debt service reserve fund is less than the debt service reserve requirement required under current law (in general, the requirement equals the annual debt service for any fiscal year); and (b) the district's board has approved an increase in the room tax to 3.0% and an increase in the food and beverages tax to 0.5%, if needed to meet the debt service reserve requirement. However, since a local exposition district created by the City of Superior would be limited in the bill to a maximum room tax rate of 2.0%, the DOA Secretary would not be permitted to make the determinations required for the district to establish a special debt service reserve fund. Further, without the establishment of this special debt service reserve fund, the state's moral obligation pledge, as provided under current exposition district law, could not apply to the debt issued for a local exposition district created by the City of Superior. If the intent is to provide the City of Superior local exposition district with the ability to create a special debt service reserve fund, a technical modification would be required to specify that the determination related to the imposition of a 3.0% room tax would not apply to the creation of such a fund by the district.

State Moral Obligation Pledge on Bonds. Extend provisions relating to a state moral obligation pledge on bonds issued by a local exposition district to a district created by the City of Superior. Under these provisions, if the debt service reserve requirement exceeds the amount of moneys in the special debt service fund, the district board would have to certify to the state the amount of funds needed in the reserve fund to meet the debt service reserve requirement. If this certification is received by the DOA Secretary, the Secretary would be required to include the certified amount in DOA's November 20, even numbered year, biennial budget report, if the amount is certified prior to the submission of that report. Further, the Joint Committee on Finance

would be required to introduce in either house, in bill form, an appropriation of the amount so certified to the appropriate special debt service reserve fund of the district. The legislative moral obligation recognition and pledge to provide that appropriation would also apply to debt issued by a City of Superior local exposition district. While the Governor's recommendations would allow the state's moral obligation pledge on the proposed district's bonds, other provisions would prohibit the DOA Secretary from making current law determinations necessary to invoke the moral obligation pledge. As mentioned earlier, a technical modification would be needed to ensure that the DOA Secretary could make these determinations.

Joint Finance: Provision not included.

Other Credits

Descriptions of budget provisions related to the homestead tax credit, earned income tax credit, enterprise zone tax credits, veterans property tax credit, other tax credits, and cigarette and tobacco products tax refunds are provided under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

STATE FAIR PARK

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$4,876,000	$3,787,100	$3,740,300	- $46,800	- 1.2%	- $1,135,700	- 23.3%
PR	43,916,400	43,252,900	41,979,800	- 1,273,100	- 2.9	- 1,936,600	- 4.4
TOTAL	$48,792,400	$47,040,000	$45,720,100	- $1,319,900	- 2.8%	- $3,072,300	- 6.3%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
PR	47.00	47.00	47.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

PR	$603,200

Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) overtime ($189,000 annually); and (b) full funding of continuing position salaries and fringe benefits ($112,600 annually).

2. DEBT SERVICE REESTIMATES [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $1,088,900	- $46,800	- $1,135,700
PR	- 1,266,700	- 1,273,100	- 2,539,800
Total	- $2,355,600	- $1,319,900	- $3,675,500

Governor: Reestimate principal and interest payments on general obligation bonds issued for State Fair Park facilities by -$473,400 GPR in 2021-22 and by -$615,500 GPR in 2022-23. Further, reestimate PR-supported principal and interest payments by -$635,700 in 2021-22 and by

-$631,000 in 2022-23.

Joint Finance: Reestimate principal and interest payments by an additional $108,200 GPR in 2021-22 and by -$155,000 GPR in 2022-23. Reestimate PR-supported principal and interest payments by an additional -$588,900 in 2021-22 and by -$684,200 in 2022-23.

GPR debt service is associated with bonds issued to fund primarily agricultural and other exhibition facilities at State Fair Park, as well as various land acquisitions, certain infrastructure projects, and the Tommy G. Thompson Youth Center. Total GPR debt service payments for State Fair Park are budgeted at $2.1 million in 2021-22 and $1.7 million in 2022-23. State Fair Park's PR-supported debt service is primarily associated with the Milwaukee Mile racetrack and grandstand, the Wisconsin Exposition Center, and other general facilities improvements. PR-supported debt service is budgeted at $2.0 million in each of 2021-22 and 2022-23.

3. REAUTHORIZE STATE FAIR PARK BOARD RULEMAKING AUTHORITY

Governor: Authorize the State Fair Park Board to promulgate rules for activities and operations of State Fair Park. Under 2017 Wisconsin Act 158, rulemaking is not allowed by certain agencies and credentialing boards that have not taken any rulemaking action in 10 years or more, unless a subsequent law specifically authorizes rulemaking. State Fair Park Board has promulgated seven rules chapters in the administrative code, but no substantive changes have been made in more than 10 years. The bill would overturn the application of Act 158 with respect to the State Fair Park Board. State Fair Park staff report that several rules and regulations have been identified as outdated, the Board would pursue changes that may relate to: (a) policing of the grounds and other public safety issues; (b) agriculture and animal welfare; (c) ticketing and admissions; (d) entertainment; (e) alcohol and other vendor sales; (f) year-round facilities rentals; and (g) other operational aspects of State Fair Park.

Joint Finance: Provision not included.

4. SALES OF ALCOHOL BEVERAGES AT STATE FAIR PARK

Governor: Allow vendors, including brewers operators of brewpubs, approved by resolution of the State Fair Park Board, to sell alcohol beverages without a permit or license for consumption on State Fair Park grounds. Require any person granted approval by the State Fair Park Board to meet the following requirements: (a) in general, the person does not have an arrest or conviction record, and the person has been neither a habitual offender nor convicted of a felony, unless the person has been pardoned; (b) the person has attained legal drinking age; (c) the person submits proof of having a seller's permit for purposes of state sales taxes; and (d) the person has recently completed a responsible beverage server training course.

Joint Finance: Provision not included. (Subsequent to the bill's introduction, 2021 Wisconsin Act 43 enacted multiple provisions pertaining to sales of alcohol beverages at State Fair Park, including those under AB 68/SB 111.)

5. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the State Fair Park Board is administratively attached to the Department of Administration, rather than the Department of Tourism, for certain budgeting, program coordination and management purposes. In addition, repeal the requirement that all personnel and biennial budget requests by the Board be processed and forwarded without change. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

STATE TREASURER

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$0	$437,900	$0	- $437,900	- 100.0%	$0	N.A
PR	240,200	437,900	253,600	- 184,300	42.1	13,400	5.6
TOTAL	$240,200	$875,800	$253,600	- $622,200	- 71.0%	$13,400	5.6%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	0.00	2.00	0.00	- 2.00	0.00
PR	1.00	2.00	1.00	- 1.00	0.00
TOTAL	1.00	4.00	1.00	- 3.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$13,400

Governor/Joint Finance: Provide adjustments to the base totaling $6,700 PR annually for full funding of continuing position salaries and fringe benefits.

2. INCREASED RESOURCES FOR THE OFFICE

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$437,900	2.00	- $437,900	- 2.00	$0	0.00
PR	184,300	1.00	- 184,300	- 1.00	0	0.00
Total	$622,200	3.00	- $622,200	- 3.00	$0	0.00

Governor: Create a GPR appropriation for general program operations within the Office of

the State Treasurer. Provide $212,300 GPR and $85,400 PR in 2021-22 and $225,600 GPR and $98,900 PR in 2020-21 and 2.0 GPR and 1.0 PR positions annually.

	2021-22		2022-23		2021-23
	GPR	PR	GPR	PR	Total
Salary and Fringe Benefits	$164,000	$58,100	$181,500	$75,700	$479,300
Supplies and Services	43,600	22,500	44,100	23,200	133,400
Office Move Costs	4,700	4,800	0	0	9,500
Total	$212,300	$85,400	$225,600	$98,900	$622,200

The bill would provide funding for two appropriations, one funded by GPR and the other by PR funds generated by the sale of unclaimed property. The bill would create three positions: a chief of staff, a financial specialist, and an office manager. The administration indicates that each position would be funded by 50% GPR and 50% PR. The bill would also modify funding and position authority for the State Treasurer such that the position would be funded by 50% GPR and 50% PR. Under current law, the Treasurer's compensation is funded entirely by program revenue.

In addition, the bill would provide a supplies and services allocation of $43,600 GPR and $22,500 PR in 2021-22 and $44,100 GPR and $23,200 PR in 2022-23 for costs associated with travel, membership in national organizations, and the promotion of unclaimed property. The bill would also provide a one-time allocation of $4,700 GPR and $4,800 PR in 2021-22 for costs associated with the new positions and moving the office.

Joint Finance: Provision not included.

3. SMALL BUSINESS RETIREMENT SAVINGS BOARD

Governor: Specify that the State Treasurer serve as one of nine members on the Small Business Retirement Savings Board, administered by the Department of Financial Institutions. The Board would be responsible for establishing and overseeing the Small Business Retirement Savings Program for certain privately-employed individuals who are not offered an employer-sponsored retirement plan.

The Board would be required to design the program to: (a) allow eligible employees to contribute to their accounts through payroll deductions and require participating employers to withhold employee wages, through payroll deductions, employees' account contributions, and remit those contributions directly to the investment administrator; (b) allow the investment administrator to pool accounts as the trustee of account contributions and earnings; (c) limit the investment advisor fee to a fixed monthly amount approved by the Board and keep the administrative costs of the program low; (d) not require a minimum account balance, if the employee makes contributions each pay period; (e) allow account consolidation and rollover; and (f) allow an account owner to continue the account after separating from employment with a participating employer, if the account owner has a positive balance. [See "Financial Institutions."]

Joint Finance: Provision not included.

4. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the Office of the State Treasurer is administratively attached to the Department of Administration for budgeting, program coordination, and related management purposes. While DOA currently provides such services to the Office of the State Treasurer, the Office is not statutorily attached to DOA. The bill would formalize current practice in statute. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

SUPREME COURT

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$36,021,400	$34,747,800	$34,747,800	$0	0.0%	- $1,273,600	- 3.5%
FED	1,958,000	1,984,600	1,984,600	0	0.0	26,600	1.4
PR	26,914,600	28,145,500	28,796,200	650,700	2.3	1,881,600	7.0
SEG	1,673,000	1,193,100	1,193,100	0	0.0	- 479,900	- 28.7
TOTAL	$66,567,000	$66,071,000	$66,721,700	$650,700	1.0%	$154,700	0.2%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	115.50	115.50	115.50	0.00	0.00
FED	5.00	5.00	5.00	0.00	0.00
PR	110.75	103.75	110.75	7.00	0.00
SEG	5.00	1.60	1.60	0.00	- 3.40
TOTAL	236.25	225.85	232.85	7.00	- 3.40

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	- $1,273,600	0.00
PR	1,230,900	- 7.00
FED	26,600	0.00
SEG	- 200,100	0.00
Total	- $216,200	- 7.00

Governor/Joint Finance: Request $160,700 in 2021-22 and -$376,900 in 2022-23 and -7.0 positions annually for standard budget adjustments associated with: (a) full finding of continuing position salaries and fringe benefits (-$497,200 GPR, $1,347,200 PR, $13,300 FED and -$60,600 SEG annually); (b) full funding of lease and directed move costs (-$142,400 GPR, -$410,100 PR, and -$39,500 SEG in 2021-22 and -$136,800 GPR, -$402,700 PR, and -$39,400 SEG in 2022-23; and (c) removal of non-continuing elements from the base (-$50,000 PR in 2021-22 and -$600,700 PR in 2022-23, and -7.0 PR project positions annually).

2. ELIMINATE MEDICAL MEDIATION PANEL POSITIONS

	Funding	Positions
SEG	- $279,800	- 3.40

Governor/Joint Finance: Provide adjustments of -$139,900 and -3.4 positions annually to eliminate vacant positions and associated salary and fringe benefits funding from the Medical Mediation Panel. The Medical Mediation Panel manages the mediation system, which permits any person who has a tort or breach of contract claim for bodily injury or death based on professional services rendered or omitted by a health care provider to file a request for mediation funds, financed from filing fees and fees charged to health care providers. The Director of State Courts indicates that the 3.4 positions recommended for elimination are no longer necessary and have been vacant for at least five years. The Medical Mediation Panel office would continue to operate under the Medical Mediation Director (0.6 FTE) and Medical Mediation Assistant (0.6 FTE).

3. CONSOLIDATED COURT AUTOMATION PROGRAMS POSITION AUTHORITY

	Funding	Positions
PR	$650,700	7.00

Joint Finance: Provide $50,100 in 2021-22, $600,600 in 2022-23, and 7.0 positions annually for the Consolidated Court Automation Programs (CCAP). In May, 2020, the Director of State Courts Office requested the creation of 20.0 PR positions for CCAP under s. 16.505. On June 2, 2020, the Joint Committee on Finance approved the creation of 13.0 permanent positions and 7.0 two-year project positions. This item would convert the 7.0 project positions to permanent operating systems technical support positions. [Note that the 7.0 project positions are deleted under standard budget adjustments.]

4. JUDICIAL SALARY INCREASES

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

TOURISM

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$10,701,400	$22,848,100	$13,516,200	- $9,331,900	- 40.8%	$2,814,800	26.3%
FED	1,547,200	1,556,000	1,556,000	0	0.0	8,800	0.6
PR	18,816,800	9,424,400	18,824,400	9,400,000	99.7	7,600	0.0
SEG	3,207,000	3,207,000	3,207,000	0	0.0	0	0.0
TOTAL	$34,272,400	$37,035,500	$37,103,600	$68,100	0.2%	$2,831,200	8.3%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	32.00	32.50	32.00	- 0.50	0.00
FED	1.00	1.00	1.00	0.00	0.00
PR	1.00	1.00	1.00	0.00	0.00
SEG	0.00	0.00	0.00	0.00	0.00
TOTAL	34.00	34.50	34.00	- 0.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Funding	Positions
GPR	$543,600	- 3.00
PR	7,600	0.00
FED	8,800	0.00
Total	$560,000	- 3.00

Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits ($257,200 GPR, $3,800 PR, and $4,400 FED annually); (b) full funding of lease and directed moves costs ($14,600 GPR annually); and (c) removal of noncontinuing elements from the base (-3.00 GPR positions annually).

2. MARKET EXPANSION FUNDS [LFB Paper 580]

GPR	$1,563,600

Governor/Joint Finance: Provide $781,800 each year in ongoing funding for Tourism's general marketing of Wisconsin as a travel destination. 2019 Act 9 provided $781,800 each year

of the 2019-21 biennium in the Joint Committee on Finance's supplemental GPR appropriation for Tourism to request under s. 13.10 of the statutes. In September, 2019, the Committee transferred the amounts to Tourism on a one-time basis during the biennium. The bill would provide this amount as base funding under Tourism's biennial GPR marketing appropriation.

During the 2019-21 biennium, the Department of Tourism utilized this funding to begin expansion into three new markets: Cedar Rapids and Davenport, Iowa, and Grand Rapids, Michigan. In March, 2021, Tourism also indicated an intent to expand to Rochester and Duluth, Minnesota; Des Moines, Iowa; Rockford, Illinois; and Wausau. Tourism also would continue to utilize marketing funds for travel research, advertising campaign testing, marketing planning, media planning, and advertising production. The Department's typical targeted markets have included Chicago, Minneapolis/St. Paul, and St. Louis, in addition to in-state areas.

3. NATIVE AMERICAN TOURISM OF WISCONSIN CONTRACT [LFB Paper 581]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $800,000	$800,000	$0

Governor: Increase the marketing contract with Native American Tourism of Wisconsin (NATOW) from $200,000 to $400,000 each year. Additionally, transfer $400,000 tribal gaming PR each year and administration of the contract from Tourism to the Department of Administration (DOA).

Currently, Tourism administers $200,000 each year under contract with NATOW, a part of the Great Lakes Inter-Tribal Council (GLITC), for marketing tribal destinations and producing promotional materials. The administration intends for additional funding to aid in the economic recovery of tribal tourism. Funds are intended to increase NATOW's technical assistance capacity and to identify recovery initiatives and marketing strategies for tribal entities. [See "Administration -- Division of Gaming."]

Joint Finance: Provision not included.

4. CONVERT TRIBAL GAMING MARKETING FUNDS TO GENERAL PURPOSE REVENUE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$8,600,000	- $8,600,000	$0
PR	- 8,600,000	8,600,000	0
Total	$0	$0	$0

Governor: Convert $4,300,000 of marketing funding in each year to GPR from tribal gaming PR. The administration indicates the provision is part of a reallocation of tribal gaming

revenues to other programs intended to benefit tribal communities. [See "Administration -- Division of Gaming.]

Joint Finance: Provision not included.

5. OFFICE OF OUTDOOR RECREATION [LFB Paper 582]

	Funding	Positions
GPR	$707,600	3.00

Governor: Provide $353,800 annually with 3.0 permanent positions for the Office of Outdoor Recreation. 2019 Act 9 provided 3.0 GPR project positions and one-time funding in the 2019-21 biennium for the creation and operation of the Office of Outdoor Recreation (OOR) to promote Wisconsin's outdoor recreational opportunities and to connect businesses in the outdoor recreation industry. These original positions and funding expire on June 30, 2021. The provision would authorize staffing and funding for the OOR on a permanent basis.

Joint Finance: Specify that the funding is one-time and that the positions are two-year project positions.

6. CREATIVE ECONOMY DEVELOPMENT INITIATIVE GRANTS [LFB Paper 583]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide the Arts Board $250,000 annually under its appropriation for state aid for the arts to make competitive grants in the 2021-23 fiscal biennium for the development of the creative industry, defined as individuals or organizations whose products or services have an origin in artistic, cultural, creative, or aesthetic content. Specify grantees may include for-profit or nonprofit businesses, local governmental agencies, and business development organizations or associations that work to promote creative industries, job creation, economic development, arts education, or workforce training and development.

Limit grants to $40,000 per recipient, and require grantees to contribute a match of at least twice the amount of the proposed grant from nonstate sources. Further, require the Arts Board to create a matrix to evaluate the effectiveness of the grants awarded and submit a report to the Joint Committee on Finance by May 1, 2023, evaluating the effectiveness of the grants on the basis of the matrix developed.

Although the bill would provide $500,000 in the 2021-23 biennium and require the Arts Board to award up to that amount for creative economy development grants, the $250,000 provided annually under the bill would be ongoing base funding for state aid for the arts after the 2021-23 biennium. The administration indicates one-time funding was intended for the provision.

Joint Finance: Provision not included.

7. ARTS BOARD MATCH FUNDING [LFB Paper 584]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$53,200	- $53,200	$0

Governor: Provide $46,600 in 2021-22 and $6,600 beginning in 2022-23 to match anticipated annual federal grants from the National Endowment for the Arts (NEA). The Arts Board uses NEA grants both for agency operations and grants to artists and arts organizations in Wisconsin. NEA grants require at least an equal (dollar-for-dollar) match of state funding. In recent years, state funding levels for the Arts Board have occasionally been less than required to claim the full annual NEA grant.

Joint Finance: Provision not included.

8. MASS BURIAL MONUMENT AT UW-STEVENS POINT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$100,000	- $100,000	$0

Governor: Provide $100,000 in 2021-22 in a continuing appropriation to the Arts Board to support a grant for the design, production, and installation on the UW-Stevens Point campus of a permanent marker in recognition of the Native Americans who died in a scarlet fever epidemic in the area approximately 150 years ago. Require the commissioning of a Native American artist through the Wisconsin Woodland Indian Art Initiative. Funding for the grant is expected to support: (a) a call for art within the Native American community; (b) a design selection process; and (c) production and installation of the monument. The monument would be placed within the burial boundaries on the UW-Stevens Point campus. The UW System would fund costs of site preparation. [See "University of Wisconsin System."]

Joint Finance: Provision not included.

9. AGENCY EQUITY OFFICER

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$78,700	0.50	- $78,700	- 0.50	$0	0.00

Governor: Provide $32,300 in 2021-22 and $46,400 in 2022-23 with 0.5 position for an agency equity officer within the Office of the Secretary. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to

advance equity in government operations. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

10. INTERAGENCY TRANSFERS APPROPRIATION

Governor: Create a new PR continuing appropriation for Tourism to expend all moneys the Department receives from other state agencies for the purposes for which those moneys are received. The administration indicates the appropriation is intended to allow for interagency fund transfers that are not otherwise related to tourism promotion, materials, or other services, each of which are already provided for by existing transfer appropriations. No funding would be budgeted in the appropriation under the bill.

Joint Finance: Provision not included.

11. ADMINISTRATIVE SERVICES FROM DOA

Governor: Specify that Tourism is to receive budgeting, program coordination, and related management services from DOA. The bill would formalize current practice in statute. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

TRANSPORTATION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$232,191,000	$204,502,600	$192,915,000	- $11,587,600	- 5.7%	- $39,276,000	-16.9%
FED	1,778,685,000	1,819,809,700	1,819,687,100	- 122,600	0.0	41,002,100	2.3
PR	21,747,000	21,435,400	22,306,600	871,200	4.1	559,600	2.6
SEG	4,089,817,200	3,850,011,800	4,123,508,900	273,497,100	7.1	33,691,700	0.8
SEG-L	230,651,200	230,894,700	230,651,200	- 243,500	- 0.1	0	0.0
SEG-S	247,718,800	227,529,200	227,529,200	0	0.0	- 20,189,600	- 8.2
TOTAL	$6,600,810,200	$6,354,183,400	$6,616,598,000	$262,414,600	4.1%	$15,787,800	0.2%
BR		$555,823,200	$223,558,200	- $332,265,000	- 59.8%		

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	Joint Finance Change to: 2020-21 Base
FED	825.82	825.82	825.82	0.00	0.00
PR	18.00	18.00	18.00	0.00	0.00
SEG	2,395.29	2,396.29	2,390.09	- 6.20	- 5.20
SEG-S	5.00	5.00	5.00	0.00	0.00
TOTAL	3,244.11	3,245.11	3,238.91	- 6.20	- 5.20

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the estimated 2021-23 transportation fund condition statement under the Joint Finance version of the bill. Revenues reflect reestimates of collections under existing tax, fee, and transfer rates as well as changes that would occur under Joint Finance.

The "General Fund Transfer" amounts reflect the annual statutory transfers made from the general fund to the transportation fund. These amounts include the estimate of the current law

transfer of 0.25% of general fund taxes as well as the estimate of the increased general fund transfers under Joint Finance (see later item). These amounts are also based on estimated tax revenues under Joint Finance actions on general fund taxes. Department of Transportation (DOT) appropriations represent the bulk of the appropriations from the transportation fund. However, appropriations are also made for the following purposes, which are shown in the table, in total, as "Other Agency Appropriations": (a) to the Department of Revenue for the administration of the motor fuel tax, the air carrier and railroad property taxes, and the rental vehicle fee; (b) to the conservation fund to reflect estimated motor fuel taxes paid by users of motorboats, snowmobiles, all-terrain vehicles, and utility-terrain vehicles; (c) railroad terminal tax distributions, which are payments made to local governments where railroad terminal property is located; and (d) payment of reissued checks related to DOT.

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

2. GENERAL FUND TRANSFERS TO TRANSPORTATION FUND

GPR-Transfer	$188,762,800
SEG-REV	188,762,800

Joint Finance: Reestimate the current law transfer compared to 2019-21 to reflect estimates of general fund tax revenues under Joint Finance Committee action by $5,966,000 in 2021-23. Increase the current law, annual transfer to the transportation fund of 0.25% of general fund taxes for each year in the general fund condition statement as enacted in the biennial budget, to 1.0% on a one-time basis in 2021-22 and to 0.5% in 2022-23 and thereafter. Compared to current law, these provisions would increase general fund transfers to the transportation fund by $182,796,800 in the biennium ($134,152,200 in 2021-22 and $48,644,600 in 2022-23) to $276,158,900 in the biennium ($178,869,600 in 2021-22 and $97,289,300 in 2022-23).

3. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

Under current law, the transportation fund annually receives revenue from the general fund and the petroleum inspection fund (PIF) to support transportation programs. The following table indicates the estimated amounts to be transferred from the general fund and the petroleum inspection fund in the 2021-23 biennium, as well as the amounts to be transferred in the current biennium. Use of other funds under the Joint Finance version of the bill are estimated to total $319.8 million compared to an estimated $131.0 million under the Governor's recommendations.

The current law general fund transfer is equal to 0.25% of general fund tax collections for each year in the fund condition statement for the general fund as enacted in each biennial budget. The Joint Finance version of the bill would modify the current law, annual transfer of 0.25% of general fund taxes to the transportation fund. In 2021-22, on a one-time basis, this percentage would equal 1.0%. For 2022-23 and annually thereafter, the ongoing transfer percentage would equal 0.5%. The GPR amounts to be transferred reflect the estimated general fund tax collections under Joint Finance action on general fund taxes.

Two annual transfers are also made from the petroleum inspection fund: (a) an ongoing transfer of $6,258,500; and (b) beginning on June 30, 2020, the transfer of the unencumbered balance of the petroleum inspection fund to the transportation fund, except for an amount equal to not less than 5% of the gross revenues of the petroleum inspection fund during the fiscal year in which the transfer is made. Under Joint Finance, there would be no change in law related to these two transfers from the petroleum inspection fund. The annual PIF unencumbered balance transfer is estimated at $15,088,900 in 2021-22 and $15,985,800 in 2022-23. The larger estimated transfer amount in 2019-21 reflects the large unencumbered balance available in the initial year of the transfer. In 2019-20, the initial transfer of the unencumbered PIF balance resulted in a $61.3 million transfer to the transportation fund. These transfers are in addition to the ongoing statutory transfer from the petroleum inspection fund to the transportation fund of $6,258,500 annually.

Use of Other Funds for Transportation Purposes -- Joint Finance
Biennial Comparison

	2019-21	2021-23	Biennial Change	% Change
General Fund				
Current Law Transfer	$87,396,100	$93,362,100	$5,966,000	6.8%
One-Time Transfer 2021-22	0	134,152,200	134,152,200	N/A
Ongoing Transfer 2022-23 and Thereafter	0	48,644,600	48,644,600	N/A
Subtotal	$87,396,100	$276,158,900	$188,762,800	216.0%
Petroleum Inspection Fund				
Annual Transfer Unencumbered Balance	$74,068,100	$31,074,700	-$42,993,400	-58.0%
Ongoing Appropriation Transfer	12,517,000	12,517,000	0	0.0
Subtotal	$86,585,100	$43,591,700	-$42,993,400	-49.7%
Total	$173,981,200	$319,750,600	$145,769,400	83.8%

Note: Excludes debt service amounts on general fund-supported bonds issued for transportation purposes, other GPR appropriations provided for specific transportation purposes, and the direct deposit to the transportation fund of one cent of the two-cent petroleum inspection fee.

4. ALLOCATION OF FEDERAL HIGHWAY AID

Governor: Estimate federal highway formula aid at $803,497,300 in 2021-22 and $819,556,000 in 2022-23, which represents increases of $12,524,000 in 2021-22 and $28,582,700 in 2022-23, relative to the 2020-21 appropriation adjusted base. The actual amount of the state's federal highway aid in 2021-23 will be determined on an annual basis under federal transportation appropriations acts of Congress. The estimate reflects uncertainty regarding the amount of federal transportation aid that will be appropriated by the federal government and made available to the state in the biennium. In addition, the federal surface transportation authorization act (the FAST Act) was set to expire on September 30, 2020 (state fiscal year 2020-21), but was extended for one additional year, through September 30, 2021, as part of a federal continuing resolution.

The following table shows the change to the appropriation base recommended by the Governor and the resulting distribution of federal highway formula aid. As shown in the table, the Governor's recommendation would primarily increase federal highway aid to the state highway rehabilitation program and major highway development program, while decreasing the amount of federal funds allocated to the southeast Wisconsin freeway megaprojects program, with minor adjustments to other appropriation allocations.

Appropriation	Base	Change to Base 2021-22	Change to Base 2022-23	Governor 2021-22	Governor 2022-23
State Highway Rehabilitation	$453,626,100	$13,371,300	$29,430,000	$466,997,400	$483,056,100
Major Highway Development	171,671,600	10,505,200	12,505,200	182,176,800	184,176,800
Local Transportation Facility Improvement Assistance	72,279,800	8,600	8,600	72,288,400	72,288,400
Southeast Freeway Megaprojects	27,386,300	-11,386,300	-13,386,300	16,000,000	14,000,000
Local Bridge Improvement	24,460,900	20,100	20,100	24,481,000	24,481,000
Departmental Mgmt. and Ops.	15,461,800	63,300	63,300	15,525,100	15,525,100
Congestion Mitigation/Air Quality Improvement	10,719,000	0	0	10,719,000	10,719,000
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Administration and Planning	3,803,300	-23,100	-23,100	3,779,900	3,779,900
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Highway System Mgmt. and Ops.	1,223,700	-35,100	-35,100	1,188,600	1,188,600
Total	$790,973,300	$12,524,000	$28,582,700	$803,497,300	$819,556,000

Joint Finance: Incorporate modifications to standard budget adjustments to reflect changes in turnover calculation. Provide an equal amount of federal aid for program funding for the state highway rehabilitation ($325,300 annually), major highway development ($78,200 annually), and southeast Wisconsin freeway megaprojects ($42,600 annually) programs associated with modifying position turnover calculations in order to maintain the same level of federal funding recommended by the Governor for those programs.

Appropriation	Governor 2021-22	Governor 2022-23	Change to Bill* 2021-22	Change to Bill* 2022-23	Joint Finance 2021-22	Joint Finance 2022-23
State Highway Rehabilitation	$466,997,400	$483,056,100	$0	$0	$466,997,400	$483,056,100
Major Highway Development	182,176,800	184,176,800	0	0	182,176,800	184,176,800
Southeast Freeway Megaprojects	16,000,000	14,000,000	0	0	16,000,000	14,000,000
Local Transportation Facility Improvement Assistance	72,288,400	72,288,400	-5,600	-5,600	72,282,800	72,282,800
Local Bridge Improvement	24,481,000	24,481,000	-5,600	-5,600	24,475,400	24,475,400
Departmental Mgmt. and Ops.	15,525,100	15,525,100	0	0	15,525,100	15,525,100
Congestion Mitigation/Air Quality Improvement	10,719,000	10,719,000	0	0	10,719,000	10,719,000
Transportation Alternatives	7,049,300	7,049,300	0	0	7,049,300	7,049,300
Administration and Planning	3,779,900	3,779,900	-26,600	-26,600	3,753,300	3,753,300
Railroad Crossing Improvements	3,291,800	3,291,800	0	0	3,291,800	3,291,800
Highway System Mgmt. and Ops.	1,188,600	1,188,600	-16,400	-16,400	1,172,200	1,172,200
Total	$803,497,300	$819,556,000	-$54,200	-$54,200	$803,443,100	$819,501,800

* A modification to standard budget adjustments adopted by Joint Finance associated with position turnover resulted in minor decreases to some federal appropriations. All decreases shown are a result of this change.

5. MOTOR VEHICLE FUEL SUPPLIER ADMINISTRATIVE ALLOWANCE

SEG-REV - $9,200,000

Joint Finance: Increase from 0.675% to 1.35% the administrative allowance that a licensed motor vehicle fuel supplier may deduct when remitting the fuel tax on gasoline to the Department

of Revenue. Under current law, licensed motor vehicle fuel suppliers may deduct an allowance of 0.675% when remitting the fuel tax on gasoline to DOT. Of the 0.675% allowance, 0.625% must be passed on to the wholesale distributor by the supplier when the distributor pays the gasoline tax to the supplier. The allowance does not pertain to diesel fuel or the petroleum inspection fee. Specify that a licensed motor vehicle fuel supplier may deduct an allowance of 1.35% when remitting the fuel tax on gasoline to the Department and, of the 1.35% allowance, 1.25% would be required to be passed on to the wholesale distributor by the supplier when the distributor pays the gasoline tax to the supplier. Specify that the provision would become effective on the first day of the third month beginning after publication of the bill. Assuming an October 1, 2021, effective date, decrease estimated transportation fund revenue by $3,800,000 SEG-REV in 2021-22 and by $5,400,000 SEG-REV in 2022-23.

6. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2019-21 biennium, under the Governor's 2021-23 recommendations, and the Joint Finance version of the bill, by type of bond and program or project. The bill would not authorize any general fund-supported, general obligation bonding for transportation purposes in the 2021-23 biennium. Although the Joint Finance version of the bill would authorize a lesser amount of transportation revenue bond authority than the Governor's recommendations, it would still fund the major highway development program and administrative facilities programs at the same level by utilizing existing transportation revenue bond authority of $20,765,000 in the major highway development program and $13,000,000 in the administrative facilities program rather than authorizing new bonds. Projects may be initially financed through a temporary use of cash balances from the respective funds. Eventually, bonds are sold to replenish those balances and bond proceeds become the ultimate financing source for these projects.

	2019-21	Governor 2021-23	Joint Finance 2021-23
Transportation Fund-Supported, General Obligation Bonds			
State Highway Rehabilitation	$0	$278,500,000	$0
Southeast Wisconsin Freeway Megaprojects	95,000,000	40,000,000	40,000,000
Freight Rail Preservation	30,000,000	20,000,000	20,000,000
Harbor Assistance	32,000,000	15,300,000	15,300,000
Design-Build Projects	0	20,000,000	20,000,000
Local Infrastructure Grants	0	15,000,000	0
Electric Vehicle Infrastructure	0	5,000,000	0
Major Interstate Bridges	27,000,000	0	0
High-Cost Bridge	-10,000,000	0	0
Subtotal	$174,000,000	$393,800,000	$95,300,000
Transportation Revenue Bonds			
Major Highway Development*	$142,254,600	$149,023,200	$128,258,200
Administrative Facilities**	0	13,000,000	0
Subtotal	$142,254,600	$162,023,200	$128,258,200
GPR-Supported, General Obligation Bonds			
Passenger Rail Development	$10,000,000	$0	$0
Total	$326,254,600	$555,823,200	$223,558,200

* The Joint Finance version of the 2021-23 budget would allocate $20,765,000 in existing revenue bond proceeds for the major highway development program.
** The 2019-21 budget allocated $9.1 million in existing revenue bond proceeds for the administrative facilities program. The Joint Finance version of the 2021-23 budget would allocate $13.0 million in existing revenue bond proceeds for the administrative facilities program.

7. TRANSPORTATION REVENUE BOND AUTHORIZATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$162,023,200	- $33,765,000	$128,258,200

Governor: Provide transportation revenue bond authority of $162,023,200, reflecting the planned use of revenue bonds for major highway development projects (for fiscal effect, see "State Highway Program") and administrative facilities construction projects (for fiscal effect, see "Departmentwide") in the 2021-23 biennium.

The Department estimates that a balance of $33,765,000 in unused transportation revenue bond authority will remain available at the end of the 2019-21 biennium. This balance, along with the Governor's recommended increase in revenue bond authority, would result in the availability of $195,788,200 in ongoing authority. Of this total, $162,023,200 SEG-S would be appropriated in the 2021-23 biennium, as follows: (a) $75,511,600 in 2021-22 and $73,511,600 in 2022-23 for the major highway development program; and (b) $6,500,000 annually for administrative facility construction projects. Estimated reductions to transportation fund revenue would be $1,025,200 in

2021-22 and $7,580,900 in 2022-23, associated with the debt service due from the partial issuance of these bonds in the biennium (shown in a separate item). Under the Governor's recommendation, $33,765,000 in existing unused revenue bond funding would remain available for the 2023-25 biennium to fund projects initiated in the 2021-23 biennium.

Joint Finance: Authorize $128,258,200 in transportation revenue bonds for major highway development projects. Require DOT to use up to $20,765,000 of existing revenue bond authority for major highway development projects, and up to $13,000,000 of existing revenue bond authority to fund administrative facility projects.

8. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY

This item summarizes the transportation fund-supported and general fund-supported debt service on transportation-related bonds under current law and the Joint Finance version of the bill.

Transportation Fund-Supported. Estimated transportation fund-supported debt service on previously authorized bonds and the bonds authorized in the biennium would total $367,996,900 in 2021-22 and $381,284,000 in 2022-23. Reestimates of existing transportation fund-supported debt service on bonds issued for transportation purposes are shown in separate entries. The following table provides information on the estimates of transportation fund-supported debt service levels for each year of the 2019-21 biennium, as well as for each year of the 2021-23 biennium under Joint Finance. Gross transportation fund revenue includes revenues from changes under the Joint Finance version of the bill.

Gross Transportation Fund Revenue*
(Excluding Federal Aid, Bond Revenue, and Transfers from Other Funds)
and Transportation Fund-Supported Debt Service
($ in Millions)

Fiscal Year	Transportation Fund Debt Service	Gross Transportation Fund Revenue	Debt Service as % of Revenue
2019-20	$371.1	$2,006.2	18.5%
2020-21	361.8	2,099.4	17.2
2021-22	368.0	2,129.9	17.3
2022-23	381.3	2,167.0	17.6

*Revenue is shown before the payment of revenue bond debt service.

Note: Debt service and revenue amounts shown for 2019-20 are actual. Amounts for 2020-21 reflect a May, 2021, re-estimate. Amounts for 2021-22 and 2022-23 are estimated and reflect existing debt service and debt service on bonds authorized under Joint Finance.

General Fund-Supported. General fund-supported debt is not included in the above calculation of transportation fund-supported debt service as a percentage of transportation revenue. The reestimate of existing general fund-supported debt service on bonds issued for transportation purposes ($102.1 million in 2021-22 and $90.8 million in 2022-23) is shown in a separate entry.

9. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE [LFB Papers 606 and 630]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	- $47,911,800	$2,133,000	- $45,778,800

Governor: Decrease estimated transportation fund revenue by $30,700,900 in 2021-22 and by $17,210,900 in 2022-23 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds. Of these amounts, $943,900 in 2021-22 and $6,978,100 in 2022-23 relate to the revenue bonds that would be authorized under the bill for the major highway development program and $81,300 in 2021-22 and $602,800 in 2022-23 relate to the revenue bonds that would be authorized under the bill for DOT administrative facilities purposes.

Revenue bond debt service is primarily paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, these debt service payments are considered a negative adjustment to revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2020-21 is estimated at $195,438,800, an amount that is projected to increase under the bill to an estimated $226,139,700 in 2021-22 and $212,649,700 in 2022-23.

Joint Finance: Increase estimated transportation fund revenue by an additional $5,377,000 in 2021-22 and decrease estimated transportation fund revenue by an additional $3,244,000 in 2022-23 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds. Of these amounts, revenue reductions of $943,900 in 2021-22 and $6,978,100 in 2022-23 relate to the revenue bonds that would be authorized or issued under the bill for the major highway development program and revenue reductions of $81,300 in 2021-22 and $602,800 in 2022-23 relate to the revenue bonds that would be authorized and issued in the biennium for DOT administrative facilities purposes. Total transportation revenue bond debt service in 2020-21 is estimated at $195,438,800, an amount that is projected to increase to an estimated $220,762,700 in 2021-22 and $215,893,700 in 2022-23.

10. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY AND HIGH-COST BRIDGE PROJECTS [LFB Papers 102, 607, and 608]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $5,752,500	- $4,089,700	- $9,842,200

Governor: Decrease funding by $5,571,000 in 2021-22 and $181,500 in 2022-23 to fund the estimated transportation fund-supported, general obligation bond debt service associated with

bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge projects. Base funding for these appropriations is $95,411,300, and would decrease to $89,840,300 in 2021-22 and $95,229,800 in 2022-23 under this reestimate.

Joint Finance: Decrease estimated debt service by an additional $3,472,800 in 2021-22 and an additional $616,900 in 2022-23. The decrease is associated with a reestimate of existing debt service but also includes the following: (a) an increase of $1,052,500 in 2022-23 associated with the partial issuance of $40.0 million in bonds in the southeast Wisconsin freeway megaprojects program for the I-94 East-West project; and (b) an increase of $1,052,500 in 2022-23 associated with the partial issuance of $20.0 million in bonds for design-build projects (see "State Highway Program"). Base funding for these appropriations is $95,411,300, and would decrease to $86,367,500 in 2021-22 and $94,612,900 in 2022-23 under this reestimate.

11. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS [LFB Paper 102]

SEG	- $3,998,200

Governor/Joint Finance: Decrease funding by $1,933,400 in 2021-22 and $2,064,800 in 2022-23 to fund the estimated transportation fund-supported, general obligation bond debt service associated with existing bonds authorized for state highway rehabilitation and major highway development projects. No new bonds would be authorized associated with this bonding purpose under the bill. Base funding for this appropriation is $14,310,000, and would decrease to $12,376,600 in 2021-22 and $12,245,200 in 2022-23 under this reestimate.

12. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS [LFB Papers 102, 596, and 597]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $9,725,100	- $3,607,100	- $13,332,200

Governor: Decrease funding by $10,210,700 in 2021-22 and increase funding by $485,600 in 2022-23 to fund the estimated transportation fund-supported, general obligation bond debt service for state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities and with those bonds that would be authorized under the bill. Combined base funding for these appropriations is $60,177,000, and would decrease to $49,966,300 in 2021-22 and increase to $60,662,600 in 2022-23 under this reestimate.

Joint Finance: Decrease estimated debt service by an additional $1,476,500 in 2021-22 and an additional $2,130,600 in 2022-23. The decrease is associated with a reestimate of existing debt service but also includes the following: (a) an increase of $526,300 in 2022-23 associated with the partial issuance of $20.0 million in bonds in the freight rail preservation program; and (b) an

increase of $402,600 in 2022-23 associated with the partial issuance of $15.3 million in bonds for the harbor assistance program (see "Local Transportation Assistance"). Combined base funding for these appropriations is $60,177,000, and would decrease to $48,489,800 in 2021-22 and $58,532,000 in 2022-23 under this reestimate.

13. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $28,188,400	- $11,087,600	- $39,276,000

Governor: Decrease funding by $7,690,300 in 2021-22 and by $20,498,100 in 2022-23 to fund the reestimated debt service associated with existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. No new general fund-supported, general obligation bonds would be authorized under the bill. Base funding for these appropriations are $116,095,500 and would decrease to $108,405,200 in 2021-22 and $95,597,400 in 2022-23.

Joint Finance: Decrease funding by an additional $6,296,500 in 2021-22 and by an additional $4,791,100 in 2022-23 to fund the reestimated debt service associated with existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. No new general fund-supported, general obligation bonds would be authorized under the bill. Base funding for these appropriations are $116,095,500 and would decrease to $102,108,700 in 2021-22 and $90,806,300 in 2022-23.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS [LFB Paper 590]

SEG	$19,095,300

Governor/Joint Finance: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by $611,000 in 2021-22 and $3,067,300 in 2022-23 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for counties. The calendar year distribution for counties is currently equal to $122,203,200. This would provide a calendar year distribution amount for counties equal to $124,647,300 for 2022 and $127,140,200 for 2023 and thereafter.

b. *Municipal Aid.* Increase funding by $3,835,100 in 2021-22 and $11,581,900 in 2022-23 to fund a 2.0% increase each year to the calendar year general transportation aid distribution

for municipalities. The calendar year distribution level for municipalities is currently equal to $383,503,200. This would provide a calendar year distribution amount for municipalities equal to $391,173,300 for 2022 and $398,996,800 for 2023 and thereafter. Increase the mileage aid rate by 2.0% each year (from its current level of $2,628 per mile) to $2,681 per mile for calendar year 2022 and $2,734 per mile for calendar year 2023 and thereafter.

There are two basic formulas by which general transportation aid is distributed: (a) share of costs aid; and (b) mileage aid. Counties receive only share of costs aid, while municipalities (including towns) receive payments based on either share of costs aid or mileage aid, whichever is greater. Share of costs aid amounts are computed by multiplying each community's six-year average highway-related costs (2014 through 2019 for 2021 payments) by a statewide average cost-sharing percentage. Mileage aid (mostly received by towns) is computed by multiplying the number of miles of road or street under the jurisdiction of each municipality by a specified mileage rate.

Delete the statutory references to prior calendar year funding amounts for counties and municipalities, as well as the prior year mileage aid rate amounts for municipalities.

2. GENERAL TRANSPORTATION AID FORMULA ADJUSTMENT FOR TOWNS WITH LOW EQUALIZED VALUES

Joint Finance: For a town with an equalized value in the previous year in the bottom quartile of equalized values of towns in the state for that year, increase the current law 85% cost cap under the general transportation aid (GTA) formula to 98%, so that no such town in the bottom quartile may receive a GTA distribution greater than 98% of its 3-year average costs. Specify that equalized values would be those determined by the Department of Revenue under current law. Given that this adjustment to the cost threshold would occur within the aid formula, any funds needed to cover up to 98% of cost for affected towns would be drawn from municipalities on the share of cost component of the formula. The proposal would reduce funding otherwise available to those municipalities on the share-of-cost component of the GTA formula (primarily villages and cities). Had this provision been in effect in 2021, it would have made $550,000 less available for these municipalities.

3. GENERAL TRANSPORTATION AID LIMITATION ADJUSTMENT APPROPRIATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$0	$2,000,000	$2,000,000

Joint Finance: Provide $1,000,000 SEG annually to a new, annual appropriation to make general transportation aid (GTA) adjustment payments to towns receiving mileage aid whose costs are affected by the timing of when reimbursement payments are reported as revenue. Specify that if the amount of GTA paid to a town is limited by either the 85% cost cap or 98% cost cap (as provided in the prior item), to an amount less than the amount calculated under the mileage aid formula, and DOT determines that the limitation was caused by the timing of a reimbursement

(typically a disaster damage aid payment or a local road improvement project payment) for an expenditure made by the town, the Department would be required to make an additional aid payment to the town from the appropriation in an amount that DOT determines will compensate the town for the diminished payments. Provide that if the moneys appropriated are not sufficient to fully compensate towns qualifying for adjustment payments, the Department may prorate the payments among qualifying towns.

4. LIMIT PENALTY FOR LATE REPORTING OF GENERAL TRANSPORTATION AID DATA FOR CERTAIN COUNTIES AND MUNICIPALITIES [LFB Paper 590]

Governor: Limit the penalty that the Department may assess a county or municipality that exceeds 25,000 in population for filing late the required reports used in the general transportation aid formula calculations to an amount not to exceed $100 for each working day after July 31 that the reports are submitted. Under current law, all local governments must report their highway-related expenditures for each calendar year and are subject to a penalty for reporting the data late. This information is submitted on financial report forms required by the Department of Revenue (DOR), which provides this information to DOT. For municipalities and counties with populations over 25,000, an audited financial statement with supporting schedules must accompany the standard financial report and must be submitted by July 31 of the following year. If a local government with a population over 25,000 files a late report, its total aid for the following year is reduced by 1% for each working day that the report is late, to a maximum reduction of 10% (the resulting payment cannot be less than 90% of the previous year's payment). If the report is not received within 30 days of the filing date, the payment will equal 90% of the previous year's payment. This provision would limit the amount of this reduction to no more than $100 for each working day after July 31 that the financial reports are submitted. Penalty amounts calculated for an aid year are redistributed to other counties or municipalities on the aid formula in that year.

Joint Finance: Provision not included.

5. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 591]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$3,547,300	- $44,888,900	- $41,341,600

Governor: Provide $705,900 in 2021-22 and $2,841,400 in 2022-23 to provide a 2.5% increase in mass transit operating assistance to each tier of mass transit systems for both calendar year 2022 and calendar year 2023. Specify that the increase in funding would be distributed as follows: (a) $409,200 in 2021-22 and $1,647,200 in 2022-23 for Tier A-1 (Milwaukee County); (b) $107,500 in 2021-22 and $432,800 in 2022-23 for Tier A-2 (Madison); (c) $156,100 in 2021-22 and $628,300 in 2022-23 for Tier B transit systems (systems serving a population of 50,000 or more that are not in Tiers A-1 or A-2); and (d) $33,100 in 2021-22 and $133,100 in 2022-23 for Tier C transit systems (systems serving areas with population between 2,500 and 50,000).

Set the statutory calendar year distribution amounts as follows; (a) $67,114,700 for 2022

and $68,792,600 for 2023 for Tier A-1; (b) $17,635,500 for 2022 and $18,076,400 for 2023 for Tier A-2; (c) $25,600,800 for 2022 and $26,240,800 for 2023 for Tier B; and (d) $5,425,000 in 2022 and $5,560,600 for 2023 for Tier C.

It should be noted that while the calendar year statutory distribution amounts for each year would represent a 2.5% annual increase in transit funding, as recommended, the funding provided in the bill for 2022-23 would not fully fund the 2.5% increase for calendar year 2023. An additional $705,900 in funding would be needed in 2022-23 to provide the 2.5% increase in 2023 ($409,200 for Tier A-1, $107,500 for Tier A-2, $156,100 for Tier B, and $33,100 for Tier C).

Delete the statutory references to prior calendar year funding amounts for each tier of transit systems.

Joint Finance: Delete $705,900 in 2021-22 and $2,841,400 in 2022-23 associated with the proposed increase in mass transit operating assistance to each Tier of systems and reduce funding by $10,335,400 in 2021-22 and $31,006,200 in 2022-23 to reflect a one-time 50% funding reduction in calendar year 2022 aid for Tier A-1 (Milwaukee) and Tier A-2 (Madison) systems. Funding would be reduced by$8,184,700 in 2021-22 and $24,554,200 in 2022-23 for Tier A-1; and (b) $2,150,700 in 2021-22 and $6,452,000 in 2022-23 for Tier A-2.

Specify that base funding for mass transit operating assistance would remain at $112,952,300 annually (the 2020-21 funding amount) to begin the 2023-25 biennium. Delete the statutory references to prior calendar year funding amounts for Tier A-1 and Tier A-2 of mass transit systems. Set the statutory calendar year distribution amounts at $32,738,900 in 2022 and $65,477,800 in 2023 and thereafter for Tier A-1, $8,602,700 in 2022 and $17,205,400 in 2023 and thereafter for Tier A-2.

6. TRANSIT CAPITAL ASSISTANCE GRANTS [LFB Paper 592]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$20,000,000	- $20,000,000	$0

Governor: Provide $10,000,000 annually to a new continuing SEG appropriation under DOT for transit capital assistance grants. Require DOT to administer a transit capital assistance grant program and award grants to eligible applicants for the replacement of public transit vehicles. Specify that DOT would be required to establish criteria for awarding grants under the transit capital assistance grant program.

Define "eligible applicant" to mean a local public body in an urban area that is served by an urban mass transit system incurring an operating deficit. Specify that "public transit vehicle" would mean any vehicle used for providing transportation service to the general public that is eligible for replacement as an eligible mitigation action established under the Volkswagen settlement.

Joint Finance: Provision not included.

7. TRANSPORTATION EMPLOYMENT AND MOBILITY [LFB Paper 593]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$8,000,000	- $7,500,000	$500,000

Governor: Provide $4,000,000 annually to the Department's transportation employment and mobility continuing appropriation. This would increase funding from $582,600 in base funding to $4,582,600 annually. Under current law, DOT may award grants from this appropriation to public and private organizations for the development and implementation of demand management, ridesharing, and job access and employment transportation assistance programs. Currently, the Wisconsin employment transportation assistance program (WETAP) is funded from this appropriation. WETAP is an annual competitive grant program that combines both state and federal funding for transit systems and organizations that assist low-income individuals in getting to work.

Under a separate provision in the bill, the definition of "project" under DWD's employment transit assistance grants program would be expanded by repealing the specification that a project be "located in outlying suburban and sparsely populated and developed areas that are not adequately served by a mass transit system." As redefined under the bill, a "project" would improve access to jobs, including part-time jobs and Wisconsin works employment positions, and to develop innovative transit service methods. [See "Workforce Development -- Employment and Training."]

Under current law, the Department of Workforce Development (DWD) is appropriated $464,800 GPR annually for employment transit assistance grants. Although not statutorily required, DWD typically transfers all funding appropriated for the employment transit grants program to DOT to jointly fund WETAP. The additional funding provided to DOT under the bill would increase funding to the WETAP program to $5,047,400, if combined with the funding provided to DWD.

Joint Finance: Reduce funding by $7,500,000 SEG to provide $250,000 SEG annually to the Department's transportation employment and mobility continuing appropriation. This would increase funding from $582,600 in base funding to $832,600 annually. The additional funding provide to DOT would increase funding available to the WETAP program to $1,297,400, when combined with $464,800 GPR provided annually to the Department of Workforce Development (DWD).

In separate action, under Workforce Development, the expansion of the definition of "project" under DWD's employment transit assistance grants program was removed by the Finance Committee.

8. PARATRANSIT AIDS

SEG	$228,700

Governor/Joint Finance: Provide $75,600 in 2021-22 and $153,100 in 2022-23 for a 2.5% increase to funding for paratransit aid in each year of the 2021-23 biennium. This would increase

funding from $3,025,000 in base funding to $3,100,600 in 2021-22 and $3,178,100 in 2022-23.

Under current law, DOT is required to provide paratransit aid to assist eligible urban mass transit operating assistance recipients with the provision of paratransit service required under the Americans with Disabilities Act. In awarding the paratransit grants to eligible urban mass transit systems, the Department must: (a) maximize the level of paratransit service provided by those systems; and (b) give priority to eligible applicants for the maintenance of paratransit service provided on July 1, 2011.

9. SENIORS AND INDIVIDUALS WITH DISABILITIES SPECIALIZED ASSISTANCE PROGRAM

SEG	$69,200

Governor/Joint Finance: Provide $22,900 in 2021-22 and $46,300 in 2022-23 for a 2.5% increase to funding for the seniors and individuals with disabilities specialized assistance program in each year of the 2021-23 biennium. This would increase funding from $912,700 in base funding to $935,600 in 2021-22 and $959,000 in 2022-23. State specialized assistance funding supplements federal section 5310 funding (enhanced mobility of seniors and individuals with disabilities program) to aid eligible applicants in Wisconsin's rural and small urban areas with transit capital and operating projects that serve seniors and individuals with disabilities.

10. TRIBAL ELDERLY TRANSPORTATION GRANTS [LFB Paper 594]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- $871,200	$871,200	$0
SEG	937,700	- 937,700	0
Total	$66,500	- $66,500	$0

Governor: Provide $457,400 SEG in 2021-22 and $480,300 in 2022-23 and decrease funding by $435,600 PR annually for the tribal elderly grant program. The bill would convert base level funding of $435,600 for the tribal elderly grant program, which is currently funded from tribal gaming revenues (PR), to a newly-created SEG appropriation funded from the transportation fund. In addition, the SEG funding provided would fund an increase of $21,800 SEG in 2021-22 and $44,700 SEG in 2022-23 to fund a 5.0% annual increase in funding for tribal elderly transportation grants in each year of the 2021-23 biennium. Under the bill, base funding for tribal elderly transportation grants would increase from $435,600 to $457,400 SEG in 2021-22 and $480,300 SEG in 2022-23.

Modify DOT's existing tribal elderly transportation grants PR appropriation to a SEG appropriation to reflect the change in the program's funding source. This conversion in the program's funding source from tribal gaming to the transportation fund is part of the Governor's larger recommendation to reallocate uses of tribal gaming revenues among state agencies (see "Administration -- Division of Gaming").

Joint Finance: Provision not included.

Local Transportation Assistance

1. LOCAL SUPPLEMENTAL GRANT PROGRAM [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$75,000,000	$25,000,000	$100,000,000

Governor: Provide $75,000,000 in 2021-22 for a newly-created local multimodal supplemental grant program to provide grants to reimburse local governments for eligible projects. Specify that eligible projects include projects eligible for funding under the local roads improvement program entitlement and environmental review components, local bridge program, interstate bridge program, costs related to jurisdictional transfers of bridges, or the federal transportation alternatives set-aside, which includes a variety of smaller-scale projects such as pedestrian and bicycle facilities, recreational trails, historic preservation, and environmental mitigation.

Define eligible applicant to be city, village, town, county, a combination of those entities, or an eligible applicant for the federal transportation alternatives set-aside, including: (a) regional transportation authority; (b) a transit agency; (c) a natural resource or public land agency; (d) a school district, local education agency, or school; (e) a tribal government; (f) a nonprofit entity responsible for the administration of local transportation safety programs; and (g) any other local or regional governmental entity with responsibility for or oversight of transportation or recreational trails (other than a metropolitan planning organization or a state agency) that the State determines is consistent with the federal transportation alternatives set-aside program goals.

Modify and renumber an existing continuing GPR appropriation created in 2019 Act 9 that provided a one-time supplement of $90.0 million to the local roads improvement program in 2019-20 to instead provide SEG funding for the newly-created local supplemental grant program. Require the Department to solicit and provide grants until all appropriated funds have been expended.

Repeal the provisions related to the one-time, GPR-funded, local road improvement discretionary supplemental grant program created for the 2019-21 biennium.

Joint Finance: Increase funding by $25,000,000 in 2021-22 to provide $100,000,000 on a one-time basis to fund local government project costs that would be eligible for program funding under the current law local roads improvement discretionary component. Maintain existing program provisions from the 2019-20 GPR-funded program, including matching requirements and the percentage of total allocation that is awarded for county trunk highway improvements, town road improvements, and municipal street improvements. Allocation would be as follows: (a) $35,559,100 for county projects; (b) $25,386,000 for municipal projects; and (c) $39,054,900 for town projects. A required local project cost match of 10% of total project cost would apply to

projects submitted for funding. DOT would be required to solicit project applications for this funding until the funds appropriated have been expended.

2. LOCAL ROADS IMPROVEMENT PROGRAM - CLEAR LAKE ROAD IN TOWN OF MILTON IN ROCK COUNTY

Governor: Require the Department to award grant of up to $75,000 SEG in the 2021-23 biennium from the local roads improvement discretionary grant program for flooding mitigation improvements to Clear Lake Road in the Town of Milton in Rock County, notwithstanding the program's eligibility requirements or limitations on the amount and use of aids. Specify that the Department award the grant for this project from the local roads improvement discretionary grant program. List this project as an allowable use funds from the local roads improvement discretionary grants SEG appropriation. Under current law, the discretionary grant program appropriation is provided $15,167,400 annually, of which $5,923,600 annually is allocated by statute for grants to town road projects with a projected cost of $100,000 or more.

Joint Finance: Provision not included.

3. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM - RAY NITSCHKE MEMORIAL BRIDGE

Governor: Require the Department to set aside $1,200,000 SEG in 2021-22 for repairs to the Ray Nitschke Memorial Bridge located on USH 141 (City of Green Bay) in Brown County from funding provided to the local bridge improvement assistance program in the 2021-23 biennium. Specify that the grant would be an allowable expenditure from the program's SEG appropriation. Specify that DOT provide the funding notwithstanding the eligibility criteria of the program. The Governor recommended the program be provided $18,470,600 annually in SEG funding for the local bridge improvement assistance program in the 2021-23 biennium. The program would also be provided $24,481,000 FED annually under the Governor's recommendations.

Joint Finance: Provision not included.

4. HIGH-COST LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM -- SOUTHERN BRIDGE PROJECT IN BROWN COUNTY

Joint Finance: Require DOT to construct an interchange with I-41 and local roads, near the intersection of Southbridge Road (which becomes French Road) and Creamery Road in Brown County as a component of the I-41 major highway development project in Brown County that was enumerated as a major highway development project in 2019 Act 9. Require DOT to include a request in their 2023-25 agency budget request to fund the "Southern Bridge" project crossing the Fox River in Brown County. Define the "Southern Bridge" to be the segment of County Highway GV from County Highway D to State Highway 57 in Brown County.

5. HARBOR ASSISTANCE PROGRAM [LFB Paper 596]

BR	$15,300,000

Governor/Joint Finance: Authorize $15,300,000 in transportation fund-supported, general obligation bonds for the harbor assistance program in the 2021-23 biennium, which provides grants for capital improvements to harbors on the Great Lakes or the Mississippi River system. The amount authorized would be $16,700,000 less than the $32,000,000 in bonding authority provided in the 2019-21 biennium (which also included a $13,200,000 SEG increase), although a provision of the 2019-21 biennial budget earmarked up to $29.0 million of that program funding for Marinette Marine. As a result, $16,200,000 in the program funding was generally available for projects in the 2019-21 biennium. Base program funding of $651,000 SEG annually also exists to help fund project costs ($493,800 annually) and administrative costs ($157,200 annually).

Estimated transportation fund-supported, general obligation bond debt service associated with the partial issuance of these bonds, which would increase by $402,600 SEG in 2022-23, is shown under a separate item (see "Transportation Finance").

6. FREIGHT RAIL PRESERVATION PROGRAM [LFB Paper 597]

BR	$20,000,000

Governor/Joint Finance: Authorize $20,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program in the 2021-23 biennium. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds authorized would be $10,000,000 less than the $30,000,000 in bond authority provided under the 2019-21 biennial budget. Estimated transportation fund-supported, general obligation bond debt service associated with the partial issuance of these bonds, which would increase by $526,300 SEG in 2022-23, is shown under a separate item (see "Transportation Finance").

7. LOCAL INFRASTRUCTURE GRANT PROGRAM -- STORM WATER PREVENTION [LFB Paper 598]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$15,000,000	- $15,000,000	$0

Governor: Establish a grant program administered by DOT to provide local road aids for critical infrastructure, and authorize $15,000,000 in transportation fund-supported, general obligation bonds for the program. Create a bonding appropriation for this program, and modify an existing SEG debt service appropriation to allow principal and interest payments on bonds issued for the program's purposes to be eligible expenditures from the appropriation.

Require the Department to award grants from the program to reimburse eligible applicants for up to 50% of the cost of an eligible project. Specify that an "eligible applicant" would mean a

city, village, town, or county. Define an "eligible project" to be a project that meets all of the following criteria: (a) the project is for the reconstruction of a culvert or bridge to a higher durability standard; (b) the culvert or bridge is owned by the eligible applicant that is applying for the grant; and (c) the culvert or bridge is at risk of being damaged by future extreme storm water events. The Department would be required to promulgate rules that detail the form, nature, and extent of information contained in applications as well as the criteria for evaluating applications and awarding grants. Require that the criteria for awarding grants prioritize projects most at risk from future extreme storm water events.

No estimates of the annual debt service amounts associated with the recommended general obligation bonds for the local infrastructure grant program were included in the bill.

Joint Finance: Provision not included.

8. ELECTRIC VEHICLE INFRASTRUCTURE PROGRAM [LFB Paper 599]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	$5,000,000	- $5,000,000	$0

Governor: Establish a program within DOT to provide funding for electric vehicle infrastructure projects for the purpose of improving the accessibility of the state for electric vehicles, and authorize $5,000,000 in transportation fund-supported, general obligation bonds for this purpose. Create a new bonding appropriation for this program, and modify an existing SEG debt service appropriation to allow principal and interest payments on bonds issued for the program's purposes to be eligible expenditures from the appropriation.

Require DOT to work in consultation with the Department of Administration to determine appropriate locations for eligible projects. Specify that the Legislature finds and determines that: (a) the use of electric vehicles benefits all residents of the state; (b) current electric vehicle infrastructure is insufficient; (c) funding of projects under this program is a valid government function and serves a public purpose; and (d) private capital and local government financial and technical resources are unable to fully meet the transportation and infrastructure needs of the state. The statutory provisions establishing a legislative finding and public purpose associated with the types of facilities receiving bond proceeds are similar to current law provisions relating to the use of state general obligation bond proceeds for grants that may be made to private entities that serve a public purpose.

No estimates of the transportation fund-supported debt service amounts associated with the recommended general obligation bonds in the biennium for the electric vehicle infrastructure program were included in the budget bill.

Joint Finance: Provision not included.

9. TRANSPORTATION ALTERNATIVES PROGRAM [LFB Paper 600]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$2,000,000	- $2,000,000	$0

Governor: Provide $1,000,000 SEG annually for the transportation alternatives program. This program funds a broad range of transportation-related activities, including bicycle and pedestrian projects, historic preservation, and environmental mitigation. Grant recipients must provide a 20% match for the use of grant funds. The transportation alternatives program is not currently provided SEG funding, but is provided base level funding of $7,049,300 FED annually.

Joint Finance: Provision not included.

10. AIRPORT SOUND MITIGATION GRANT PROGRAM [LFB Paper 601]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide $250,000 GPR annually to a newly-created GPR continuing appropriation that would be used to award grants to projects that mitigate the impact of airport sound on structures located near airports that include a military base or installation. Require the Department to develop and administer an airport sound mitigation grant program to be funded from the newly-created GPR appropriation.

Require DOT to prescribe the form, nature, and extent of information required to be contained in grant applications for this program. Require the Department to give highest priority in awarding grants under this program to projects involving schools and child care centers, and second priority to projects involving private residences. Specify that projects are not eligible if they are eligible for participation in a federal airport sound mitigation grant program.

Specify that the program would be terminated if DOT does not receive an application for a grant under this program for two consecutive fiscal years.

Joint Finance: Provision not included.

11. INTERMODAL FREIGHT ASSISTANCE GRANT PROGRAM MODIFICATIONS

Governor: Modify the intermodal freight assistance program to specify that DOT may not award a grant under the intermodal freight assistance program unless the grantee agrees to provide adequate intermodal freight services at the facility funded by the grant, subject to remedial transfer of the facility to the Department. Require ownership and control of the facility receiving financial assistance to transfer to the Department if service at the facility is discontinued or inadequate, or

the grantee disposes of any portion of the facility. Permit the Department to accept from the grantee full repayment of all grants received from the Department for the facility in lieu of transfer of facility ownership.

Delete the current law provision that allows the Department to make the determination as to whether a public or private intermodal freight facilities has a public purpose. Instead, establish a legislative finding of public purpose that would state that supporting the development of intermodal freight facilities through grants in this program is in the public interest and is public policy of the state. Further specify that intermodal freight facilities provide a vital connection for industries to provide efficient commerce within the state, and supporting these facilities is the responsibility of the state because private capital and local government resources are unable to fully meet the state's transportation and infrastructure needs. These modifications would be similar to current law provisions relating to the use of state general obligation bond proceeds for grants to private entities that serve a public purpose, including: (a) a legislative finding and public purpose delineated in statute relating to the types of facilities receiving bonding proceeds; and (b) a remedial action that would allow ownership of the facility to revert back to the state, or the state receiving repayment, if the use of the facility no longer meets the statutory public purpose.

Under 2019 Act 9, grants for this program in the 2019-21 biennium were funded from the freight rail infrastructure improvement and intermodal freight facilities SEG appropriation. Effective on July 1, 2021, and thereafter, grants for this program are funded from the freight rail preservation bond appropriation.

Joint Finance: Provision not included.

12. REPEAL PROHIBITION ON USE OF CONDEMNATION AUTHORITY FOR RECREATIONAL AND PEDESTRIAN TRAILS

Governor: Repeal the provisions enacted under 2017 Act 59 that prohibit the use of condemnation authority for recreational trails, state trails, bicycle lanes and ways, and pedestrian ways by certain entities, including county boards, city councils, village or town boards, or DOT. Current law prohibits the use of general eminent domain authority by these entities for these purposes.

Joint Finance: Provision not included.

13. REPEAL 2017 ACT 368 LOCAL TRANSPORTATION PROJECT PROVISIONS

Governor: Repeal the following 2017 Act 368 local transportation program requirements: (a) the requirement that DOT notify a political subdivision of whether the aid provided to each subdivision includes federal moneys and which project components must be paid for with federal moneys, if any; (b) the requirement that any local project funded in whole or in part with state funds under the surface transportation urban and rural programs, or under the local bridge program, be let through competitive bidding and by contract to the lowest responsible bidder; and (c) the requirement that for any local project meeting both of the following criteria, DOT may not require

a local government to comply with any portion of the Department's facilities development manual other than design standards: (1) the project proposal is reviewed and approved by a professional engineer or by the highway commissioner for the county in which the project will be located; and (2) the project is conducted by a political subdivision with no expenditure of federal money. Repeal the definitions of a local bridge, local roads, political subdivision, and a project created under Act 368 associated with the above provisions.

Joint Finance: Provision not included.

State Highway Program

1. STATE HIGHWAY PROGRAM SUMMARY

The following tables compare total funding for state highway improvement programs in 2020-21 with the recommendations of the Governor and Joint Finance for those programs in the 2021-23 biennium. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2020-21 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2020-21.

State Highway Improvement Program --
Base Year to Governor's Recommendation Comparison

Fund	2020-21	Governor*		Change to Base Plus Bonds Doubled	
Source	Base Plus Bonds	2021-22	2022-23	Amount	% Change
SEG	$596,156,600	$353,897,700	$465,815,400	-$372,600,100	-31.3%
FED	652,684,000	665,174,200	681,232,900	41,039,100	3.1
Bonds	147,127,300	244,761,600	242,761,600	193,268,600	65.7
Existing Rev. Bonds	15,460,000	0	0	-30,920,000	-100.0
Total	$1,411,427,900	$1,263,833,500	$1,389,809,900	-$169,212,400	-6.0%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

State Highway Improvement Program -- Base Year to Joint Finance Comparison

Fund Source	2020-21 Base Plus Bonds	Joint Finance* 2021-22	Joint Finance* 2022-23	Change to Base Plus Bonds Doubled Amount	Change to Base Plus Bonds Doubled % Change
SEG	$596,156,600	$590,939,500	$589,295,400	-$12,078,300	-1.0%
FED	652,684,000	665,174,200	681,232,900	41,039,100	3.1
Bonds	147,127,300	95,129,100	93,129,100	-105,996,600	-36.0
Existing Rev. Bonds	15,460,000	10,382,500	10,382,500	-10,155,000	-32.8
Total	$1,411,427,900	$1,361,625,300	$1,374,039,900	-$87,190,600	-3.1%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

The following tables compare total funding for state highway improvement programs in the 2019-21 biennium with the Governor's 2021-23 budget recommendation and under Joint Finance action, including standard budget adjustments. The tables show total biennial program resources by funding type and the percentage change to the composition of program funding.

State Highway Improvement Program Summary -- 2019-21 to 2021-23 Governor's Recommendation Comparison

Fund Source	2019-21	2021-23 Governor*	Biennial Change in Resources	% Change
SEG	$1,156,378,400	$819,713,100	-$336,665,300	-29.1%
FED	1,303,860,600	1,346,407,100	42,546,500	3.3
Bonds	254,254,600	487,523,200	233,268,600	91.7
Existing Rev. Bonds	30,920,000	0	-30,920,000	-100.0
Total	$2,745,413,600	$2,653,643,400	-$91,770,200	-3.3%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

State Highway Improvement Program Summary -- 2019-21 to 2021-23 Joint Finance Comparison

Fund Source	2019-21	2021-23 Joint Finance*	Biennial Change in Resources	% Change
SEG	$1,156,378,400	$1,180,234,900	$23,856,500	2.1%
FED	1,303,860,600	1,346,407,100	42,546,500	3.3
Bonds	254,254,600	188,258,200	-65,996,400	-26.0
Existing Rev. Bonds	30,920,000	20,765,000	-10,155,000	-32.8
Total	$2,745,413,600	$2,735,665,200	-$9,748,400	-0.4%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

State Highway Improvement Program Component Summary -- 2019-21 to 2021-23 Governor's Recommendation Comparison

Fund Source	2019-21	2021-23 Governor*	Biennial Change in Resources	% Change
State Highway Rehabilitation				
SEG	$1,040,836,000	$757,489,900	-$283,346,100	-27.2%
FED	896,977,600	950,053,500	53,075,900	5.9
Gen Ob. Bonds (SEG)	0	278,500,000	278,500,000	N.A
Subtotal	$1,937,813,600	$1,986,043,400	$48,229,800	2.5%
Major Highway Development				
SEG	$52,223,200	$50,223,200	-$2,000,000	-3.8%
FED	338,802,200	366,353,600	27,551,400	8.1
Trans. Revenue Bonds	142,254,600	149,023,200	6,768,600	4.8
Existing Bond Proceeds	30,920,000	0	-30,920,000	-100.0
Subtotal	$564,200,000	$565,600,000	$1,400,000	0.2%
SE Wis. Freeway Megaprojects				
SEG	$63,319,200	$12,000,000	-$51,319,200	-81.0%
FED	68,080,800	30,000,000	-38,080,800	-55.9
Gen. Ob. Bonds (SEG)	95,000,000	40,000,000	-55,000,000	-57.9
Subtotal	$226,400,000	$82,000,000	-$144,400,000	-63.8%
Design-Build Projects				
Gen Ob. Bonds (SEG)	$0	$20,000,000	$20,000,000	N.A
Major Interstate Bridge Construction				
Gen Ob. Bonds (SEG)	$27,000,000	$0	-$27,000,000	-100.0%
High-Cost Bridge				
Gen Ob. Bonds (SEG)	-$10,000,000	$0	$10,000,000	N.A
Total	$2,745,413,600	$2,653,643,400	-$91,770,200	-3.3%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

State Highway Improvement Program Component Summary -- 2019-21 to 2021-23 Joint Finance Comparison

Fund Source	2019-21	2021-23 Joint Finance*	Biennial Change in Resources	% Change
State Highway Rehabilitation				
SEG	$1,040,836,000	$1,118,011,700	$77,175,700	7.4%
FED	896,977,600	950,053,500	53,075,900	5.9
Gen Ob. Bonds (SEG)	0	0	0	0.0
Subtotal	$1,937,813,600	$2,068,065,200	$130,251,600	6.7%
Major Highway Development				
SEG	$52,223,200	$50,223,200	-$2,000,000	-3.8%
FED	338,802,200	366,353,600	27,551,400	8.1
Trans. Revenue Bonds	142,254,600	128,258,200	-13,996,400	-9.8
Existing Bond Proceeds	30,920,000	20,765,000	-10,155,000	-32.8
Subtotal	$564,200,000	$565,600,000	$1,400,000	0.2%
SE Wis. Freeway Megaprojects				
SEG	$63,319,200	$12,000,000	-$51,319,200	-81.0%
FED	68,080,800	30,000,000	-38,080,800	-55.9
Gen. Ob. Bonds (SEG)	95,000,000	40,000,000	-55,000,000	-57.9
Subtotal	$226,400,000	$82,000,000	-$144,400,000	-63.8%
Design-Build Projects				
Gen Ob. Bonds (SEG)	$0	$20,000,000	$20,000,000	N.A
Major Interstate Bridge Construction				
Gen Ob. Bonds (SEG)	$27,000,000	$0	-$27,000,000	-100.0%
High-Cost Bridge				
Gen Ob. Bonds (SEG)	-$10,000,000	$0	$10,000,000	N.A
Total	$2,745,413,600	$2,735,665,200	-$9,748,400	-0.4%

*Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

2. STATE HIGHWAY REHABILITATION PROGRAM [LFB Paper 605]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $304,842,100	$361,645,800	$56,803,700
FED	43,093,300	650,600	43,743,900
BR	278,500,000	- 278,500,000	0
Total	$16,751,200	$83,796,400	$100,547,600

Governor: Make the following changes to the state highway rehabilitation program's funding in order to provide a 2021-23 funding level of $1,986,043,400: (a) a decrease of $206,379,900 SEG and an increase of $13,517,300 FED in 2021-22; (b) a decrease of $98,462,200 SEG and an increase of $29,576,000 FED in 2022-23; and (c) authorization of $278,500,000 BR

in transportation fund-supported, general obligation bonds.

No estimate of the transportation fund-supported debt service associated with the recommended general obligation bonds in the biennium was included in the budget bill. Standard budget adjustment reductions of $12,909,600 SEG annually and $28,000 FED annually are reflected in a separate item. In addition, the state highway rehabilitation program would have reductions of $5,300 SEG annually and $118,000 FED annually due to a recommended minor departmental reorganization.

The following tables compare the adjusted base year (2020-21) and 2019-21 biennium's state highway rehabilitation program funding with the 2021-23 biennial funding level recommended by the Governor.

State Highway Rehabilitation Program --
Base Funding to Governor's Recommendation Comparison

Fund	2020-21 Adjusted Base Plus Bonds*	Governor** 2021-22	Governor** 2022-23
SEG	$544,080,900	$324,786,100	$432,703,800
FED	453,626,100	466,997,400	483,056,100
Gen. Ob. Bonds (SEG)	0	139,250,000	139,250,000
Total	$997,707,000	$931,033,500	$1,055,009,900

* Includes $2,684,900 SEG and $2,372,600 FED associated with adjustments to the 2020-21 base funding amount.
** Amounts shown comprise all state highway rehabilitation recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

State Highway Rehabilitation Program Funding --
2019-21 to 2021-23 Governor's Recommendation Comparison

Fund Source	2019-21 Biennium 2019-20	2019-21 Biennium 2020-21	2019-21 Biennium Biennial Total
SEG	$499,440,000	$541,396,000	$1,040,836,000
FED	445,724,100	451,253,500	896,977,600
Total	$945,164,100	$992,649,500	$1,937,813,600

Fund Source	Governor - 2021-23* 2021-22	Governor - 2021-23* 2022-23	Governor - 2021-23* Biennial Total
SEG	$324,786,100	$432,703,800	$757,489,900
FED	466,997,400	483,056,100	950,053,500
Gen. Ob. Bonds (SEG)	139,250,000	139,250,000	278,500,000
Total	$931,033,500	$1,055,009,900	$1,986,043,400
% Change in Resources			2.5%

*Includes $2,684,900 SEG and $2,372,600 FED associated with adjustments to the 2020-21 base funding amount, standard budget adjustments, and a minor departmental reorganization.

Joint Finance: Delete $278,500,000 in transportation fund-supported general obligation bonding and provide $237,603,800 SEG in 2021-22 and $124,042,000 SEG in 2022-23, and $325,300 FED annually in order to provide a funding level of $2,068,065,200 in the biennium (as shown in the tables below). This would provide increases in base level funding of: (a) $31,223,900 SEG in 2021-22 and $25,579,800 SEG in 2022-23; and (b) $13,842,600 FED in 2021-22 and $29,901,300 FED in 2022-23. [Standard budget adjustment reductions of $13,471,600 SEG annually and $353,300 FED annually were made in a separate action of the Committee. In addition, the state highway rehabilitation program would have reductions of $5,300 SEG annually and $118,000 FED annually due to a minor departmental reorganization approved by the Committee. These items are reflected in separate provisions.]

State Highway Rehabilitation Program --
Base Funding to Joint Finance Comparison

	2020-21 Adjusted	Joint Finance**	
Fund	Base Plus Bonds*	2021-22	2022-23
SEG	$544,080,900	$561,827,900	$556,183,800
FED	453,626,100	466,997,400	483,056,100
Gen. Ob. Bonds (SEG)	0	0	0
Total	$997,707,000	$1,028,825,300	$1,039,239,900

* Includes $2,684,900 SEG and $2,372,600 FED associated with adjustments to the 2020-21 base funding amount.
** Amounts shown comprise all state highway rehabilitation recommendation items, including adjustments to the base, standard budget adjustments, and a minor departmental reorganization.

State Highway Rehabilitation Program Funding --
2019-21 to 2021-23 Joint Finance Comparison

	2019-21 Biennium		
Fund Source	2019-20	2020-21	Biennial Total
SEG	$499,440,000	$541,396,000	$1,040,836,000
FED	445,724,100	451,253,500	896,977,600
Total	$945,164,100	$992,649,500	$1,937,813,600

	Joint Finance - 2021-23*		
Fund Source	2021-22	2022-23	Biennial Total
SEG	$561,827,900	$556,183,800	$1,118,011,700
FED	466,997,400	483,056,100	950,053,500
Gen. Ob. Bonds (SEG)	0	0	0
Total	$1,028,825,300	$1,039,239,900	$2,068,065,200
% Change in Resources			6.7%

*Includes $2,684,900 SEG and $2,372,600 FED associated with adjustments to the 2020-21 base funding amount, standard budget adjustments, and a minor departmental reorganization.

3. STATE HIGHWAY REHABILITATION PROGRAM -- I-94 AND MOORLAND ROAD INTERCHANGE IN WAUKESHA COUNTY

Governor/Joint Finance: Require the Department to allocate $1,750,000 SEG for the construction of geometric improvements to improve the safety of the interchange of I-94 and Moorland Road in Waukesha County in the 2021-23 biennium. List this allocation as allowable use funds from the state highway rehabilitation SEG appropriation. The Governor recommends a total of $757,489,900 in SEG funding for the state highway rehabilitation program in the 2021-23 biennium.

4. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 606]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,259,600	$82,800	$1,342,400
FED	23,127,800	156,400	23,284,200
SEG-S	- 24,151,400	0	- 24,151,400
Total	$236,000	$239,200	$475,200

Governor: Make the following changes to the major highway development program's funding in order to provide a 2021-23 funding level of $565,600,000: (a) an increase of $629,800 SEG annually; (b) increases of $10,563,900 FED in 2021-22 and $12,563,900 FED in 2022-23; and (c) decreases of $11,075,700 SEG-S (revenue bond proceeds) in 2021-22 and $13,075,700 SEG-S in 2022-23

A recommendation to increase the statutory transportation revenue bond authority associated with this funding level, and its corresponding estimated reductions to transportation fund revenue associated with the debt service of $943,900 in 2021-22 and $6,978,100 in 2022-23 for the partial issuance of these bonds, are shown in separate items. Standard budget adjustment reductions of $827,300 SEG annually and $58,700 FED annually are also reflected in a separate item.

The following tables compare the base year (2020-21) and 2019-21 biennium's major highway development program funding with the 2021-23 biennial funding level recommended by the Governor.

Major Highway Development Program --
Base Funding to 2021-23 Governor's Recommendation Comparison

Fund	2020-21 Adjusted Base Plus Bonds*	Governor** 2021-22	Governor** 2022-23
SEG	$25,309,100	$25,111,600	$25,111,600
FED	171,671,600	182,176,800	184,176,800
Revenue Bonds (SEG-S)	71,127,300	75,511,600	73,511,600
Existing Bond Proceeds (SEG-S)	15,460,000	0	0
Total	$283,568,000	$282,800,000	$282,800,000

* Includes $197,500 SEG and $570,500 FED associated with adjustments to the 2020-21 base funding amount.
** Amounts shown comprise all major highway development recommendation items, including adjustments to the base and standard budget adjustments.

Major Highway Development Program Funding --
2019-21 to 2021-23 Governor's Recommendation Comparison

Fund Source	2019-21 Biennium 2019-20	2019-21 Biennium 2020-21	2019-21 Biennium Biennial Total
SEG	$27,111,600	$25,111,600	$52,223,200
FED	167,701,100	171,101,100	338,802,200
Revenue Bonds (SEG-S)	71,127,300	71,127,300	142,254,600
Existing Bond Proceeds (SEG-S)	15,460,000	15,460,000	30,920,000
Total	$281,400,000	$282,800,000	$564,200,000

Fund Source	Governor - 2021-23* 2021-22	Governor - 2021-23* 2022-23	Governor - 2021-23* Biennial Total
SEG	$25,111,600	$25,111,600	$50,223,200
FED	182,176,800	184,176,800	366,353,600
Revenue Bonds (SEG-S)	75,511,600	73,511,600	149,023,200
Total	$282,800,000	$282,800,000	$565,600,000
% Change in Resources			0.2%

*Includes $197,500 SEG and $570,500 FED associated with adjustments to the 2020-21 base funding amount, and standard budget adjustments.

Joint Finance: Increase funding by $41,400 SEG annually and $78,200 FED annually to provide a 2021-23 program funding level of $282,800,000 annually. This funding would offset decreased funding to the program resulting from separate action of the Committee that modified how turnover reduction under standard budget adjustments would be calculated in the biennium (see "Departmentwide") to total the same amount of funding recommended by the Governor. In addition, require the Department to utilize $20,765,000 in existing transportation revenue bond

authority for these purposes, and decrease the amount of new transportation revenue bond authority to be provided compared to the Governor by an equal amount. [Change in transportation revenue bond authority is shown in "Transportation Finance".] Estimated reductions to transportation fund revenue of $943,900 SEG-REV in 2021-22 and $6,978,200 SEG-REV in 2022-23 associated with the partial issuance of the revenue bonds under this provision are included in a separate item (see "Transportation Finance"). [Standard budget adjustment reductions of $868,700 SEG annually and $136,900 FED annually are reflected in a separate item (see "Departmentwide").]

Major Highway Development Program --
Base Funding to 2021-23 Joint Finance Comparison

Fund	2020-21 Adjusted Base Plus Bonds*	Joint Finance** 2021-22	Joint Finance** 2022-23
SEG	$25,309,100	$25,111,600	$25,111,600
FED	171,671,600	182,176,800	184,176,800
Revenue Bonds (SEG-S)	71,127,300	65,129,100	63,129,200
Existing Bond Proceeds (SEG-S)	15,460,000	10,382,500	10,382,500
Total	$283,568,000	$282,800,000	$282,800,000

* Includes $197,500 SEG and $570,500 FED associated with adjustments to the 2020-21 base funding amount.
** Amounts shown comprise all major highway development recommendation items, including adjustments to the base and standard budget adjustments.

Major Highway Development Program Funding --
2019-21 to 2021-23 Joint Finance Comparison

Fund Source	2019-21 Biennium 2019-20	2019-21 Biennium 2020-21	2019-21 Biennium Biennial Total
SEG	$27,111,600	$25,111,600	$52,223,200
FED	167,701,100	171,101,100	338,802,200
Revenue Bonds (SEG-S)	71,127,300	71,127,300	142,254,600
Existing Bond Proceeds (SEG-S)	15,460,000	15,460,000	30,920,000
Total	$281,400,000	$282,800,000	$564,200,000

Fund Source	Joint Finance - 2021-23* 2021-22	Joint Finance - 2021-23* 2022-23	Joint Finance - 2021-23* Biennial Total
SEG	$25,111,600	$25,111,600	$50,223,200
FED	182,176,800	184,176,800	366,353,600
Revenue Bonds (SEG-S)	65,129,100	63,129,100	128,258,200
Existing Bond Proceeds (SEG-S)	10,382,500	10,382,500	20,765,000
Total	$282,800,000	$282,800,000	$565,600,000
% Change in Resources			0.2%

*Includes $197,500 SEG and $570,500 FED associated with adjustments to the 2020-21 base funding amount, and standard budget adjustments.

Estimated project completion schedules for major highway development projects receiving funding under the Governor's recommended 2021-23 program funding level, and under Joint Finance, are shown in the following table. Anticipated completion dates indicate when the mainline is open to traffic provided by DOT in the February, 2021, report to the Transportation Projects Commission (TPC), which may be different than the final year of expenditure.

Anticipated Major Highway Development Project Completion Dates Under Funding Included in the Bill ($565.6 Million in 2021-23)

Highway	Project Segment	Counties	Completion Year	Completion Delay
STH 23	STH 67 to USH 41	Sheboygan & Fond du Lac	2022	No Delay
STH 15	STH 76 to New London	Outagamie	2024	No Delay
I-39/90	Illinois State Line to USH 12/18	Dane & Rock	2021	No Delay
STH 50	I-41/94 to 43rd Avenue	Kenosha	2023	No Delay
I-43*	Silver Spring Drive to STH 60	Milwaukee & Ozaukee	2025	No Delay
I-41*	STH 96 to Brown CTH F	Outagamie & Brown	**	**
I-39/90/94***	Bridges over Wisconsin River	Columbia	2026	No Delay
USH 51***	I-39/90 to USH 12/18	Dane	**	**

* Enumerated in the 2019-21 biennial budget act.
** The final design, cost, and completion date has yet to be determined. DOT indicated the project cost estimate and schedule will be identified in the August, 2021, TPC report.
*** Approved by the TPC in their December, 2020, meeting, and do not require enumeration to begin construction because they were approved as high-cost projects that do not meet the statutory capacity expansion thresholds.

5. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS [LFB Paper 607]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $40,524,200	$44,800	- $40,479,400
FED	- 24,590,600	85,200	- 24,505,400
BR	40,000,000	0	40,000,000
Total	- $25,114,800	$130,000	- $24,984,800

Governor: Make the following changes to the southeast Wisconsin freeway megaprojects program's funding in order to provide a 2021-23 funding level of $82,000,000: (a) reductions of $22,262,100 SEG and $11,295,300 FED in 2021-22; (b) reductions of $18,262,100 SEG and $13,295,300 FED in 2022-23; and (c) authorization of $40,000,000 in transportation fund-supported, general obligation bonds for use on the I-94 East-West corridor reconstruction project,

which the Governor recommends for enumeration as a southeast Wisconsin freeway megaproject (shown in a separate item).

Specify that the I-94 East-West corridor reconstruction project would be an allowable use of bond proceeds from the existing transportation fund-supported southeast Wisconsin megaprojects general obligation bonding authorization. Estimate transportation fund-supported debt service associated with the partial issuance of these general obligation bonds in the biennium would be $1,052,500 in 2022-23. This debt service amount along with standard budget adjustment reductions of $504,500 SEG annually and $91,000 FED annually are reflected in separate items.

Joint Finance: Increase funding by $22,400 SEG annually and $42,600 FED annually to provide a 2021-23 program funding level of $82,000,000 ($12,000,000 SEG, $30,000,000 FED, and $40,000,000 transportation fund-supported general obligation bonds). This funding would offset decreased funding to the program resulting from separate action of the Committee that modified how turnover reduction under standard budget adjustments would be calculated in the biennium (see "Departmentwide") to total the same amount of funding recommended by the Governor. Estimated debt service associated with the partial issuance of these bonds in the biennium of $1,052,500 SEG in 2022-23 under this provision is included in a separate item (see "Transportation Finance"). [Standard budget adjustment reductions of $526,900 SEG annually and $133,600 FED annually are reflected in a separate item (see "Departmentwide").]

The following tables compare the base year (2020-21) and 2019-21 biennium's southeast Wisconsin freeway megaprojects program funding with the 2021-23 biennial funding level recommended by the Governor and provided under Joint Finance action.

Southeast Wisconsin Freeway Megaproject Program -- Base Funding to Bill Comparison

Fund	2020-21 Adjusted Base Plus Bonds*	Governor/Joint Finance** 2021-22	2022-23
SEG	$26,766,600	$4,000,000	$8,000,000
FED	27,386,300	16,000,000	14,000,000
Gen. Ob. Bonds (SEG)	62,500,000	20,000,000	20,000,000
Total	$116,652,900	$40,000,000	$42,000,000

* Includes $107,000 SEG and $310,600 FED associated with adjustments to the 2020-21 base funding amount and standard budget adjustments.
** Amounts shown comprise all highway improvement program recommendation items, including adjustments to the base and standard budget adjustments.

Southeast Wisconsin Freeway Megaprojects Program Funding -- 2019-21 to 2021-23 Bill Comparison

	2019-21 Biennium		
Fund Source	2019-20	2020-21	Biennial Total
SEG	$36,659,600	$26,659,600	$63,319,200
FED	41,005,100	27,075,700	68,080,800
Gen. Ob. Bonds (SEG)	32,500,000	62,500,000	95,000,000
Total	$110,164,700	$116,235,300	$226,400,000

	Governor/Joint Finance - 2021-23*		
Fund Source	2021-22	2022-23	Biennial Total
SEG	$4,000,000	$8,000,000	$12,000,000
FED	16,000,000	14,000,000	30,000,000
Gen. Ob. Bonds (SEG)	20,000,000	20,000,000	40,000,000
Total	$40,000,000	$42,000,000	$82,000,000
% Change in Resources			-63.8%

*Includes $107,000 SEG and $310,600 FED annually associated with adjustment to the 2020-21 base funding amount, and standard budget adjustments.

6. ENUMERATION OF I-94 EAST-WEST CORRIDOR PROJECT IN MILWAUKEE COUNTY AS A SOUTHEAST WISCONSIN FREEWAY MEGAPROJECT [LFB Paper 607]

Governor/Joint Finance: Enumerate the I-94 East-West corridor reconstruction project from 70th Street to 16th Street in Milwaukee County as a southeast Wisconsin freeway megaproject. Define the project as "all freeways, including related interchange ramps, roadways, and shoulders, encompassing I-94 in Milwaukee County from 70th Street to 16th Street, and all adjacent frontage roads and collector road systems." Statutory enumeration is required before southeast Wisconsin freeway megaprojects may begin construction.

The 3.5-mile project would reconstruct I-94 in Milwaukee County between the project boundaries, expand the existing roadway from six to eight lanes (four in each direction), reconstruct or redevelop affected interchanges, and complete related local road construction as a part of the project. The project's September, 2016, federal record of decision indicated that the total, inflation-adjusted cost was estimated at $1.1 billion. That record of decision was rescinded by the Federal Highway Administration at DOT's request. Subsequently, as part of the 2019-21 biennial budget, $20.0 million was provided to DOT to reinitiate work on the project, including work necessary to receive a new federal record of decision.

Authorize $40.0 million in transportation fund-supported, general obligation bonds in the 2021-23 biennium under the southeast Wisconsin freeway megaprojects program to be used on the I-94 East-West project (see separate recommended item). If enumerated and funded, DOT indicates that construction could begin in the 2023-25 biennium.

7. STATE HIGHWAY DESIGN-BUILD PROJECTS [LFB Paper 608]

BR	$20,000,000

Governor: Authorize $20,000,000 in transportation fund-supported, general obligation bonds for state highway improvement program projects utilizing the design-build method in the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs. Create a new bonding authorization for this purpose and modify an existing SEG debt service appropriation to include the debt service on these bonds as an allowable expenditure. Specify that the state highway rehabilitation and major highway development projects could be funded from this bonding authority.

The Governor's recommendations and proposed language, in part, would indicate that projects in the southeast Wisconsin freeway megaprojects program are intended to be able to utilize the bond proceeds from the recommended bonding. However, the bill does not modify the existing program statute that lists eligible appropriations and bonding authorizations to be used for projects in the southeast Wisconsin freeway megaprojects program to include the recommended newly-created bonding authorization. The bill would have to be amended to include this purpose under the southeast Wisconsin freeway megaprojects program statutes.

Joint Finance: Include statutory modifications to permit bond proceeds from the recommended bonding to be used to fund projects in the southeast Wisconsin freeway megaprojects program. Estimated debt service associated with the partial issuance of these bonds in the biennium of $1,052,500 SEG in 2022-23 is included under a separate item (see "Transportation Finance").

8. ALTERNATIVE HIGHWAY PROJECT DELIVERY METHODS AND PROGRAM

Joint Finance: Incorporate the provisions of the 2019-21 budget as passed by the Legislature, prior to gubernatorial vetoes, related to alternative highway delivery methods and programs.

This would restore provisions related to: (a) the creation of the office of innovative program delivery and its administration; (b) specifying limitations on the total number and costs of the design-build projects that the Department would be able to undertake; (c) procedures and requirements related to the technical review committee that would be responsible for evaluating design-build project bids; (d) requirements that responsive design-build bidders be paid a stipulated fee; (e) an appeals process; and (f) definitions of "design professional" as it relates to professional registration, "member" as it relates to a member of a consortium or joint venture, "project" as it relates to highway facilities projects, and definitions of "design-builder", "fixed price variable scope design-build contract", and "qualified responsible bidder".

Restore provisions related to request for qualifications including prohibiting DOT from including a level of experience requirement in requests for qualifications that unreasonably restricts competition and restoring requirements relating to contractors' duration and extent of contracting activities in the state, related standards for professional standing, and stipulations regarding the advertisement of qualifications.

Restore the following provisions related to: (a) request for proposals, including requirements related to the percentage of design-build work that would be required to be performed directly by the prime, design-build contractor; (b) the submission of cost proposals by contractors; (c) limiting the Department's emergency rulemaking authority to certain components of the design-build process; and (d) the assignment of a position to the office of innovation program delivery.

9. STATE HIGHWAY SYSTEM - SALT FUNDING [LFB Paper 609]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$25,629,000	- $16,862,700	$8,766,300

Governor: Increase funding by $12,510,900 in 2021-22 and $13,118,100 in 2022-23 to fund the increased costs of salt needed to maintain state highways. The funding would be provided to the state highway system management and operations SEG appropriation to allow DOT to make large-scale purchases of deicing salt and provide the salt to counties for use on state highways. Routine maintenance on the state trunk highway system is typically contracted for with counties under a separate appropriation, with counties being reimbursed by DOT.

Joint Finance: Decrease funding by $9,148,000 SEG in 2021-22 and $7,714,700 SEG in 2022-23 to fund the costs of road salt needed to maintain state highways. This would provide increases to base level funding of $3,362,900 SEG in 2021-22 and $5,403,400 SEG in 2022-23.

10. HOAN BRIDGE FENCING

SEG	$1,022,300

Governor/Joint Finance: Provide $1,022,300 in 2021-22 to install fencing improvements on the Hoan Bridge in Milwaukee County to provide additional safety on the bridge. The Hoan Bridge is a nearly two-mile bridge that connects I-794 in downtown Milwaukee with the lake freeway. This funding would be provided from the state highway system management and operations appropriation.

11. REINSTATE DOT'S AUTHORITY RELATED TO BICYCLE AND PEDESTRIAN FACILITIES ON NEW HIGHWAY CONSTRUCTION PROJECTS

Governor: Require the Department to ensure, rather than give due consideration as allowed under current law, that bikeways and pedestrian ways are established in all new highway construction and reconstruction projects funded from state or federal funds. DOT would be required to promulgate rules identifying certain exceptions to the requirement. Specify that exceptions may only be provided if any of the following apply: (a) the cost of establishing bikeways or pedestrian ways would be excessively disproportionate (exceeding 20% of total project cost) to the need or probable use of the bikeways or pedestrian ways as determined by the DOT Secretary or their designee; (b) establishing bikeways or pedestrian ways would have excessive negative impacts in a constrained environment; (c) there is an absence of need for the

bikeways or pedestrian ways, as indicated by sparsity of population, traffic volume, or other factors; or (d) the community where pedestrian ways are to be located refuses to accept an agreement to maintain them. Under current law, the Department may not establish a bikeway or pedestrian way as a part of a new highway construction or reconstruction project if bicyclists or pedestrians are prohibited by law from using the highway that is the subject of the project.

Repeal the current law provision that only allows DOT to establish a bikeway or pedestrian way as part of a new highway construction or reconstruction project funded from state or federal funds if either of the following occurs: (a) the governing body of each municipality in which a portion of the project will occur has adopted a resolution authorizing DOT to establish the bikeway or pedestrian way; or (b) the federal government provides written notice that the establishment of a bikeway or pedestrian way is a condition for the use of federal funds for that project.

These provisions would reinstate several changes made as part of 2015 Act 55, the 2015-17 biennial budget bill.

Joint Finance: Provision not included.

12. REPEAL 2017 ACT 368 FEDERAL FUNDING LIMITATIONS ON STATE HIGHWAY PROJECTS

Governor: Repeal the provisions of 2017 Act 368 that require that for certain state highway projects on which the Department expends federal moneys, it must expend federal moneys on not less than 70% of the aggregate project components eligible for federal funding each fiscal year. Under current law, this requirement applies to the following project types: (a) southeast Wisconsin freeway megaprojects; (b) major highway development projects; and (c) state highway rehabilitation projects with a total cost of less than $10 million. Repeal related provisions that allow DOT to submit a passive review request for waiver of these requirements.

Joint Finance: Provision not included.

13. SPECIFIC INFORMATION SIGNS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-L	$243,500	- $243,500	$0

Governor: Provide $113,200 in 2021-22 and $130,300 in 2022-23 to reflect increased costs for the specific information sign program, under which DOT erects and maintains signs to direct motorists to services located near certain highways. Increase the annual permit fee from $40 to $80, beginning July 1, 2022. This funding would be provided to a SEG-L appropriation that receives monies from local units of government and other sources for operation and maintenance of state highways, local bridges not on state highways, and other related activities including signage. However, this appropriation does not fund the routine maintenance of state highways contracted for with counties. Under the Governor's recommendation, base level funding would increase from $1,900,000 to $2,013,200 in 2021-22 and to $2,030,300 in 2022-23.

Update highways eligible in statute for this program to reflect construction and designation changes and enumerate the following two new highway segments: State Highway (STH) 35 from County Highway (CTH) M at River Falls to I-94 east of Hudson; and U.S. Highway 51 from STH 19 north of Madison to CTH V at DeForest. Delete the requirement that "FOOD" business hours of service must be open for business no later than 10:00 AM and remain open until at least 7:00 PM. Delete the allowance that sign panels may be illuminated. Replace the current statute that restricts the number of signs per interchange allowed to no more than four signs with a provision that restricts DOT from authorizing a number of signs that would exceed the number authorized under the Department's manual on uniform traffic control devices adopted in conformance with federal guidelines.

A specific information sign is a sign that contains one or more of the words "GAS", "FOOD", "LODGING", "CAMPING", or "ATTRACTION", directional information, or includes a business sign (brand, name, symbol, or trademark) mounted on the sign. Persons requesting specific information signs are required to pay an annual permit fee to cover the administrative costs and the cost of inspection of signs erected or installed. No estimate of the additional revenue generated from the annual permit fee increase was included in the bill. In addition, persons requesting the sign are also required to pay a fee for the manufacture, installation, and maintenance of a specific information sign.

Joint Finance: Provision not included.

Motor Vehicles

1. ESTABLISH 10-YEAR REPLACEMENT OF MOTOR VEHICLE REGISTRATION PLATES AND RELATED FEE [LFB Paper 615]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$4,200,000	- $4,200,000	$0

Governor: Increase funding by $2,100,000 SEG annually associated with the requirement that DOT issue and deliver prepaid two new registration plates to individuals renewing their registration for which a registration plate has not been issued during the previous 10 years. Specify that this requirement would begin for registrations initially effective July 1, 2021. This provision would modify the current law system for replacing registration plates, which can only occur after the Department redesigns the registration plate. Specify that the new plates would be issued upon receipt of: (a) a completed application to renew the registration of a vehicle for which a registration plate has not been issued during the previous ten years; and (b) payment of a newly created $6.25 fee associated with the issuance of the plates. No estimate of the gross revenues generated from this fee were included in the Governor's budget bill, although the Department indicates the fee amount would provide revenues to equally offset the estimated expenses associated with the

manufacturing and issuance of new plates. Under current law, the Department may replace registration plates with plates with new designs at a time determined to be appropriate by the Department.

Specify that special group plates issued to the following persons would be exempt from the requirement that new plates be issued: (a) persons who have had an immediate family member die while serving in the United States Armed Forces if the immediate family member meets the federal eligibility criteria for a gold star; (b) fire fighters and surviving spouses of fire fighters who die in the line of duty; and (c) emergency medical services practitioners and responders. The same exemptions for specific categories of special group plates apply under current law.

Joint Finance: Provision not included.

2. MAILED REGISTRATION NOTICE FEE [LFB Paper 616]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,600,000	- $1,600,000	$0

Governor: Provide an increase of $1,600,000 SEG funding in 2022-23 and establish a special transaction fee of $0.33 for each vehicle registration renewal notice that is provided by mail, effective July 1, 2022. Specify that all fees received would be deposited to the transportation fund. No estimate of the gross revenues generated from this fee were included in the Governor's budget bill, although the Department indicates the fee would provide revenues to equally offset the estimated expenses associated with mailing registration notices. The Department is required to mail a notice of the date upon which a vehicle's registration will expire, at least 30 days prior to that expiration. In addition, DOT is authorized to test and evaluate the effectiveness of alternative methods of processing and distributing vehicle registration renewals.

Joint Finance: Provision not included.

3. NEW CUSTOMER SERVICE CENTERS - MADISON AND GREEN BAY [LFB Paper 617]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$2,109,800	10.00	- $2,109,800	- 10.00	$0	0.00

Governor: Provide $994,000 in 2021-22 and $1,115,800 in 2022-23 and 10.0 positions annually to establish a third customer service center in Madison and a second customer service center in Green Bay. The Department indicates new customer service centers in Madison and Green Bay are necessary because of increased needs to provide identification cards for voting purposes and to comply with federal REAL ID requirements.

To establish a new customer service center in Madison, the Department indicates it would provide $586,600 in 2021-22 and $663,400 in 2022-23, and 6.0 of the requested positions. DOT indicates that the proposed new center would be located on the city's south side near major city bus routes. The existing centers in Madison are located on the far west side and the far northeast side of the city.

To establish a new customer service center in Green Bay, the Department indicates it would provide $407,400 in 2021-22 and $452,400 in 2022-23, and 4.0 of the requested positions. DOT indicates that the location of the proposed new center would be chosen based on the location of the current office, population density, rent costs, and transit options.

DOT indicates that new service centers are warranted based on the high number of residents currently served by each center in these two counties. DOT indicates that Milwaukee County is serviced by six customer service centers, or approximately one center per 158,000 residents, while Dane County has a ratio of approximately one center per 277,000 residents and Brown County has a ratio of approximately one center per 266,000 residents.

Joint Finance: Provision not included.

4. DRIVING SKILLS TEST WAIVER [LFB Paper 618]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $842,600	- 6.20	$210,700	0.00	- $631,900	- 6.20

Governor: Decrease funding by $421,300 annually and delete 6.20 FTE positions associated the reduced workload related to providing DOT the authority to waive certain individuals from taking the driving skills test currently required to attain a Wisconsin driver license.

Specify that the Department may waive the driving skills test of an individual applying for an operator's license if all of the following apply: (a) the applicant is under the age of 18 (drivers over age 18 rarely take driver education courses because they are only required to have an instructional permit for seven days prior to testing); (b) the application is for authorization for a Class D (non-commercial driver license) license; (c) the applicant has satisfactorily completed driver education or a substantially equivalent course approved by the Department or another state; (d) the applicant has held an instruction permit for at least six months; (e) the applicant has not had a moving violation resulting in a conviction within the six month period immediately preceding the application; and (f) an adult sponsor (typically parent or guardian) who has signed for the applicant as part of their application (as required by statute for persons under the age of 18) consents to a waiver of the driving skills test. Modify existing statutory requirements for a driving examination skills test to include a reference to the newly allowed skills test waiver.

In response to the COVID-19 pandemic, the Department instituted a pilot program to grant

waivers to the driving skills test. The Department indicates that from May 11, 2020, through October 10, 2020, a total of 28,570 drivers received such a waiver. This recommendation would make that pilot program permanent. The Department notes that more than 98% of Wisconsin's driver education students passed the skills test on their first or second attempt in 2019, and that several states, including Illinois, Iowa, and Nebraska, utilize a similar waiver option for new drivers.

Joint Finance: Include the provisions allowing DOT the authority to waive certain individuals from taking the driving skills test currently required to attain a Wisconsin driver license. Include among the provisions that must be met in order for the Department to allow a waiver that a driving instructor who provided training to an applicant for an operator's license must consent to the waiver. Require any applicant who applies for a driving skills test waiver to pay the fee for a driving skills test for a "Class D" (regular) license (currently $15). Specify that these changes would first be effective January 1, 2022, and increase funding by $210,700 to reflect the changes would be for only half of fiscal year 2021-22.

5. ONLINE DRIVER LICENSE AND WISCONSIN IDENTIFICATION CARD RENEWAL [LFB Paper 619]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	- $481,000	- 3.80	$481,000	3.80	$0	0.00

Governor: Decrease funding by $240,500 annually and eliminate 3.80 FTE positions associated with modifying the Department's authority relating to testing upon driver license renewal in order to allow driver licenses and Wisconsin identification cards to be renewed by electronic means (online) every other time the renewal is due. Modify current law, to provide an exception for online applicants, that requires the Department to test the eyesight and take digital photographs of applicants when applying to renew their licenses or identification cards every eight years. These provisions would not apply to an applicant for a commercial driver license. Specify that the Department may renew a license without a photograph being taken if the Department is able to produce a photograph of the applicant from its records.

Specify that to be eligible to renew their license or identification card electronically, applicants must meet all of the following conditions: (a) not be subject to license restrictions based on medical conditions, other than a requirement that the applicant use corrective lenses; (b) not be more than 65 years of age; (c) must verify they are aware their license will be marked REAL ID non-compliant and is not intended to be accepted by any federal agency for federal identification or any other official purpose; (d) must verify their eyesight is sufficient to meet the current standards; and (e) satisfy any additional eligibility criteria established by DOT. Permit the Department to specify eligibility criteria for online license or identification card renewal.

In response to the COVID-19 pandemic, the Department instituted a pilot program to allow for the online renewal of licenses and identification cards. Currently, individuals must renew their

driver licenses and identification cards at a Department customer service center every eight years. Under these provisions, the Department's pilot program would be made permanent, allowing most individuals to renew their licenses and identification cards online every other time, which would reduce visits to customer service centers to once every 16 years. Federal REAL ID requirements mandate identification photos to not be more than 16 years old, thus requiring in-person renewals once every 16 years.

Joint Finance: Provision not included.

6. AUTOMATIC VOTER REGISTRATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$349,000	- $349,000	$0

Governor: Provide $349,000 in 2021-22 to the Division of Motor Vehicles general operations appropriation to assist in the initial implementation of automatic voter registration. Modify current law relating to the voter record matching program between the Elections Commission and DOT, to include a requirement that DOT electronically transfer Department records related to the verification of voter eligibility for regular driver license and identification card holders, including: (a) the full name of each individual who holds a current driver license or identification card; (b) such persons' name history, current address and address history, date of birth, and driver license or identification card number; (c) a copy of each proof of citizenship document that such persons used to obtain a driver license or identification card; and (d) a statement from the Department indicating that it verified such persons' citizenship. Specify that DOT's agreement with the Elections Commission related to its voter record matching program include a provision to electronically provide these voter eligibility-related records on a continuous basis, not less than weekly, notwithstanding various current law restrictions related to the disclosure of personally identifiable information maintained by the Department. Require DOT, for each of these items of information, to provide the most recent date that the item of information was provided or obtained. Under the bill, the Elections Commission would be required to facilitate the registration of all eligible voters in the state. This information sharing provision would assist the Elections Commission in fulfilling this requirement. [See "Elections Commission."]

Require that DOT's application and renewal forms used by applicants for obtaining driver licenses and identification cards inform the applicant of the Department's duty to make the relevant personally identifiable information contained in the application available to the Elections Commission for voter eligibility verification and registration purposes. Specify that these applications and renewal forms would be required to provide the applicant an opportunity to elect not to have this information made available to the Elections Commission for these purposes. Provide that if an applicant elects not to make available the information required for the purposes of voter registration and eligibility verification, the Department would be prohibited from making this information available to the Elections Commission for these purposes. Specify that this provision would not preclude the Department from sharing this information with the Elections

Commission for the current law purposes of proving residency or for any other purpose other than automatic voter registration.

Notwithstanding current law requirements related to the existing voter record matching program and restrictions on the disclosure of personally identifiable information, require DOT to enter into and begin transferring information under a revised voter record matching agreement with the Elections Commission administrator no later than the first day of the ninth month after the effective date of this provision.

Joint Finance: Provision not included.

7. IDENTIFICATION CARD RECEIPTS FOR VOTING PURPOSES -- VALID PERIOD

Governor: Extend the period for which identification card receipts issued by DOT for the purposes of voting remain valid as a temporary identification card, from 60 days to 180 days.

Under current law, the Department may not charge a fee to an applicant for the initial issuance, renewal, or reinstatement of an identification card (or temporary receipt) if the applicant is a U.S. citizen who will be at least 18 years of age on the date of the next election and the applicant requests that the identification card be provided without charge for voting purposes. Because identification cards may be used for voting and are mailed to applicants, DOT provides those card applicants who are also eligible voters with a temporary receipt that may be used for voting purposes. The fee for identification cards issued for purposes other than voting is $28 ($18 for the card itself, plus a $10 issuance fee).

Joint Finance: Provision not included.

8. REAL ID FUNDING [LFB Paper 620]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$400,000	- $400,000	$0

Governor: Provide $400,000 in 2022-23 in ongoing supplies and services funding to the Division of Motor Vehicles general operations appropriation to support REAL ID compliance. Because this funding is ongoing, base level supplies and services funding for the 2023-25 biennium under this appropriation would increase by $400,000.

The federal REAL ID Act of 2005 established minimum security standards for state-issued driver licenses and identification cards and prohibits federal agencies from accepting for official purposes licenses and identification cards from states that do not meet these standards, including accessing federal facilities and boarding federally regulated aircraft. REAL ID was scheduled to be enforced on October 1, 2020, but was extended to October 1, 2021, as part of the federal CARES Act in response to the COVID-19 pandemic. To obtain a REAL ID compliant license or card,

applicants must provide their social security number and present an original document or certified copy of proof of: (a) name and date of birth; (b) legal presence in the United States; (c) identity; (d) name changes if applicable; and (e) address, which requires two forms.

Joint Finance: Provision not included.

9. REAL ID NON-COMPLIANT DRIVER LICENSES AND IDENTIFICATION CARDS FOR UNDOCUMENTED PERSONS [FOR PURPOSES OTHER THAN VOTING]

Governor: Extend eligibility to receive REAL ID non-compliant driver licenses and identification cards to undocumented persons. Under current law, in processing driver license or identification card applications or renewals that are REAL ID non-compliant, DOT is required to verify the following: (a) an identification document that includes the applicant's photograph or both the applicant's full legal name and date of birth; (b) documentation showing the applicant's date of birth if not provided in (a); (c) documentation showing the applicant's name and address of principal residence; and (d) proof of the applicant's social security number or verification that the applicant is not eligible for a social security number. Make the following related changes to the current law driver license and identification card application, issuance, and renewal processes for REAL ID non-compliant credentials:

a. *Proof of Citizenship or Legal Presence.* Provide that current law driver license and identification card valid documentary proof requirements and requirements related to the person's legal presence in the United States would not apply to REAL ID non-compliant licenses and identification cards. Specify that when processing, issuing, or renewing a REAL ID non-compliant driver license or identification card, the Department may not include any question, or require any proof or documentation, as to whether the applicant is a citizen or national of the United States or lawfully present in the United States, despite existing requirements that DOT examine personally identifiable information and other biometric data in order to determine if an applicant is entitled by law to obtain these credentials. Exempt REAL ID non-compliant licenses and identification cards from being required to expire on the date that the license holder's legal presence in the United States expires. Specify that in lieu of required documentation showing the applicant's date of birth, name, and principal address, an applicant for a REAL ID non-compliant driver license or identification card may provide any documentation deemed acceptable to the Department.

b. *Applicants without a Social Security Number.* Specify that if a driver license or identification card applicant does not have a social security number and the application is for a REAL ID non-compliant license or card, the application must include a statement made or subscribed under oath, or affirmation that they do not have a social security number, in a manner prescribed by DOT with the assistance of the Department of Children and Families. Provide that any license that is issued or renewed in reliance on such a statement would be invalid if the statement is false. Specify that in lieu of current documentation requirements, the applicant could provide an individual taxpayer identification number, a foreign passport, or any other documentation deemed acceptable by DOT. Specify that the Department would not need to verify that an applicant is not eligible for a social security number. Under current law, a similar requirement exists for applicants for, or renewals of, a driver license or identification card that

requires the applicant to state under oath the reason why they do not have a social security number.

Specify that the following current law requirements would not apply to an application for, or renewal of, a REAL ID non-compliant driver license or identification card: (a) the requirement that DOT verify driver license and identification card application information and that the Department direct applicants to investigate and resolve social security number discrepancies prior to issuance; (b) the requirement that DOT cancel a driver license or identification card regardless of expiration date, if the Department receives information from a local, state, or federal government agency that the holder no longer satisfies the requirements (including those related to legal presence) for issuance; and (c) the requirement that DOT may not accept any foreign document other than an official passport to satisfy personal identification documentation. Prohibit DOT from disclosing to any person the fact that an applicant has provided verification of not having a social security number in applying for a REAL ID non-compliant driver license or identification card, except to the Elections Commission for administering its voter records matching program.

Require that any applicant issued a REAL ID non-compliant driver license or identification card who does not provide a verified social security number during the license application process receive a license marked, "Not valid for voting purposes. Not evidence of citizenship or immigration status." Specify that such a driver license would expire four years after the date of issuance and that DOT would have the discretion, at the time of renewal, as to whether to take an applicant's photograph and administer an eyesight exam, so long as both actions occur at least once every eight years. Provide that such identification cards would expire every two years and that a renewed or reinstated card would be valid for a period of two years from the card's last expiration date.

c. *Discrimination.* Prohibit discrimination on the basis of a person's status as a holder or a non-holder of a REAL ID non-compliant license and add this license status as prohibited basis for discrimination in public or private employment, transportation with a motor carrier, automobile insurance, housing, acquiring a mortgage, real estate practices, and businesses that provide motorist services that are identified on DOT's specific signage program. Include nondiscrimination on the basis of being a holder or non-holder of a noncitizen limited-term license on the list of written assurances that businesses must provide to DOT in order to be identified as a motorist service on DOT specific information signs. Permit the real estate examining board to revoke, suspend, or limit the broker's license of any licensee, or reprimand the licensee, if it finds the licensee has discriminated on the basis of a person's status as a holder or non-holder of a REAL ID non-compliant license.

d. *Insurance.* Specify that no person may operate a motor vehicle with a REAL ID non-compliant license, unless the owner or operator of the vehicle has in effect a motor vehicle liability policy with respect to the vehicle being operated.

e. *Effective Date, Initial Applicability, and Statutory References.* These provisions would first take effect on the first day of the fourth month beginning after publication of the bill and would first apply to driver license and identification card applications received by the Department on this date. Renumber various statutory sections and amend statutory cross references

as necessary to accomplish the recommended modifications.

A driver license issued under these provisions would continue to be subject to current law driver knowledge and skills requirements applicable for licensing. A REAL ID non-compliant credential is not valid for certain federal purposes, such as air travel.

Joint Finance: Provision not included.

10. WISCONSIN IDENTIFICATION CARD INFORMATION RELEASE STANDARDIZATION

Governor: Modify current law to allow the release of information for identification card applicants or holders to be standardized with that of driver license applicants or holders. The Department indicates that prohibiting the release of certain information for identification card applicants or holders inhibits these individuals from conducting government business that requires verification of identity, such as: (a) receiving duplicate Social Security Administration cards; (b) receiving hunting licenses; and (c) verifying one's identity for federal security purposes, including travelling via airplane.

Repeal current law provisions that: (a) prohibit DOT from disclosing any record or other information relating to an applicant or identification card holder to any person other than a court, district attorney, county corporation counsel, city, village, or town attorney, law enforcement agency, driver licensing agency of another jurisdiction, a procurement organization for organ donation, or the applicant or identification card holder or their parent or guardian if the applicant or cardholder is under 18; (b) prohibit persons entitled to receive any record or other information related to identification card applicants or holders from disclosing that record or information to other persons or agencies, except for photographs for law enforcement purposes; and (c) specifies that the prohibition on the information that could be disclosed would not apply to requests for information from the Department of Children and Families or a county child support agency, including a person's name or address, the name or address of a person's employer, or financial information that relates to the person. The repeal of these provisions would essentially allow the Department to release any record or other information relating to an applicant or identification card holder to any person or entity requesting such information, except for social security numbers.

In addition, as provided under current law, the Department would continue to be required by statute to provide this information to driver licensing agencies of other jurisdictions. In addition, the statutes would continue to allow DOT to provide this information to the following entities upon request: (a) the Department of Health Services for the sole purpose of verifying birth record information; (b) the Elections Commission for the sole purpose of allowing the chief election officer to comply with statutes related to maintaining a voter registration list; and (c) the Department of Revenue, that is subject to statutory confidentiality provisions.

Joint Finance: Provision not included.

11. EXEMPTION FROM PROBATIONARY LICENSE REQUIREMENTS -- UNITED STATES ARMED FORCES

Governor: Include persons providing proof of enlistment in the United States Armed Forces to DOT to the list of persons exempt from probationary driver licenses requirements.

Under current law, DOT is generally required to issue probationary driver licenses to persons applying for an original license. Probationary licenses expire two years from the applicant's next birthday and are subject to a number of restrictions, depending on the age of the license holder and the driving-related activity. However, under current law, the following persons are exempt from these probationary requirements: (a) any person moving to the state who has been licensed in another jurisdiction for at least three years, who presently holds a license (other than an instruction permit) from another jurisdiction which has not expired for more than six months and who is 21 or older; (b) any person entitled to a regular license under a driver license reciprocity agreement with a foreign government; and (c) any person issued a commercial driver license. Under the bill, enlisted members of the United States Armed Forces, would be exempt from probationary license requirements if proof of enlistment is provided to DOT.

Leadership of the United States Army's Wisconsin Recruiting Command notified the Department regarding changes in application requirements for specialized military training programs that now require an individual to possess a valid driver license at the time of application that will not expire between the date of application and the anticipated completion of the training program. Current law requires the Department to issue a probationary license to most new drivers that expires two years after the driver's next birthday. As a result, the earliest a probationary licenses can expire is on a driver's 19th birthday, which may occur during basic training or during longer-duration, specialized training programs for individuals enlisting shortly after graduation from high school.

Joint Finance: Provision not included.

12. PROHIBIT ARREST AND LICENSE SUSPENSION FOR NONMOVING VIOLATIONS

Governor: Prohibit the arrest of individuals or suspension of their driver license for not paying the forfeiture or appearing in court related to a nonmoving violation (parking ticket). Delete current law that permits the arrest of a person and amend current law that permits the suspension of the person's operating privilege for failing to pay the required forfeiture or appear in court related to nonmoving violations. Modify the current law provisions relating to not guilty pleas for persons failing to appear in court by requiring the following: (a) that such persons be deemed to have entered a plea of no contest; and (b) the court accepts the plea, find the defendant guilty, and proceed under the current law process related to the judgment of forfeitures. Require the court to give notice of the entry of judgment to the defendant by mailing to their last known address a copy of the judgment and a statement describing the actions the court may take if the judgment is not paid. Amend statutory cross references to reflect these changes.

Under current law, if a person does not pay the forfeiture or appear in court in response to a

nonmoving violation, the court may issue a summons for the person, order DOT to suspend their operating privilege, or issue a warrant for their arrest. Current law permits the court to order the person to be imprisoned until the judgment is paid, but for a time period not to exceed 90 days, or suspend the person's operating privilege in lieu of imprisonment.

Joint Finance: Provision not included.

13. SYSTEM MODERNIZATION SURVEY [LFB Paper 620]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$400,000	- $400,000	$0

Governor: Provide $400,000 in 2021-22 for a survey of Division of Motor Vehicles information technology systems and processes to prioritize upgrades and identify liabilities. This recommendation would provide a one-time increase to the Division's general operations appropriation for supplies and services funding to cover the costs of the survey.

Joint Finance: Provision not included.

State Patrol

1. BODY-WORN CAMERAS [LFB Paper 625]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,400,000	- $700,000	$700,000

Governor: Provide $700,000 SEG annually to fund the purchase of body-worn cameras and store camera data for the State Patrol. This would establish a $700,000 increase in base level SEG funding in State Patrol's operations appropriation.

Currently, State Patrol officers use only dashboard cameras and are not equipped with body-worn cameras. In a 2020 survey on the use of body-worn and in-vehicle cameras conducted by the Department of Justice (DOJ), State Patrol indicated that costs associated with purchasing the devices and recording and preserving data has prevented the agency from fully implementing body-worn cameras. Under 2019 Act 108, law enforcement agencies utilizing body-worn cameras must retain recordings for a minimum of 120 days, with some exceptions requiring longer retention, such as data used in an investigation, case, or complaint and the encounter resulted in the death or physical injury to an individual, or an encounter that included the use of force by an

officer. In the 2020 DOJ survey, it was reported that 63.1% of Wisconsin law enforcement agencies indicate they utilize body-worn cameras.

Joint Finance: Provide $700,000 SEG in 2021-22 to fund the purchase of body-worn cameras and store camera data for State Patrol. Because funding would be provided in 2021-22, there would be no increase to base level funding for the State Patrol's operations appropriation.

2. IN-VEHICLE VIDEO CAMERAS [LFB Paper 625]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$1,057,400	- $1,057,400	$0

Governor: Provide $1,057,400 in 2022-23 for the replacement of in-vehicle video cameras, which are used for evidentiary, debriefing, and training purposes by the State Patrol. This would establish ongoing funding of $1,057,400 SEG to the State Patrol's operations appropriation.

In the 2017-19 biennial budget, a GPR annual appropriation was created for the purchasing of state traffic patrol equipment, including in-vehicle camera equipment, tactical vests, and helmets. At that time, this appropriation was provided one-time funding of $3,550,000 GPR in 2017-18, of which $2,750,000 was for the purchase of approximately 500 in-vehicle video cameras to replace existing cameras. Since 2017-18, State Patrol has not received additional in-vehicle camera funding from this appropriation. The Department has indicated that in-vehicle video cameras have a useful life of about three years due to technological changes and relatively heavy use.

Joint Finance: Provision not included.

3. REPLACEMENT OF PERSONAL PROTECTIVE EQUIPMENT [LFB Paper 625]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$203,400	$184,100	$387,500

Governor: Provide $203,400 SEG in 2022-23 to replace personal protective gear for State Patrol officers. This could include bulletproof garment, tactical vests, and helmets used to provide a level of body armor protection for officers. This would establish ongoing funding of $203,400 SEG to the State Patrol's operations appropriation.

In the 2017-19 biennial budget, a GPR annual appropriation was created for the purchasing state traffic patrol equipment, including tactical vests, helmets, and in-vehicle video camera equipment. At that time, this appropriation was provided one-time funding of $3,550,000 GPR in 2017-18, of which $800,000 was for the purchase of 500 tactical vests and helmets to protect against high-caliber, high-velocity bullets as well as some armor-piercing rounds. Since 2017-18,

no additional funding has been provided for these purposes in that appropriation.

Joint Finance: Provide $387,500 SEG in 2021-22 to replace personal protective gear for State Patrol officers. This amount is equal to half of the total amount DOT indicated would be necessary to purchase the intended replacement equipment on a one-time basis rather than financing the purchases through a master lease. Because funding would be provided in 2021-22, there would be no increase to base level funding for the State Patrol's operations appropriation.

4. MICROWAVE RADIO EMERGENCY NETWORK UPGRADE [LFB Paper 626]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$822,800	- $822,800	$0

Governor: Provide $411,400 annually to fund improvements to the statewide microwave radio emergency network. This would establish an ongoing $411,400 increase in base level SEG funding in State Patrol's operations appropriation.

This independent backbone network carries data of various types and supports the statewide communication systems utilized by State Patrol, including routine voice communications, as well as driver license, license plate, criminal history, and road sensor information. This network is also utilized by most law enforcement agencies in the state.

Joint Finance: Provision not included.

5. COMMUNICATION TOWER SITES [LFB Paper 626]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$500,000	- $500,000	$0

Governor: Provide $500,000 in 2022-23 to increase funding for maintenance of communication towers owned by the Department. The State Patrol utilizes communication towers to operate a voice radio communications network, including mobile radios in squad vehicles, and for dispatch and command operations. This would establish an ongoing $500,000 increase in base level SEG funding in State Patrol's operations appropriation.

Joint Finance: Provision not included.

6. LIEUTENANT GOVERNOR SECURITY

Joint Finance: Prohibit DOT from spending from the State Patrol general operations appropriations more in the 2021-23 biennium for the security and safety of the Lieutenant Governor than was expended in the 2017-19 biennium. This amount is equal to $131,254.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- $43,650,000	- $3,927,000	- $47,577,000
SEG-S	41,800	0	41,800
FED	- 505,800	- 1,014,800	- 1,520,600
PR	559,600	0	559,600
Total	- $43,554,400	- $4,941,800	- $48,496,200

Governor: Make adjustments to the agency base budget for: turnover reduction (-$4,468,500 SEG annually and -$1,496,900 FED annually); (b) removal of non-continuing elements from the base (-$2,500,000 SEG annually) associated with the one-time funding for supplemental transportation aid to towns; (c) full funding of continuing position salaries and fringe benefits (-$18,744,000 SEG, $20,900 SEG-S, $334,900 FED, and $87,600 PR annually), primarily in the state highway program; (d) overtime ($3,322,500 SEG, $893,500 FED, and $192,200 PR annually); (e) night and weekend differential pay ($298,800 SEG and $15,600 FED annually); and (f) full funding of lease and directed moves costs ($266,200 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $1,963,500 SEG annually and $507,400 FED annually.

2. DOT ADMINISTRATIVE FACILITIES [LFB Paper 630]

SEG-S	$3,920,000

Governor: Provide $1,960,000 annually to fund DOT administrative facility projects. This request would increase base level funding of $4,540,000 to $6,500,000 annually for DOT facility capital projects, which equals the additional bonding authorization amount associated with this recommendation as shown in a separate item (See "Transportation Finance").

The Department indicates that nine capital projects totaling $13,000,000 are scheduled to start in 2021-22: (a) miscellaneous small projects ($5,023,000); (b) four Division of State Patrol towers in locations to be determined ($3,956,000); (c) three projects at Truax Field, including HVAC upgrades ($1,500,000) and parking lot ($600,000) and roof replacements ($500,000); and (d) bathroom upgrades at a Division of State Patrol academy dorm ($1,421,000). Estimated reductions to transportation fund revenue, associated with the debt service for the partial issuance of these bonds, of $81,300 in 2021-22 and $602,800 in 2022-23, is shown in a separate item (See "Transportation Finance").

Joint Finance: Require the Department to utilize $13,000,000 in existing transportation

revenue bond authority to fund DOT administrative facilities, and decrease the amount of new transportation revenue bond authority to be provided by an equal amount. [Change in transportation revenue bond authority is shown in "Transportation Finance".] Estimated reductions to transportation fund revenue of $81,300 SEG-REV in 2021-22 and $602,800 SEG-REV in 2022-23 associated with the partial issuance of the revenue bonds under this provision are included in a separate item (see "Transportation Finance").

3. MAINTENANCE OF DEPARTMENT FACILITIES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$200,000	- $200,000	$0

Governor: Provide $100,000 annually to fund ongoing cost increases associated with maintaining department facilities, such as Division of Motor Vehicle service centers, regional office buildings, and highway maintenance buildings. Funding provided for this purpose is generally used for functions such as carpet cleaning, pest control, janitorial services, snow removal, as well as maintenance and repair of water heaters, boilers, air condition and ventilation equipment, flooring, and lighting.

Joint Finance: Provision not included.

4. DOT CONTRACTING AUTHORITY

Governor: Increase current law thresholds for contracts requiring approval from the Governor as follows: (a) from $3,000 to $100,000 for engineering services (engineering, consulting, surveying, and specialized service) contracts; (b) from $1,000 to $250,000 for highway construction contracts; (c) from $5,000 to $100,000 for construction labor and material contracts with a county or municipality; (d) from $5,000 to $100,000 for special contracts with railroads or utilities; and (e) from $10,000 to $100,000 for contracts involving emergency repair and protection of state trunk highways. DOT indicates that current thresholds were established in 1941, 1957, and 1975, and nearly all applicable contracts under these statutes exceed the statutory threshold requiring approval from the Governor. The DOT Secretary has the authority to approve contracts that do not require the Governor's approval.

Joint Finance: Provision not included.

5. INTERNAL REORGANIZATION OF POSITIONS AND FUNDS

SEG	- $21,200

Governor/Joint Finance: Decrease funding by $10,600 SEG annually due to a minor departmental reorganization in order to align agency resources with the Department's needs. DOT completed an internal reorganization in 2019 to focus on strategic and long-range policy planning.

As part of that reorganization, four positions and funding were transferred to various divisions within the department. The bill would align appropriations with the corresponding position changes under the reorganization.

6. HUMAN RESOURCES POSITION ADJUSTMENTS

	Positions
SEG	1.00

Governor: Provide 1.00 FTE, to be transferred from the Department of Administration (DOA). The existing position at DOA is not performing personnel management functions. This transfer is part of a statewide human resources position realignment that affects DOA, Department of Health Services, and Department of Workforce Development in addition to DOT. For additional information, see "Administration -- Personnel Management".

Joint Finance: Specify that the incumbent employee occupying the position also be transferred. In addition, specify that an incumbent employee transferred under the provision would retain the same rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be required to serve a probationary period.

7. EQUITY OFFICER POSITION

Governor: Reallocate a vacant position from within the Department to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. The bill does not identify a specific funding source or position to be reallocated. According to the Department, 1.00 SEG position would be reallocated from the Division of Motor Vehicles for this purpose. DOT indicates that, as with other assessments for other Departmentwide functions, the Department would annually charge back each Division for a portion of the costs of the position. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$2,375,172,000	$2,566,737,500	$2,382,395,300	- $184,342,200	- 7.2%	$7,223,300	0.3%
FED	3,216,075,000	3,216,075,000	3,216,075,000	0	0.0	0	0.0
PR	7,299,710,200	7,406,922,700	7,292,173,900	- 114,748,800	- 1.5	- 7,536,300	- 0.1
SEG	46,912,400	47,762,400	47,032,400	- 730,000	- 1.5	120,000	0.3
TOTAL	$12,937,869,600	$13,237,497,600	$12,937,676,600	- $299,821,000	- 2.3%	- $193,000	0.0%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	17,814.49	17,821.49	17,814.49	- 7.00	0.00
FED	4,878.23	4,878.23	4,878.23	0.00	0.00
PR	12,878.54	12,923.06	12,878.54	- 44.52	0.00
SEG	99.99	99.99	99.99	0.00	0.00
TOTAL	35,671.25	35,722.77	35,671.25	- 51.52	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	36,827,200	- $20,222,800	$16,604,400

Governor: Modify the base budget by $18,413,600 annually for: (a) full funding of continuing position salaries and fringe benefits ($18,269,000 annually); and (b) full funding of lease and directed moves costs ($144,600 annually).

Joint Finance: Adjust fringe benefits by -$10,111,400 annually to reflect updated estimates.

2. RESIDENT UNDERGRADUATE TUITION FREEZE [LFB Paper 635]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$50,400,000	- $50,400,000	$0

Governor: Prohibit the Board of Regents of the UW System from charging resident undergraduates enrolled in an institution or college campus in the 2021-22 or 2022-23 academic year more in tuition than it charged resident undergraduates enrolled in that institution or college campus in the 2020-21 academic year. Provide $16,800,000 in 2021-22 and $33,600,000 in 2022-23.

Beginning in the 2013-15 biennium, each biennial budget act has prohibited increases in resident undergraduate tuition rates. A 1% annual increase in resident undergraduate tuition would result in increased tuition revenues of $8.4 million. The administration indicates the funds provided under the bill are intended to replace resident undergraduate tuition revenue which could have been generated based on a tuition increase of 2% in each year of the biennium.

Joint Finance: Provision not included.

3. UW SYSTEM GENERAL PROGRAM OPERATIONS [LFB Paper 636]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$40,000,000	- $40,000,000	$0

Governor: Provide $20,000,000 annually for UW System operations in the UW System's largest GPR appropriation for general program operations.

Joint Finance: Provision not included.

4. TUITION PROMISE EXPANSION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$39,000,000	- $39,000,000	$0

Governor: Provide $13,800,000 in 2021-22 and $25,200,000 in 2022-23 in a new, annual appropriation and require the Board of Regents to develop and administer a tuition promise grant program for eligible Wisconsin resident students enrolled at UW System institutions other than UW-Madison to supplement the gap between any scholarships or grants an eligible student receives outside of the tuition promise program and the full cost of their academic fees and segregated fees. Require that, to be eligible for the program, the student would have to be enrolled

in his or her first bachelor's degree program in an on-campus program and the student's household's annual federal adjusted gross income must be $60,000 or less. Require that eligible students would have to meet any acceptable academic standards or additional requirements developed by the Board. Specify that incoming freshmen would be eligible for grants for eight consecutive semesters and transfer students for grants for four consecutive semesters. Specify that summer terms would not be included in the consecutive semester count and the program funding could not be applied to students' summer term tuition or fees. In addition, specify that no grants could be awarded to any student who is required by federal law to register with the selective service if the person has not so registered, and no grant could be awarded to a student whose name appears on the statewide child support lien docket, unless the student provides a qualifying payment agreement to the Board. Further, specify that the Board could promulgate rules to implement and administer the program. Specify that the grant program would first apply to eligible students who initially enroll in an institution in the first fall semester beginning after the effective date of the bill.

The Bucky's Tuition Promise program at UW-Madison was implemented beginning in fall, 2018, and provides scholarships and grants to cover tuition and segregated fees for students whose household adjusted gross income is $60,000 or less. Incoming freshmen are eligible for eight consecutive semesters and transfer students are eligible for four consecutive semesters. Aid under the program is provided after other student aid, such as grants and scholarships are applied, resulting in a student's net cost for tuition and fees of zero. Approximately 850 students have received assistance through Bucky's Tuition Promise in the two years since the program's inception. Funding for the program was provided by UW-Madison's internal resources. UW System estimates 5,900 students would receive assistance through the expanded tuition program in the first four years.

Joint Finance: Provision not included.

5. BORROWING FOR OPERATIONAL PURPOSES

Governor: Provide that the Board of Regents could, upon affirmative approval by the Board at a public meeting, arrange and obtain extensions of credit, on terms approved by the Board, to obtain short-term funding for any expense associated with athletics or educational programs and related programs. Specify that extensions of credit could also be used for refinancing or refunding if the repayment period for the original extension of credit does not exceed five years. Define "athletics program" as a program for intercollegiate athletics that is all of the following: (a) a revenue-producing enterprise; (b) operated or overseen by an institution's athletics department or office; and (c) subject to the bylaws and policies of the National Collegiate Athletic Association. Specify that "extension of credit" includes a loan or line of credit from a financial institution, liquidity facility, ancillary agreement, or any other credit arrangement. Define "short-term" as a period not exceeding five years for repayment of any individual extension of credit.

In addition, specify that the Board could pledge any of the following collateral as security for repayment of an extension of credit: (a) any revenues generated by the System, arising after the initial extension of credit is entered into, as a result of the operation of any athletics program;

or (b) any guarantee, obligation or revenues furnished by a third party. Prohibit the Board from pledging the full faith and credit or taxing power of the state for repayment of an extension of credit and specify that the state shall not be generally liable for the repayment of any extension of credit or interest, and extensions of credit shall not be a debt of the state for any purpose whatsoever. Specify that an extension of credit would be repayable solely from pledged collateral, and require any instruments evidencing an extension of credit state this on their face. Provide that a creditor that provides an extension of credit would have a perfected security interest in the pledged collateral.

Further, specify that proceeds from an extension of credit could not be used to pay for any of the following: (a) expenses associated with the acquisition, construction, improvement, or maintenance of buildings or other structures or facilities, including expenses associated with a UW gifts and grants project let through single prime contracting and including any debt service; (b) expenses associated with a master lease agreement entered into by the Department of Administration (DOA) on behalf of the Board of Regents to obtain property or services under which DOA, prior to the effective date of the bill, agreed to pay the expense; or (c) the creation of a new program and its associated expenses, under which the Board obtains property or services by entering into an agreement with a person other than DOA and this person makes or agrees to make periodic payments.

Create a continuing, all moneys received, program revenue appropriation for the receipt of moneys received as proceeds of extensions of credit or for the transfer of funds from the System's largest program revenue (PR) appropriation for the repayment of extensions of credit under these provisions. Specify that all proceeds from an extension of credit would be credited to this appropriation. Further, specify that the Board could direct the Secretary of Administration to transfer to this appropriation, and require the Secretary to then transfer, from the Board's largest PR appropriation, any amount the Board determines necessary for the repayment of any obligation arising under these provisions.

The UW System's largest PR appropriation is entitled, "General Program Operations." In 2020-21 the appropriation has funding of $2.6 billion and includes monies from tuition and fees, auxiliary operations including residence halls, food service, student unions, and athletics.

Joint Finance: Provision not included.

6. UW SYSTEM REVENUE INVESTMENT [LFB Paper 637]

Governor: Specify that the Board of Regents could manage the investment of any revenues designated by the Board of Regents, including revenues from gifts, grants, and donations, by directing the State of Wisconsin Investment Board (SWIB) to invest these moneys according to investment policies established by the Board of Regents. Specify that SWIB would be required to invest moneys designated by the Board of Regents under the Board of Regent's investment policies. Require SWIB to make and manage these investments in accordance with the investment directives and policies of the Board of Regents and in accordance with the terms of the contract except that SWIB may decline to involve unreasonable risk or to be in violation of SWIB's statutory standards of investment prudence.

Under current law, the Board of Regents may invest revenues from gifts, grants, and donations by doing any of the following: directly employing a financial manager; selecting a private investment firm using a competitive proposal process, or contracting with SWIB to manage the investment of these moneys. If the Board of Regents contracts with SWIB for investment of these moneys, these moneys are not required to be invested in the state investment fund (SIF). Other program revenue balances (approximately $1.8 billion in February, 2021) of the Board are currently invested in the SIF. The SIF operates as an investment trust for managing certain state moneys and functions as a cash management fund under which cash balances are pooled and invested in liquid, low-risk investments until these moneys are needed. In February, 2021, approximately $17.7 billion was in the SIF, including approximately $3.0 billion of retirement trust moneys and $5.4 billion of local government pooled investments. The annualized rate of return for the SIF was 0.08% in February 2021.

Joint Finance: Provision not included.

7. MINNESOTA-WISCONSIN RECIPROCITY AGREEMENT

Governor: Transfer administration of the Minnesota-Wisconsin student reciprocity agreement relating to the UW System from the Higher Educational Aids Board to the Board of Regents. The reciprocity agreement provides for the waiver of nonresident tuition and for a reciprocal fee structure for residents of either state who are enrolled in public institutions of higher education located in the other state. Maintain the current law requirements regarding the purpose of the agreement and the requirement that the reciprocal fee may not exceed the higher of the resident tuition that would be charged the student at the public institution of higher education in which the student is enrolled or the resident tuition that would be charged the student at comparable public institutions of higher education located in the student's state of residence. Maintain the current law requirement prohibiting receipt of a nonresident tuition waiver by a person whose name is on the statewide support lien docket.

Require the Higher Educational Aids Board (HEAB) to provide to the designated Minnesota body, notice of the termination of the current reciprocity agreement, with the termination effective July 1, 2022. Provide that the Board of Regents, as the representative of Wisconsin, would enter into a new reciprocity agreement with the designated representative of the state of Minnesota to become effective July 1, 2022. Specify that the new agreement would be subject to approval by the Joint Committee on Finance.

Prior to each academic year, require the Board of Regents and the Minnesota designated body to prepare an administrative memorandum that establishes policies and procedures for implementation of the agreement for the upcoming academic year, including a description of how the reciprocal fee structure would be determined and submit the memorandum to the Joint Committee on Finance subject to a 14-day passive review approval process.

Maintain the current law requirement that at the end of each semester or academic term, each state determine the number of participating students and certify to the other state the aggregate amount of its reimbursement obligation, and the state with the larger reimbursement obligation is required to pay the net obligation as provided in the agreement by a reasonable date. Modify the

largest program revenue appropriation under the UW System to authorize the payment of any reimbursement obligation under the new reciprocity agreement, effective July 1, 2022.

Under current law, HEAB administers the Minnesota-Wisconsin reciprocity agreement which covers all public institutions in both states. Under the agreement, residents can attend public universities, community colleges, and technical colleges in the adjacent state without having to pay non-resident tuition. Under the bill, the Board of Regents would administer the agreement between Minnesota and Wisconsin for UW-System institutions and HEAB would administer the agreement between Minnesota and Wisconsin for students attending Wisconsin technical colleges. Currently, tuition referred to as differential reciprocity tuition is deposited in the general fund as GPR-Earned. With the July 1, 2022, effective date for these changes, the provisions would reduce expenditures from the GPR sum sufficient appropriation under HEAB by an estimated $6,500,000 and reduce GPR-Earned under the UW System by an estimated $16,500,000 in 2022-23, for a net reduction to the general fund's balance of $10,000,000.

Under current law, the GPR appropriation under HEAB is used to pay Minnesota its cost-based reimbursement. As noted above, the additional tuition paid by Minnesota students attending UW institutions over UW System resident tuition amounts is deposited in the state's general fund as GPR-Earned.

Under the bill, it is anticipated that the UW System would pay Minnesota its cost-based reimbursement (if any) from its largest PR appropriation, and would deposit the additional tuition paid by Minnesota residents in that same appropriation.

Joint Finance: Provision not included.

8. STUDENT MENTAL AND BEHAVIORAL HEALTH SUPPORT [LFB Paper 638]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,000,000	- $10,000,000	$0

Governor: Provide $2,500,000 in 2021-22 and $7,500,000 in 2022-23 in a new, annual appropriation to provide additional or improved student health services related to mental and behavioral health, including additional or improved staffing, training, operations, assessment, and prevention.

In their agency budget request, UW System indicated funding would support staffing, training, operations, prevention, and evaluation and assessment. A UW System Administration liaison would be established to coordinate systemwide mental and behavioral health efforts and ensure adequate staffing levels for counseling and health centers to meet behavioral health service demand using a hybrid approach of psychiatric practitioners and telepsychiatry services. Funding would also support an additional case manager per institution to assist with clinical triage, external treatment referrals, and student non-clinical crisis support.

Joint Finance: Provision not included.

9. FRESHWATER COLLABORATIVE [LFB Paper 639]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$9,000,000	- $9,000,000	$0

Governor: Provide $3,000,000 in 2021-22 and $6,000,000 in 2022-23 in a new, continuing appropriation to provide funding for a systemwide freshwater collaborative. Require the Board of Regents to fund a freshwater collaborative and allocate funding from this appropriation to each institution for this purpose. Specify that freshwater collaborative funding be used to do the following: (a) devise new watercentric training programs focused on undergraduates; (b) provide scholarships and student support to retain and attract new talent; (c) amplify marketing and recruiting relating to Wisconsin's role in freshwater science, including branding Wisconsin as the "Silicon Valley of Water"; (d) Enhance workforce development programming; and (e) recruit new faculty and staff to advance training programs, research, and innovation.

Joint Finance: Provision not included. Instead, provide $2,500,000 GPR in 2021-22 and $2,500,000 GPR in 2022-23 in the Joint Finance Committee supplemental appropriation for release to UW System upon request and approval by the Committee. Create a new, continuing appropriation in UW system for the freshwater collaborative where funding would be transferred upon release by the Committee. The fiscal effect of this item is shown under "Program Supplements."

10. REESTIMATE DEBT SERVICE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $9,472,600	$91,500	- $9,381,100
PR	- 5,110,300	- 2,426,000	- 7,536,300
Total	- $14,582,900	- $2,334,500	- $16,917,400

Governor: Reduce funding by -$8,113,800 GPR and -$7,127,600 PR in 2021-22 and modify funding by -$1,358,800 GPR and $2,017,300 PR in 2022-23 to reestimate debt service costs.

Joint Finance: Provide $1,311,600 GPR and $724,700 PR in 2021-22 and delete -$1,220,100 GPR and -$3,150,700 PR in 2022-23 to reflect updated debt service estimates.

11. NURSE EDUCATORS [LFB Paper 640]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,000,000	- $5,000,000	$0

Governor: Provide $5,000,000 in 2022-23 in a new, continuing appropriation for a nurse educators program. Require the Board of Regents to establish a nurse educator program that provides: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice or doctor of philosophy in nursing; (b) educational loan repayment assistance to recruit and retain faculty for system nursing programs; and (c) postdoctoral fellowships to recruit faculty for system nursing programs. Specify that the program require individuals who receive fellowships or loan repayment assistance under the program to make a commitment to teach for three consecutive years in a UW-System nursing program.

Joint Finance: Provision not included under the UW System, but modified provision included under the Higher Educational Aids Board.

12. PRISONER BACCALAUREATE DEGREE PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,000,000	- $5,000,000	$0

Governor: Provide $5,000,000 in 2022-23 in a new, annual appropriation for a baccalaureate degree program for prisoners. Require the Board of Regents and the Department of Corrections (DOC) to provide a baccalaureate education program for prisoners funded from this appropriation. Prior to expending any funds for the program, require the Board and DOC to jointly submit a plan for implementing the program to the Department of Administration which details the proposed structure, goals, delivery, and expenditures of the program mutually agreed on by the Board and DOC. Require DOA to approve or disapprove the plan within 60 days after it is received. Prohibit the Board from expending any funds for the program except in accordance with the plan as approved by DOA.

Joint Finance: Provision not included.

13. UW-EXTENSION COOPERATIVE COUNTY AGRICULTURE AGENTS [LFB Paper 641]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$2,000,000	- $2,000,000	$0

Governor: Provide $500,000 in 2021-22 and $1,500,000 in 2022-23 in the UW System's general operations appropriation. Require the Board of Regents to provide funding from that appropriation for 20.0 agriculture-focused positions at UW-Madison, including 15.0 county-based agriculture agent positions, 3.0 research positions focusing on applied agriculture research, and 2.0 positions focusing on agriculture and climate change. Require that these positions be filled using existing authorized positions that are currently vacant in a manner that reflects an increase in the total number of agricultural agent positions and agriculture-related research positions at UW-Madison. Specify that the Chancellor of UW-Madison may not abolish these positions under current law authorizing the creation and deletion of positions.

Require UW-Madison to submit a report to the Governor and Joint Committee on Finance by January 1, 2023, which includes: (a) the date of hire for each of these positions and the job responsibilities of each person hired; (b) for each county-based agriculture agent position, the strategies or tactics the agent has used to communicate climate change issues to farmers and metrics for tracking the agent's impact regarding agricultural practice changes in consideration of climate change; (c) for each applied agriculture research position, the research conducted to date, the research to be conducted, the findings of the research to date, and how those findings are informing the researcher's work and the work of county-based agriculture agents; and (d) for each agriculture and climate change research position, the ways in which the researcher has utilized the applied agricultural researchers' findings to inform the county-based agriculture agents, including developed curriculum and proposed outreach efforts, along with any additional research effort the person has undertaken and intends to undertake.

Joint Finance: Provision not included. Instead, provide $1,000,000 GPR in 2021-22 and $1,000,000 GPR in 2022-23 in the Joint Finance Committee supplemental appropriation for release to UW System upon request and approval by the Committee. The fiscal effect of this item is shown under "Program Supplements."

14. FOSTER YOUTH PROGRAMS [LFB Paper 642]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 annually in a new, annual appropriation for foster youth support programs. Require the Board of Regents to allocate funding from this appropriation to each institution to establish or maintain support programs for students enrolled in the institution who formerly resided in a foster home or group home. Specify that the types of programs supported by these funds may include any of the following: (a) scholarships; (b) employment; (c) emergency funds; (d) basic supplies; (e) mentorships to assist with academic preparations and successful navigation of the complex college environment; or (f) other resources such as career planning, financial literacy training, and math and writing support.

Joint Finance: Item not included. Instead, provide $250,000 GPR in 2021-22 and $500,000 GPR in 2022-23 in the Joint Finance Committee appropriation for release to UW System upon

request and approval by the Committee. The fiscal effect of this item is shown under "Program Supplements."

15. UW-SUPERIOR LAKE SUPERIOR RESEARCH INSTITUTE PARTNERSHIP [LFB Paper 643]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$902,500	5.00	- $902,500	- 5.00	$0	0.00

Governor: Provide $402,500 in 2021-22 and $500,000 in 2022-23 with 5.0 positions beginning in 2021-22 in a new, annual appropriation for a UW-Superior Lake Superior Research Institute partnership program. Require the Board of Regents to establish a partnership program between UW-Superior's Lake Superior Research Institute and northern Wisconsin communities and fund costs for the program from this appropriation. Specify that the program would be designed to accomplish all of the following objectives: (a) remove barriers and provide easy access to research and testing services for homeowners and businesses; (b) provide follow-up assistance and recommendations to solve environmental issues; (c) secure external funding to solve environmental issues; (d) to develop highly visible outreach events; and (e) create a direct conduit to fully equipped laboratory space and scientific expertise and to fully integrate the institute as the applied-environmental research arm for the region. Require the program to utilize permanent staff and student employees to coordinate directly with county health and conservation departments and with state, tribal, and local entities to develop regional priorities and solutions.

Joint Finance: Provision not included.

16. UW-MADISON UNIVERCITY ALLIANCE PROGRAM [LFB Paper 644]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$600,000	- $600,000	$0

Governor: Provide $300,000 annually in a new, annual, appropriation for the UniverCity Alliance program to connect in partnership Wisconsin communities, towns, cities, and counties with UW-Madison education, service, and research activities in order to address the communities' biggest local challenges.

Joint Finance: Provision not included.

17. MISSING IN ACTION RECOVERY AND IDENTIFICATION PROJECT [LFB Paper 645]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$360,000	- $360,000	$0

Governor: Provide $360,000 in 2021-22 in a new, continuing appropriation for the University of Wisconsin Missing in Action (MIA) Recovery and Identification Project. Require the Board of Regents to provide funding from this appropriation for the MIA Recovery Project to perform a mission for the recovery and identification of Wisconsin veterans who are missing in action. At the conclusion of the mission, require the MIA Recovery Project, through its representative, to submit a report on the mission's findings and an accounting of expenditures for the mission to the Governor, Joint Committee on Finance, Board of Regents, the standing committees of each house of the Legislature dealing with veterans matters, and the Departments of Veteran's Affairs, Military Affairs.

Joint Finance: Provision not included.

18. STATE LABORATORY OF HYGIENE RENT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$457,200	- $457,200	$0

Governor: Provide $228,600 annually for State Lab of Hygiene (SLH) rental costs. Funding would bring GPR funding to 50% of the rental cost of the DOA facility occupied by the SLH.

In 1999, two divisions of the SLH moved to a DOA facility and the Legislature authorized a GPR increase to cover 50% of the cost of the SLH's rent. In 2013, this facility was expanded to provide increased room for the SLH. Rent increases since 2013 have resulted in the current GPR funding level falling below the 50% level.

Joint Finance: Provision not included.

19. STATE LABORATORY OF HYGIENE -- PFAS AND EMERGING CONTAMINANTS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$245,600	1.0	- $245,600	- 1.0	$0	0.00

Governor: Provide $105,300 in 2021-22 and $140,300 in 2022-23 and 1.0 position beginning in 2021-22 for a per- and polyfluoroalkyl substances (PFAs) and emerging contaminant faculty position. The position would serve as an academic focal point for various state activities and assist statewide efforts for training, education, and other outreach to support reducing PFAs (man-made chemicals) exposure and other emerging contaminant exposures and associated adverse environmental and public health impacts.

Joint Finance: Provision not included.

20. STATE LABORATORY OF HYGIENE -- SOIL HEALTH

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$245,600	1.0	- $245,600	- 1.0	$0	0.00

Governor: Provide $105,300 in 2021-22 and $140,300 in 2022-23 and 1.0 position for a soil health faculty position. The position would be located in the State Lab Environmental Health Division and have an academic appointment in the UW-Madison Department of Soil Science in the College of Agricultural and Life Sciences. The position would assist in the collaboration of soil health research, testing, and outreach between government agencies, agriculture producers, local communities, and academic researchers. The position may teach at UW Madison and partner with other UW-Madison faculty and staff on research to further collective efforts to sustain and protect Wisconsin soil resources.

Joint Finance: Provision not included.

21. REESTIMATE TUITION REVENUES

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	$112,322,800	44.52	- $112,322,800	- 44.52	$0	0.00

Governor: Provide $56,161,400 annually and 44.52 positions beginning in 2021-22 to reflect increases in tuition revenues that have been incorporated into UW System's operating budget since 2018. These increases would true up the appropriation amount for recent changes in tuition revenues attributable to the following: (a) changes in enrollment ($16,685,000); (b) self-supporting programs ($13,537,600); (c) differential tuition increases ($1,100,100); and (d) increases in nonresident and graduate tuition ($24,838,700). Tuition revenues are deposited in the UW System's PR general program operations appropriation, which 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 PR positions without the approval of the

Legislature or the Joint Finance Committee.

Joint Finance: Provision not included.

22. UW-STEVENS POINT INSTITUTE FOR SUSTAINABLE TECHNOLOGY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$730,000	- $730,000	$0

Governor: Provide $365,000 annually from the environmental fund to support the Wisconsin Institute for Sustainable Technology at UW-Stevens Point. Under current law there is an appropriation under the UW System from the environmental fund for this purpose, but base level funding is set at $0.

Joint Finance: Provision not included.

23. PHYSICIAN AND DENTAL LOAN PROGRAM

SEG	$120,000

Governor/Joint Finance: Provide $60,000 annually over annual base level funding of $250,000 SEG and $488,700 PR from the critical access hospital assessment fund for the physician and dentist and health care provider loan assistance programs. Specify that dentists who agree to practice in one or more eligible practice areas or dental health shortage areas in Wisconsin and who agree to practice in a rural area are eligible for loan repayment of up to $100,000 by the UW Board of Regents under the physician and dentist loan assistance program and subject to current loan repayment terms that apply to physicians practicing in rural areas under that program. Specify that this would first apply to dentists whose applications for the physician and dentist loan assistance program are received on the effective date of the bill.

Currently, under the physician and dentist loan assistance program, the UW Board of Regents may repay up to $50,000 in education loans on behalf of a physician or dentist who agrees to practice in one or more eligible practice areas or dental health shortage areas in this state. For physicians who additionally agree to practice in a rural area, the UW Board of Regents may make loan repayments of up to $100,000. Under the bill, dentists who additionally agree to practice in a rural area would also be eligible for loan repayments of up to $100,000.

24. SITE PREPARATION FOR MONUMENT AT UW-STEVENS POINT

Governor: Require the Board of Regents to pay for the costs of site preparation at UW-Stevens Point for installation of a permanent marker in recognition of the Native Americans who died due to a scarlet fever epidemic (See -- Tourism).

Joint Finance: Provision not included.

25. UW-MADISON DIVISION OF EXTENSION TEACHING HOURS

Governor: Require that the faculty and instructional staff workload monitoring and reward plan under current law recognize the time spent by state specialists teaching graduate students and teaching Wisconsin farmers, as teaching hours. Define state specialists as faculty or instructional staff who provide extension services in the field of applied agricultural research at any institution. Specify that these specialists' teaching hours be included in reports to System Administration and eligible for rewards for staff who teach more than a standard academic load. Require the Board of Regents to revise the workload monitoring and reward plan to comply with these requirements no later than the first day of the fourth month after the effective date of the bill.

Under current law, the Board of Regents must develop and implement a plan for each institution that includes: (a) policies for monitoring teaching workloads of faculty and instructional academic staff, including requirements for individual faculty and instructional academic staff members to report the number of hours spent teaching to System Administration; and (b) policies for rewarding faculty and instructional academic staff who teach more than a standard academic load. The bill requires the plan to recognize the time spent by UW-Extension specialists teaching graduate students and Wisconsin farmers as teaching hours.

Joint Finance: Provision not included.

26. NONRESIDENT TUITION EXEMPTION FOR RELOCATED SERVICE MEMBERS

Governor: Specify that a relocated service member and the service member's spouse and dependents would be considered residents of the state during the period the service member is relocated on active duty if they demonstrate that they are bona fide residents during this period according to procedures established by the Board of Regents.

A relocated service member would be defined as an active duty member of the U.S. Armed Forces who has been relocated from Wisconsin and stationed on active duty in another state. Specify that this provision would not apply after the relocated service member's period of relocation on active duty in another state has ended, except that a relocated service member's dependent would continue to be considered a resident of this state after the service member's period of relocation on active duty in another state has ended. This provision would first apply to the first semester or session beginning after the effective date of the bill.

Joint Finance: Provision not included.

27. NONRESIDENT TUITION EXEMPTION FOR CERTAIN TRIBAL MEMBERS

Governor: Specify that a person would be considered a resident of Wisconsin for the purposes of UW System admission and tuition if all of the following apply: (a) the person, or the person's parent or grandparent, is a member of a federally-recognized American Indian tribe or band in this state or is a member of a federally-recognized tribe in a state contiguous with

Wisconsin; and (b) the person has resided in Wisconsin, Minnesota, Illinois, Iowa, or Michigan, or in any combination of these states, for at least 12 months immediately preceding the beginning of any semester or session in which the person enrolls in a UW system institution. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

Under current law, a person generally must be a resident of Wisconsin for at least 12 months prior to registering at a UW system institution in order to be exempt from nonresident tuition. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates.

Joint Finance: Provision not included.

28. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is a citizen of a country other than the U.S., while they continue to be a resident of Wisconsin, would be entitled to an exemption from UW System nonresident tuition, but not from incidental or other fees, if that person meets all of the following requirements: (a) the person graduated from a high school in Wisconsin or received a declaration of equivalency of high school graduation from Wisconsin; (b) the person was continuously present this state for at least three years following the first day of attending a high school in Wisconsin or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in an institution and provides that institution with proof that the person has filed or will file an application for lawful permanent resident status with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Specify that this provision would first apply to persons who enroll for the semester or session following the effective date of the bill.

Current law allows the Board of Regents to charge different tuition rates to resident and nonresident students. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates. The bill would create an additional nonresident tuition exemption for a person who is not a legal permanent resident of the United States and who meets the criteria specified in the bill.

Joint Finance: Provision not included.

29. VOTER IDENTIFICATION

Governor: Require each UW system institution to issue student identification cards that meet the requirements to qualify as voter identification under current law by August 1, 2021.

Joint Finance: Provision not included.

VETERANS AFFAIRS

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$5,511,200	$4,584,000	$4,845,800	$261,800	5.7%	- $665,400	- 12.1%
FED	5,993,800	5,960,000	5,960,000	0	0.0	- 33,800	- 0.6
PR	231,534,200	228,778,100	239,793,300	11,015,200	4.8	8,259,100	3.6
SEG	41,035,000	40,911,400	39,576,600	- 1,334,800	- 3.3	- 1,458,400	- 3.6
TOTAL	$284,074,200	$280,233,500	$290,175,700	$9,942,200	3.5%	$6,101,500	2.1%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
FED	16.50	16.50	16.50	0.00	0.00
PR	1,146.74	1,119.81	1,119.81	0.00	- 26.93
SEG	106.12	113.12	106.12	- 7.00	0.00
TOTAL	1,269.36	1,249.43	1,242.43	- 7.00	- 26.93

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $2,000	$0	- $2,000
FED	- 33,800	0	- 33,800
PR	- 988,000	0	- 988,000
SEG	- 194,600	- 95,000	- 289,600
Total	- $1,218,400	- $95,000	- $1,313,400

Governor: Reduce funding by $618,000 (-$1,000 GPR, -$16,900 FED, -$494,000 PR, and -$106,100 SEG) in 2021-22 and by $600,400 (-$1,000 GPR, -$16,900 FED, -$494,000 PR, and -$88,500 SEG) in 2022-23 to reflect the following standard budget adjustments: (a) turnover (-$1,085,300 PR and (-$142,200 SEG annually); (b) full funding of continuing position salaries

and fringe benefits (-$1,000 GPR -$16,900 FED, -$2,923,100 PR, and $306,500 SEG annually); (c) overtime ($1,090,300 PR annually); (d) night and weekend differential pay ($2,186,600 PR annually); (e) full funding of lease and directed move costs ($237,500 PR and -$270,400 SEG in 2021-22 and $237,500 PR and -$252,800 SEG in 2022-23); and (f) and minor transfers within appropriations ($0 annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $47,500 SEG annually.

2. VETERANS TRUST FUND -- GPR SUPPLEMENT [LFB Paper 102]

Governor: Estimate that $15,100,000 in 2021-22 and $15,800,000 in 2022-23 will be transferred from the general fund to the veterans trust fund (VTF) to support estimates of SEG-supported expenditures from the VTF in the 2021-23 biennium. Base funding for the transfer is $15,800,000. The fiscal effect of this item is summarized under "Miscellaneous Appropriations."

The following table summarizes the administration's estimates of balances, revenues, and expenditures from the VTF in the 2021-23 biennium.

Veterans Trust Fund
Governor's Recommendations

	2021-22	2022-23
Opening Balance	$842,600	$175,400
Revenue		
Veterans Programs	$450,000	$450,000
GPR Transfer	15,100,000	15,800,000
Total Available	$16,392,600	$16,425,400
Expenditures		
DVA Appropriations	$20,517,500	$20,517,500
Pay Plan Reserves	321,500	649,300
Lapses from DVA Appropriations	-4,621,800	-4,833,000
Net Expenditures	$16,217,200	$16,333,800
Year End Balance	$175,400	$91,600

Joint Finance: Reestimate the transfer at $14,676,200 in 2021-22 and $15,276,200 in 2022-23, based on the Committee's decisions on VTF appropriation levels. Relative to the AB 68/SB 2011, the transfer is estimated to be lower by $423,800 in 2021-22 and $523,800. The fiscal effect of this change is summarized under "Miscellaneous Appropriations."

The following table shows the estimated VTF fund condition statement under Joint Finance.

Veterans Trust Fund
Joint Finance

	2021-22	2022-23
Opening Balance	$842,600	$439,000
Revenue		
Veterans Programs	$450,000	$450,000
GPR Transfer	14,676,200	15,276,200
Total Available	$15,968,800	$16,165,200
Expenditures		
DVA Appropriations	$19,908,400	$19,791,800
Pay Plan Reserves	321,500	649,300
Lapses from DVA Appropriations	-3,822,100	-3,916,700
Net Expenditures	$16,407,800	$16,524,400
Year End Balance	$439,000	$359,200

3. VETERANS OUTREACH AND RECOVERY

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	$0	7.00	- $1,316,000	- 7.00	- $1,316,000	0.00

Governor: Provide $699,700 in 2021-22 and $816,300 in 2022-23 and 7.0 positions, beginning in 2021-22, to increase services under the veterans outreach and recovery program (VORP). Reduce funding by corresponding amounts in other DVA appropriations to offset these increases as follows: (a) $549,700 in 2021-22 and $666,300 in 2022-23 in the veterans tuition reimbursement program; and (b) $150,000 annually in the assistance to needy veterans program. Base funding for these two programs exceeds the administration's estimates of what will be needed to fully fund tuition assistance and assistance to needy veterans in the 2021-23 biennium, based on historical spending under these programs.

Require DVA to expend at least $100,000 annually under VORP to promote suicide prevention and awareness by providing outreach, mental health services, and support to individuals who are members of a traditionally underserved population, including minority groups and individuals who reside in rural areas of the state. Authorize DHS to enter contracts to provide services for this purpose.

VORP provides outreach, treatment and support to veterans who have mental health conditions. The program employs outreach specialists to contact veterans to provide direct assistance and referral to social service programs. Current staff include 11.0 outreach specialists,

1.0 clinical director, and 2.0 outreach supervisors, which are supported from an appropriation that funds VORP exclusively (8.0 positions) and DVA's general administration appropriation (6.0 positions).

Joint Finance: Delete $599,700 in 2021-22 and $716,300 in 2022-23 and 7.0 positions to maintain current position authorization for the program. The $100,000 annually funding in the VORP appropriation for suicide prevention and awareness would be retained. Under AB 68/SB 111, the funding associated with the proposed 7.0 positions and the funding for the suicide prevention and awareness initiative would be offset with reductions to the appropriations for the tuition reimbursement program and the assistance to needy veterans program, with the result that the bill would have no net effect on total SEG appropriations. Since the Finance Committee would retain the offsetting reductions to these appropriations, but delete the funding for the 7.0 VORP positions, the net effect would be a reduction to total base appropriations equal to the position funding. Because the tuition reimbursement and assistance to needy veterans programs have underspent the respective appropriations by more than the proposed reductions for the last several years, the reductions would be unlikely to affect actual program expenditures.

Transfer $548,600 SEG annually and 5.0 SEG positions, beginning in 2021-22, from the DVA appropriation for the administration of loans and aids and $141,200 SEG annually and 1.75 SEG positions, beginning in 2021-22, from the appropriation for the veterans assistance program, to the VORP appropriation ($689,800 SEG annually and 6.75 SEG positions, beginning in 2021-22). These transfers would not change total funding and positions available for the program, but would consolidate funding and positions currently allocated to the program, totaling $1,571,900 and 14.75 positions, in the VORP program appropriation.

4. VETERANS SERVICE OFFICE GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$76,200	$76,200	$152,400

Governor: Provide $38,100 annually to increase, from $761,000 to $799,100, annual funding for DVA to award as grants to support county veterans service officers (CVOs).

Increase the statutory annual grant amounts as follows: (a) for counties with a population of less than 20,000, from $8,500 to $8,925; (b) for counties with a population of 20,000 to 45,499, from $10,000 to $10,500; (c) for a county with a population of 45,500 to 74,999, from $11,500 to $12,075; and (d) for a county with a population of 75,000 or more, from $13,000 to $13,650. Increase from $500 to $525 the maximum annual grant amount DVA pays to eligible counties with a part-time CVO.

Increase from $15,000 to $15,750 the maximum annual grant amount DVA pays to eligible governing bodies of federally-recognized American Indian tribes and bands that employ tribal veteran's service officers (TVSOs) that provide veterans services to tribal members. The bill would maintain base funding for these grants ($61,200 PR from Indian gaming revenue and $48,800 SEG annually).

The cost of maintaining county veterans services offices is primarily a county and tribal responsibility. CVOs and TVSOs advise veterans of benefits to which they may be entitled, and assist in resolving complaints regarding veterans services.

Joint Finance: Provide $38,100 SEG annually for CVSO grants to provide a total increase of $76,200 annually for the program, establishing total annual funding at $837,200. Increase the statutory annual grant amounts, relative to current grants, as follows: (a) for counties with a population of less than 20,000, from $8,500 to $9,350; (b) for counties with a population of 20,000 to 45,499, from $10,000 to $11,000; (c) for a county with a population of 45,500 to 74,999, from $11,500 to $12,650; and (d) for a county with a population of 75,000 or more, from $13,000 to $14,300. Increase from $500 to $550 the maximum annual grant amount DVA pays to eligible counties with a part-time CVO.

Increase from $15,000 to $16,500 the maximum annual grant amount DVA pays to eligible governing bodies of federally-recognized American Indian tribes and bands that employ tribal veteran's service officers (TVSOs) that provide veterans services to tribal members. Maintain base funding for these grants ($61,200 PR from Indian gaming revenue and $48,800 SEG annually).

5. EQUITY OFFICER POSITION

Governor: Reallocate 0.5 vacant position from within the Department to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. The bill does not identify a specific funding source or position to be reallocated. The Department has not yet identified the position and funding sources for the reallocation. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

6. CHIPPEWA FALLS STATE VETERANS HOME OPERATIONS

PR	$800,000

Governor/Joint Finance: Provide $400,000 annually to fund increases in the cost of the Department's contract with Health Dimensions Group to operate the Wisconsin Veterans Home at Chippewa Falls. Unlike the other two state veterans homes that are staffed by state employees, DVA contracts for the staffing and other functions to operate the state veterans home at Chippewa Falls. In 2019-20, DVA paid $7.6 million to the vendor under the terms of the contract. The Department recently extended the contract for an additional three years.

7. VETERANS HOME AT KING -- TRANSFER BASE FUNDING TO UNALLOTTED RESERVE

Governor/Joint Finance: Transfer $10,000,000 PR annually in base funding budgeted for permanent position salaries ($5,000,000), fringe benefits ($2,510,500) and supplies and services

($2,489,500) for the Veterans Home at King to unallotted reserve to reflect anticipated reductions in costs due to declining resident populations. This expenditure authority would remain available to the Department should it be needed if resident populations increase from the current census.

Total base funding budgeted for the operation of the veterans home at King is $77,992,700 PR, which includes $42,396,900 for permanent position salaries, $20,671,200 for fringe benefits, $12,706,300 for supplies and services, and $2,218,300 for other budget categories. Resident populations at the Veterans Home at King have decreased from 546 on July 1, 2019, to 383 as of February 1, 2021.

8. UNION GROVE ASSISTED LIVING FACILITY BUDGET AUTHORITY AND POSITIONS

	Funding	Positions
PR	- $5,842,600	- 26.93

Governor/Joint Finance: Reduce funding by $2,921,300 annually and delete 26.93 positions, beginning in 2021-22, to eliminate funding and position authority for the assisted living facility at the Union Grove state veterans home. DVA closed the 40-bed Union Grove assisted living facility in 2019-20 due to decreased demand and operating losses.

9. DEBT SERVICE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $925,200	$261,800	- $663,400
PR	3,274,500	1,015,200	4,289,700
SEG	- 5,200	0	- 5,200
Total	$2,344,100	$1,277,000	$3,621,100

Governor: Provide $1,291,000 (-$50,600 GPR, $1,343,900 PR, and -$2,300 SEG) in 2021-22 and $1,053,100 (-$874,600 GPR, $1,930,600 PR, and -$2,900 SEG) in 2022-23 to reflect reestimates of debt service costs on authorized bonds.

Joint Finance: Provide $421,800 ($149,700 GPR and $272,100 PR) in 2021-22 and $855,200 ($112,100 GPR and $743,100 PR) in 2022-23 to reflect a reestimate of debt service.

10. CEMETERY STAFFING CONSOLIDATION

Governor/Joint Finance: Transfer $355,500 and 2.0 positions that currently assist in the administration of the veterans memorial cemeteries but are funded from an appropriation that supports the administration of loans and aids, to a current appropriation that funds the administration and operation of the cemeteries, beginning in 2021-22.

11. VETERANS SERVICE ORGANIZATION GRANTS

Joint Finance: Increase the maximum grant amount DVA may award to an organization

under the veterans service organization grant program, from $100,000 annually to $175,000 annually. Specify that this statutory change would first apply to applications for a grant assistance received by the Department of Veterans Affairs after July 1, 2021. Base funding for the grant program is $348,000. This item would not increase this amount as base funding is anticipated to be sufficient for any increase in grant expenditures resulting from the change to the maximum grant.

12. GRANT FOR AN ORGANIZATION PROMOTING U.S.S. WISCONSIN

Joint Finance: Authorize DVA to award a one-time grant in 2021-22 from the GPR appropriation for Wisconsin Veterans Museum operations in an amount not to exceed $16,540 to a private nonprofit organization or a nonstock corporation that is a nonprofit corporation whose sole purpose is to promote and support recognition of the Columbia-class submarine U.S.S. Wisconsin.

13. STATE VETERANS HOMES APPROPRIATION FOR NATURAL DISASTER OR PUBLIC EMERGENCY MITIGATION

PR	$10,000,000

Joint Finance: Provide $10,000,000 in 2021-22 in a new, continuing appropriation for emergency mitigation for costs that are incurred by the state veterans homes in response to, or in preparation for, a natural disaster or a public emergency. Specify that the Department may transfer moneys from the state veterans homes institutional operations appropriation in an amount not to exceed $10,000,000 to the emergency mitigation appropriation. Specify that the Department may expend moneys from the emergency mitigation appropriation if the Governor issues an executive order declaring a state of emergency, but only after all funds allocated by the federal government to veterans homes for purposes of responding to the emergency have been exhausted.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$25,101,400	$345,101,400	$14,901,400	- $330,200,000	- 95.7%	- $10,200,000	- 40.6%
PR	0	780,000	0	- 780,000	- 100.0	0	0.0
SEG	58,000,000	76,000,000	68,200,000	- 7,800,000	- 10.3	10,200,000	17.6
TOTAL	$83,101,400	$421,881,400	$83,101,400	- $338,780,000	- 80.3%	$0	0.0%

FTE Position Summary

As a corporation, there are no state positions for the Wisconsin Economic Development Corporation.

Budget Change Items

1. SMALL BUSINESS PANDEMIC RECOVERY PROGRAM [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$200,000,000	- $200,000,000	$0

Governor: Create a biennial appropriation and provide $200,000,000 GPR in 2021-22 to assist small businesses in recovery from the COVID-19 pandemic. The Wisconsin Economic Development Corporation (WEDC) would be required to aid in the state's economic recovery by providing financial assistance to small businesses adversely affected by the pandemic, including for the retention of current employees and the rehiring of former employees. WEDC would be required to coordinate with the Department of Revenue (DOR), to the extent necessary, to administrate the program.

Joint Finance: Provision not included.

2. VENTURE CAPITAL PROGRAM [LFB Paper 656]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$100,000,000	- $100,000,000	$0

Governor: Create a continuing appropriation and provide $100,000,000 GPR in 2021-22 and require WEDC to establish and administer a fund of funds program to invest in venture capital funds that invest in businesses located in Wisconsin, including management fees and the amounts necessary to make investments through the program. Require WEDC to establish policies and procedures to administer the program, and specify that WEDC would have to create the fund of funds, provide that the fund continuously reinvest its assets, and create an oversight board to conduct any activity required by law or as directed by WEDC.

Require the oversight board to establish investment policies, which would be subject to the following conditions: (a) all moneys paid to the investment manager to make investments would have to be committed for investment to venture capital funds no later than 60 months after the creation of the fund of funds; (b) no more than $25 million of the total paid to the investment manager to make investments could be invested in any single venture capital fund; and (c) at least 20% of the investments made through the program would have to be directed to businesses: (1) that are located in parts of this state that typically do not receive significant investment from venture capital funds; (2) that are at least 51% owned by one or more members of a racial minority group and the management and daily business operations of which are controlled by one or more members of a racial minority group; or (3) that are at least 51% owned by one or more women and the management and daily business operations of which are controlled by one or more women. Specify that no investment could be made through the program in a lobbying or law firm.

Further, require the oversight board to contract with an investment manager who meets the qualifications established by WEDC. Require the contract to establish the investment manager's compensation, including any management fee. A management fee could not annually exceed 1% of the total assets under management in the program. The investment manager would have to request funding from WEDC in order to make investments through the fund of funds and to pay the investment manager's management fee. WEDC would have to, subject to approval of the Secretary of the Department of Administration, pay monies to the investment manager from the continuing venture capital fund of funds program appropriation.

Require the investment manager to contract with each venture capital fund that would receive funding through the program. Specify that each contract would have to require the venture capital fund to: (a) make new investments in an amount equal to the amount of moneys it receives through the program in one or more businesses who are headquartered in Wisconsin and whose operations are primarily in this state; (b) match, at least, any funding it receives through the program and that it invests in a business described above in "(a)" with funding the venture capital fund has raised from sources other than the program; and (c) provide the investment manager with the information necessary to complete the reports described below. Further, the bill would require the investment manager to ensure that, on average, for every $1 a venture capital fund receives

through the program and invests in such businesses, the venture capital fund invests $2 in that business from sources other than the program.

Specify that the investment manager would have to annually submit to WEDC a report for the fiscal year, no later than 120 days after the end of the fiscal year, including the following.

a. An audit of the investment manager's financial statements performed by an independent certified public accountant.

b. The investment manager's internal rate of return from investments made through the program.

c. For each venture capital fund that contracts with the investment manager, the name and address of the venture capital fund, the amount invested in the venture capital fund through the program, an accounting of any fee the venture capital fund paid to itself or any principal or manager of the venture capital fund, and the venture capital fund's average internal rate of return on its investments of the moneys it received through the program.

d. For each business in which a venture capital fund held an investment of moneys received through the program, include: (1) the name and address of the business; (2) a description of the nature of the business; (3) the identification of the venture capital fund; (4) the amount of the investment and the amount invested by the venture capital fund from funding sources other than the program; (5) the internal rate of return realized by the venture capital fund upon the venture capital fund's exit from the investment in the business; and (6) a statement of the number of employees the business employed when the venture capital fund first invested moneys received through the program and the number of employees the business employed on the first day and last day of the investment manager's fiscal year.

WEDC would have to submit the investment manager's report, no later than 10 days after receipt of it, to the Chief Clerk of each house of the Legislature, for distribution to the Legislature.

Require the investment manager to quarterly submit to the oversight board a report for the preceding quarter, including: (a) an identification of each venture capital fund under contract with the investment manager; (b) an identification of each business in which a venture capital fund held an investment of moneys received through the program and a statement of the amount of the investment in each business; and (c) a statement of the number of employees the business employed when the venture capital fund first invested moneys received through the program and the number of employees the business employed on the last day of the quarter. Specify that the oversight board would have to make the reports readily accessible to the public on WEDC's website.

Joint Finance: Provision not included.

3. REESTIMATE WEDC GPR AND SEG APPROPRIATION LEVELS [LFB Papers 102 and 657]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- $13,000,000	$2,800,000	- $10,200,000
SEG	13,000,000	- 2,800,000	10,200,000
Total	$0	$0	$0

Governor: Reduce funding by $6,500,000 GPR annually for WEDC's operations and programs sum sufficient GPR appropriation. Increase estimated funding by $6,500,000 SEG annually for WEDC's SEG appropriation from the economic development fund for operations and programs. Maintain base funding for WEDC's brownfield site assessment grants SEG appropriation from the environmental fund. As a result, the administration estimates current law funding provided for WEDC's existing state appropriations at $41,550,700 all funds in 2021-22 and 2022-23, comprised of: (a) $34,500,000 SEG annually from its all monies received operations and programs SEG appropriation; (b) $6,050,700 GPR annually from its sum sufficient operations and programs GPR appropriation; and (c) $1,000,000 SEG annually for brownfield site assessment grants.

Under current law, the primary source of WEDC's funding is from the segregated economic development fund. The revenue source for the economic development fund is the economic development surcharge imposed upon C corporations and S corporations. In addition, WEDC receives a GPR appropriation that is capped at $16,512,500, annually. Funding is also provided from the environmental fund for brownfield site assessment grants.

Joint Finance: Modify the proposed funding amounts to reflect reestimates of surcharge revenues deposited into the economic development fund during the 2021-23 biennium. Relative to the Governor's recommendation, reduce funding by $2,200,000 SEG in 2021-22 and $600,000 SEG in 2022-23 in WEDC's SEG appropriation for operations and programs. Increase estimated GPR funding for WEDC's operations and programs GPR appropriation by corresponding amounts. As a result, estimated funding provided for WEDC's existing state appropriations would be $41,550,700 all funds in 2021-22 and 2022-23, as shown in the table below.

	2021-22	2022-23	Biennium
Operations and programs - SEG	$32,300,000	$33,900,000	$66,200,000
Operations and programs - GPR	8,250,700	6,650,700	14,901,400
Brownfield Site Assessment - SEG	1,000,000	1,000,000	2,000,000
All Funds Total	$41,550,700	$41,550,700	$83,101,400

4. UNDERSERVED COMMUNITY GRANTS -- GPR [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$5,000,000	- $5,000,000	$0

Governor: Increase WEDC's GPR sum sufficient programs and operations appropriation by $5,000,000 in 2021-22 to provide grants, loans, and other assistance to underserved communities, including members of minority groups, women-owned businesses, and individuals and businesses in rural areas.

Joint Finance: Provision not included.

5. UNDERSERVED COMMUNITY GRANTS -- SEG

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$5,000,000	- $5,000,000	$0

Governor: Create a SEG appropriation and provide $5,000,000 in 2022-23 to provide grants, loans, and other assistance to underserved communities, including members of minority groups, women-owned businesses, and individuals and businesses in rural areas.

The source of the segregated revenue would be the community reinvestment fund, into which 60% of marijuana tax revenues are deposited.

Joint Finance: Provision not included.

6. TRIBAL GAMING -- ECONOMIC DEVELOPMENT [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$780,000	- $780,000	$0

Governor: Create a sum certain program revenue appropriation and provide $390,000 PR annually from tribal gaming revenues for WEDC to establish, administer, and promote small business economic development programs benefiting American Indian tribes or bands in this state. Any unencumbered balance in this appropriation would, on June 30 of each year, revert to the Indian gaming receipts appropriation that would be created under the Department of Administration.

Joint Finance: Provision not included.

7. ECONOMIC DEVELOPMENT FUND INTEREST AND UNEXPENDED BALANCES

Governor: Modify WEDC's operations and programs SEG appropriation, which receives its funding from the economic development fund. Pursuant to 2019 Act 9, GPR may be expended from WEDC's sum sufficient operations and programs appropriation only if there are no

unencumbered moneys available in the economic development fund. Thus, the first draws for programs and operations should come from the economic development fund until the available balance of the SEG appropriation is depleted. However, the administration indicates that it is unclear under current law whether this includes interest earnings deposited in the fund and unspent funds that had been appropriated by DOR for the costs of administrating the economic development fund. To clarify that such funds are included and available within WEDC's operations and programs SEG appropriation, the bill would change WEDC's all monies received SEG appropriation into a continuing appropriation consisting of all moneys not expended by DOR. This appropriation had been converted to an all monies received appropriation from a continuing appropriation under 2017 Act 59.

Joint Finance: Provision not included.

8. INCREASE OPERATIONS AND PROGRAMS FUNDING [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$20,000,000	- $20,000,000	$0

Governor: Increase expenditure authority under WEDC's GPR sum sufficient operations and programs appropriation by $10,000,000 annually. Increase the statutory limit on WEDC's GPR sum sufficient appropriation from $16,512,500 annually to $25,012,500 in 2021-22 and $21,012,500 in 2022-23 to authorize the higher expenditure authority. In addition, increase the calculation for determining WEDC's GPR appropriation from $41,550,700 annually to $56,550,700 in 2021-22 and $51,550,700 in 2022-23 minus the amounts expended from the economic development fund and the environmental fund. Beginning in 2023-34, return the funding level to $41,550,700.

Joint Finance: Provision not included.

9. REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION FUNDING [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$8,000,000	- $8,000,000	$0

Governor: Provide $8,000,000 to WEDC's GPR operations and programs sum sufficient appropriation and require WEDC to expend up to that amount in 2021-22 to fund organizations focused on local or regional economic development for the purpose of assisting businesses and nonprofit organizations in their recovery from the COVID-19 global pandemic.

Further, specify that the limits on expenditures from WEDC's GPR operations and programs

sum sufficient appropriation do not apply to this funding. Under current law, the funding for operations and programs is provided in an amount of GPR equal to $41,550,700 (increased to $56,550,700 and $51,550,700 under the bill for 2021-22 and 2022-23, respectively) minus the amounts expended from the economic development fund and the environmental fund, such that no GPR is expended unless the SEG funding is first depleted. However, GPR programs and operations spending in any year is capped at $16,512,500. The bill would allow WEDC to expend up to $8,000,000 GPR for regional economic development without these limitations.

Joint Finance: Provision not included.

10. COOPERATIVE FEASIBILITY GRANTS [LFB Paper 655]

Governor/Joint Finance: Require WEDC to award up to $200,000 during each year of the 2021-23 biennium to award grants for cooperative feasibility studies from its state appropriations for operations and programs. Require WEDC to consult with the Cooperative Network when making awards. The Cooperative Network is a trade association for cooperatives in Minnesota and Wisconsin that provides educational resources, regulatory advocacy, and public awareness campaigns to assist cooperative businesses.

11. MAIN STREET PROGRAM TECHNICAL MODIFICATIONS

Governor: Modify the Wisconsin Main Street program statutes to better reflect WEDC's current practices, as described below. The Wisconsin Main Street program was established in 1987 to assist municipalities in revitalizing traditional business districts. WEDC provides technical support and training to assist municipalities in planning, managing, and implementing projects to revitalize their downtown business areas through comprehensive economic redevelopment and historic preservation.

Current law for the Wisconsin Main Street program, including dates in the statutes, has become outdated because it was established more than 30 years ago, and that the following statutory changes are needed to align the program with current practices and needs. First, delete the definition of "business area" and replace that term with "downtown areas and historic commercial districts." Under current law, a business area is a commercial area existing at the time services under the Wisconsin Main Street program are requested and having historic significance.

Second, repeal requirements for WEDC to:

a. Enter into contracts to obtain revitalization services provided by the National Main Street Center.

b. Develop a plan describing the objectives and methods of the program by which WEDC must: (1) coordinate the activities of the program with private and public sector revitalization of business areas; (2) solicit and use private sector funding for revitalization of business areas; and (3) help municipalities engage in revitalization of business areas.

c. Coordinate with other state and local public and private entities which provide

services to municipalities undertaking projects for the revitalization of business areas.

d. Develop the following statutorily-required objective criteria for use in selecting the participants in the program, including at least the following issues: (1) private and public sector interest in, and commitment to, revitalization of a business area selected by the municipality; (2) potential private sector investment in a business area selected by the municipality; (3) local organizational and financial commitment to employ a program manager for not less than three years, or not less than five years for participants selected after July 29, 1995; (4) local assistance in paying for the services of a design consultant; and (5) local commitment to assist in training persons to direct activities related to business areas in municipalities that do not participate in the Wisconsin Main Street program.

Instead, create provisions specifying that the purposes of the program are: (a) assisting communities in restoring and retaining the historic character of their downtown areas and historic commercial districts; (b) promoting business investment, assisting in retaining existing small businesses, and promoting new businesses in downtown areas and historic commercial districts; (c) assisting in strengthening the local tax base; (d) assisting in the creation of employment opportunities in downtown areas and historic commercial districts; and (e) enhancing the economic viability of downtown areas and historic commercial districts. WEDC would have discretionary authority to select up to five participants in the Main Street program.

Finally, remove the requirement for WEDC to expend $250,000 annually for the Wisconsin Main Street program. WEDC indicates that this amount is too restrictive and unnecessary, as current costs exceed the requirement. For example, WEDC budgeted $300,000 for the program in 2020-21.

Joint Finance: Provision not included.

12. MODIFICATIONS TO BROWNFIELDS REDEVELOPMENT AND SITE ASSESSMENT GRANT PROGRAMS

Governor: Specify that WEDC may not make a brownfields redevelopment grant to the party that caused the environmental contamination that is the basis for the grant request. Further, specify that, in cases where the party that caused all or a portion of the environmental contamination and any person who possessed or controlled the environmental contaminant before it was released is unknown, cannot be located, or is financially unable to pay the cost of associated environmental remediation activities, that WEDC may award a brownfields redevelopment grant if WEDC determines under its policies and procedures that the case has received significant closure from the Department of Natural Resources (DNR).

Similarly WEDC could only award a site assessment grant if the person that caused the environmental contamination that is the basis for the grant request is unknown, cannot be located or is financially unable to pay the cost of the eligible activities and, under the bill, WEDC determines under its policies and procedures that the case has received sufficient closure from the DNR. Specify that, when making a brownfields site assessment grant, WEDC would have to consult with DNR, rather than consider DNR's recommendations, prior to awarding a grant (as

required under current law).

Joint Finance: Provision not included.

13. DATA SHARING WITH DOR

Governor: Permit the Chief Executive Officer and employees of WEDC to examine tax information, including returns, certain claims, schedules, exhibits, writings, and audit reports, pursuant to an agreement with DOR and to the extent necessary to administer economic development programs. [A technical amendment would be needed to clarify the Governor's intent.]

Joint Finance: Provision not included.

14. REPEAL OBSOLETE REPORTING REQUIREMENT FOR THE ECONOMIC DEVELOPMENT TAX CREDIT PROGRAM

Governor: Repeal the requirement for WEDC to annually report to the Legislature a comprehensive assessment of the economic development tax credit program. The program was sunset after 2015, and the last tax credit award year in which a business could be eligible to earn credits under the program was for tax year 2019.

Joint Finance: Provision not included.

15. MODIFY ANNUAL REPORTING REQUIREMENT TO THE LEGISLATURE

Governor: Require WEDC to annually submit its report to the Legislature by October 1, rather than January 1, identifying the economic development projects that the Board intends to develop and implement during the current fiscal year, instead of the current calendar year. According to the administration, doing so would be more efficient because WEDC already publishes its annual report on economic development on that date and develops its economic development plans on a fiscal year basis in line with its operating budget.

Joint Finance: Provision not included.

16. TALENT ATTRACTION AND RETENTION INITIATIVES [LFB Paper 658]

Joint Finance: Require WEDC to expend at least $3,000,000 from its existing state appropriations for operations and programs during the 2021-23 biennium for talent attraction and retention initiatives under s. 238.155.

17. REPORTING OF UNALLOCATED BUSINESS DEVELOPMENT TAX CREDITS [LFB Paper 332]

Joint Finance: Require WEDC to submit a report to the Joint Committee on Finance no

later than January 31 each year identifying the amount of unallocated business development tax credit carried forward as of December 31 of the previous year.

Current law permits WEDC to allocate up to $22 million in business development tax credits annually. WEDC may also request from the Joint Committee on Finance an increase of up to $10 million annually for the amount of business development credits that may be allocated. Any unused allocation can be carried forward to future years. Because the maximum amount of business development tax credits WEDC may allocate each year may change, the maximum amount that may be claimed by recipients at DOR will also vary from year to year. The reporting provision would clarify the amount of credits available to be allocated and inform the Legislature of the funding likely to be required in the current and future fiscal year.

18. TAX CREDIT MODIFICATIONS

Governor/Joint Finance: Make a number of modifications to tax credit programs that are administered, in part, by WEDC, which are described in "General Fund Taxes -- Refundable Tax Credits and Other Payments."

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Budget Change Item

1. FINANCING WORKING CAPITAL EXPENDITURES

Governor: Authorize WHEFA to finance working capital needs of any participating institution, participating educational institution, participating nonprofit institution, or participating research institution in an amount not to exceed that approved by the members of the Authority. Specify that bonds issued for this purpose would not be exempt from taxation under current law exemptions under the state's individual, corporate, and insurance company taxes.

Funds for projects financed by WHEFA are obtained through the sale of revenue bonds of WHEFA. Bond sale proceeds are loaned by WHEFA to the borrowing institution or project sponsor. No state or other public funds are used. The Authority's bonds are payable solely out of loan repayments from the borrowing institution, sponsor or guarantor. Under current law, the Authority may issue bonds or make loans to participating health institutions, educational institutions, and nonprofit or research institutions, primarily for capital projects such as the acquisition or expansion of a hospital or to refinance outstanding debt

Joint Finance: Provision not included.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Change Items

1. EXPAND STATE HOUSING TAX CREDIT [LFB Paper 314]

Governor: Increase the annual limit on housing tax credits allocated by the Authority to $10 million each year, up from $7 million, and extend the period a recipient may claim the credit from six years to 10 years. The provision would decrease state income and franchise tax revenue by a total of $100 million annually beginning in 2031-32 once fully phased in, up from $42 million annually under current law. [See "General Fund Taxes -- Income and Franchise Taxes."]

Joint Finance: Provision not included.

2. SMALL BUSINESS EQUITY INVESTMENT

Governor: Allow the Authority to make investments totaling $1 million annually in independently owned Wisconsin small businesses with gross revenues of up to $5 million and fewer than 50 employees. Under current law, the Authority may make equity investments that total $1 million, rather than $1 million annually, in businesses with annual gross revenues of up to $2.5 million and 25 or fewer employees. However, WHEDA reports the $1 million gross investment cap was reached many years ago. Investment funding would come from the Authority's surplus general reserves, which are allocated under an annual process known as "Dividends for Wisconsin" and subject to review by the Legislature.

Joint Finance: Provision not included.

3. HOUSING CHOICE VOUCHER PRIORITY FOR HOMELESS CHILDREN

Governor: Direct WHEDA to develop a two-year pilot program that gives priority to homeless children and their families on a waitlist for federal housing choice vouchers administered by WHEDA, or another public housing agency in Wisconsin contracting with WHEDA. WHEDA, in conjunction with local public housing authorities, administers the federal housing choice voucher program in Wisconsin. Vouchers provide rent subsidies to individuals who have flexibility in selecting their residence. In federal fiscal year 2019, Wisconsin was allocated $159.2 million for housing choice vouchers, supporting 31,875 vouchers. WHEDA vouchers generally cover smaller and less urban counties, and represent approximately 8% of all vouchers administered in the state, the remainder of which are administered directly by local public housing authorities. The bill would not institute a similar requirement on local public housing authorities.

Joint Finance: Provision not included.

4. DISCRIMINATION ON THE BASIS OF GENDER EXPRESSION, GENDER IDENTITY OR SEXUAL ORIENTATION

Governor: Require that contractors engaged in the construction of housing or economic development projects receiving WHEDA financial assistance provide an equal opportunity for employment without discrimination as to gender expression or gender identity. [See "Workforce Development -- Equal Rights and Employment Regulation."]

Joint Finance: Provision not included.

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$1,064,719,800	$1,100,674,600	$1,145,674,600	$45,000,000	4.1%	$80,954,800	7.6%
FED	66,188,600	66,544,200	66,544,200	0	0.0	355,600	0.5
PR	9,291,400	9,410,600	9,410,600	0	0.0	119,200	1.3
TOTAL	$1,140,199,800	$1,176,629,400	$1,221,629,400	$45,000,000	3.8%	$81,429,600	7.1%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	23.25	23.25	23.25	0.00	0.00
FED	26.75	26.75	26.75	0.00	0.00
PR	5.00	5.00	5.00	0.00	0.00
TOTAL	55.00	55.00	55.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

GPR	- $45,200
FED	355,600
PR	19,200
Total	$329,600

Governor/Joint Finance: Provide adjustments to the base budget totaling -$45,200 GPR, $355,600 FED, and $19,200 PR for: (a) full funding of continuing position salaries and fringe benefits (-$14,300 GPR, $170,900 FED, and $8,100 PR annually); and (b) lease and directed moves costs (-$8,300 GPR, $6,900 FED, and $1,500 PR annually).

2. GENERAL AID [LFB Paper 660]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$36,000,000	- $31,500,000	$4,500,000

Governor: Provide an increase of $18,000,000 annually in the appropriation for state

general aid for technical colleges. This additional funding would be allocated under current law that specifies that 70% of the funding in the appropriation is distributed under the partially equalizing general aid formula and 30% is distributed under the formula established for outcomes-based funding. Base level funding is $101,034,900 annually.

Joint Finance: Decrease funding by $15,750,000 GPR annually relative to the amount in the bill. The net increase to base level funding would be equal to $2,250,000 GPR annually.

3. PROPERTY TAX RELIEF AID

GPR	$72,000,000

Joint Finance: Provide an increase of $29,000,000 in 2021-22 and $43,000,000 in 2022-23 for property tax relief aid for technical colleges. Base level funding is equal to $406,000,000 GPR annually.

Specify that the distribution of the additional funding would be calculated by multiplying the proportion of base level funding received by each college times the increased amounts in each year. Property tax relief aids are under revenue limits and this additional funding would decrease property taxes.

4. GRANTS TO DISTRICT BOARDS

GPR	$4,500,000

Joint Finance: Provide $2,250,000 GPR for grants for district boards. The System Board has the authority to distribute funds from this appropriation according to guidelines developed by the Board. Base level funding is equal to $21,874,200 GPR annually.

5. FIRE FIGHTER CERTIFICATION SOFTWARE

PR	$100,000

Governor/Joint Finance: Provide $50,000 annually for fire schools-state operations to acquire software to support WTCS firefighter certification testing activities. The new software would replace current software that is no longer supported by its developer. The program revenue for this acquisition would be drawn from the 2% fire dues program.

6. REVENUE LIMIT -- 2% MINIMUM INCREASE

Governor: Modify the revenue limit restriction for technical college districts to prohibit each district board from increasing its revenue by a percentage that exceeds 2% or the district's valuation factor, whichever is greater. Specify that this provision would first apply to revenue increases in the 2021-22 school year.

Under current law, each technical college district is prohibited from increasing its revenue in any year by a percentage greater than the district's valuation factor. The valuation factor is defined as the greater of either zero percent or the percentage change in the district's January 1 equalization value due to the aggregate new construction, less improvements removed, in municipalities located in the district between the previous year and the current year. For purposes

of this revenue limit, revenue is defined as the sum of the tax levy and state property tax relief aid. State general and categorical aids are not counted towards the revenue limit.

In 2020-21, valuation factors ranged from 0.7% for Nicolet to 2.4% for Gateway and Madison. The statewide average was equal to 1.5%.

Joint Finance: Provision not included.

7. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is not a citizen of the United States would be considered a resident of Wisconsin for the purposes of technical college admission and tuition if he or she meets all of the following requirements: (a) the person graduated from a high school in this state or received a declaration of equivalency of high school graduation from this state; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in this state or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in a technical college district school and provides the district board with proof that the person has filed or will file an application for lawful permanent resident visa with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

Joint Finance: Provision not included.

8. NONRESIDENT TUITION EXEMPTION FOR CERTAIN TRIBAL MEMBERS

Governor: Specify that a person would be considered a resident of Wisconsin for the purposes of technical college admission and tuition if he or she meets all of the following requirements: (a) the person, or the person's parent or grandparent, is a member of a federally-recognized American Indian tribe or band in this state or is a member of a federally-recognized tribe in a state contiguous with Wisconsin; and (b) the person has resided in Wisconsin, Minnesota, Illinois, Iowa, or Michigan, or in any combination of these states, for at least 12 months immediately preceding the beginning of any semester or session in which the person enrolls in a district school. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

Joint Finance: Provision not included.

9. NONRESIDENT TUITION EXEMPTION FOR RELOCATED SERVICE MEMBERS

Governor: Specify that a relocated service member and the service member's spouse and dependents would be considered residents of the state during the period the service member is relocated on active duty if they demonstrate that they are bona fide residents during this period according to procedures established by the Technical College System Board.

A relocated service member would be defined as an active duty member of the U.S. Armed Forces who has been relocated from Wisconsin and stationed on active duty in another state. Specify that this provision would not apply after the relocated service member's period of relocation on active duty in another state has ended, except that a relocated service member's dependent would continue to be considered a resident of this state after the service member's period of relocation on active duty in another state has ended. This provision would first apply to the first semester or session beginning after the effective date of the bill.

Joint Finance: Provision not included.

10. VOTER IDENTIFICATION CARDS

Governor: Require each technical college to issue student identification cards that meet the requirements to qualify as voter identification under current law no later than August 1, 2021.

Joint Finance: Provision not included.

WORKFORCE DEVELOPMENT

Budget Summary

Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$107,731,600	$234,812,900	$108,504,200	- $126,308,700	- 53.8%	$772,600	0.7%
FED	412,130,800	420,685,500	416,544,300	- 4,141,200	- 1.0	4,413,500	1.1
PR	157,039,200	156,161,600	155,308,600	- 853,000	- 0.5	- 1,730,600	- 1.1
SEG	51,877,200	62,333,000	52,268,600	- 10,064,400	- 16.1	391,400	0.8
TOTAL	$728,778,800	$873,993,000	$732,625,700	- $141,367,300	- 16.2%	$3,846,900	0.5%

FTE Position Summary

Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to: Governor	2020-21 Base
GPR	150.82	202.53	151.03	- 51.50	0.21
FED	1,265.18	1,176.97	1,173.97	- 3.00	- 91.21
PR	218.25	215.65	212.65	- 3.00	- 5.60
SEG	72.80	72.80	72.80	0.00	0.00
TOTAL	1,707.05	1,667.95	1,610.45	- 57.50	- 96.60

Budget Change Items

Departmentwide and Worker's Compensation

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base) Funding	Positions	Jt. Finance (Chg. to Gov) Funding	Positions	Net Change Funding	Positions
GPR	$694,800	0.00	- $164,600	0.00	$530,200	0.00
FED	2,121,900	-95.00	- 1,236,800	0.00	885,100	- 95.00
PR	-930,800	0.00	- 309,000	0.00	- 1,239,800	0.00
SEG	455,800	0.00	- 64,400	0.00	391,400	0.00
Total	$2,341,700	- 95.00	- $1,774,800	0.00	$566,900	- 95.00

Governor: Adjust the agency's base budget by $347,400 GPR, -$465,400 PR, and $227,900 SEG annually, and $2,539,200 FED and -90.00 FED positions in 2021-22, and -$417,300 FED and -95.00 positions in 2022-23. The adjustments are for: (a) turnover reduction (-$247,100 GPR, -$1,803,900 FED, -$463,500 PR, -$96,600 SEG annually); (b) removal of noncontinuing elements from the base (-$2,611,900 FED and -90.00 FED positions beginning in 2021-22 and -$5,568,400 FED and -95.00 FED positions in 2022-23); (c) full funding of continuing position salaries and fringe benefits ($286,300 GPR, $7,145,000 FED, $266,300 PR, and $322,600 SEG annually); (d) overtime ($153,800 PR annually); (e) full funding of lease and directed moves costs ($308,200 GPR, -$190,000 FED, -$422,000 PR, and $1,900 SEG annually); and (f) minor transfers within the same alpha appropriation.

Minor transfers include: (a) within DWD's vocational rehabilitation GPR general program operations appropriation, transfer $20,000 annually from state Title 1-B aids to state program aids; (b) within DWD's vocational rehabilitation FED program aids appropriation, reallocate $600,000 annually from aids to individuals and organizations to special purpose funding; and (c) within DWD's worker's compensation contracts SEG appropriation, transfer all monies from the operations subprogram to the worker's compensation subprogram.

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by $82,300 GPR, $618,400 FED, $154,500 PR, and $32,200 SEG annually.

2. INCREASE VOCATIONAL REHABILITATION RESOURCES [LFB Paper 665]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$929,300	0.21	- $686,900	0.00	$242,400	0.21
FED	3,432,600	0.79	- 2,536,900	0.00	895,700	0.79
Total	$4,361,900	1.00	- $3,223,800	0.00	$1,138,100	1.00

Governor: Adjust funding by $16,400 GPR and $60,600 FED in 2021-22, and $912,900 GPR and $3,372,000 FED in 2022-23, and 0.21 GPR positions and 0.79 FED positions annually for the vocational rehabilitation program. The vocational rehabilitation program is a federal-state program to assist individuals with disabilities in obtaining, maintaining, and improving employment opportunities. Under current law, the Division of Vocational Rehabilitation's primary funding source is Title 1-B federal funds, which requires a match of 21.3% state funds to 78.7% federal funds.

Of the amounts provided under the bill, $720,600 GPR would be allocated to fully fund the state match to draw the additional $2,661,700 FED that is expected to be received from federal sources for DVR services. According to DOA, the additional 1.0 position would provide counseling and referral services for individuals already employed or considering employment at subminimum wage levels, and assist with coordination of supported employment services for

consumers with significant disabilities.

Joint Finance: Reduce funding by $686,900 GPR and $2,536,900 FED in 2022-23 to provide $16,400 GPR and $60,600 FED in 2021-22, and $226,000 GPR and $835,100 FED in 2022-23, and 0.21 GPR position and 0.79 FED position annually for the vocational rehabilitation program.

3. WORKER'S COMPENSATION -- SUPPLEMENTAL BENEFIT APPROPRIATION

[LFB Paper 666]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	$10,000,000	- $10,000,000	$0

Governor: Create an annual appropriation under DWD to provide reimbursement to insurance carriers paying supplemental benefits from the Department's segregated worker's compensation (WC) operations fund and provide $5,000,000 annually. Specify that all moneys received from an existing special assessment on insurers be credited to the new appropriation account. The bill would not increase revenues to the Department but would provide additional budget authority to the new appropriation account.

2015 Wisconsin Act 55 terminated reimbursements from the Department's segregated work injury supplemental benefits fund (WISBF) for certain supplemental benefits paid by insurers for persons with permanent total disability or continuous temporary total disability. Instead, Act 55 provided that an insurer paying supplemental benefits would be entitled to annual reimbursement from the WC operations fund. Under Act 55, annual reimbursements to insurers are supported by WC operations fund revenues from a special assessment on insurers. Assessments from insurers of up to $5,000,000 in each calendar year must be deposited in the WC operations fund and used to provide reimbursement to insurers paying supplemental benefits. Act 55 authorized DWD to collect and pay out a maximum of $5,000,000 per year from the WC operations fund for supplemental benefit payments, but did not provide the additional budget authority needed to make those additional payments. Rather, DWD has been depositing assessments in the WISBF and paying reimbursements from that fund, as the WISBF's sole appropriation allows for payment of all moneys received.

In addition to creating a new WC operations fund appropriation, the bill would transfer the unencumbered balance of the amount collected from the special assessment on insurers from DWD's WISBF appropriation to the newly-created special assessment insurer reimbursements appropriation. The transfer would be required on the bill's effective date.

Joint Finance: Provision not included.

4. WORKER'S COMPENSATION -- UNINSURED EMPLOYERS FUND [LFB Paper 666]

Governor: Modify the sum-sufficient SEG appropriation for uninsured employers fund payments to a continuing appropriation for all monies received from sources identified under current law. The uninsured employers fund is funded through penalties assessed against employers for illegally operating a business without worker's compensation insurance as well as reimbursement payments from uninsured employers for benefit payments made by the fund. The Executive Budget Book indicates that modification to the uninsured employers fund appropriation is needed for DWD to properly account for continuing segregated revenue balances and expenditures.

Joint Finance: Provision not included.

5. WORKER'S COMPENSATION -- ELECTRONIC TRANSMISSION OF RECORDS AND PAYMENTS

Governor: Specify that DWD, the Division of Hearings and Appeals (DHA) in the Department of Administration (DOA), and the Labor and Industry Review Commission (LIRC), may send certain information, forms, notices, and documents regarding worker's compensation actions electronically, rather than exclusively by mail.

Specify that unless written consent is received from the interested party to receive electronic delivery, DWD, DHA, or LIRC may not electronically deliver any information, notice, filing, or other document required to be provided under worker's compensation law.

Specify that, with proper consent from the recipient, all of the following types of communication, where applicable, may be transmitted electronically by DWD, DHA or LIRC: (a) copy of hearing application; (b) notice of hearing; (c) notice of denial of an application for license to appear at WC hearings, or notice of revocation of a license; (d) order to pay award of compensation; (e) copy of hearing examiner's decision awarding or denying compensation; (f) notice of reversal or modification of hearing examiner's decision; (g) copy of summons for judicial review of a LIRC decision; (h) request for information from employer to determine preference for claims under bankruptcy; (i) notice of surcharge for falsifying or failure to keep records; (j) medical examination reports pertaining to toxic or hazardous substances or conditions; (k) notice of demand for payment (with unique verifiable signature); (l) fine for delinquent payment (with unique verifiable signature); (m) service of fine for delinquent payment (with electronic delivery receipt); and (n) citations (with unique verifiable signature of defendant).

Provide that an employer may make reports via secured electronic delivery for required reports to DWD on the employer's number of employees, the nature of their work, and the employer's worker's compensation insurance coverage policy of the employer.

Deposit Method for Worker's Compensation Awards. Provide that if a claimant requests payment by check under worker's compensation law, the insurer or self-insured employer must make the payment by check. Under current law, the claimant may request the insurer or self-

insured employer to pay any compensation due to the claimant by depositing the payment directly into an account maintained by the claimant at a financial institution. If the insurer or self-insured employer agrees to the request, the insurer or self-insured employer may deposit the payment by direct deposit, electronic funds transfer, or any other money transfer technique approved by DWD or DOA.

Require that a worker's compensation award to an employer be paid by electronic money transfer to the employer. Specify that payment may be made by direct deposit, electronic funds transfer, automated clearinghouse transfer, or any other secure electronic money transfer procedure. Under the bill, the payment must be made by other means acceptable to the employer and payer if an employer: (a) cannot receive electronic payment; (b) elects to not receive electronic payments; or (c) if the insurer, self-insured employer, or third-party payer does not have the capacity to issue electronic payments.

Joint Finance: Provision not included.

6. WORKER'S COMPENSATION -- UNINSURED EMPLOYER PENALTIES

Governor: Increase penalties on uninsured employers for multiple violations of certain existing worker's compensation requirements.

Failure to Provide Mandatory Coverage. Increase penalty payments for subsequent violations by an employer who is required to provide worker's compensation insurance coverage.

Under current law, DWD is required to assess a penalty against an employer who requires an employee to pay for any part of worker's compensation insurance or who fails to provide mandatory worker's compensation insurance coverage. An employer who fails to comply with these requirements for 10 days or less must forfeit not less than $100 nor more than $1,000. An employer who fails to comply with these requirements for 11 days or more must forfeit not less than $10 nor more than $100 for each day of such a violation.

Require that, for each act occurring after the date of the third violation, the employer be assessed a penalty in the amount of $3,000 for each act, or three times the amount of the premium that would have been payable, whichever is greater.

Require that, for each act occurring after the date of the fourth violation, the employer be assessed a penalty in the amount of $4,000 for each act, or four times the amount of the premium that would have been payable, whichever is greater.

Additionally, specify the penalty for a violation of 10 days or fewer applies to acts occurring before the date of the first determination of violation. Specify the penalty for violation of 11 days or more applies to acts occurring after the date of the first or second determination of violation.

False Information or Failure to Notify. Increase penalty payments for subsequent violations, after the date of the first violation, for an employer who provides false information to an employee or fails to notify a contractor that the coverage has been canceled.

Under current law, an employer is required to forfeit not less than $100 and not more than $1,000 if the employer does any of the following: (a) gives false information about worker's compensation coverage to their employees, the Department or any other person who contracts with the employer and who requests evidence of coverage in relation to that contract; or (b) fails to notify a person who contracts with the employer that the worker's compensation coverage in relation to that contract has been canceled.

Require that, for each act occurring after the date of the third violation, an employer who is required to provide worker's compensation insurance coverage must forfeit $3,000 per violation.

Require that, for each act occurring after the date of the fourth violation, an employer who is required to provide worker's compensation insurance coverage must forfeit $4,000 per violation.

Joint Finance: Provision not included.

7. WORKER'S COMPENSATION -- SUBSTANTIAL FAULT

Governor: Repeal the provision that an employer is not liable for worker's compensation benefits if an employee is suspended or terminated due to substantial fault.

Under worker's compensation law, temporary disability, during which compensation is payable for loss of earnings, includes the period during which an employee could return to a restricted type of work during the healing period, unless the employee's employment been suspended or terminated due to substantial fault by the employee connected with the employee's work. The bill would repeal this provision.

Under current law, the definition of "substantial fault" includes acts or omissions of an employee over which the employee exercised reasonable control and that violate the employer's reasonable requirements. This definition would be repealed and is addressed under a separate item.

Specify that the effective date of the provision is January 2, 2022.

Joint Finance: Provision not included.

8. ACCOUNT RECONCILIATION [LFB Paper 667]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$975,900	- $975,900	$0

Governor: Provide $975,900 in 2021-22 to the Department's general program operations annual appropriation. The Executive Budget Book states that the provided funding would be to correct an equity overdraft related to errors from fiscal years 1993-94 and 1997-98.

Agencies use a clearing accounts to expend funds temporarily, and then allocate those

expenditures to the correct appropriation accounts prior to closing a fiscal year. According to DOA, an error was realized by which some balances in DWD's clearing account were not transferred to the corresponding appropriations. DOA states that these issues were recently discovered through the use of the STAR finance system's more advanced ability to track equity balances. Implementation of the system, commonly known as STAR (for State Transforming Agency Resources), began in 2015-16.

Joint Finance: Instead of providing funding, direct DOA to identify amounts from 2021-22 GPR appropriations to transfer to the appropriation under 20.445 (1)(a) of the statutes to reconcile DWD's $975,900 clearing account deficit, and require DOA and DWD to submit a request for transfers to the Joint Committee on Finance by March 1, 2022.

9. HUMAN RESOURCES SHARED SERVICES POSITION ADJUSTMENT [LFB Paper 130]

	Positions
PR	- 0.60

Governor: Delete 0.60 position and reallocate $52,000 annually from salary and fringe benefits to supplies and services within the Department's administrative services appropriation, to pay assessments to DOA for services provided.

Under 2017 Wisconsin Act 59, human resources positions and functions were transferred from most executive branch agencies to the Division of Personnel Management in DOA. The provision would transfer 0.6 position that continues to perform personnel management functions in DWD to DOA. [See "Administration -- Personnel Management."]

Joint Finance: Specify that an incumbent employee transferred to DOA under the provision would retain their employee rights and status that the employee held immediately before the transfer, and an employee who has attained permanent status would not be required to serve a probationary period.

10. FEDERAL APPROPRIATION REESTIMATES

FED	$2,440,300

Governor/Joint Finance: Adjust funding by $3,914,100 in 2021-22 and -$1,473,800 in 2022-23 to align federal expenditure authority with the amount of revenue that DWD estimates will be deposited into appropriations. The adjustments are as follows:

DWD Federal Appropriations Reestimates

Appropriation	2021-22	2022-23
Workforce investment and assistance	-$8,000,000	-$8,000,000
Unemployment administration	11,914,100	6,526,200
Total	$3,914,100	-$1,473,800

11. WORK OPPORTUNITY TAX CREDIT [LFB Paper 313]

Governor: Create a nonrefundable income and franchise tax credit for taxable years beginning after December 31, 2020, called the work opportunity tax credit (WOTC), modeled on a federal tax credit of the same name. [See "General Fund Taxes -- Income and Franchise Taxes."]

The WOTC is a federal tax credit available to employers for hiring individuals from certain targeted groups who have faced significant barriers to employment. Currently, DWD is responsible for the administration of the federal WOTC, including the certification process described below, promoting the program to employers, and reporting program data to the U.S. Department of Labor (USDOL). DWD receives grant funding from USDOL to administer the program.

Joint Finance: Provision not included.

Employment and Training

1. WORKER CONNECTION PILOT PROGRAM [LFB Paper 670]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$9,709,700	48.00	- $9,709,700	- 48.00	$0	0.00

Governor: Create a continuing GPR appropriation for administration, grants, and contracts associated with a worker connection program and provide $2,226,700 and 25.0 project positions in 2021-22 and $7,483,000 and 48.0 project positions in 2022-23. The administration indicates project positions would have two-year terms.

Require DWD to establish and administer a worker connection program that helps participants prepare for and enter jobs in high-growth employment sectors by pairing participants with achievement coaches who guide participants through the workforce system and partner with employers in high-growth employment sectors. Require the Department to create rules to administer the program.

The administration indicates one-time funding and positions were intended to be provided to create a new customer-centric worker pilot program to assist individuals in overcoming barriers to employment. Of the $7.5 million provided in 2022-23, approximately $4.2 million budgeted for supplies and services would be considered base funding. The remaining amount of $3.3 million for position salaries and fringe benefits would expire concurrently with the project positions. Funds provided under the continuing appropriation would remain in the appropriation until exhausted or redirected in budget legislation.

Joint Finance: Provision not included.

2. FAST FORWARD PANDEMIC TRAINING GRANTS [LFB Paper 671]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$10,000,000	- $10,000,000	$0

Governor: Create a continuing GPR appropriation for grants to public or private organizations for the development and implementation of pandemic workforce training programs and provide one-time funding of $10,000,000 in 2021-22. Specify that the administration of the pandemic training grants program be funded from DWD's existing workforce training ("Fast Forward") administration appropriation.

Require the Department to award grants to public or private organizations for the development and implementation of pandemic workforce training programs that emphasize training, skill development, and economic recovery for individuals and businesses. Specify that the grants may be used for virtual and in-person job training, employment navigators or coaches, skill assessment, transportation, soft skill development, career or talent search services, and other programs to return employees to the labor market. As a condition of receiving a grant under this provision, DWD may require a public or private organization to provide matching funds at a percentage to be determined by the Department.

Modify existing Fast Forward program provisions to authorize DWD to create rules prescribing application procedures and criteria for awarding pandemic training grants, and prescribing information regarding grants that must be contained in the Department's required Fast Forward annual report. Under current law and the bill, a report must include information on the number of unemployed and underemployed workers and incumbent employees who participate in the pandemic training grants program.

Joint Finance: Provision not included.

3. PANDEMIC RECOVERY GRANTS TO WORKFORCE DEVELOPMENT BOARDS [LFB Paper 671]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$8,000,000	- $8,000,000	$0

Governor: Provide one-time funding of $8,000,000 in 2021-22 to a new continuing appropriation for DWD to provide grants to local workforce development boards.

Require the Department to establish and operate a program to provide grants to local workforce development boards to fund efforts to recover from the 2019 novel coronavirus pandemic. Specify that the grants must emphasize training, skill development, and economic recovery for individuals and businesses. The grants may be used for virtual and in-person job

training, employment navigators or coaches, skill assessment, transportation, soft skill development, career or talent search services, and other programs to return employees to the labor market.

Joint Finance: Provision not included.

4. FAST FORWARD GREEN JOBS TRAINING GRANTS [LFB Paper 671]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$1,000,000	- $1,000,000	$0

Governor: Provide $500,000 each year in a new continuing appropriation for DWD to provide grants for training programs for "green jobs" that produce goods or provide services that benefit the environment or conserve natural resources. Require the Department to award grants to public or private organizations for the development and implementation of green jobs training programs. As a condition of receiving a grant, authorize DWD to require a funding match at a percentage DWD may determine.

As described under a separate entry for Fast Forward pandemic training grants, the bill would provide for administration of the green jobs program from DWD's existing Fast Forward administration appropriation. The same provisions described for Fast Forward pandemic training grants regarding rule-making, grant application and evaluation, and annual reporting would apply to the green jobs training program.

Joint Finance: Provision not included.

5. YOUTH APPRENTICESHIP [LFB Paper 672]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$500,000	- $500,000	$0

Governor: Provide $250,000 annually to the Department's local youth apprenticeship grants appropriation to increase total funding to $5,250,000 annually for youth apprenticeship grants. Additionally, convert the Department's existing annual appropriation for local youth apprenticeship grants to continuing. Specify that the development of curricula for youth apprenticeship programs for certain occupational areas would not be required to be funded from DWD's general program operations GPR appropriation.

DWD's youth apprenticeship program is an expense reimbursement program with funding statutorily limited to $900 per student served. All local youth apprenticeship consortia, which are partnerships between employers, school districts, technical colleges, labor, and other training or

non-profit organizations, must be approved by DWD and provide matching funds equal to at least 50% of grant funds awarded.

Joint Finance: Reduce funding by $250,000 annually to the appropriation for local youth apprenticeship grants and, instead, transfer $1,000,000 annually from the DWD's existing appropriation for early college credit program tuition reimbursement to local youth apprenticeship grants, and increase the maximum grant award from $900 to $1,100 for each youth apprentice served by the program. Under this provision, base funding for youth apprenticeship grants would increase to $6,000,000 annually.

Convert DWD's local youth apprenticeship grants appropriation from annual to continuing. Continue to require that apprenticeship curricula development costs be funded from DWD's general program operations GPR appropriation as specified in current law.

DWD's tuition reimbursement appropriation transfers funds to the Department of Public Instruction (DPI) for the state's share of costs under the early college credit program. [See "Public Instruction -- Choice, Charter, and Open Enrollment."]

6. TRANSFER FUNDING FROM EARLY COLLEGE CREDIT PROGRAM TO APPRENTICESHIP COMPLETION AWARDS [LFB Paper 672]

Governor/Joint Finance: Reallocate $275,000 GPR annually to DWD's appropriation for the Apprenticeship Completion Award Program (ACAP) from the Department's existing appropriation for early college credit program tuition reimbursement. This would increase funding from $225,000 to $500,000 GPR annually for ACAP. The Department's ACAP program partially reimburses eligible apprentices, sponsors, and employers for certain costs of related apprenticeship instruction.

7. HEALTH CARE JOBS AND RECRUITMENT [LFB Paper 671]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$200,000	- $200,000	$0

Governor: Create a biennial GPR appropriation under DWD for a health care jobs and recruitment program and provide one-time funding of $200,000 in 2021-22. Require the Department, in coordination with local workforce development boards, to: (a) undertake a statewide recruitment initiative to promote and connect individuals with instructional programs for nurse aides, as approved by the Department of Health Services, and nurse aide employment opportunities, and to promote other health care provider employment opportunities; and (b) create a free, four-hour course that individuals may take to explore career opportunities within the field of human services or health care delivery.

Joint Finance: Provision not included.

8. HIRE HEROES [LFB Paper 673]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$110,000	0.50	- $110,000	- 0.50	$0	0.00

Governor: Provide $55,000 and 0.5 position annually for DWD general program operations. The Executive Budget Book indicates that the additional funding and position authority would be to help increase employment and job training services for veterans with high barriers to employment.

Eliminate the seven-year limit on when veterans may submit an application to the Hire Heroes program, so that a veteran may submit an application to the program at any time after the date of discharge from military service. Under current law, DWD administers the Hire Heroes program that provides transitional jobs to qualifying veterans and reimburses employers of veterans for wages and other related costs.

Joint Finance: Provide no additional funding and position authority. Eliminate the seven-year limit on when veterans may submit an application to the Hire Heroes program, so that a veteran may submit an application to the program at any time after the date of discharge from military service.

9. PROJECT SEARCH

Governor: Transfer $250,000 annually from DWD's Fast Forward workforce training grants appropriation to a new continuing GPR appropriation under DVR for the administration and general operations related to DWD's Project SEARCH program. Create the new appropriation for field services to clients, administrative services, the purchase of goods and services, and vocational rehabilitation services for persons with disabilities, and require the Department to allocate at least $250,000 in each fiscal year for contracts and activities entered into for the Project SEARCH program.

Delete the requirement that DWD allocate at least $250,000 from the Department's Fast Forward workforce training, programs, grants, services, and contracts annual appropriation in each fiscal year for contracts entered into for the Project SEARCH program.

Specify that the Department may facilitate Project SEARCH opportunities for young adults with disabilities, administer operations, contracts, and services related to the Project SEARCH program, provide training related to the program, maintain existing program sites, and manage the timing for expanding the number of available program sites.

Project SEARCH is a nine- to 12-month program that provides training and education leading to integrated employment for youth with disabilities. Project SEARCH is based on a collaboration that includes a local business, school districts, and DVR.

Joint Finance: Provision not included.

10. EMPLOYMENT TRANSIT ASSISTANCE PROGRAM MODIFICATION

Governor: Expand the definition of "project" under DWD's employment transit assistance program by repealing the specification that a project be "located in outlying suburban and sparsely populated and developed areas that are not adequately served by a mass transit system." As redefined under the bill, a "project" would improve access to jobs, including part-time jobs and Wisconsin Works employment positions, and to develop innovative transit service methods. The provision would also repeal similar language from the legislative findings and purpose for the program. As modified, the finding and purpose statement would specify that the Legislature finds that for many workers and persons seeking employment conventional, fixed-route mass transit systems do not provide adequate transportation service.

Joint Finance: Provision not included.

11. YOUTH SUMMER JOBS PROGRAM

Joint Finance: Expand eligibility for the Department's youth summer jobs program to include programs outside first-class cities (City of Milwaukee). Under current law, DWD is provided $422,400 in base funding in an annual appropriation to implement and operate a youth summer jobs program in a first-class city.

Equal Rights and Employment Regulation

1. SUBSTANCE ABUSE PREVENTION ON PUBLIC WORKS AND PUBLIC UTILITY PROJECTS [LFB Paper 675]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$270,200	2.00	- $270,200	- 2.00	$0	0.00
PR	135,600	1.00	- 135,600	- 1.00	0	0.00
Total	$405,800	3.00	- $405,800	- 3.00	$0	0.00

Governor: Provide $173,300 ($115,200 GPR and $58,100 PR) in 2021-22 and $232,500 ($155,000 GPR and $77,500 PR) in 2022-23 and 3.0 positions (2.0 GPR and 1.0 PR) annually for the administration and enforcement of a substance abuse prevention program. Funding would be provided to the Department's general program operations GPR appropriation and to a new PR continuing appropriation for substance abuse prevention on public works and public utility

projects. The new PR appropriation would receive all moneys collected from the registration fee required under the provision for costs associated with the administration and enforcement of the substance abuse prevention program.

Under current law, no employee may use, possess, attempt to possess, distribute, deliver, or be under the influence of a drug, or use or be under the influence of alcohol, while performing work on a public works project or public utility project. An employee is considered to be under the influence of alcohol if he or she has an alcohol concentration of .04 or more. Employers also must have in place a written program for the prevention of employee substance abuse.

Require every employer that is subject to the substance abuse prevention requirements to register with DWD in the manner prescribed by the Department by rule. Require DWD to charge a fee for a registration and to, by rule, establish a tiered fee structure so that fees be set at a level necessary to pay the costs of the Department that are attributable to administering and enforcing the program. Any person found to be in violation of the registration requirement must forfeit no less than $10,000 and not more than $25,000 for each occurrence. Specify that these provisions take effect on the 90th day after publication of the bill.

Require the Department to administer and enforce the program, including any rules necessary to implement the program or establish compliance with the registration requirement. Authorize DWD to promulgate emergency rules, without the finding of an emergency, to implement the substance abuse prevention program. Emergency rules promulgated under this provision would remain in effect until May 1, 2023, or the date on which permanent rules take effect, whichever is sooner.

Joint Finance: Provision not included.

2. INVESTIGATION AND ENFORCEMENT OF WORKER CLASSIFICATION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$367,500	3.00	- $367,500	- 3.00	$0	0.00

Governor: Provide $157,500 in 2021-22 and $210,000 in 2022-23 with 3.0 positions annually to DWD's unemployment insurance administration appropriation. The Budget in Brief indicates that the additional positions would be field auditor positions within DWD's Division of Unemployment Insurance to support investigations and audits regarding worker misclassification.

Under current law, employers are required to correctly classify each worker as either an "employee" or "independent contractor." Worker misclassification is the unlawful practice of labeling employees as independent contractors, thereby allowing employers to forego certain tax withholdings, as well as health, retirement, and unemployment insurance benefits. In addition, misclassified employees can be denied access to protections they are entitled to by law, including minimum wage, overtime compensation, workers compensation coverage, and family and medical

leave.

Joint Finance: Provision not included.

3. WORKER MISCLASSIFICATION OUTREACH

Governor: Require DWD to design and make available to employers a notice regarding worker classification laws, requirements for employers and employees, and penalties for noncompliance. Require all employers to post this notice in one or more conspicuous places where notices to employees are customarily posted. Provide that any employer who violates this provision is subject to a forfeiture of not more than $100 for each offense.

Require DWD to establish and maintain on its website information regarding worker classification laws, requirements for employers and employees, penalties for noncompliance, and contact information at each state agency that administers worker classification laws.

Joint Finance: Provision not included.

4. CHILD WORK PERMIT FEES [LFB Paper 676]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$110,000	- $110,000	$0
GPR-REV	- 110,000	110,000	0

Governor: Provide $55,000 PR annually to DWD's continuing appropriation for the child work permit system, and specify that the entire state portion of the child work permit fee be retained by the Department, instead of partly remitted to the general fund. This item would decrease general fund revenues by $55,000 annually.

Under current law, revenues from the issuance of a child work permit are split between DWD, the issuing party, and the state general fund. For each $10 permit issued, $5 is deposited into the DWD PR appropriation, $2.50 is deposited to the general fund, and $2.50 is retained by the local permit issuer. Revenues received by DWD from permit fees are used to support positions that provide enforcement and education related to laws governing the employment of minors. Under this provision, for each $10 permit issued, $7.50 would be deposited into DWD's child work permit PR appropriation and $2.50 would be retained by the local permit issuer.

Joint Finance: Provision not included.

5. CHILD WORK PERMIT FUNCTIONS [LFB Paper 676]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$192,400	3.00	$0	0.00	$192,400	3.00
PR	- 192,400	- 3.00	- 298,400	- 2.00	- 490,800	- 5.00
Total	$0	0.00	- $298,400	- 2.00	- $298,400	- 2.00

Governor/Joint Finance: Reallocate $96,200 PR and 3.0 positions annually from DWD's child work permit system appropriation to the Department's equal rights FED appropriation. Both appropriation accounts fund the program operations of DWD's Equal Rights Division.

Joint Finance: Include provision. In addition, delete 2.0 positions and $149,200 PR annually from the Department's PR appropriation and direct DWD to use two vacant positions in the Department's GPR general operations appropriation. DWD's appropriation for the child work permit system would be appropriated $140,200 PR annually with 1.0 position.

6. EQUAL RIGHTS TECHNOLOGY UPGRADES [LFB Paper 676]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$70,000	- $70,000	$0

Governor: Provide $35,000 annually to the Department's general program operations appropriation for technology upgrades in the Equal Rights Division. The Executive Budget Book states that the additional funding would be for the development of a new online form for submitting equal rights complaints.

Joint Finance: Provision not included.

7. MIGRANT LABOR INSPECTOR

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	$135,400	1.00	- $135,400	- 1.00	$0	0.00

Governor: Provide $58,000 in 2021-22 and $77,400 in 2022-23 and 1.0 position annually to the Department's general program operations appropriation to fund 1.0 migrant labor inspector position. The additional migrant labor inspector would focus on inspections of housing for domestic migrant and seasonal workers as well as providing employment services.

Joint Finance: Provision not included.

8. MINIMUM WAGE

Governor: Specify annual increases to the minimum wage level for most employees, from the effective date of the bill to January 1, 2025. The following table shows the current minimum wages rates and those provided under the bill.

Minimum Wage Rates

	Current Law	Beginning on Effective Date of Bill Through 12/31/22	Beginning 1/1/23 Through 12/31/23	Beginning 1/1/24 through 12/31/24
Adult, Minor, Agricultural Employee	$7.25	$8.60	$9.40	$10.15
Opportunity Employee	5.90	6.71	7.32	7.93
Tipped Employee	2.33	2.65	2.89	3.13
Tipped Opportunity Employee	2.13	2.42	2.64	2.86
Caddies				
9 Holes	5.90	6.71	7.32	7.93
18 Holes	10.50	11.95	13.03	14.12
Camp Counselors (Adult and Minor), weekly rate				
No Board or Lodging	350.00	398.28	434.48	470.69
Board Only	265.00	284.48	310.34	336.21
With Board and Lodging	210.00	238.97	260.69	282.41

Require DWD to revise each minimum wage rate in effect on January 1, 2025 (last column in the table), and on each January 1 thereafter, by the percentage change in the Consumer Price Index (CPI) for the most recent 12-month period for which full-month information is available. The bill would require DWD to annually revise the amount published in the Wisconsin Administrative Register and on the DWD internet site.

Define "consumer price index" to mean the average of the CPI over each 12-month period for all urban consumers (CPI-U), U.S. city average, all items, not seasonally adjusted, as determined by the Bureau of Labor Statistics of the U.S. Department of Labor.

Minimum Wage Study Committee. Require the DWD Secretary to establish a minimum wage study committee to consist of the following members: (a) five members appointed by the Governor; (b) one member appointed by the Speaker of the Assembly; (c) one member appointed by the Minority Leader of the Assembly; (d) one member appointed by the Majority Leader of the Senate; and (e) one member appointed by the Minority Leader of the Senate. Require the committee to study options to achieve a $15 per hour minimum wage and other options to increase compensation for workers in this state. No later than October 1, 2022, require the committee to submit to the Governor and the appropriate standing committees of the Legislature a report that includes recommendations regarding the options for achieving a $15 per hour minimum wage and other means of increasing worker compensation in this state. Specify that the minimum wage study committee would terminate upon submission of the report.

Joint Finance: Provision not included.

9. PREVAILING WAGE

Governor: Restore the state prevailing wage law as the law existed prior to 2015 Act 55 by repealing: (a) the provisions of 2015 Act 55 that eliminated the state prevailing wage law applying to local projects of public works (counties, villages, towns, cities, school districts, municipal utilities and technical colleges); and (b) the provisions of 2017 Act 59 that eliminated the state prevailing wage law that applied to state agency and state highway projects.

Under current law, there are no state prevailing wage standards for local projects of public works, state agency projects, or state highway projects. The state prevailing wage requirements for local projects were repealed effective January 1, 2017. The state prevailing wage requirements for state agency and state highway projects were repealed effective September 23, 2017. These changes did not affect federal Davis-Bacon Act requirements, which specify that building and highway projects that utilize at least $2,000 in federal funds are subject to the federal prevailing wage rates as determined by the U.S. Department of Labor.

Under the bill, the state prevailing wage law would be as it was immediately prior to the passage of 2015 Act 55. Generally, the prevailing wage law under the bill would consist of the following major elements:

Application of the Prevailing Wage Law. Specify that state prevailing wage requirements apply based on various project cost thresholds. For a single-trade project, the threshold is $48,000, whereas the threshold for a multiple-trade project is either $100,000 or $234,000; the latter applies to public works projects erected, constructed, repaired, remodeled, or demolished by a private contractor for a city or village with a population less than 2,500, or for a town. A "single-trade project" is defined as one in which a single trade (such as a carpenter, glazier, or electrician) accounts for 85% or more of the total labor cost of the project. A "multiple-trade project" is defined as one in which no single trade accounts for more than 85% of the total labor cost of the project.

Prevailing Hours of Labor. Specify that workers to whom state prevailing wage law applies may not be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, unless they are paid for all hours worked in excess of prevailing hours of labor at a rate of at least 1.5 times their hourly basic rate of pay. Define "prevailing hours of labor" to mean 10 hours per day and 40 hours per week, not including any hours worked on a Saturday or Sunday, or on certain holidays.

Prevailing Wage Rate. Define "prevailing wage rate" to mean the hourly basic rate of pay, plus the hourly contribution for health insurance, vacation, pension, and any other economic benefit, paid for a majority of the hours worked in a trade or occupation on projects in an area (generally the county). If there is no rate at which a majority of the hours worked in the occupation on projects in the area is paid, the prevailing wage rate would mean the average hourly basic rate of pay, weighted by the number of hours worked, plus the average hourly contribution, weighted by the number of hours worked, for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid for all hours worked at the hourly basic rate of pay of the highest-paid 51% of hours worked in that trade or occupation on projects in that area.

Survey Process. Require DWD to determine prevailing wage rates for each trade or

occupation in each area of the state by January 1 of each year. The survey would be based on a statutorily prescribed annual survey process for all types of local public works projects, state agency public works projects excluding highways and bridges, and state-contracted highway construction projects. Provide that DWD may not collect survey data from projects that are subject to the state or federal prevailing wage requirements unless DWD determines that there is insufficient wage data in the area to determine a prevailing wage rate.

Administration and Enforcement. Require DWD to enforce all local and state prevailing wage laws, and require the Department of Transportation (DOT) to administer and enforce federal and state prevailing wage laws for highway and bridge construction projects. Require DWD, by May 1 of each year, to certify to DOT the prevailing wage rates in each area for all trades or occupations commonly employed in the highway construction industry.

Specify that all provisions regarding compliance, enforcement, inspection, notice, appeals, remedies, coverage, and penalties from the state prevailing wage law as it was prior to the enactment of 2015 Act 55 would be recreated and made effective on the date of the bill.

Retain the current prohibition against local governments enacting or administering their own prevailing wage laws or similar ordinances. Currently, a local governmental unit may not enact and administer an ordinance or other enactment requiring laborers, workers, mechanics, and truck drivers employed on projects of public works, or on publicly funded private construction projects, to be paid the prevailing wage rate and to be paid at least 1.5 times their hourly basic rate of pay for hours worked in excess of the prevailing hours of labor.

Specify that for a project of public works that is subject to bidding, the prevailing wage requirement first applies to a project for which the request for bids is issued on or after the effective date of the bill.

Specify that for a project of public works that is not subject to bidding, the prevailing wage requirement first applies to a contract that is entered into on or after the effective date of the bill.

Joint Finance: Provision not included.

10. REPEAL RIGHT TO WORK

Governor: Repeal the provisions of 2015 Wisconsin Act 1 that specify that no person may require, as a condition of obtaining or continuing employment, an individual to do any of the following: (a) refrain or resign from membership in, voluntary affiliation with, or voluntary financial support of a labor organization; (b) become or remain a member of a labor organization; (c) pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization; or (d) pay to any third party an amount that is in place of, equivalent to, or any portion of dues, fees, assessments, or other charges or expenses required of members of, or employees represented by, a labor organization. Delete current law specifying that these provisions apply to the extent permitted under federal law and that if a section of a contract violates this provision, that section of the contract is void.

Unfair Labor Practices. For the purposes of the following provisions, the definition of "employer" does not include the state or any political subdivision thereof.

Modify the current declaration of an unfair labor practice relating to an employer encouraging or discouraging membership in any labor organization, employee agency, committee, association, or representation plan by discrimination in regard to hiring, tenure, or other terms or conditions of employment. Create an exception for a collective bargaining unit where an all-union agreement is in effect. Under current law, an "all-union agreement" means an agreement between an employer and the representative of the employer's employees in a collective bargaining unit whereby all or any of the employees in such unit are required to be members of a single labor organization.

Modify the current declaration of unfair labor practice for an employer to bargain collectively with the representatives of less than a majority of the employer's employees in a collective bargaining unit, or to enter into an all-union agreement, by creating an exception for an employer who does so with the voluntarily recognized representative of the employees in a collective bargaining unit, where at least a majority of such employees voting have voted affirmatively, by secret ballot, in favor of the all-union agreement in a referendum conducted by the Wisconsin Employment Relations Commission (WERC). If the bargaining representative has been certified by either WERC or the National Labor Relations Board as the result of a representation election, no referendum is required to authorize the entry into an all-union agreement.

Specify that the authorization of an all-union agreement continues, subject to the right of either party to the agreement to petition WERC to conduct a new referendum on the subject. Upon receipt of the petition, if WERC determines there is reasonable ground to believe that the employees concerned have changed their attitude toward the all-union agreement, WERC shall conduct a referendum. If the continuance of the all-union agreement is supported on a referendum by a majority vote, it may continue, subject to the right to petition for a further vote by the same procedure. If the continuance of the all-union agreement is not supported on a referendum, it terminates at the expiration of the contract of which it is then a part or at the end of one year from the date of the announcement by WERC of the result of the referendum, whichever is earlier. Require WERC to declare any all-union agreement terminated whenever it finds that the labor organization involved has unreasonably refused to receive as a member any employee of such employer. An interested person may, as specified in current law, request WERC to perform this duty.

Modify the current declaration of an unfair labor practice that prohibits an employer from deducting labor organization dues or assessments from an employee's earnings, unless the employer has been presented with an individual order signed by the employee and terminable by the employee at the end of any year of its life. Create an exception for cases in which there is an all-union agreement in effect. Specify that the employer must give notice to the labor organization of receipt of a notice of termination.

Declaration of Policy. Recreate a state declaration of policy on employment relations repealed under Act 1. The declaration would state, in part:

(a) that the public policy of the state, as to employment relations and collective bargaining, recognizes that there are three major interests: the public, the employee, and the employer; and that these three interests are interrelated and that it is the policy of the state to protect and promote each of these interests with due regard to the situation and to the rights of the others; and

(b) that industrial peace, regular and adequate income for the employee, and uninterrupted production of goods and services are promotive of all of these interests and are dependent upon the maintenance of fair, friendly, and mutually satisfactory employment relations and the availability of suitable machinery for the peaceful adjustment of whatever controversies may arise; that whatever may be the rights of disputants, they should not be permitted to intrude directly into the primary rights of third parties to earn a livelihood, transact business, and engage in the ordinary affairs of life; and

(c) that negotiations of terms and conditions of work should result from voluntary agreement between employer and employee; and that an employee has the right, if the employee desires, to associate with others in organizing and bargaining collectively through representatives of the employee's own choosing; and

(d) that it would be the policy of the state, in order to preserve and promote the interests of the public, the employee, and the employer, to establish standards of fair conduct in employment relations and to provide a convenient, expeditious, and impartial tribunal by which these interests may have their respective rights and obligations adjudicated.

Penalties. Repeal the provision that specifies that anyone who violates the right to work law is guilty of a Class A misdemeanor.

Joint Finance: Provision not included.

11. PROJECT LABOR AGREEMENTS

Governor: Repeal the provisions of 2017 Wisconsin Act 3, which prohibits state and local units of government from any of the following in letting bids for state procurement or public works contracts: (a) requiring that a bidder enter into or adhere to an agreement with a labor organization; (b) considering, as a factor in making an award, whether any bidder has or has not entered into an agreement with a labor organization; or (c) requiring that a bidder enter into, adhere to, or enforce any agreement that requires, as a condition of employment, that the bidder or bidder's employees become or remain members of, or be affiliated with, a labor organization or pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization or a labor organization's health, welfare, retirement, or other benefit plan or program.

Joint Finance: Provision not included.

12. LOCAL EMPLOYMENT REGULATIONS

Governor: Repeal the provisions of 2017 Wisconsin Act 327, which prohibits local units of government from enacting or enforcing ordinances related to any of the following: (a)

regulations related to wage claims and collections; (b) requiring a person to accept provisions of a collective bargaining agreement or to waive rights under state or federal labor relations laws (defined as the National Labor Relations Act and the Labor Management Relations Act); (c) regulation of employee hours of labor or overtime, including scheduling of employee work hours or shifts; (d) requiring an employer to provide certain employment benefits, including retirement, pension, profit sharing, insurance, or leave benefits; (e) prohibiting an employer from requesting the salary history of a prospective employee; (f) prohibiting requiring any person to waive the person's rights under state or federal labor laws, or compel or attempt to compel a person to agree to waive the person's rights under state or federal labor laws, as a condition of any regulatory approval or other approval by the local governmental unit; or (g) imposing occupational licensing requirements on an individual that are more stringent than state-imposed licensing requirements for the profession.

Repeal the prohibition on local units of government from enacting ordinances that require employers to provide employees with paid or unpaid family and medical leave from employment for employees of private employers. This would generally delete provisions enacted under 2011 Wisconsin Act 16.

Recreate provisions from the 2015 statutes specifying that the prohibition on a local government (county, city, village, or town) from enacting a minimum wage ordinance does not affect a local government ordinance that applies the state prevailing wage law requirements specified under the bill to an employee of a local government, a contractor for the local government, or a person performing work using financial assistance from the local government.

Joint Finance: Provision not included.

13. FAMILY AND MEDICAL LEAVE

Governor: Require employers that employ 25 or more employees on a permanent basis to comply with the family and medical leave law. Also, decrease the number of hours an employee is required to work before qualifying for family and medical leave to 680 hours during the preceding 52 weeks.

Under current law, an employer that employs at least 50 individuals on a permanent basis in this state is required to allow an employee who has been employed by the employer for more than 52 consecutive weeks and who has worked for the employer for at least 1,000 hours during the preceding 52 weeks to take the following: (a) six weeks of family leave in a 12-month period for the birth or adoptive placement of a child; (b) two weeks of family leave in a 12-month period to care for the employee's child, spouse, domestic partner, or parent with a serious health condition; and (c) two weeks of medical leave in a 12-month period when the employee has a serious health condition that makes the employee unable to perform the employee's employment duties. Total family leave cannot exceed eight weeks for any combination of allowable reasons.

Care for Grandparent, Grandchild, or Sibling. Specify that an employee covered under the law be allowed to take two weeks of family leave in a 12-month period to care for a grandparent, grandchild, or sibling, in addition to the current family leave definition that specifies that an

employee may take family leave to care for the employee's child, spouse, domestic partner, or parent who has a serious health condition.

Define the following: (a) "grandchild" to mean the child of a child; (b) "grandparent" to mean the parent of a parent; (c) "sibling" to mean a brother, sister, half-brother, half-sister, stepbrother, or stepsister, whether by blood, marriage, or adoption; and (d) "employee" to mean an individual employed in this state by an employer, except the employer's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling. Current law does not include grandparent, grandchild, or sibling.

Provide that current family and medical leave law governing proper notice to employers, proper medical certifications, and administrative proceedings, that currently reference child, spouse, domestic partner, parent, and employee, also include references to grandparent, grandchild and sibling.

Medical Isolation. Provide that an employee covered under the law be allowed to take two weeks of family leave in a 12-month period to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling who is in medical isolation. Specify that an employee who is in medical isolation that makes the employee unable to perform his or her employment duties may take medical leave for the period during which he or she is unable to perform those duties.

Define "medical isolation" to mean any of the following: (a) when a health care professional, a local health officer, or the Department of Health Services (DHS) advises that the individual seclude herself or himself from others when the individual is awaiting the result of a diagnostic test for a communicable disease, or when the individual is infected with a communicable disease; (b) when a local health officer or DHS advises that an individual isolate or quarantine; or (c) when an individual's employer advises that the individual not come to the workplace due to a concern that the individual may have been exposed to or infected with a communicable disease.

Specify that an employer and an employee in medical isolation may mutually agree to alternative employment for the employee while the medical isolation lasts. Further, specify that no period of alternative employment, with the same employer, reduces the employee's right to family leave or medical leave.

Specify that if an employee requests medical leave due to the employee's own medical isolation, or family leave to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling that is in medical isolation, the employer may require the employee to provide certification. The certification must be issued by a local public health official, DHS, or a health care provider or Christian Science practitioner of the child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee. Provide that no employer may require certification if the sole reason for the medical isolation is because the employer advised that the individual not come to the workplace due to a concern that the individual may have been exposed to or infected with a communicable disease. In addition, no employer may require certification stating more than the following: (a) that the child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee is in medical isolation, and (b) the date the medical isolation commenced and its probable duration.

Family Caregiving. Provide that an employee covered under the law be allowed to take six weeks of family leave in a 12-month period because of family caregiving for the employee's child, spouse, domestic partner, sibling, parent, grandparent, or grandchild, if the child, spouse, domestic partner, sibling, parent, grandparent, or grandchild has a chronic condition. Include adult children who suffer from a chronic condition, and require family caregiving, in the definition of "child" for the purposes of taking family leave.

Define "family caregiving" to mean providing care or assistance without remuneration to a family member who suffers from a chronic condition and includes all of the following: (a) providing direct treatment to an individual with a chronic condition; (b) attending training and educational courses on duties and responsibilities for caring for an individual with a chronic condition; (c) attending discharge planning meetings for an individual with a chronic condition; (d) attending care planning meetings for an individual with a chronic condition; and (e) attending appointments with health care providers for an individual with a chronic condition.

Define "chronic condition" to mean a health condition, illness, impairment, or physical or mental condition that involves: (a) a condition or disease that is persistent or otherwise long-lasting in its effects; (b) a condition or disease that lasts for at least three months; (c) a condition or disease that requires the individual to have assistance with one or more essential daily activities; or (d) outpatient care that requires continuing treatment or supervision by a health care provider.

Expand the definition of "child" under current family and medical leave law by deleting the requirements that a natural or adopted child, foster child, stepchild, or a legal ward be: (a) less than 18 years of age; or (b) 18 years of age or older and unable to care for himself or herself because of a serious health condition.

Specify that if an employee intends to take family leave because of the family caregiving of a child, spouse, domestic partner, sibling, or parent, grandparent, or grandchild, the employee must do both of the following: (a) make a reasonable effort to schedule the family caregiving so that it does not unduly disrupt the employer's operations, subject to the approval of the health care provider of the child, spouse, domestic partner, sibling, parent, grandparent, grandchild, or employee, and (b) give the employer advance notice of the family caregiving in a reasonable and practicable manner.

Specify that if an employee requests family leave for the purpose of family caregiving, the employer may require the employee to provide certification, issued by the health care provider or Christian Science practitioner of the child, spouse, domestic partner, sibling, parent, grandparent, grandchild, or employee. No employer could require certification stating more than the following: (a) that the child, spouse, domestic partner, sibling, parent, grandparent, grandchild, or employee has a serious health condition or a chronic condition; (b) the date the serious health condition or chronic condition commenced and its probable duration; and (c) within the knowledge of the health care provider or Christian Science practitioner, the medical facts regarding the serious health condition or chronic condition.

Covered Active Duty. Provide that an employee covered under the law be allowed to take six weeks of family leave in a 12-month period because of any qualifying exigency, as determined by DWD by rule, arising out of the fact that the spouse, child, domestic partner, parent,

grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty. If the employee intends to take leave that is foreseeable because the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty, the employee is to provide notice of that intention to the employer in a reasonable and practicable manner.

Specify that if an employee requests leave under the covered active duty provision, the employer may require the employee to provide certification that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty issued at such time and in such manner as the DWD may prescribe by rule, and the employee must provide a copy of that certification to the employer in a timely manner.

Define "covered active duty" to mean any of the following: (a) in the case of a member of a regular component of the U.S. Armed Forces, duty during the deployment of the member with the U.S. Armed Forces to a foreign country, or (b) in the case of a member of a reserve component of the U.S. Armed Forces, duty during the deployment of the member with the U.S. Armed Forces to a foreign country under a call or order to active duty.

Closure of Child Care Center, Provider or School. Specify that an employee covered under the law be allowed to take six weeks of family leave in a 12-month period because a child care center, child care provider, or school that the employee's child attends is experiencing an unforeseen or unexpected short-term closure. Provide that if an employee requests leave due to such a closure, the employer may require the employee to provide certification that the child care center, child care provider, or school that the employee's child attends is experiencing an unforeseen or unexpected short-term closure. Under the bill, DWD may prescribe by rule the form and content of the certification.

Posting. Repeal a requirement that any person employing at least 25 individuals post, in one or more conspicuous places where notices to employees are customarily posted, a notice describing the person's policy with respect to leave for the reasons under the family and medical leave law. Current law already requires that each employer post, in one or more conspicuous places where notices to employees are customarily posted, a notice in a form approved by DWD setting forth employees' rights under the family and medical leave law.

Complaints. Extend the time period in which an employee may file a complaint with DWD to 300 days, from 30 days under current law, after either the violation occurs or the employee should reasonably have known that the violation occurred, whichever is later. This provision would first apply to a violation that occurs, or that an employee should reasonably have known occurred, on the effective date of the bill.

Rules. Authorize DWD to promulgate emergency rules, without a finding of emergency, to implement the changes under the provision. Emergency rules promulgated under this provision would remain in effect until July 1, 2022, or the date on which permanent rules take effect, whichever is sooner.

Joint Finance: Provision not included.

14. DISCRIMINATION ON THE BASIS OF GENDER EXPRESSION OR GENDER IDENTITY

Governor: Prohibit public and private employers, labor organizations, employment agencies, licensing agencies, or other persons from discriminating against employees, job applicants, or licensing applicants on the basis of an individual's gender identity or gender expression.

Define "gender expression" to mean an individual's actual or perceived gender-related appearance, behavior, or expression, regardless of whether these traits are stereotypically associated with the individual's assigned sex at birth.

Define "gender identity" to mean an individual's internal understanding of the individual's gender, or the individual's perceived gender identity.

Wisconsin Fair Employment Law. The Wisconsin Fair Employment Law (Chapter 111, Subchapter II) prohibits discrimination in recruitment and hiring, job assignments, pay, leave or benefits, promotion, licensing, union membership, training, layoff and firing, and other employment-related actions. Under the law, an otherwise properly qualified individual cannot be discriminated against in employment based on their age, race, creed, color, disability, marital status, sex, national origin, ancestry, sexual orientation, arrest record, conviction record, military service, use or nonuse of lawful products off the employer's premises during nonworking hours, or declining to attend a meeting or to participate in any communication about religious matters or political matters. The bill would add gender expression and gender identity as protected categories ("prohibited bases of discrimination") under the state's Fair Employment Law. The bill would amend the stated policy and findings of the Legislature to include discrimination based on gender identity or gender expression as substantially and adversely affecting the welfare of the state, and that the Legislature's intent is to protect by law the rights of all individuals to obtain gainful employment and enjoy privileges free from such discrimination.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes engaging in harassment that consists of unwelcome verbal or physical conduct directed at another individual because of that individual's gender, gender expression or gender identity, other than certain specified forms of sexual harassment, and that has the purpose or effect of creating an intimidating, hostile or offensive work environment, or has the purpose or effect of substantially interfering with that individual's work performance. Under current law, gender expression and gender identity are not specified.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes: (a) refusing to hire, employ, admit or license any individual; (b) barring or terminating from employment, membership, or licensure any individual; or (c) discriminating against any individual in promotion, in compensation, or in the terms, conditions, or privileges of employment because of the individual's sexual orientation, gender expression, or gender identity. Under current law, gender expression and gender identity are not specified.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes, but is not limited to, discriminating against any individual ("woman" under current law) on the basis of pregnancy, childbirth, parental ("maternity" under current law) leave or related medical conditions by engaging in certain prohibited actions including, but not limited to, actions concerning fringe benefit programs covering illnesses and disability.

Modify the definition of "labor organization" under the Wisconsin Fair Employment Law to exclude any organization that discriminates with regard to the terms or conditions of membership because of race, color, creed, sex, age, sexual orientation, gender expression, gender identity, or national origin. Under current law, gender expression and gender identity are not specified within the statute.

Specify that it is not employment discrimination for an employer to require an employee to adhere to reasonable workplace appearance, grooming, and dress standards not precluded by other provisions of state or federal law, provided that an employer shall allow an employee to appear or dress consistently with the employee's gender identity or gender expression.

Revise certain current references of "he or she" to "the person" under the Wisconsin Fair Employment Law.

State Employee Labor Organizations. Specify that a labor organization representing state employees for the purpose of collective bargaining may not discriminate with regard to the terms or conditions of membership because of gender expression or gender identity. Under current law, a labor organization representing state employees for the purpose of collective bargaining may not discriminate with regard to the terms or conditions of membership because of race, color, creed, sex, age, sexual orientation, or national origin. The bill would amend this statute to add gender expression and gender identity to the list of individual characteristics upon which a state employee labor organization cannot discriminate.

State Contracts. Specify that contracting agencies in the executive branch, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, and the Bradley Center Sports and Entertainment Corporation must include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of gender expression or gender identity. Under current law, the contracting entities listed above must include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability, sexual orientation, or national origin. The bill would amend this statute to add gender expression and gender identity to the list of individual characteristics upon which a contractor cannot discriminate.

State Employment. Specify that it is the policy of the state to provide for equal opportunity by ensuring that all personnel actions by executive branch agencies including hire, tenure or term, and condition or privilege of employment be based on the ability to perform the duties and responsibilities assigned to the particular position without regard to gender expression or gender identity. Further, specify that no discrimination may be exercised in the recruitment, application,

or hiring process against or in favor of any person because of the person's gender expression or gender identity except as otherwise provided.

Under current law, it is the policy of the state to provide for equal opportunity by ensuring that all personnel actions by executive branch agencies including hire, tenure or term, and condition or privilege of employment be based on the ability to perform the duties and responsibilities assigned to the particular position without regard to age, race, creed or religion, color, disability, sex, national origin, ancestry, sexual orientation, or political affiliation. Also under current law, no discrimination may be exercised in the recruitment, application, or hiring process against or in favor of any person because of the person's age, sex, disability, race, color, sexual orientation, national origin, or ancestry except as otherwise provided. The bill would amend these statutes to add gender expression and gender identity to the list of individual characteristics upon which state executive branch agency employment decisions cannot be based.

University of Wisconsin System Employment. Specify that the University of Wisconsin Board of Regents not consider sexual orientation, gender expression or gender identity in the appointment of employees of the University of Wisconsin System. Under current law, the Board of Regents must not consider or exercise sectarian or partisan tests or any tests based upon race, religion, national origin, or sex in the appointment of employees of the University of Wisconsin System.

Vocational Rehabilitation Services. Specify that eligibility for vocational rehabilitation services is determined without regard to sexual orientation, gender expression or gender identity. Under current law, eligibility for vocational rehabilitation services is determined without regard to the sex, race, age, creed, color, or national origin of the individual applying for services, that no class of individuals is found ineligible solely on the basis of type of disability and that no age limitations for eligibility exist.

Public School Employment. Specify that in the employment of teachers or administrative personnel in public schools, or in their assignment or reassignment, gender expression or gender identity may not be considered. Under current law, there may be no discrimination in the employment of teachers or administrative personnel in public schools because of sex, except where sex is a bona fide occupational qualification, sexual orientation, race, national origin, or political or religious affiliation.

Wisconsin Housing and Economic Development Authority (WHEDA). Specify that WHEDA require contractors and subcontractors engaged in the construction of economic development or housing projects to provide an equal opportunity for employment, without discrimination as to gender expression or gender identity. Under current law, WHEDA must require contractors and subcontractors engaged in the construction of economic development or housing projects to provide an equal opportunity for employment, without discrimination as to sex, race, religion, sexual orientation, or creed. [See "Wisconsin Housing and Economic Development Authority."]

National Guard. Specify that no person, otherwise qualified, may be denied membership in the National Guard or state defense force because of gender expression or gender identity, and no member of the National Guard or state defense force may be segregated within the National Guard or state defense force on the basis of gender expression or gender identity. Under current law, no

person, otherwise qualified, may be denied membership in the National Guard or state defense force because of sex, color, race, creed, or sexual orientation, and no member of the National Guard or state defense force may be segregated on the basis of sex, color, race, creed, or sexual orientation. The bill would also specify that no person may be denied equal access to facilities most consistent with the person's gender identity. Current law prohibits separate facilities for persons of different sexes with regard to dormitory accommodations, toilets, showers, saunas, and dressing rooms.

The bill would also prohibit discrimination on the basis of a person's status as a holder or a non-holder of a REAL ID non-compliant license and add this license status as a prohibited basis for discrimination in public or private employment, and occupancy of housing projects. [See "Transportation -- Motor Vehicles."]

Joint Finance: Provision not included.

15. CIVIL ACTIONS REGARDING EMPLOYMENT DISCRIMINATION, UNFAIR HONESTY, AND UNFAIR GENETIC TESTING

Governor: Specify that the Department or an individual alleged or found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing may bring an action in circuit court requesting relief against an employer, labor organization, or employment agency that is alleged or found to have engaged in the conduct. Under current law, DWD has statutory responsibilities to receive and investigate complaints alleging discrimination and discriminatory practices. This includes actions responding to alleged honesty testing, such as a polygraph test, or genetic testing by employers, both of which employers generally may not require of employees or coerce them into accepting. DWD's authorities include the ability to conduct hearings, make findings, and issue orders to eliminate unfair or unlawful action, including awarding compensation for violations. DWD findings are reviewable by the Labor and Industry Review Commission (LIRC), and decisions of LIRC can be reviewed further by a circuit court upon petition of a party.

The following paragraphs describe changes under the bill to these procedures, including the creation of civil actions for instances of discrimination or unfair honesty or genetic testing.

Notices. Require DWD to serve a certified copy of its findings and order on the complainant, together with a notice advising the complainant about: (a) the right to seek, and the time for seeking, review by LIRC; (b) the right to bring, and the time for bringing, an action for judicial review; and (c) the right to bring, and the time for bringing, a civil action as described separately. This notice would be in addition to current requirements of serving notice of findings to the respondent alleged to have committed a discriminatory or unfair practice, or to the complainant if DWD finds reason to dismiss the complaint.

Require LIRC to serve a certified copy of the Commission's decision on the respondent. Required LIRC to also serve a certified copy of the Commission's decision on the complainant, together with a notice advising the complainant about the right to bring, and the time for bringing, an action for judicial review under current law and about the right to bring, and the time for

bringing, a civil action as specified under the provision.

Civil Action Procedures and Limitations. Specify that an action many not be brought against: (a) a local governmental unit, including a political subdivision, special purpose district, an instrumentality or corporation of either type of governmental unit, or any other combination of political subdivision or special entity created by a political subdivision; or (b) an employer, labor organization, or employment agency that employs fewer than 15 individuals for each working day in each of 20 or more calendar weeks in the current or preceding year. Require that the civil action commence within 300 days after the alleged discrimination, unfair honesty testing, or unfair genetic testing occurred.

Specify that if a petition for judicial review of a LIRC finding and order of concerning the same violation as the violation giving rise to the civil action is filed, the circuit court shall consolidate the proceeding for judicial review and the civil action.

Specify that an individual alleged or found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing is not required to file a complaint with the Department or seek judicial review in order for DWD or the individual to bring a civil action as provided.

Noneconomic Losses and Punitive Damages Cap and Cap Indexing. Specify that in a civil action permitted under this provision, if the circuit court finds that discrimination, unfair honesty testing, or unfair genetic testing has occurred, or if such a finding has been made by an examiner or LIRC and not been further appealed, the circuit court may order any relief that an examiner would be empowered to order under current law after a hearing on a discrimination complaint. In addition, require the circuit court to order the defendant to pay to the individual discriminated against or subjected to unfair honesty testing or unfair genetic testing any other compensatory damages, and punitive damages, as permitted under current law, that the circuit court or jury finds appropriate, plus reasonable costs and attorney fees incurred in the action. Require the circuit court to specify whether the relief ordered from the civil action, as provided under the bill, is in addition to or replaces any relief as ordered by DWD, LIRC or the circuit courts. Specify that civil action court costs would be exempted from certain thresholds under current law.

Provide that the sum of the amount of compensatory damages for future economic losses and for pain and suffering, emotional distress, mental anguish, loss of enjoyment of life, and other noneconomic losses and the amount of punitive damages that a circuit court may order may not exceed the following:

(a) For a defendant that employs 100 or fewer employees for each working day in each of 20 or more calendar weeks in the current or preceding year, $50,000.

(b) For a defendant that employs more than 100 but fewer than 201 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, $100,000.

(c) For a defendant that employs more than 200 but fewer than 501 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, $200,000.

(d) For a defendant that employs more than 500 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, $300,000.

Specify that if the circuit court orders a payment because an individual was found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing by an individual employed by an employer, the employer of that individual is liable for the payment.

Required DWD, beginning on July 1, 2022, and on each July 1 after that, to adjust the caps on gross damages, by the percentage change in CPI-U for the 12-month period ending on December 31 of the preceding year. Require DWD to publish the adjusted amounts calculated under this subdivision in the Wisconsin Administrative Register, and the adjusted amounts shall apply to civil actions commenced beginning on July 1 of the year of publication. Specify that this provision would not apply for years in which the CPI decreased over the preceding calendar year.

Effective Date. Specify that this provision first applies to acts of employment discrimination, unfair honesty testing, or unfair genetic testing committed on the effective date of the bill.

Joint Finance: Provision not included.

16. JOB APPLICANT CONVICTION HISTORY

Governor: Provide that employment discrimination because of a conviction record includes a prospective employer requesting an applicant for employment to supply information regarding the conviction record of the applicant, or otherwise inquiring into or considering the conviction record of an applicant for employment, before the applicant has been selected for an interview by the prospective employer. Specify that this provision does not prohibit an employer from notifying applicants for employment that an individual with a particular conviction record may be disqualified by law or under the employer's policies from employment in particular positions. Under the bill, these provisions first apply to an application for employment submitted to an employer on the first day of the sixth month beginning after publication of the bill.

The bill also would specify employment discrimination because of a conviction record includes certain inquiries or actions relating to convictions that have since been expunged. [See "Corrections -- Adult Sentencing."] The bill would make various changes to reflect renumbered statutes under both provisions.

Joint Finance: Provision not included.

17. LOCATION OF EQUAL RIGHTS HEARINGS

Governor: Eliminate the requirement that hearings concerning open housing violations and discrimination in a public place of accommodation or amusement are to be held within the county in which the violation is alleged to have occurred. Eliminate the requirement that hearings concerning employment discrimination, unfair honesty testing, or unfair genetic testing, be held either within the county of the respondent's residence or the county in which the discrimination, unfair honesty testing or unfair genetic testing appears to have occurred. For each type of hearing

previously mandated to be held within a given county, the bill would require DWD to designate the place of hearing, which may include a remote, web-based, or in-person hearing in a location accessible and in proximity to the parties.

Joint Finance: Provision not included.

Unemployment Insurance

1. TRANSFER TO THE UNEMPLOYMENT UNSURANCE TRUST FUND

GPR-Transfer $120,000,000

Joint Finance: Transfer $60,000,000 in fiscal year 2021-22, and $60,000,000 in fiscal year 2022-23, from the general fund to the unemployment insurance (UI) trust fund for the purpose of making UI benefit payments.

2. SYSTEMS MODERNIZATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$79,486,000	- $79,486,000	$0

Governor: Provide $79,486,000 in 2021-22 in a new UI information technology systems continuing appropriation [20.445(1)(ar)]. Amounts provided could be expended on the renovation and modernization of UI information technology (IT) systems, specifically including development and implementation of a new system and reengineering of automated processes and manual business functions.

Create a new unemployment insurance administration appropriation [20.445(1)(nc)] to receive federal funds for UI program IT system renovation and modernization. The appropriation would receive amounts allocated to the state for UI program IT renovation and modernization, as determined by the treasurer of the state's UI trust fund. Modify DWD's existing general UI administration FED appropriation to require that of monies received by the state for UI program administration, funds for UI systems modernization are to transfer to the new appropriation.

Require DWD to allocate all available federal funding for the renovation and modernization of UI information technology systems before allocating any GPR for that purpose. If federal funding were received for UI systems modernization prior to July 1, 2023, the bill would allow the Secretary of DOA, to the extent permitted under federal law, to transfer to the general fund any amount of federal funding received, up to the GPR appropriated under 20.445(1)(ar). This provision would not apply with respect to certain federal funds received as routine UI administrative grants by the state.

Amend the title of DWD's existing appropriation for UI program IT systems upgrades to specify that the account is for other federal moneys, separate from the new appropriation under 20.445(1)(nc).

Joint Finance: Provision not included.

3. UNEMPLOYMENT ADMINISTRATION [LFB Paper 680]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	$15,000,000	- $15,000,000	$0

Governor: Provide $15,000,000 beginning in 2022-23 for administration of the UI program in a new continuing UI general administration appropriation. Also transfer to the new appropriation $250,000 annually budgeted under current law for UI drug testing, which the bill would repeal. In total, the bill would provide $250,000 GPR in 2021-22 and $15,250,000 GPR in 2022-23 for UI general administration. (This does not include amounts in a separate entry for UI IT systems modernization.)

Specify that if federal funding is received for the administration of the UI program prior to July 1, 2022, the DOA Secretary may, to the extent permitted under federal law, transfer from the DWD's federal UI administration appropriation, to the general fund, an amount not to exceed the amounts in the schedule under the Department's GPR UI general administration appropriation or the amount of federal funding received, whichever is less. This provision would not apply with respect to certain federal funds received as routine UI administrative grants by the state.

Joint Finance: Provision not included.

4. DRUG TESTING

Governor: Repeal the UI administration controlled substances testing and treatment appropriation and transfer $250,000 GPR to a new continuing appropriation for the general administration of the UI program. Under current law, the $250,000 in base funding is for conducting screenings of UI applicants, testing applicants for controlled substances, and providing substance abuse treatment to applicants and claimants. The unencumbered balance on June 30 of each odd-numbered year must be transferred to the unemployment program integrity fund. These provisions would be deleted under the bill.

Repeal the requirement that DWD establish a UI occupational drug testing program. Under current law, when a claimant applies for UI benefits, DWD determines whether the claimant is an individual for whom suitable work is only available in an occupation that regularly conducts testing. If the claimant's only suitable work is in an occupation that regularly conducts drug testing, as determined by the U.S. Department of Labor (USDOL) and DWD rules, DWD must screen the claimant to determine whether the claimant should be required to submit to a drug test. The results

of the initial screening must provide a reasonable suspicion that the claimant has engaged in the unlawful use of controlled substances for the claimant to be required to submit to a drug test. If the claimant refuses to submit to a drug test or tests positive for a controlled substance for which the claimant does not have a valid prescription, the claimant is ineligible for UI benefits. A claimant who tests positive may maintain eligibility for UI benefits for each week in which they are in full compliance with a state-sponsored substance abuse treatment program and a state-sponsored job skills assessment.

Final USDOL rules regarding which occupations can be subject to drug testing took effect November 4, 2019. USDOL's determination of what occupations regularly conduct drug testing includes those occupations for which each state has a factual basis for finding that employers in that state conduct drug testing as a standard eligibility requirement for employing or retaining employees in the occupation. On January 16, 2020, the Wisconsin Unemployment Insurance Advisory Council (UIAC) approved a draft scope statement for the administrative rule related to occupational drug testing. There has been no further action to promulgate rules for the occupational drug testing program.

Repeal all provisions of the UI pre-employment drug testing program. Under current law, an employer may voluntarily submit to DWD the results of a test for the unlawful use of controlled substances that was conducted on an individual as pre-employment screening or notify DWD that an individual declined to submit to such a test as a condition of employment. If an individual tests positive for controlled substances without a valid prescription for the drug, or if the individual refuses to take the test, there is a rebuttable presumption that the claimant refused to accept suitable work. If an employer reports that an individual refused to submit to a drug test or tested positive for a controlled substance, the claimant would be ineligible for UI benefits until the individual earns wages in subsequent employment equal to at least six times the individual's weekly benefit rate. A claimant who tests positive for a controlled substance as part of a pre-employment screening may maintain eligibility for UI benefits for each week in which the claimant is in full compliance with a state-sponsored substance abuse treatment program and a state-sponsored job skills assessment.

Provide that the effective date of the repeal of the pre-employment drug testing program and the occupational drug testing program would be July 4, 2021, or the first Sunday after publication of the bill, whichever is later. The repeal of the pre-employment drug testing program first applies to initial claims for benefits filed on the Sunday after publication of the bill.

Joint Finance: Provision not included. Instead, require DWD to immediately promulgate a permanent rule to implement the UI occupational drug testing requirement under current law.

5. UNEMPLOYMENT INSURANCE STUDY

Joint Finance: Provide $25,000 GPR in the Joint Committee on Finance supplemental appropriation for release to DWD upon request and approval by the Committee to study converting Wisconsin’s UI system to a "sliding scale" system that automatically adjusts the number of weeks a claimant is eligible for UI benefits based on the state's unemployment rate. The study would be expected to review the experience of other states that have implemented a "sliding scale" system

and related UI trust fund impacts. The study would examine other UI system reform options that provide incentives to work, and to keep working, while continuing to provide weekly UI benefits to claimants. The fiscal effect of this item is shown under "Program Supplements."

6. WEEKLY BENEFIT RATE

Governor: Increase the maximum weekly benefit rate for eligible UI recipients from $370 to $409 for each week of total unemployment that commences on or after January 2, 2022 but before January 1, 2023.

For each week of total unemployment that commences on or after January 1, 2023, but before January 7, 2024, adjust the maximum weekly benefit rate for eligible UI recipients to $409 or 50% of the state's annual average weekly wage, rounded up to the nearest dollar, whichever is greater.

For each week of total unemployment beginning on or after January 7, 2024, require DWD to set an annual maximum weekly benefit rate that takes effect on the first Sunday in January of each calendar year. Require a maximum weekly benefit rate equal to 75% of the state's annual average weekly wage, rounded up to the nearest dollar, and not less than the rate in effect in the previous calendar year.

Require DWD, on or before June 30 of each year, to calculate from quarterly wage reports for the prior calendar year, the state's annual average weekly wage in covered employment. Exempt the calculation of an annual average weekly wage or a maximum weekly benefit amount from the administrative rule process, consistent with exemptions under current law for fixing or approving certain rates, prices or charges.

The current maximum weekly benefit rate of $370 has been in effect since January 6, 2014. Under current law, the weekly benefit rate equals 4% of the employee's base period wages that were paid during that quarter of the employee's base period in which the employee was paid the highest total wages. If that amount is less than $54, no benefits are payable to the employee. If that amount is more than the maximum weekly benefit rate, the employee's weekly benefit rate is the maximum rate. Under current law, the minimum weekly benefit rate of $54 requires high-quarter earnings of $1,350 while the maximum weekly benefit rate of $370 requires high-quarter earnings of $9,250. The current minimum weekly benefit rate that an eligible UI recipient could qualify for would remain unchanged at $54.

Joint Finance: Provision not included.

7. MAXIMUM WEEKLY EARNING THRESHOLD FOR PARTIAL BENEFITS

Governor: Repeal the provision that a claimant may not receive any benefits for a week if the claimant receives or will receive wages and payments totaling more than $500. The provision would take effect the first Sunday that follows the 180th day after publication of the bill, and it would first apply to weeks of unemployment beginning on that effective date.

Under current law, regular UI benefits may be available to individuals who are partially employed during a week but not receiving more than $500 during that week in wages and pay. (The weekly wage threshold does not apply to persons in work-share programs, under which a prorated unemployment benefit is made to employees of employers who voluntarily make an agreement with the state to reduce work hours instead of laying off workers.) Current law applies to wages earned for work performed in that week, amounts treated as wages for that week, sick pay, holiday pay, vacation pay, termination pay, bonus pay, back pay, certain worker's compensation payments, or any combination thereof. To determine the benefit payment received by an individual who is partially employed, the first $30 of wages is excluded and the benefit payment is reduced by 67% of the individual's remaining wages. No benefit payment of less than $5 may be made. The bill would not affect this partial benefits formula.

Joint Finance: Provision not included.

8. WAITING PERIOD

Governor: Repeal the one-week waiting period requirement for UI benefits. Under this provision, a claimant for UI benefits would start receiving benefit payments beginning with the individual's first week of eligibility. Specify the provision takes effect the first Sunday after publication of the bill, and first applies to a claimant benefit year beginning on that effective date.

Under current law, the claimant's waiting period is the first week of a claimant's benefit year for which the claimant is otherwise eligible for regular benefits. During a claimant's waiting period, no benefits are payable to the claimant. The current one-week waiting period went into effect for all benefit years starting as of January 1, 2012. A claimant must serve one waiting week per benefit year.

Joint Finance: Provision not included.

9. WORK SEARCH

Governor: Repeal the provisions of 2017 Act 370 that codify in statute work-registration and work-search waiver provisions for certain UI claimants that were previously contained only within the administrative code. Restore DWD's general rulemaking authority, which had been eliminated by Act 370, to establish waivers from work search and registration requirements.

The effective date of the provision would be on the Sunday after publication of the bill, and the provision would first apply to initial claims for benefits filed on that date.

Under current law and the bill, a claimant is ineligible to receive benefits for any week for which there is a determination that the claimant failed to comply with the registration and search requirements, or failed to provide verifications to the Department that the claimant complied with those requirements, unless DWD has waived those requirements.

Work Registration Waivers. Currently, DWD must waive a UI claimant's requirement to register for work if any of the following reasons apply to the claimant:

• *Expectation for Reemployment*. DWD determines there is a reasonable expectation of reemployment of a laid-off claimant by their employer within a period of eight weeks, which may be extended up to an additional four weeks but not to exceed a total of 12 weeks. In determining whether the claimant has a reasonable expectation of reemployment by an employer, the Department must request the employer to verify the claimant's employment status and must also consider certain other factors. These include the history of layoffs by the employer, any information on an anticipated reemployment date, and any recall rights of the employee.

• *Expectation for New Employment.* The claimant has a reasonable expectation of starting employment with a new employer within four weeks and the employer has verified the anticipated starting date with the Department. A waiver under this provision may not exceed four weeks.

• *Union Referral.* The claimant has been laid off from work and routinely obtains work through a labor union referral. If a UI claimant has been laid off from work and routinely obtains work through a labor union referral, all of the following apply for a registration waiver under that allowance: (a) the union is the primary method used by workers to obtain employment in the claimant's customary occupation; (b) the union maintains a record of unemployed members and the referral activities of these members, and the union allows the Department to inspect such records; (c) the union provides, upon the request of the Department, any information regarding a claimant's registration with the union or any referrals for employment it has made to the claimant; (d) prospective employers of the claimant seldom place orders with the public employment office for jobs requiring occupational skills similar to those of the claimant; (e) the claimant is registered for work with a union and satisfies the requirements of the union relating to job referral procedures, and maintains membership in good standing with the union; and (f) the union enters into an agreement with the Department regarding the requirements under this provision.

• *Jury Duty.* The claimant is summoned to serve as a prospective or impaneled juror.

• *Participation in a Training Program.* The claimant is enrolled in and satisfactorily participating in a self-employment assistance program, work-share program, approved training, or another program established under state or federal law, and the program provides that claimants who participate in the program shall be waived by the Department from registration requirements.

• *Department Determination.* The claimant is unable register due to circumstances that the Department determines are beyond the claimant's control.

The bill would authorize DWD to establish work-registration waivers by rule. The bill would not specify conditions under which DWD must grant a registration waiver as the statutes currently do.

Work Search Waivers. Under current law, DWD must waive a UI claimant's requirement to conduct a reasonable search for suitable work and provide verification of least four actions per week that constitute a reasonable search for work if any of the following reasons apply to the claimant:

• *Registration Waiver Criteria.* This includes items described previously for an expectation for reemployment, expectation for new employment, union referral, jury duty, or

participation in a training program.

- *Performance of Work.* The claimant performs any work for his or her customary employer.

- *Department Error.* The claimant has not complied with the requirement because of an error made by personnel of the Department.

- *Failure to Display UI Posters.* The claimant's most recent employer failed to post appropriate notice posters as to claiming unemployment benefits as required by the Department by rule, and the claimant was not aware of the work search requirement.

- *Reemployment Services.* The claimant has been referred for reemployment services, is participating in such services, or is not participating in such services but has good cause for failure to participate. A claimant is considered to have good cause if he or she is unable to participate due to any of the following: (a) the claimant is participating in an approved training program as described previously; (b) the claimant is employed; (c) the claimant is attending a job interview; or (d) circumstances that the Department determines are beyond the claimant's control.

DWD may modify the availability of any work search or registration waiver, or establish additional work search or registration waivers, if doing so is necessary to comply with a requirement under federal law or is specifically allowed under federal law.

In general, the bill would authorize DWD to specify work-search waiver provisions by rule. It would retain a statutory waiver for persons with an expectation of reemployment by an employer. From 2004 until June 14, 2015, the Department, by administrative rule, waived a claimant's search requirement if the claimant was laid off but there was a reasonable expectation of reemployment of the claimant by that employer. As of July 14, 2015, the Department altered the administrative rule to provide a work-search waiver only if the claimant is currently laid off from employment but there is a reasonable expectation that the claimant will be returning to employment within a period of eight weeks, with a possibility of one additional four-week extension. 2017 Act 370 codified in statute the work-search waivers that were previously prescribed by rule of the Department.

Joint Finance: Provision not included.

10. RECEIPT OF SOCIAL SECURITY DISABILITY INSURANCE PAYMENTS

Governor: Repeal the statutory provisions disallowing UI benefits to a claimant for each week in the entire month in which the person receives a Social Security Disability Insurance (SSDI) payment. Specify that if a monthly SSDI payment is issued to a claimant for UI benefits, the Department must apportion a claimant's monthly SSDI payment as the fraction of the payment attributable to that week and reduce UI benefits otherwise payable to the claimant for a given week on that basis. This provision would not apply to a lump sum SSDI payment, such as a retroactive payment or back pay.

Provide that, if the claimant is receiving SSDI payments, the claimant must, in the manner

prescribed by DWD, report to the Department the amount of the SSDI payments. Certain existing provisions relating to the rounding of benefits and calculating benefit payment deductions to payments would continue to apply under this provision.

Joint Finance: Provision not included.

11. SUBSTANTIAL FAULT

Governor: Repeal provisions that specify that an employee terminated for substantial fault is ineligible to receive UI benefits.

Under current law, DWD uses a two-tier standard to determine whether claimants who are discharged qualify for UI benefits. A claimant will be disqualified if they are discharged for misconduct or for substantial fault connected with the employment. If it cannot be determined that the employee was discharged for misconduct, a disqualification under substantial fault is considered by the Department. An employee who is discharged for misconduct or substantial fault connected with his or her employment will have total entitlement for benefits reduced with respect to wages from the discharging employer and is ineligible for benefits based on work for other employers unless he or she requalifies. To requalify, seven weeks must elapse since the end of the week in which the discharge occurs and the employee must earn wages in subsequent covered employment equal to at least 14 times the weekly benefit rate he or she would have received if termination had not occurred. Under the bill, a claimant could still be disqualified from benefits if they are discharged for misconduct connected with the employment, but not for substantial fault.

Under current law, the definition of "substantial fault" includes acts or omissions of an employee over which the employee exercised reasonable control and that violate the employer's reasonable requirements of the employee's employer but does not include: (a) one or more minor infractions of rules, unless an infraction is repeated after the employer warns the employee about the infraction; (b) one or more inadvertent errors made by the employee; or (c) any failure of the employee to perform work because of insufficient skill, ability, or equipment. The bill would delete the definition of substantial fault, which would also be deleted for the purposes of worker's compensation, as described in a separate entry.

Repeal the provision that authorizes the Department to place certain benefit charges related to substantial fault as an eligible charge against the UI trust fund's balancing account.

Joint Finance: Provision not included.

12. QUIT EXCEPTION AND CANVASSING PERIOD

Governor: Extend the period that a claimant for UI benefits can restrict their availability for work based on the claimant's skill level and recent wage history. Extend the period that a claimant for UI benefits, that takes a job that they could have refused or is not suitable work, could quit that job and remain eligible for UI benefits.

Canvassing Period. Under current law, if a claimant fails, without good cause, to accept

suitable work when offered, the claimant is ineligible to receive benefits until the claimant re-establishes eligibility by earning wages in subsequent covered employment that is equal to six times the claimant's weekly benefit rate. There are two definitions of suitable work under current law. In the first six weeks after the claimant became unemployed, a period that is also referred to a claimant's "canvassing period," suitable work means: (a) the work does not involve a lower grade of skill than one or more of his or her most recent jobs; and (b) the hourly wage for the work is at least 75% of what the employee earned on the highest paying of his or her most recent jobs. Beginning in the seventh week after the claimant became unemployed, suitable work means any work that the claimant is capable of performing, regardless of whether the claimant has any relevant experience or training, that pays wages that are above the lowest quartile of wages for similar work in the labor market area in which the work is located, as determined by DWD. The bill would lengthen a claimant's canvassing period from six weeks to 10 weeks.

Quit Exception. Under current law, if a claimant for UI benefits terminates ("quits") employment with a covered employer, and the claimant's reason for quitting is not within any of the exceptions under current law, the claimant is ineligible to receive benefits until the claimant requalifies by earning wages after the week in which the termination occurs equal to at least six times the claimant's weekly benefit rate. Under one such exception, the claimant remains eligible to collect UI benefits if a claimant quits his or her job and both of the following apply: (a) the claimant accepted work that was not suitable work under the UI law, and which the claimant could have refused with good cause, or that does not meet labor standards with regards to wages, hours or other conditions; and (b) the claimant terminated the work within 30 calendar days after starting the work. Under the bill, this exemption would apply if the claimant terminated that work within 10 weeks after starting the work, instead of 30 days under current law.

Specify that both the canvassing period and quit exception provisions would first apply to UI benefit determinations on the first Sunday of the second month beginning after publication of the bill.

Joint Finance: Provision not included.

13. VOLUNTARY TERMINATION

Governor: Provide that, if a prospective claimant's spouse was required by his or her employing unit to relocate to a place to which it is impractical for the claimant to commute, the voluntary termination exception for UI benefits would apply to that claimant. Under current law, if an employee voluntarily terminates (quits) employment, the employee is ineligible to receive UI benefits until the employee earns wages after the week in which the voluntary termination occurs equal to at least six times the employee's weekly benefit rate. However, an employee is exempt from the requirement if the employee's spouse is a member of the U.S. Armed Forces on active duty. The bill would expand eligibility for the voluntary termination exemption if the employee's spouse were required by his or her employing unit to relocate to a place to which it is impractical for the employee to commute.

The effective date of the provision would be the first Sunday of the second month after publication of the bill. The provision would apply to UI benefit determinations beginning on the

effective date of the provision.

Joint Finance: Provision not included.

14. MISCLASSIFICATION PENALTIES

Governor: Eliminate maximum penalty amounts and limitations regarding the type of employer that can be assessed penalties for misclassifying employees, coercion of employees and providing false information.

False Information. Under current law, employers engaged in construction projects or engaged in the painting or drywall finishing of buildings or other structures who knowingly and intentionally provides false information to DWD for the purpose of misclassifying or attempting to misclassify as a nonemployee any individual who is an employee of the employer shall, for each incident, be assessed a penalty of $500 for each employee who is misclassified, but not to exceed $7,500 per incident.

The bill would repeal the $7,500 penalty maximum, and specify that for each act occurring before the date of the first determination of a violation, the employer is assessed a penalty of $500 for each employee who is misclassified. For each act occurring after the date of the first determination of a violation, the bill would impose a penalty of $1,000 for each employee who is misclassified. The bill would apply this penalty provision to all covered employers.

Coercion. Under current law, any employer engaged in construction projects or engaged in the painting or drywall finishing of buildings or other structures who, through coercion, requires an individual to adopt the status of a nonemployee shall be assessed a penalty of $1,000 for each individual so coerced, but not to exceed $10,000 per calendar year.

The bill would repeal the $10,000 penalty maximum, and specify that for each act occurring before the date of the first determination of a violation, the employer is assessed a penalty in the amount of $1,000 for each individual so coerced. For each act occurring after the date of the first determination of a violation, the bill would assess a penalty of $2,000 for each individual so coerced. The bill would apply this penalty provision to all covered employers.

Joint Finance: Provision not included.

15. ELECTRONIC REPORTING AND TRANSACTIONS

Governor: Require DWD to use various means of electronic reporting and payments for multiple UI program activities involving employers and claimants. In general, electronic communications and transactions would be required, unless a person could demonstrate "good cause" for not using electronic systems. The bill would require DWD to promulgate administrative rules to specify what would constitute good cause.

Electronic Interchange. Require DWD to provide a secure means of electronic interchange with employing units, claimants, and other persons. The electronic interchange would be required

for transmission or receipt of any document specified by DWD related to the administration of UI, in lieu of any other means of submission or receipt specified in Wisconsin's UI laws. Further, the bill would permit the use of the use of electronic records and electronic signatures for any document specified by DWD that is related to the administration of the state's UI program. Use of electronic record submittals and electronic signatures would be subject to current DOA rules concerning the use of electronic records. DWD would be required to submit a notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register indicating the date upon which DWD is able to implement the provision regarding the electronic interchange, and this provision would take effect on the date specified in the notice published in the Wisconsin Administrative Register.

Under current law, DWD is permitted, but not required, to provide a secure means of electronic interchange between itself and employing units, claimants, and other persons for the transmission or receipt of UI-related documents as specified by the Department.

Determination of Contributions. Require DWD to provide electronically a means whereby an employer that files employment and wage reports electronically may determine the amount of UI tax contributions due for payment by the employer for each quarter. Under current law, DWD is not required to provide this electronic option.

Contribution Reports. Require that each employer that does not use an employer agent to file UI tax contribution reports must file contribution reports electronically in the manner and form prescribed by DWD, unless the employer demonstrates good cause for not being able to file its reports electronically. Under current law, the requirement to file reports electronically is limited to employers of 25 or more employees that do not use an employer agent to file contribution reports; the bill would repeal the 25-employee threshold.

Employer Contributions. For employer UI tax obligations determined as of June 30 of a given year, require each employer to pay all UI tax contributions by means of electronic funds transfer beginning with the next calendar year, unless the employer demonstrates good cause for not being able to pay contributions by electronic funds transfer. Under current law, the requirement to pay UI tax contributions by means of electronic funds transfer is limited to those employers whose net total UI tax contributions paid or payable for any 12-month period ending on June 30 are at least $10,000; the bill would repeal this minimum specified level of contributions.

Quarterly Wage Reports. Specify that each employer that does not use an employer agent must file UI quarterly wage reports electronically in the manner and form prescribed by DWD, unless the employer demonstrates good cause for not being able to file reports electronically. Under current law, the requirement to file reports electronically is limited to employers of 25 or more employees that do not use an employer agent to file contribution reports. The bill would repeal the 25-employee threshold.

Except for the electronic interchange implementation described previously, these provisions would take effect on the first Sunday after publication.

Joint Finance: Provision not included.

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LEGISLATIVE FISCAL BUREAU

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