
State of Wisconsin
Additional/Voluntary Filing # 2023-22

Dated June 28, 2023

This Additional/Voluntary Filing does not concern an event described in Securities and Exchange Act Rule 15c2-12, as amended. The State of Wisconsin provides this information as it may be material to the financial evaluation of one or more obligations of the State of Wisconsin.

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On June 22, 2023, the Legislature's Joint Committee on Finance approved their version of the budget for the 2023-25 biennium, which included changes from the proposed executive budget. Detailed information on this proposed amended bill has been released by the Legislative Fiscal Bureau in the [Comparative Summary of Budget Recommendations, which is attached](#).

The complete Wisconsin Legislature is expected to consider the Joint Committee on Finance substitute amendment to the biennial budget bill in the upcoming dates. Provisions of the bill are not law until such time the 2023-25 biennial budget bill is approved and enacted by the Governor.

The State of Wisconsin is providing this Additional/Voluntary Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. This Additional/Voluntary Filing is also available on the State of Wisconsin Capital Finance Office website and State of Wisconsin investor relations website at:

doa.wi.gov/capitalfinance
wisconsinbonds.com

The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office, which is the office of the State of Wisconsin responsible for providing additional/voluntary filings, annual reports, and Event Filings pursuant to the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019) and is authorized to distribute this information publicly.

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**LEGISLATIVE
FISCAL BUREAU**

STATE OF WISCONSIN

June 2023

Comparative Summary of Budget Recommendations

Governor and Joint Committee on Finance

2023-25 Wisconsin State Budget

2023-25 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 2023-25 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 "2023-25 Overview" section provides a series of tables that display 2023-25 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.

On May 2, 2023, the Joint Committee on Finance, under Motion #10, removed certain provisions within the Governor's 2023-25 budget recommendations from further budget consideration. In this document, the title of those provisions is included followed by "*Removed from budget consideration pursuant to Joint Finance Motion #10.*" A complete description of those provisions can be found in the Legislative Fiscal Bureau's March, 2023, "Summary of Governor's Budget Recommendations."

The final section of the document contains a list of the 2023-25 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

2021 Wisconsin Act 58	The 2021-23 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 43	Assembly Substitute Amendment 2 to Assembly Bill 43, the 2023-25 budget recommendations of the Joint Committee on Finance.
SSA 2 to SB 70	Senate Substitute Amendment 2 to Senate Bill 70, the 2023-25 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.
2022-23 Adjusted Base	The total 2022-23 authorized funding level for an agency or program. The adjusted base equals 2022-23 appropriations and any supplements. It is this base that serves as the beginning point for calculating budget changes for 2023-25.
2022-23 Base Year Doubled	The 2022-23 base multiplied by two. This produces the biennial base level against which 2023-25 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 2022-23 base represents authorized appropriation and position levels for 2022-23. The base is doubled in the budget column to provide a two-year to two-year comparison.
- ④ The Governor's recommended budget levels for 2023-25.
- ⑤ The Joint Finance Committee's recommended budget levels for 2023-25.
- ⑥ These columns indicate the change, by amount and percentage, of the Joint Finance Committee's 2023-25 recommended budget to the 2022-23 base year doubled and to the Governor's recommendations. For positions, the comparison is made between the recommended authorization for 2024-25 and that of 2022-23.
- 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.
- 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. 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.
- ⑨ On May 2, 2023, the Joint Committee on Finance, under Motion #10, removed certain provisions within the Governor's 2023-25 budget recommendations from consideration. Following the title of these items is "*(Removed from budget consideration pursuant to Joint Finance Motion #10)*" A description of these provisions can be found in the Legislative Fiscal Bureau's March, 2023, "Summary of Governor's Budget Recommendations."

CIRCUIT COURTS 1

Budget Summary							
2	3	4	5	6			
				Joint Finance Change to:			
				Governor		Base	
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Amount	Percent	Amount	Percent
GPR	\$231,477,200	\$234,823,000	\$232,243,000	-\$2,580,000	- 1.1%	\$765,800	0.3%
PR	<u>465,400</u>	<u>465,400</u>	<u>465,400</u>	<u>0</u>	0.0	<u>0</u>	0.0
TOTAL	\$231,942,600	\$235,288,400	\$232,708,400	-\$2,580,000	- 1.1%	\$765,800	0.3%

FTE Position Summary					
Fund	3	2024-25 Governor	2024-25 Jt. Finance	6	
				Governor	2022-23 Base
GPR	543.00	551.00	551.00	0.00	8.00
PR	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	543.00	551.00	551.00	0.00	8.00

Budget Change Items

- 7
- 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]** GPR - \$2,378,600

Governor/Joint Finance: Provide an adjustment to the base of -\$1,189,300 annually associated with full funding of continuing position salaries and fringe benefits.

- 8
- 2. CIRCUIT COURT BRANCHES FUNDING AND POSITIONS [LFB Paper 106]**

	Funding	Positions
GPR	\$2,303,600	8.00

Governor/Joint Finance: Provide \$1,107,000 in 2023-24, \$1,196,600 in 2024-25, and 8.0 positions annually for the last four new circuit court branches created under 2019 Act 184.

- 9
- 3. PRETRIAL RISK ASSESSMENT REIMBURSEMENT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

2023-25 OVERVIEW

TABLE 1**Summary of 2023-25 Appropriations,
Compensation Reserves, and Authorizations**

<u>Fund Source</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>	<u>% of Total</u>
General Purpose Revenue	\$22,967,433,600	\$21,439,811,400	\$44,407,245,000	44.7%
Appropriations	22,656,252,700	21,041,881,400	43,698,134,100	
Compensation Reserves	311,180,900	397,930,000	709,110,900	
Federal Revenue	14,041,014,100	13,998,589,500	28,039,603,600	28.2%
Appropriations	13,974,638,000	13,919,472,400	27,894,110,400	
Compensation Reserves	66,376,100	79,117,100	145,493,200	
Program Revenue	7,582,503,500	7,535,742,000	15,118,245,500	15.2%
Appropriations	7,466,009,700	7,396,887,000	14,862,896,700	
Compensation Reserves	116,493,800	138,855,000	255,348,800	
Segregated Revenue	5,141,541,700	5,954,124,100	11,095,665,800	11.2%
Appropriations	5,076,060,500	5,876,073,700	10,952,134,200	
Compensation Reserves	<u>65,481,200</u>	<u>78,050,400</u>	<u>143,531,600</u>	
Subtotal	\$49,732,492,900	\$48,928,267,000	\$98,660,759,900	99.3%
Appropriations	49,172,960,900	48,234,314,500	97,407,275,400	
Compensation Reserves	559,532,000	693,952,500	1,253,484,500	
Bond Revenue			\$681,099,900	0.7%
General Obligation Bonding			635,099,900*	
Revenue Bonding			46,000,000	
TOTAL			\$99,341,859,800	100.0%

*Excludes \$1,725,000,000 of economic refunding bonds.

TABLE 2

Summary of Total All Funds Appropriations by Agency

	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base Year Doubled	
				Amount	Percent	Amount	Percent
Administration	\$1,225,974,400	\$2,337,568,900	\$1,270,506,500	-\$1,067,062,400	-45.6%	\$44,532,100	3.6%
Agriculture, Trade and Consumer Protection	220,845,600	292,958,600	249,772,400	-43,186,200	-14.7	28,926,800	13.1
Appropriation Obligation Bonds	622,359,600	646,207,700	1,046,207,700	400,000,000	61.9	423,848,100	68.1
Board for People with Developmental Disabilities	3,442,800	3,336,600	3,331,200	-5,400	-0.2	-111,600	-3.2
Board of Commissioners of Public Lands	3,399,600	3,745,500	3,348,300	-397,200	-10.6	-51,300	-1.5
Board on Aging and Long-Term Care	7,636,600	8,339,600	8,121,500	-218,100	-2.6	484,900	6.3
Building Commission	83,467,600	146,203,900	73,575,400	-72,628,500	-49.7	-9,892,200	-11.9
Child Abuse and Neglect Prevention Board	6,486,400	15,097,600	8,797,600	-6,300,000	-41.7	2,311,200	35.6
Children and Families	2,914,604,000	3,677,984,500	3,041,263,100	-636,721,400	-17.3	126,659,100	4.3
Circuit Courts	231,942,600	235,288,400	232,708,400	-2,580,000	-1.1	765,800	0.3
Compensation Reserves	---	1,669,306,700	1,253,484,500	-415,822,200	-24.9	1,253,484,500	N.A.
Corrections	2,944,268,800	3,110,483,600	3,045,109,500	-65,374,100	-2.1	100,840,700	3.4
Court of Appeals	24,769,000	23,988,700	23,988,700	0	0.0	-780,300	-3.2
District Attorneys	122,631,400	147,008,700	137,968,500	-9,040,200	-6.1	15,337,100	12.5
Educational Communications Board	41,810,800	42,734,900	44,038,900	1,304,000	3.1	2,228,100	5.3
Elections Commission	12,157,400	15,286,900	12,804,700	-2,482,200	-16.2	647,300	5.3
Employee Trust Funds	105,489,600	120,059,900	118,605,200	-1,454,700	-1.2	13,115,600	12.4
Employment Relations Commission	2,058,800	2,896,000	2,129,000	-767,000	-26.5	70,200	3.4
Environmental Improvement Fund	26,974,000	222,838,800	22,804,600	-200,034,200	-89.8	-4,169,400	-15.5
Ethics Commission	3,082,800	3,655,400	3,779,800	124,400	3.4	697,000	22.6
Financial Institutions	38,658,600	51,584,400	42,528,400	-9,056,000	-17.6	3,869,800	10.0
Fox River Navigational System Authority	250,800	250,800	250,800	0	0.0	0	0.0
Governor	8,716,400	9,060,800	9,060,800	0	0.0	344,400	4.0
Health Services	30,305,887,800	35,294,951,200	33,464,844,300	-1,830,106,900	-5.2	3,158,956,500	10.4
Higher Educational Aids Board	300,877,800	330,137,400	302,277,100	-27,860,300	-8.4	1,399,300	0.5
Historical Society	62,632,400	83,000,000	81,517,900	-1,482,100	-1.8	18,885,500	30.2
Insurance	567,022,600	641,574,200	629,006,600	-12,567,600	-2.0	61,984,000	10.9
Investment Board	205,462,200	205,462,200	205,462,200	0	0.0	0	0.0
Judicial Commission	705,600	704,100	704,100	0	0.0	-1,500	-0.2
Justice	317,439,000	409,659,900	334,845,800	-74,814,100	-18.3	17,406,800	5.5

	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base Year Doubled	
				Amount	Percent	Amount	Percent
Kickapoo Reserve Management Board	\$2,089,600	\$2,063,400	\$2,288,000	\$224,600	10.9%	\$198,400	9.5%
Labor and Industry Review Commission	5,751,200	6,104,600	6,098,000	-6,600	-0.1	346,800	6.0
Legislature	184,596,600	186,100,200	184,535,700	-1,564,500	-0.8	-60,900	0.0
Lieutenant Governor	970,200	996,400	996,400	0	0.0	26,200	2.7
Lower Wisconsin State Riverway Board	526,000	532,000	532,000	0	0.0	6,000	1.1
Medical College of Wisconsin	22,231,800	43,422,300	28,391,600	-15,030,700	-34.6	6,159,800	27.7
Military Affairs	290,711,600	425,448,300	417,517,200	-7,931,100	-1.9	126,805,600	43.6
Miscellaneous Appropriations	390,468,400	443,585,900	426,882,500	-16,703,400	-3.8	36,414,100	9.3
Natural Resources	1,134,851,800	1,335,017,900	1,221,357,800	-113,660,100	-8.5	86,506,000	7.6
Program Supplements	664,200	143,869,100	407,180,700	263,311,600	183.0	406,516,500	N.A.
Public Defender	229,312,200	271,903,400	266,142,100	-5,761,300	-2.1	36,829,900	16.1
Public Instruction	16,468,423,000	19,308,971,100	17,494,569,500	-1,814,401,600	-9.4	1,026,146,500	6.2
Public Service Commission	66,261,600	825,481,300	67,636,600	-757,844,700	-91.8	1,375,000	2.1
Revenue	487,397,600	519,771,300	502,133,700	-17,637,600	-3.4	14,736,100	3.0
Safety and Professional Services	122,110,600	149,688,700	144,769,300	-4,919,400	-3.3	22,658,700	18.6
Secretary of State	576,200	985,400	563,200	-422,200	-42.8	-13,000	-2.3
Shared Revenue and Tax Relief	5,859,709,800	7,070,263,700	7,296,005,900	225,742,200	3.2	1,436,296,100	24.5
State Fair Park Board	45,512,600	43,574,000	44,646,900	1,072,900	2.5	-865,700	-1.9
State Treasurer	260,600	377,400	255,600	-121,800	-32.3	-5,000	-1.9
Supreme Court	69,234,000	73,905,400	77,001,400	3,096,000	4.2	7,767,400	11.2
Tourism	36,575,400	108,128,400	72,343,900	-35,784,500	-33.1	35,768,500	97.8
Transportation	6,606,302,600	7,536,025,000	7,633,269,000	97,244,000	1.3	1,026,966,400	15.5
University of Wisconsin System	13,548,814,600	13,854,724,700	13,730,681,100	-124,043,600	-0.9	181,866,500	1.3
Veterans Affairs	285,779,800	316,407,300	302,760,300	-13,647,000	-4.3	16,980,500	5.9
Wisconsin Artistic Endowment Foundation	0	4,500,000	0	-4,500,000	-100.0	0	N.A.
Wisconsin Economic Development Corporation	83,101,400	278,101,400	92,870,000	-185,231,400	-66.6	9,768,600	11.8
Wisconsin Housing and Economic Development Authority	0	100,000,000	525,000,000	425,000,000	425.0	525,000,000	N.A.
Wisconsin Technical College System	1,236,044,200	1,316,320,400	1,250,408,900	-65,911,500	-5.0	14,364,700	1.2
Workforce Development	<u>740,826,400</u>	<u>1,304,065,900</u>	<u>791,079,100</u>	<u>-512,986,800</u>	<u>-39.3</u>	<u>50,252,700</u>	<u>6.8</u>
TOTAL	\$88,330,159,000	\$105,421,710,800	\$98,660,759,900	-\$6,760,950,900	-6.4%	\$10,330,600,900	11.7%

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

<u>Agency</u>	<u>2022-23</u> <u>Base</u>	<u>2024-25</u> <u>Governor</u>	<u>2024-25</u> <u>Jt. Finance</u>	<u>Joint Finance Change to:</u>	
				<u>Governor</u>	<u>2022-23 Base</u>
Administration	1,459.78	1,535.78	1,448.78	-87.00	-11.00
Agriculture, Trade and Consumer Protection	641.29	658.79	639.29	-19.50	-2.00
Board for People with Developmental Disab.	7.00	7.00	7.00	0.00	0.00
Board of Commissioners of Public Lands	9.50	10.50	8.70	-1.80	-0.80
Board on Aging and Long-Term Care	44.50	47.50	45.50	-2.00	1.00
Child Abuse and Neglect Prevention Board	7.00	7.00	7.00	0.00	0.00
Children and Families	821.67	808.67	792.40	-16.27	-29.27
Circuit Courts	543.00	551.00	551.00	0.00	8.00
Corrections	10,261.52	10,263.12	10,160.52	-102.60	-101.00
Court of Appeals	75.50	75.50	75.50	0.00	0.00
District Attorneys	544.90	546.70	499.30	-47.40	-45.60
Educational Communications Board	54.18	54.18	51.50	-2.68	-2.68
Elections Commission	32.00	42.00	32.00	-10.00	0.00
Employee Trust Funds	275.20	291.20	287.20	-4.00	12.00
Employment Relations Commission	6.00	9.00	6.00	-3.00	0.00
Ethics Commission	8.00	8.00	8.00	0.00	0.00
Financial Institutions	141.54	144.04	141.54	-2.50	0.00
Governor	37.25	37.25	37.25	0.00	0.00
Health Services	6,589.92	6,903.42	6,529.44	-373.98	-60.48
Higher Educational Aids Board	10.00	14.00	11.50	-2.50	1.50
Historical Society	177.70	182.70	175.55	-7.15	-2.15
Insurance	134.83	172.33	139.83	-32.50	5.00
Investment Board	290.00	290.00	290.00	0.00	0.00
Judicial Commission	2.00	2.00	2.00	0.00	0.00
Judicial Council	0.00	0.00	0.00	0.00	0.00
Justice	747.84	765.34	728.64	-36.70	-19.20
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	780.97	782.97	2.00	5.00
Lieutenant Governor	5.00	5.00	5.00	0.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	0.00	0.00
Military Affairs	604.00	613.50	590.00	-23.50	-14.00
Natural Resources	2,553.43	2,569.43	2,500.72	-68.71	-52.71
Public Defender	682.85	669.85	619.85	-50.00	-63.00
Public Instruction	654.00	659.00	641.27	-17.73	-12.73

<u>Agency</u>	<u>2022-23</u> <u>Base</u>	<u>2024-25</u> <u>Governor</u>	<u>2024-25</u> <u>Jt. Finance</u>	<u>Joint Finance Change to:</u>	
				<u>Governor</u>	<u>2022-23 Base</u>
Public Service Commission	161.75	169.25	162.75	-6.50	1.00
Revenue	1,178.00	1,219.60	1,177.80	-41.80	-0.20
Safety and Professional Services	242.14	320.64	257.89	-62.75	15.75
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	2.00	1.00	-1.00	0.00
Supreme Court	232.85	233.10	233.10	0.00	0.25
Tourism	34.00	41.50	34.00	-7.50	0.00
Transportation	3,287.41	3,341.41	3,293.91	-47.50	6.50
University of Wisconsin System	36,534.36	36,475.66	36,203.56	-272.10	-330.80
Veterans Affairs	1,242.43	1,252.93	1,240.50	-12.43	-1.93
Wisconsin Technical College System	55.00	55.00	55.00	0.00	0.00
Workforce Development	<u>1,674.45</u>	<u>1,821.45</u>	<u>1,574.25</u>	<u>-247.20</u>	<u>-100.20</u>
TOTAL	72,916.46	73,733.01	72,122.71	-1,610.30	-793.75

Full-Time Equivalent Positions Summary by Funding Source

	<u>2022-23</u> <u>Base</u>	<u>2024-25</u> <u>Governor</u>	<u>2024-25</u> <u>Jt Finance</u>	<u>Joint Finance Change to:</u>	
				<u>Governor</u>	<u>2022-23 Base</u>
GPR	35,613.81	35,982.41	35,248.50	-733.91	-365.31
FED	10,978.93	10,589.96	10,510.21	-79.55	-468.72
PR	21,477.32	21,993.99	21,518.98	-475.01	41.66
SEG	<u>4,846.40</u>	<u>5,166.65</u>	<u>4,845.02</u>	<u>-321.63</u>	<u>-1.38</u>
Total	72,916.46	73,733.01	72,122.71	-1,610.10	-793.75

TABLE 4

Summary of General Fund Appropriations and Reserves by Agency

	2022-23 Base <u>Year Doubled</u>	2023-25 <u>Governor</u>	2023-25 <u>Jt. Finance</u>	Joint Finance Change to:			
				<u>Governor</u>		<u>Base Year Doubled</u>	
				<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Administration	\$34,900,800	\$1,030,183,700	\$69,467,200	-\$960,716,500	-93.3%	\$34,566,400	99.0%
Agriculture, Trade and Consumer Protection	61,674,200	112,024,200	75,457,700	-36,566,500	-32.6	13,783,500	22.3
Appropriation Obligation Bonds	622,359,600	646,207,700	1,046,207,700	400,000,000	61.9	423,848,100	68.1
Board for People with Developmental Disabilities	258,000	269,600	264,200	-5,400	-2.0	6,200	2.4
Board of Commissioners of Public Lands	3,294,200	3,640,100	3,121,200	-518,900	-14.3	-173,000	-5.3
Board on Aging and Long-Term Care	3,421,000	3,842,900	3,757,600	-85,300	-2.2	336,600	9.8
Building Commission	80,296,400	141,161,200	70,435,900	-70,725,300	-50.1	-9,860,500	-12.3
Child Abuse and Neglect Prevention Board	1,990,000	10,290,000	3,990,000	-6,300,000	-61.2	2,000,000	100.5
Children and Families	1,009,655,600	1,521,330,700	976,653,300	-544,677,400	-35.8	-33,002,300	-3.3
Circuit Courts	231,477,200	234,823,000	232,243,000	-2,580,000	-1.1	765,800	0.3
Compensation Reserves	---	946,875,400	709,110,900	-237,764,500	-25.1	709,110,900	N.A.
Corrections	2,690,131,600	2,828,858,100	2,762,538,500	-66,319,600	-2.3	72,406,900	2.7
Court of Appeals	24,769,000	23,988,700	23,988,700	0	0.0	-780,300	-3.2
District Attorneys	113,249,800	136,953,100	127,438,700	-9,514,400	-6.9	14,188,900	12.5
Educational Communications Board	11,668,400	11,720,500	13,024,500	1,304,000	11.1	1,356,100	11.6
Elections Commission	9,739,000	12,631,200	10,158,800	-2,472,400	-19.6	419,800	4.3
Employee Trust Funds	65,000	49,300	49,300	0	0.0	-15,700	-24.2
Employment Relations Commission	1,767,600	2,604,800	1,837,800	-767,000	-29.4	70,200	4.0
Environmental Improvement Fund	12,974,000	212,338,800	12,304,600	-200,034,200	-94.2	-669,400	-5.2
Ethics Commission	2,027,400	2,385,400	2,509,800	124,400	5.2	482,400	23.8
Financial Institutions	0	2,000,000	0	-2,000,000	-100.0	0	N.A.
Governor	8,716,400	9,060,800	9,060,800	0	0.0	344,400	4.0
Health Services	9,955,674,800	9,615,677,400	10,815,476,900	1,199,799,500	12.5	859,802,100	8.6
Higher Educational Aids Board	297,243,000	326,429,100	298,642,300	-27,786,800	-8.5	1,399,300	0.5
Historical Society	44,154,000	53,846,800	52,364,900	-1,481,900	-2.8	8,210,900	18.6
Insurance	68,466,400	83,180,800	38,268,500	-44,912,300	-54.0	-30,197,900	-44.1
Judicial Commission	705,600	704,100	704,100	0	0.0	-1,500	-0.2
Justice	158,032,200	242,128,300	164,184,600	-77,943,700	-32.2	6,152,400	3.9
Labor and Industry Review Commission	305,200	331,600	325,000	-6,600	-2.0	19,800	6.5
Legislature	179,703,600	180,858,400	179,293,900	-1,564,500	-0.9	-409,700	-0.2

	2022-23 Base <u>Year Doubled</u>	2023-25 <u>Governor</u>	2023-25 <u>Jt. Finance</u>	Joint Finance Change to:			
				<u>Governor</u>		<u>Base Year Doubled</u>	
				<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Lieutenant Governor	\$970,200	\$996,400	\$996,400	\$0	0.0%	\$26,200	2.7%
Medical College of Wisconsin	21,736,800	42,927,300	27,896,600	-15,030,700	-35.0	6,159,800	28.3
Military Affairs	67,803,000	129,399,100	118,523,800	-10,875,300	-8.4	50,720,800	74.8
Miscellaneous Appropriations	325,882,400	378,999,900	362,523,200	-16,476,700	-4.3	36,640,800	11.2
Natural Resources	189,000,200	287,623,700	222,457,800	-65,165,900	-22.7	33,457,600	17.7
Program Supplements	664,200	94,572,400	325,920,000	231,347,600	244.6	325,255,800	N.A.
Public Defender	226,301,800	268,942,200	263,180,900	-5,761,300	-2.1	36,879,100	16.3
Public Instruction	14,451,763,600	17,260,785,200	15,455,113,800	-1,805,671,400	-10.5	1,003,350,200	6.9
Public Service Commission	0	755,250,000	0	-755,250,000	-100.0	0	N.A.
Revenue	385,260,600	393,459,300	410,283,900	16,824,600	4.3	25,023,300	6.5
Safety and Professional Services			1,000,000	1,000,000	N.A.	1,000,000	N.A.
Shared Revenue and Tax Relief	5,102,097,000	6,201,524,500	4,718,189,700	-1,483,334,800	-23.9	-383,907,300	-7.5
State Fair Park Board	3,320,600	2,532,800	3,612,300	1,079,500	42.6	291,700	8.8
State Treasurer	0	0	0	0	N.A.	0	N.A.
Supreme Court	36,462,200	36,213,900	38,858,100	2,644,200	7.3	2,395,900	6.6
Tourism	12,974,000	102,750,200	49,032,700	-53,717,500	-52.3	36,058,700	277.9
Transportation	175,119,800	228,285,900	398,753,000	170,467,100	74.7	223,633,200	127.7
University of Wisconsin System	2,476,144,400	2,609,746,300	2,485,672,900	-124,073,400	-4.8	9,528,500	0.4
Veterans Affairs	3,499,800	3,821,500	4,018,000	196,500	5.1	518,200	14.8
Wisconsin Economic Development Corporation	9,101,400	199,101,400	0	-199,101,400	-100.0	-9,101,400	-100.0
Wisconsin Housing and Economic Development Authority	0	100,000,000	525,000,000	425,000,000	425.0	525,000,000	N.A.
Wisconsin Technical College System	1,159,866,200	1,241,049,800	1,174,388,300	-66,661,500	-5.4	14,522,100	1.3
Workforce Development	<u>110,215,000</u>	<u>374,952,900</u>	<u>118,943,200</u>	<u>-256,009,700</u>	-68.3	<u>8,728,200</u>	7.9
TOTAL	\$40,386,903,200	\$49,109,330,400	\$44,407,245,000	-\$4,702,085,400	-9.6%	\$4,020,341,800	10.0%

TABLE 5**Summary of General Fund Full-Time Equivalent Positions by Agency**

<u>Agency</u>	<u>2022-23</u> <u>Base</u>	<u>2024-25</u> <u>Governor</u>	<u>2024-25</u> <u>Jt. Finance</u>	<u>Joint Finance Change to:</u>	
				<u>Governor</u>	<u>2022-23 Base</u>
Administration	59.87	87.92	59.87	-28.05	0.00
Agriculture, Trade and Consumer Protection	201.40	214.90	201.40	-13.50	0.00
Board of Commissioners of Public Lands	9.50	10.50	7.70	-2.80	-1.80
Board on Aging and Long-Term Care	20.48	21.98	21.13	-0.85	0.65
Children and Families	232.92	244.44	232.91	-11.53	-0.01
Circuit Courts	543.00	551.00	551.00	0.00	8.00
Corrections	9,716.22	9,725.52	9,615.22	-110.30	-101.00
Court of Appeals	75.50	75.50	75.50	0.00	0.00
District Attorneys	456.40	511.20	460.80	-50.40	4.40
Educational Communications Board	25.94	25.94	25.94	0.00	0.00
Elections Commission	25.75	35.75	25.75	-10.00	0.00
Employment Relations Commission	6.00	9.00	6.00	-3.00	0.00
Ethics Commission	4.70	4.70	4.70	0.00	0.00
Governor	37.25	37.25	37.25	0.00	0.00
Health Services	2,642.84	2,748.72	2,690.43	-58.29	47.59
Higher Educational Aids Board	10.00	14.00	11.50	-2.50	1.50
Historical Society	112.65	116.65	112.65	-4.00	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	405.58	453.28	412.28	-41.00	6.70
Labor and Industry Review Commission	0.80	0.80	0.80	0.00	0.00
Legislature	758.17	761.17	763.17	2.00	5.00
Lieutenant Governor	5.00	5.00	5.00	0.00	0.00
Military Affairs	82.08	104.48	82.48	-22.00	0.40
Natural Resources	222.52	225.52	219.77	-5.75	-2.75
Public Defender	614.85	664.85	614.85	-50.00	0.00
Public Instruction	252.47	258.47	246.29	-12.18	-6.18
Revenue	950.15	983.15	952.15	-31.00	2.00
Supreme Court	115.50	115.50	115.50	0.00	0.00
Tourism	32.00	40.50	33.00	-7.50	1.00
University of Wisconsin System	17,817.99	17,728.02	17,487.19	-240.83	-330.80
Wisconsin Technical College System	23.25	26.25	23.25	-3.00	0.00
Workforce Development	<u>151.03</u>	<u>168.45</u>	<u>151.02</u>	<u>-17.43</u>	<u>-0.01</u>
TOTAL	35,613.81	35,982.41	35,248.50	-733.91	-365.31

TABLE 6**2023-25 General Fund Condition Statement**

	<u>2023-24</u>	<u>2024-25</u>
Revenues		
Opening Balance, July 1	\$6,876,958,600	\$2,284,429,300
Taxes	19,244,800,000	20,680,000,000
Departmental Revenues		
Tribal Gaming Revenues	0	6,892,700
Other	<u>781,472,200</u>	<u>645,198,000</u>
Total Available	\$26,903,230,800	\$23,616,520,000
 Appropriations, Transfers, and Reserves		
Gross Appropriations	\$22,656,252,700	\$21,041,881,400
Transfers to:		
Building Program	1,234,081,900	0
PFAS Trust Fund	110,000,000	0
Local Government Fund	0	1,563,380,000
Innovation Fund	0	303,000,000
Transportation Fund		
EV Sales Tax	39,300,000	55,100,000
0.25% Transfer	48,112,000	51,700,000
Other	555,523,900	0
Compensation Reserves	311,180,900	397,930,000
Less Lapses	<u>-335,649,900</u>	<u>-384,237,300</u>
Net Appropriations	\$24,618,801,500	\$23,028,754,100
Gross Balance	\$2,284,429,300	\$587,765,900
Less Required Statutory Balance	<u>-100,000,000</u>	<u>-105,000,000</u>
Net Balance, June 30	\$2,184,429,300	\$482,765,900

TABLE 7**Estimated 2023-25 General Fund Taxes**

<u>Tax Source</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2023-25</u>	<u>% of Total</u>
Individual Income	\$7,617,300,000	\$8,742,200,000	\$16,359,500,000	41.0%
Sales and Use	7,639,500,000	7,816,900,000	15,456,400,000	38.7
Corporate Income/Franchise	2,680,600,000	2,808,200,000	5,488,800,000	13.7
Public Utility	374,000,000	370,000,000	744,000,000	1.9
Excise				
Cigarette	418,600,000	405,200,000	823,800,000	2.1
Tobacco Products	91,000,000	93,000,000	184,000,000	0.5
Vapor Products	7,700,000	8,500,000	16,200,000	<0.1
Liquor and Wine	69,000,000	71,000,000	140,000,000	0.4
Beer	8,100,000	8,000,000	16,100,000	<0.1
Insurance Company	236,000,000	246,000,000	482,000,000	1.2
Miscellaneous	<u>103,000,000</u>	<u>111,000,000</u>	<u>214,000,000</u>	<u>0.5</u>
TOTAL	\$19,244,800,000	\$20,680,000,000	\$39,924,800,000	100.0%

TABLE 8
2023-25 Departmental Revenues

<u>Agency</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
Administration	\$7,216,500	\$7,237,000	\$14,453,500
Agriculture, Trade, and Consumer Protection	49,300	49,300	98,600
Board of Commissioners of Public Lands	60,000	60,000	120,000
Children and Families	45,000	45,000	90,000
Circuit Courts	31,158,200	30,845,700	62,003,900
Corrections	3,270,000	3,270,000	6,540,000
Court of Appeals	152,500	155,200	307,700
Educational Communications Board	6,900	6,900	13,800
Financial Institutions	83,241,100	82,986,400	166,227,500
Health Services	64,424,700	60,163,500	124,588,200
Higher Educational Aids Board	520,000	520,000	1,040,000
Insurance Commissioner	29,186,100	27,346,800	56,532,900
Interest Earnings	265,600,000	108,900,000	374,500,000
Justice	190,800	0	190,800
Local Government Fund Transfer	0	17,173,200	17,173,200
Military Affairs	24,500	24,500	49,000
Miscellaneous Appropriations	17,500,000	17,500,000	35,000,000
Natural Resources	4,658,500	4,566,600	9,225,100
Pension Obligation Bonds	197,309,800	205,823,500	403,133,300
Public Defender	5,500	5,500	11,000
Public Instruction	400,000	400,000	800,000
Public Service Commission	1,876,700	1,914,100	3,790,800
Revenue	33,750,300	35,379,800	69,130,100
Safety and Professional Services	1,771,800	1,771,800	3,543,600
Secretary of State	118,400	118,400	236,800
Shared Revenue and Tax Relief	9,422,100	9,422,100	18,844,200
Supreme Court	31,700	30,900	62,600
Tourism	0	0	0
Transportation	2,700,000	2,700,000	5,400,000
University of Wisconsin System	26,705,000	26,705,000	53,410,000
Workforce Development	<u>76,800</u>	<u>76,800</u>	<u>153,600</u>
Subtotal	\$781,472,200	\$645,198,000	\$1,426,670,200
Tribal Gaming	<u>0</u>	<u>6,892,700</u>	<u>6,892,700</u>
Total	\$781,472,200	\$652,090,700	\$1,433,562,900

TABLE 9

Summary of 2023-25 Appropriations By Functional Area

All Funds

<u>Functional Area</u>	<u>Amount</u>	<u>% of Total</u>
Human Resources	\$42,088,865,100	42.7%
Education	32,931,885,000	33.4
Environmental Resources	8,952,846,100	9.1
Shared Revenue and Tax Relief	7,296,005,900	7.4
General Executive	3,439,866,200	3.5
Commerce	1,271,230,200	1.3
Compensation Reserves	1,253,484,500	1.3
General Appropriations	907,638,600	0.9
Judicial	334,402,600	0.3
Legislative	<u>184,535,700</u>	<u>0.2</u>
TOTAL	\$98,660,759,900	100.0%

General Purpose Revenue

<u>Functional Area</u>	<u>Amount</u>	<u>% of Total</u>
Education	\$19,507,103,300	43.9%
Human Resources	15,622,951,600	35.2
Shared Revenue and Tax Relief	4,718,189,700	10.6
General Executive	1,815,036,000	4.1
General Appropriations	758,879,100	1.7
Compensation Reserves	709,110,900	1.6
Environmental Resources	682,548,100	1.5
Judicial	295,793,900	0.7
Legislative	179,293,900	0.4
Commerce	<u>118,338,500</u>	<u>0.3</u>
TOTAL	\$44,407,245,000	100.0%

TABLE 10

Summary of 2023-25 Appropriations and Reserves By Purpose

All Funds

<u>Purpose</u>	<u>Amount</u>	<u>% of Total</u>
State Operations	\$36,761,627,300	37.3%
Aids to Individuals and Organizations	35,278,351,700	35.7
Local Assistance	<u>26,620,780,900</u>	<u>27.0</u>
TOTAL	\$98,660,759,900	100.0%

General Purpose Revenue

<u>Purpose</u>	<u>Amount</u>	<u>% of Total</u>
Local Assistance	\$20,239,006,100	45.6%
Aids to Individuals and Organizations	12,367,371,900	27.8
State Operations	<u>11,800,867,000</u>	<u>26.6</u>
TOTAL	\$44,407,245,000	100.0%

STATE AGENCY 2023-25 BUDGET SUMMARIES

ADMINISTRATION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$34,900,800	\$1,030,183,700	\$69,467,200	-\$960,716,500	- 93.3%	\$34,566,400	99.0%
FED	281,612,800	287,370,000	287,215,200	- 154,800	- 0.1	5,602,400	2.0
PR	798,646,400	919,869,800	810,293,700	- 109,576,100	- 11.9	11,647,300	1.5
SEG	<u>110,814,400</u>	<u>100,145,400</u>	<u>103,530,400</u>	<u>3,385,000</u>	3.4	<u>- 7,284,000</u>	- 6.6
TOTAL	\$1,225,974,400	\$2,337,568,900	\$1,270,506,500	-\$1,067,062,400	- 45.6%	\$44,532,100	3.6%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	59.87	87.92	59.87	- 28.05	0.00
FED	89.80	78.80	77.80	- 1.00	- 12.00
PR	1,297.56	1,356.51	1,298.56	- 57.95	1.00
SEG	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	1,459.78	1,535.78	1,448.78	- 87.00	- 11.00

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$144,200	0.00	\$0	0.00	-\$144,200	0.00
FED	6,075,400	- 9.00	0	0.00	6,075,400	- 9.00
PR	1,457,200	0.00	- 3,350,200	0.00	- 1,893,000	0.00
SEG	<u>117,800</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>117,800</u>	<u>0.00</u>
Total	\$7,506,200	- 9.00	-\$3,350,200	0.00	\$4,156,000	- 9.00

Governor: Provide adjustments to the base totaling -\$72,200 GPR, \$3,226,200 FED,

\$725,000 PR, and \$58,900 SEG in 2023-24, and -\$72,000 GPR, \$2,849,200 FED, \$732,200 PR, \$58,900 SEG, and -9.0 FED positions in 2024-25. Adjustments are for: (a) turnover reduction (-\$2,512,600 PR annually); (b) removal of non-continuing elements from the base (-\$380,600 FED and -9.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-\$25,600 GPR, \$3,141,700 FED, \$3,445,500 PR, and \$54,000 SEG annually); (d) reclassifications and semiautomatic pay progression (\$3,700 FED and \$126,100 PR in 2023-24 and \$7,300 FED and \$129,900 PR in 2024-25); (e) overtime (\$541,900 PR annually); (f) night and weekend differential pay (\$28,200 PR annually); (g) full funding of lease and directed moves costs (-\$46,600 GPR, \$80,800 FED, -\$904,100 PR, and \$4,900 SEG in 2023-24, and -\$46,400 GPR, \$80,800 FED, -\$900,700 PR, and \$4,900 SEG in 2024-25); 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 5% 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 -\$1,675,100 PR annually.

2. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$215,900	\$6,500	- \$209,400
PR	<u>- 170,500</u>	<u>3,089,600</u>	<u>2,919,100</u>
Total	- \$386,400	\$3,096,100	\$2,709,700

Governor: Provide \$53,900 GPR and -\$167,200 PR in 2023-24 and -\$269,800 GPR and -\$3,300 PR in 2024-25 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 (\$18,700 GPR in 2023-24 and -\$227,300 GPR in 2024-25); (b) educational technology infrastructure for public library boards (\$200 GPR in 2023-24 and -\$2,300 GPR in 2024-25); (c) Black Point Estate in Lake Geneva (\$35,000 GPR in 2023-24 and -\$40,200 GPR in 2024-25); (d) parking facilities in Madison (-\$184,700 PR in 2023-24 and -\$225,600 PR in 2024-25); and (e) buildings used to house state agencies (\$17,500 PR in 2023-24 and \$222,300 PR in 2024-25).

Joint Finance: Modify estimated debt service amounts by \$600 GPR and \$839,800 PR in 2023-24 and \$5,900 GPR and \$2,249,800 PR in 2024-25 for: (a) Black Point Estate in Lake Geneva (\$600 GPR in 2023-24 and \$5,900 GPR in 2024-25); (b) parking facilities in Madison (\$136,000 PR in 2023-24 and \$164,400 PR in 2024-25); and (c) buildings used to house state agencies (\$703,800 PR in 2023-24 and \$2,085,400 PR in 2024-25).

3. POSITION REALLOCATIONS [LFB Paper 110]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	-\$473,000	-2.00	\$0	0.00	-\$473,000	-2.00
PR	<u>473,000</u>	<u>2.00</u>	<u>-168,600</u>	<u>-1.00</u>	<u>304,400</u>	<u>1.00</u>
Total	\$0	0.00	-\$168,600	-1.00	-\$168,600	-1.00

Governor: Provide -\$236,500 FED, \$236,500 PR, -2.0 FED positions, and 2.0 PR positions annually. Positions and funding would be deleted from the following DOA appropriations: (a) services to non-state governmental units (\$87,800 PR and 1.0 PR position annually); (b) transportation and records (\$114,400 PR and 1.0 PR position annually); (c) enterprise resource planning system (\$148,700 PR and 1.5 PR positions annually); (d) federal aid (\$140,500 FED and 1.0 FED position annually); (e) housing and community development federal aid, state operations (\$96,000 FED and 1.0 FED position annually); and (f) general program operations, Indian gaming (\$131,900 PR and 1.0 PR position annually). Positions and funding would be provided to the following DOA appropriations: (a) materials and services to state agencies and certain districts (\$286,500 PR and 3.0 PR positions annually); (b) printing, mail, communication, document sales, and information technology (\$64,400 PR and 0.5 PR position annually); and (c) facilities management, police and protection function (\$368,400 PR and 3.0 PR positions annually).

Joint Finance: Modify provision to remove the reallocation of \$84,300 PR and 1.0 PR position from the enterprise resource planning system appropriation to the materials and services to state agencies and certain districts appropriation. Instead, delete funding and position authority of \$84,300 PR and 1.0 PR position annually from DOA's enterprise resource planning system appropriation associated with a position that would have been reallocated for the Office of Environmental Justice.

4. INVESTMENT AND CAPITAL GRANTS PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$300,737,700	4.00	-\$300,737,700	-4.00	\$0	0.00

5. GRANT TO A PROFESSIONAL BASEBALL PARK DISTRICT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$290,000,000	-\$290,000,000	\$0

6. **CIVIL LEGAL ASSISTANCE GRANT PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$60,000,000	-\$60,000,000	\$0

7. **COUNTER-DRUG AIRPLANE** [LFB Paper 556]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$5,176,400	1.00	-\$5,176,400	- 1.00	\$0	0.00

Governor: Provide \$2,577,300 in 2023-24, \$2,599,100 in 2024-25, and 1.0 position annually to purchase and maintain a new aircraft for the Department of Military Affairs. Funding would be provided for: (a) purchase of the aircraft, \$2,170,900 annually; (b) salary, fringe benefits, and supplies and services for the mechanic, \$76,400 in 2023-24 and \$98,200 in 2024-25; and (c) other supplies and services costs, \$330,000 annually. The aircraft would replace a federal aircraft that has been decommissioned and would support counter-drug, incident awareness, and rescue operations. The mechanic position would provide maintenance for the aircraft at Wisconsin Air Services within the Department of Administration. [See "Military Affairs."]

Joint Finance: Provision not included.

8. **POSITIONS FOR UW ORGAN AND TISSUE DONATION PROGRAM AIRCRAFT** [LFB Paper 111]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$707,700	3.00	-\$707,700	- 3.00	\$0	0.00

Governor: Provide \$312,500 in 2023-24, \$395,200 in 2024-25, and 3.0 positions annually. Funding would support salaries, fringe benefits, and supplies and services associated with two pilots and a mechanic (\$262,400 in 2023-24 and \$345,200 in 2024-25) who would operate and maintain a new aircraft for the University of Wisconsin Organ and Tissue Donation Program, as well as operating costs for the aircraft. The aircraft would replace an aircraft that can no longer be used for the program and would be purchased using the Department's base funding.

Joint Finance: Provision not included.

9. RESOURCES FOR EMPLOYEE TRUST FUNDS INFORMATION TECHNOLOGY PROJECT [LFB Paper 112]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,515,100	3.00	-\$1,515,100	- 3.00	\$0	0.00

Governor: Provide \$731,600 in 2023-24, \$783,500 in 2024- 25, and 3.0 positions annually (1.0 permanent and 2.0 project) associated with the information technology modernization project of the Department of Employee Trust Funds (ETF). The project will replace ETF's insurance and pension administration systems. [See "Employee Trust Funds."]

Funding and position authority would be provided to the following appropriations in DOA: (a) personnel management general program operations, \$362,600 in 2023-24, \$399,200 in 2024-25, and 2.0 project positions annually; (b) printing, mail, communication, document sales, and information technology services to state agencies, \$300,000 annually; and (c) financial services, \$69,000 in 2023-24, \$84,300 in 2024-25, and 1.0 permanent position annually. The appropriations are funded from assessments to state agencies.

According to the Department, the replacement of the insurance and pension administration systems may incur increased workload and costs for DOA, including: personnel management staff resources, to collaborate with ETF to implement changes resulting from the project; ongoing software licensing payments that DOA would intend to incur directly and assess ETF to recover costs; and ongoing workload increases for the State Controller's Office relating to new processes such as transactional and reporting activities.

Joint Finance: Provision not included.

10. LOCAL GOVERNMENT GRANT RESOURCE TEAM [LFB Paper 113]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$959,700	5.00	-\$959,700	- 5.00	\$0	0.00

Governor: Provide \$411,300 in 2023-24, \$548,400 in 2024- 25, and 5.0 positions annually to DOA's general program operations appropriation to create a grant resource team within the Division of Intergovernmental Relations responsible for assisting local governments in navigating state and federal grant application processes. The grant resource team is intended to increase the ability of local governments to obtain federal resources.

Joint Finance: Provision not included.

11. DIVERSITY, EQUITY, AND INCLUSION INITIATIVES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$583,900	1.00	-\$583,900	-1.00	\$0	0.00
PR	<u>168,100</u>	<u>1.00</u>	<u>-168,100</u>	<u>-1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$752,000	2.00	-\$752,000	-2.00	\$0	0.00

12. NATIONAL AND COMMUNITY SERVICE BOARD INCREASE [LFB Paper 114]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$55,100	0.00	-\$55,100	0.00	\$0	0.00
FED	154,800	0.00	-154,800	0.00	0	0.00
PR	<u>220,300</u>	<u>1.00</u>	<u>-220,300</u>	<u>-1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$430,200	1.00	-\$430,200	-1.00	\$0	0.00

Governor: Provide \$25,000 GPR in 2023-24 and \$30,100 GPR in 2024-25 to DOA's general program operations appropriation, and \$99,900 PR in 2023-24, \$120,400 PR in 2024-25, and 1.0 PR position annually to the PR appropriation for the National and Community Service Board (NSCB). Funds provided to both appropriations would be used to fulfill match requirements for federal funding from the Corporation for National and Community Service (AmeriCorps). Base funding for the PR appropriation is \$337,200 PR with 1.0 PR position.

Modify the federally-funded NSCB appropriation from a continuing appropriation that is limited to the amounts in the schedule to an appropriation that allows expenditures of all monies received. Reestimate expenditures by \$72,000 FED in 2023-24 and \$82,800 FED in 2024-25 associated with projected program administration costs. Base funding for the appropriation is \$1,165,600 FED with 7.0 FED positions.

Serve Wisconsin, Wisconsin's National and Community Service Board, has a mission to promote service, provide training, and allocate resources to programs that enrich lives and communities through service and volunteerism. The organization works with AmeriCorps programs and volunteers.

Joint Finance: Provision not included.

13. **DIRECTOR OF NATIVE AMERICAN AFFAIRS AND TRIBAL LIAISON** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$356,700	2.00	-\$356,700	2.00	\$0	0.00

14. **ADMINISTRATIVE SUPPORT TO HIGHER EDUCATIONAL AIDS BOARD** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$195,200	1.00	-\$195,200	-1.00	\$0	0.00

15. **REPRESENTATION FOR LAW LICENSE GRIEVANCES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$149,900	1.00	-\$149,900	-1.00	\$0	0.00

16. **WISCONSIN WOMEN'S COUNCIL OPERATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$96,400		-\$96,400		\$0	

17. **AGENCY SUPPLIES AND SERVICES FUNDING INCREASE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$38,800		-\$38,800		\$0	

18. FUND OF FUNDS INVESTMENT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

19. FUND OF FUNDS INVESTMENT PROGRAM --

GPR	\$25,000,000
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ADDITIONAL FUNDING

Joint Finance: Provide \$25,000,000 in 2023-24 to DOA's appropriation for the fund of funds investment program, resulting in a total of \$50,000,000 GPR provided to the fund of funds by the state (\$25,000,000 GPR was provided in 2013-14). Amend program language to specify that DOA must provide \$25,000,000 to the fund of funds investment manager in 2023-24, and the investment manager must commit the newly-provided funds to at least four venture capital funds that have headquarters in Wisconsin within 24 months after receipt of the moneys.

In addition, amend program language to specify that a management fee be provided to the investment manager in the amount of 1% annually of the newly-provided \$25.0 million contributed by the state for no more than four years from the time the funding is provided to the investment manager (that is, a fee of \$250,000 annually for the newly-provided funds, for a period of no more than four years). Under current law, the management fee is provided annually for no more than four years, and is 1% of the \$25,000,000 initially invested by the state plus at least \$5,000,000 that the investment manager raises from all sources other than the department, but does not include the investment of at least \$300,000 of the investment manager's own moneys. The state contract with the investment manager was executed in June, 2015.

Amend program language to specify that current law matching requirements for investments in businesses also apply to the newly-provided \$25.0 million state funds. Under current law, any moneys from the \$25.0 million funding provided to the fund by the state in 2013-14, which is invested into a business, must be matched with an investment in that business from sources other than the investment manager and must provide, on average, \$2 in that business from sources other than the investment manager for every \$1 the venture capital fund receives from the state.

Amend program language to specify that gross proceeds up to \$50,000,000 from the state's investments must be paid to the Secretary of DOA for deposit to the general fund, and that 90% of the gross proceeds thereafter would also be deposited to the general fund, as is specified under current law with respect to the \$25,000,000 provided in 2013-14.

Require DOA to submit, no later than March 1, 2024, a report to the Joint Committee on Finance that includes a comprehensive assessment of the performance to date of the investment program; any recommendations that DOA has for improvement of the program; and any recommendations the State of Wisconsin Investment Board has for improvement of the program.

20. WALTER SCHROEDER AQUATIC CENTER

GPR	\$920,000
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Joint Finance: Create an annual GPR appropriation under DOA and provide \$920,000 GPR in 2023-24 for a grant to the Walter Schroeder Aquatic Center (Brown Deer) for costs associated with facility repairs and renovation. Sunset the appropriation on July 1, 2025.

21. MADELINE ISLAND FERRY

GPR	\$200,000
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Joint Finance: Create an annual GPR appropriation under DOA and provide \$200,000 GPR in 2023-24 for a grant to the La Pointe Harbor Commission for costs associated with the Madeline Island Ferry Line. Sunset the appropriation on July 1, 2025.

22. VACANT POSITION

FED	- 1.00
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Joint Finance: Delete 1.0 position annually associated with a position that has been vacant for 18 or more months.

Housing

1. AFFORDABLE WORKFORCE HOUSING GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

2. MUNICIPAL HOME REHABILITATION GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

3. SHELTER FOR HOMELESS AND HOUSING GRANTS [LFB Paper 125]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$12,600,000	- \$12,600,000	\$0

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 to

provide housing navigation grants, as recommended by the Interagency Council on Homelessness in its February, 2022, statewide action plan. The housing navigation grants would be used to connect landlords and homeless persons to help secure housing faster.

The Department provides up to \$900,000 annually in HAP grants to local units of government, nonprofit organizations, for-profit organizations, and other entities for the operation of housing and associated supportive services for individuals experiencing homelessness. Under the SSSG program, funding of up to \$1,613,600 annually is provided for grants to local units of government, nonprofit organizations, for-profit organizations, federally-recognized tribes or bands, and other entities for shelter operations.

Joint Finance: Provision not included.

4. WHOLE-HOME UPGRADE GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$7,250,000	-\$7,250,000	\$0

5. RENTAL HOUSING SAFETY GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

6. HOUSING QUALITY STANDARDS GRANT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

7. HOUSING GRANTS AND LOANS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

8. HOMELESS VETERAN RENTAL ASSISTANCE PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

9. HOMELESS CASE MANAGEMENT SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,151,600	1.00	-\$1,151,600	-1.00	\$0	0.00

10. POSITIONS TO SUPPORT HOUSING INITIATIVES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$847,200	5.00	-\$847,200	-5.00	\$0	0.00

Energy and Environment

1. WATER UTILITY ASSISTANCE PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$10,181,300	1.00	-\$10,181,300	-1.00	\$0	0.00

2. **ESTABLISH THE OFFICE OF SUSTAINABILITY AND CLEAN ENERGY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$9,342,200	2.00	-\$9,342,200	- 2.00	\$0	0.00

3. **ESTABLISH THE OFFICE OF ENVIRONMENTAL JUSTICE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,169,700	3.00	-\$1,169,700	- 3.00	\$0	0.00

4. **TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Personnel Management

1. **STATE EMPLOYEE PAID FAMILY AND MEDICAL LEAVE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,927,300	12.00	-\$1,927,300	- 12.00	\$0	0.00

2. **PAID SICK LEAVE FOR LIMITED-TERM EMPLOYEES AND TEMPORARY UW EMPLOYEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

3. **JUNETEENTH AND VETERANS DAY HOLIDAYS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. **STATE EMPLOYEE VACATION HOURS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Information Technology

1. **CYBERSECURITY INITIATIVES** [LFB Paper 145]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$20,500,000	0.00	-\$20,500,000	0.00	\$0	0.00
PR	<u>3,160,000</u>	<u>6.00</u>	<u>- 3,160,000</u>	<u>- 6.00</u>	<u>0</u>	<u>0.00</u>
Total	\$23,660,000	6.00	-\$23,660,000	- 6.00	\$0	0.00

Governor: Create an annual GPR appropriation and provide \$10,250,000 GPR annually for security operations centers. Create a continuing PR appropriation for security operations centers funded from assessments to state agencies and local governments, provide 5.0 PR positions annually, and estimate expenditures of \$1,419,300 PR in 2023-24 and \$1,520,900 PR in 2024-25. Provide \$97,500 PR in 2023-24, \$122,300 PR in 2024-25, and 1.0 PR position annually to DOA's appropriation for IT services to state agencies. Funding would support: one or more state security operations centers; annual testing of cybersecurity defenses; a security event information and monitoring system; and implementation of additional cybersecurity technologies and IT security policies.

Specify that the definition of "agency" with respect to security operations centers includes the Legislature, the Courts, and state-created authorities. Define "eligible entities" to include: state agencies, local governmental units, educational agencies, federally recognized tribes and bands, critical infrastructure entities identified by DOA's Division of Enterprise Technology (DET), and any other entity identified by DOA by administrative rule. Require DOA to establish one or more security operations centers (or one or more regional security operations centers, or both) to provide for the cybersecurity of IT systems maintained by eligible entities. Specify that all security operations centers established by DOA be under the supervision and control of DET. The Division would be responsible for managing the operation of each security operations center, including managed security services guidelines and standard operating procedures. The bill would permit DET to provide managed security services to reduce the impact of cybersecurity threats, including monitoring, alerts and guidance, incident response, educational services, and dissemination of

information. The Division would be responsible for collaborating with relevant entities in accordance with statewide security plans, leading executive branch agencies through cybersecurity incidents, and taking any needed action to respond to a substantial external security threat, including disconnecting the network of an eligible entity receiving managed security services.

Prohibit executive branch agencies from purchasing managed security services from any entity other than DOA unless DET determines that it cannot provide comparable managed security services at a reasonable cost and DET approves the purchase. Require DET to establish a process for making such determinations and approvals.

Authorize DOA to coordinate with campuses, institutions, and universities in establishing a security operations center. Specify that DOA may assume direct responsibility for the planning and development of IT systems for the UW System as they pertain to security operations centers if it determines it to be necessary to effectively develop or manage such a system, with or without the consent of the Board of Regents of the UW System, and that DOA may charge the Board of Regents for the costs incurred in carrying out such functions. Specify that the UW System would additionally not be excluded from other powers and responsibilities of DOA with respect to security operations centers.

Specify that DET may: enter into contracts and interagency agreements to administer security operations centers; apply for grants to administer security operations centers; and charge fees to recover costs associated with managed security services and other cybersecurity support services. Require that a security operations center could only be established at a facility if DET determines that: the facility is secure, restricted, with appropriate infrastructure and staff; all entrances and critical areas can be controlled and monitored; access can be limited to authorized individuals; security alarms can be monitored by law enforcement or other security; and operational information can be restricted to specific personnel.

Authorize DOA to license or authorize computer programs developed by security operations centers to the federal government, other states, and municipalities. Specify that DOA must protect the privacy of individuals who are the subjects of information contained in security operations centers. Require DOA to offer to eligible entities the opportunity to voluntarily obtain computer or supercomputer services from DOA or from a security operations center.

Under current law, DOA has broad authorities and responsibilities relating to IT services and executive branch agencies under state statute, excluding the UW System, which generally manages its own IT resources.

Joint Finance: Provision not included.

2. **DISTRICT ATTORNEY INFORMATION TECHNOLOGY PROGRAM** [LFB Paper 146]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,800,000	\$0	\$8,800,000
PR	<u>0</u>	<u>- 2,000,000</u>	<u>- 2,000,000</u>
Total	\$8,800,000	- \$2,000,000	\$6,800,000

Governor: Provide \$4,400,000 annually to support the District Attorney Information Technology (DAIT) program, which provides IT hardware, software, and legal subscription services to the District Attorneys (DA), Assistant District Attorneys, and other District Attorney Office staff. Funding is intended to provide laptops and software for 1,600 state- and county-funded employees statewide utilizing the DAIT network (\$3,000,000 annually) and to provide TIME Access, Westlaw subscription, and State Bar legal research tools for eligible DA office employees (\$1,400,000 annually). Further, funding is intended to upgrade the prosecutor technology for case tracking system. Create an annual GPR appropriation for the development and operation of automated justice information systems.

Joint Finance: Modify provision to provide one-time funding of \$4,400,000 GPR annually and additionally reduce monies appropriated from the justice information surcharge in the 2023-25 biennium by \$1,000,000 PR annually to support the DAIT program.

3. **TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT PROGRAM CHANGES** [LFB Paper 147]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,385,000	- \$3,385,000	\$0
SEG	<u>- 10,786,800</u>	<u>3,385,000</u>	<u>- 7,401,800</u>
Total	- \$7,401,800	\$0	- \$7,401,800

Governor: Create a biennial GPR appropriation to make payments to telecommunications providers under the telecommunications access for educational agencies (TEACH) program, which provides telecommunications access to school districts, private schools, cooperative educational service agencies, technical college districts, independent charter school authorizers, juvenile correctional facilities, private and tribal colleges, and public library boards at discounted rates. Provide \$1,553,100 GPR in 2023-24 and \$1,831,900 in 2024-25. Reduce funding from the state segregated universal service fund for the TEACH program by \$5,254,000 SEG in 2023-24 and \$5,532,800 SEG in 2024-25. The Administration indicates that SEG funding for the program would be reduced to offset recommended universal service fund appropriation increases under the Department of Public Instruction totaling \$14,786,800 over the 2023-25 biennium. [See "Public Instruction -- Administrative and Other Funding."]

The Department indicates that the reduction of SEG funding for the program would not

impact service to participating school districts and institutions, and that projected expenditures for the program in the 2023-25 biennium would be adequately funded by the combination of GPR funding and segregated universal service fund amounts. Under current law, base funding for the appropriation is \$15,984,200 SEG annually. Under the bill, funding for the program from the remaining SEG appropriation and newly created GPR appropriation would total \$12,283,300 annually. In fiscal year 2021-22, the state expended \$13,645,100 SEG for the program. The Department indicates that, if expenditures exceed program need, federal e-rate reimbursement may be a potential source of funding. The receipt of e-rate reimbursement funds is subject to federal review and approval.

Amend the statutes to remove language relating to the information technology infrastructure grant program, which ended on June 30, 2021.

Joint Finance: Modify provision to remove the creation of a GPR appropriation and reduce expenditure authority from the state segregated universal service fund for the TEACH program by \$3,700,900 SEG annually, rather than by \$5,254,000 SEG in 2023-23 and \$5,532,800 SEG in 2024-25.

4. IT SERVICES FOR CERTAIN AGENCIES [LFB Papers 148, 485, and 682]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$8,366,200	- \$356,400	\$8,009,800

Governor: Provide \$4,063,900 in 2023-24 and \$4,302,300 in 2024-25 to support the cost of information technology services provided to several state agencies, including the Department of Safety and Professional Services (DSPS), the Wisconsin Historical Society, and the Office of the Commissioner of Insurance (OCI). The Department of Administration would assess the agencies for the cost of IT services. Funding would be allocated for services to each agency as follows.

Safety and Professional Services. Provide \$283,500 of ongoing funding and \$924,700 of one-time funding in 2023-24, and \$292,000 of ongoing funding and \$979,600 of one-time funding in 2024-25 to provide contractual IT services for DSPS. Funding would be used to hire additional contractors to upgrade, improve, and maintain DSPS IT systems in the 2023-25 biennium.

Historical Society. Provide \$2,048,700 in 2023-24 and \$2,223,700 in 2024-25 to support the Historical Society as a customer of DOA's Division of Enterprise Technology. The Historical Society has transitioned from a previous model of IT service through UW-Madison that was discontinued. [See "Historical Society."]

Insurance. Provide \$807,000 annually for the cost of IT contractors that provide services to OCI. The Department indicates that under 2017 Act 59, when 12.5 IT positions and incumbent employees were transferred from OCI to DOA, the IT contractors were also transferred without providing additional expenditure authority to DOA for the contractors. As a result, OCI has

continued to pay for the cost of the contractors, rather than having DOA pay for the contractors and assessing OCI to recover costs.

Joint Finance: Modify funding for services to DSPS by -\$283,300 in 2023-24 and -\$291,900 in 2024-25. Modify funding for services to the Historical Society by \$445,800 in 2023-24 and -\$227,000 in 2024-25.

5. CENTRALIZED ONLINE SERVICES TO RESIDENTS [LFB Paper 149]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,465,000	-\$2,465,000	\$0

Governor: Create an annual GPR appropriation to develop and maintain an online customer service hub. Provide \$2,000,000 in 2023-24 (\$465,000 ongoing and \$1,535,000 one-time) and \$465,000 in 2024-25. The Department indicates that the customer service hub ("Wisconsin Front Door initiative") would be a comprehensive portfolio of state resources in a consolidated and centralized format.

The proposal would modify the online experience for individuals interacting with state government in the following ways: (a) requiring only a single logon credential and account profile to access services from across state government; (b) developing a searchable, online centralized customer data hub that makes over 700 publicly-available datasets currently found on state agency websites accessible; and (c) developing online services and data-centric websites, oriented around key resident issues and interests.

Joint Finance: Provision not included.

6. BUSINESS PORTAL WEBSITE REDESIGN

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$115,000	-\$115,000	\$0

Governor: Provide \$115,000 in 2023-24 to DOA's general program operations appropriation to support a website redesign of the "one stop business portal" to improve ease of use in finding information for key audiences, including residents considering opening a business, residents actively starting a business, or existing business owners. The amount of funding is based on an estimate from the Office of Business Development in DOA for the cost contractual services to update the existing website.

Joint Finance: Provision not included.

Facilities

1. PAYMENT FROM SPACE RENTAL ACCOUNT TO CAPITAL IMPROVEMENT FUND [LFB Paper 150]

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

Governor: Provide \$40,000,000 in 2023-24 to the facility operations and maintenance; police and protection functions appropriation (also known as the space rental account). The appropriation is funded with program revenue derived from rental charges to state agencies occupying state-owned space. The Administration indicates that the intent of the provision is to transfer funds from a balance in the space rental account to the capital improvement fund for state building projects enumerated in the capital budget. The bill does not amend the purpose of the appropriation to include payments to the capital improvement fund, nor does it include nonstatutory language providing for a one-time transfer of revenue from the appropriation.

Under current law, expenditures from the facility operations and maintenance; police and protection functions appropriation can be made for the following purposes: (a) financing the costs of operation of state-owned or operated facilities that are not funded from other appropriations, including custodial and maintenance services; (b) minor projects; (c) utilities, fuel, heat, and air conditioning; (d) assessments levied by DOA for costs incurred and savings generated by financing energy conservation construction projects at agency facilities; (e) facility design services provided to agencies; (f) costs incurred for energy conservation audits and energy conservation construction projects at state-owned facilities; and (g) police and protection functions.

Joint Finance: Provision not included.

2. TRANSFER TO THE BUILDING TRUST FUND [LFB Paper 151] PR-Transfer \$18,000,000

Governor/Joint Finance: Transfer \$18,000,000 in 2023-24 from the capital planning and building construction services appropriation to the state building trust fund. Services funded from the appropriation are provided through DOA's Division of Facilities Development, which staffs the State Building Commission. The appropriation is funded with program revenue derived from a 4% fee assessed on most state building project budgets.

The Administration indicates that the transfer would support building project design efforts. The state building trust fund is a segregated, nonlapsible fund that is used to finance advanced planning activities for projects enumerated in the state building program.

3. DIVISION OF FACILITIES DEVELOPMENT POSITIONS [LFB Paper 151]

	<u>(Chg. to Base)</u>		<u>Governor</u> <u>(Chg. to Gov)</u>		<u>Jt. Finance</u> <u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$2,249,400	10.00	-\$2,249,400	- 10.00	\$0	0.00

Governor: Provide \$964,000 in 2023-24, \$1,285,400 in 2024-25, and 10.0 positions annually to the capital planning and building construction services appropriation, which supports DOA's Division of Facilities Development. Funding would be provided as follows: \$889,000 for salaries and fringe benefits and \$75,000 for supplies and services in 2023-24; and \$1,185,400 for salaries and fringe benefits and \$100,000 for supplies and services in 2024-25. The positions would include construction representatives (5.0 positions), capital project principal managers (4.0 positions), and an enterprise contract officer. The positions would provide construction oversight and contract administration services for state building projects. Program revenue is derived from a 4% fee assessed on most state building project budgets. Base funding for the capital planning and building construction services appropriation is \$14,941,900 and 92.0 positions.

Joint Finance: Provision not included. Instead, provide \$964,000 in 2023-24 and \$1,285,400 in 2024-25 to the Joint Committee on Finance's supplemental PR appropriation. [See "Program Supplements."]

4. POSITIONS FOR STATE CAPITOL POLICE (Removed from budget consideration pursuant to Joint Finance Motion #10)

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$1,929,200	12.00	-\$1,929,200	- 12.00	\$0	0.00

5. FUNDING TO SUPPORT CONTINUATION OF PAY INCREASES [LFB Paper 220]

	<u>Governor</u> <u>(Chg. to Base)</u>	<u>Jt. Finance</u> <u>(Chg. to Gov)</u>	<u>Net Change</u>
PR	\$723,000	-\$723,000	\$0

Governor: Provide \$368,300 in 2023-24 and \$354,700 in 2024-25 to provide ongoing funding for a pilot add-on of \$5.00 per hour for Wisconsin State Capitol Police positions classified as police officer or police detective. The Wisconsin State Capitol Police currently have 25.0 police officer and 3.0 police detective positions. Capitol Police operations are funded from the facility operations and maintenance; police and protection functions appropriation.

Joint Finance: Modify provision to instead provide funding to compensation reserves in the amounts included in AB 43/SB 70, less a 5% reduction associated with a higher than usual level of position vacancies, to continue supplemental pilot add-on pay to address severe recruitment and retention issues. [See "Budget Management and Compensation Reserves."]

6. POSITION FOR VETERANS MUSEUM MAINTENANCE [LFB Paper 834]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$105,200	1.00	-\$105,200	- 1.00	\$0	0.00

Governor: Provide \$45,100 in 2023-24, \$60,100 in 2024-25, and 1.0 position annually to the facility operations and maintenance; police and protection functions appropriation. The facilities maintenance specialist position would provide maintenance services for the Veterans Museum upon completion of the anticipated purchase of the building by the state. [See "Veterans Affairs."]

Joint Finance: Provision not included.

Procurement and Risk Management

1. DIVERSITY GOALS FOR STATE PROCUREMENT AND CERTAIN SPECIAL DISTRICTS (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$766,400	3.00	-\$766,400	- 3.00	\$0	0.00
PR	<u>- 63,000</u>	<u>0.00</u>	<u>63,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Total	\$703,400	3.00	-\$703,400	- 3.00	\$0	0.00

2. RISK MANAGEMENT INSURANCE PREMIUM COSTS [LFB Paper 160]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$6,102,400	-\$3,102,400	\$3,000,000

Governor: Provide \$2,357,200 in 2023-24 and \$3,745,200 in 2024-25 for the risk management administration appropriation to provide for actual and estimated increases in the cost of excess property and liability insurance premiums. The recommendation is based on estimated increases in excess insurance premium expenditures, including inflationary costs. The risk management program is self-funded to insure state agencies against property, liability, and worker's compensation losses. The state also purchases excess insurance coverage from private insurance carriers for property and liability losses greater than the state's self-funded limits. Premiums for excess property and liability insurance are dependent on loss experience, general insurance market conditions, and risk exposure.

Joint Finance: Reduce funding by \$857,200 in 2023-24 and \$2,245,200 in 2024-25 in order to provide \$1,500,000 annually for the annual risk management administration appropriation to provide funding for increases in the cost of excess property and liability insurance premiums.

3. TRANSFER OF UW WORKER'S COMPENSATION CLAIMS ADMINISTRATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
PR	\$999,300	5.00	-\$999,300	- 5.00	\$0	0.00

4. HISTORICAL AND FINE ARTS COLLECTIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE [LFB Paper 165] GPR-Tribal \$6,892,700

Governor: Appropriate \$45,084,600 in 2023-24 and \$45,136,600 in 2024-25 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 [\$2,098,000 in 2023-24 and \$2,098,800 in 2024-25]; (b) tribal gaming law enforcement in the Department of Justice (DOJ) [\$166,500 annually]; and (c) allocations totaling \$42,820,100 in 2023-24 and \$42,871,300 in 2024-

25 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 reduced in the event of a natural or man-made disaster that affects gaming operations. In 2019-20 and 2020-21, 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 -\$32,957,600 in 2022-23. While negotiations regarding the timing and amount of payments have not yet concluded for all tribes, a number of postponed payments are included in the estimated tribal payments for the 2023-25 biennium. The tribal gaming receipts appropriation condition under the bill is summarized in the following table. The bill estimates that no tribal gaming revenue would be deposited to the general fund.

Tribal Gaming Receipts Appropriation Condition -- Governor

	<u>2023-24</u>	<u>2024-25</u>
Opening Balance	-\$32,957,600	-\$17,597,600
Estimated Tribal Payments	\$59,510,300	\$61,921,400
Regulatory Payments	350,000	350,000
Unobligated Funds Reversions	<u>807,000</u>	<u>699,900</u>
Total Revenue	\$60,667,300	\$62,971,300
Program Allocations to State Agencies	\$45,084,600	\$45,136,600
Program Reserves	<u>222,700</u>	<u>237,100</u>
Closing Balance	-\$17,597,600	\$0

As noted, allocations under the bill to state agencies, including allocations to DOA and DOJ for regulation and law enforcement, total \$45,084,600 in 2023-24 and \$45,136,600 in 2024-25 under the bill. Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 18 state agencies in 46 program areas, including the DOA regulation and DOJ enforcement appropriations (two of the 48 items listed are current law appropriations for which funding would not be provided). 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 48 program allocations listed in the table, 27 are identical amounts to those provided in the 2021-23 biennium. Of the 21 allocations that changed, nine were affected by standard budget adjustments only [identified in the table below as items #21, #22, #26, #27, #29, #30, #32, #43,

and #48]. The remaining 12 are:

- a. Tribal grants [item #1, create an appropriation and provide \$21,024,900 annually to award grants for tribal programs and grants for tribal language revitalization and cultural preservation];
- b. Grants for certain Oneida Nation and Menominee Tribe programs [item #2, create an appropriation and provide \$810,000 annually];
- c. UW-Green Bay and Oneida Nation programs assistance grants [item #4, provide \$109,300 annually];
- d. American Indian economic development, technical assistance [item #5, increase funding by \$40,500 annually and provide \$315,000 annually to administer a tourism marketing contract];
- e. Tribal elder food assistance [item #6, create an appropriation and provide \$2,000,000 annually];
- f. Wisconsin grant program for tribal college students [item #19, increase of \$24,100 in 2023-24 and \$49,400 in 2024-25];
- g. Tribal law enforcement grant program [item #23, increase of \$695,000 annually]
- h. State snowmobile enforcement program [item #33, convert \$1,309,500 and 9.0 positions annually from tribal gaming revenue to the conservation fund];
- i. Grants to replace certain race-based nicknames, logos, mascots, and team names associated with American Indians [item #34, create an appropriation and provide \$200,000 annually for grants to school boards];
- j. General tourism marketing [item #36, transfer \$200,000 annually to DOA for administration of a tourism marketing contract and convert remaining funding of \$8,767,100 annually to GPR];
- k. Ashland full-scale aquaculture demonstration facility debt service [item #41, provide \$107,400 in 2023-24 and \$133,300 in 2024-25 for reestimated debt service costs]; and
- l. General program operations for Indian gaming regulation [reduce funding and position authority by \$158,900 and 1.25 position annually associated with a position reallocation and a provision to create a GPR appropriation for gaming investigations and outreach].

2023-25 Tribal Gaming Revenue Allocations -- Governor

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2023-24</u>	<u>2024-25</u>	
1	Administration	\$21,024,900	\$21,024,900	Grants to support tribal programs, tribal language revitalization, and cultural preservation.
2	Administration	810,800	810,800	Other tribal grants for Oneida Nation and Menominee Tribe programs.
3	Administration	563,200	563,200	County management assistance grant program.
4	Administration	356,800	356,800	UW-Green Bay and Oneida Nation programs assistance grants.
5	Administration	435,000	435,000	American Indian economic development, technical assistance, and tourism promotion.
6	Agriculture, Trade and Consumer Protection	2,000,000	2,000,000	Tribal elder food assistance.
7	Children and Families	1,867,500	1,867,500	Tribal family services grants.
8	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
9	Corrections	50,000	50,000	American Indian tribal community reintegration program.
10	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
11	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
12	Health Services	445,500	445,500	Indian substance abuse prevention education.
13	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
14	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
15	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
16	Health Services	106,900	106,900	American Indian health projects.
17	Health Services	22,500	22,500	American Indian diabetes and control.
18	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
19	Higher Education Aids Board	505,900	531,200	Wisconsin grant program for tribal college students.
20	Higher Education Aids Board	405,000	405,000	Tribal college payments.
21	Historical Society	236,800	236,800	Northern Great Lakes Center operations funding.
22	Historical Society	341,600	341,600	Collection preservation storage facility.
23	Justice	1,390,000	1,390,000	Tribal law enforcement grant program.
24	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
25	Justice	490,000	490,000	County law enforcement grant program.
26	Justice	99,100	99,100	County-tribal law enforcement programs: state operations.
27	Kickapoo Valley Reserve Board	73,900	73,900	Law enforcement services at the Kickapoo Valley Reserve.
28	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
29	Natural Resources	201,800	201,800	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
30	Natural Resources	108,000	108,000	Management of an elk reintroduction program.

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2023-24</u>	<u>2024-25</u>	
31	Natural Resources	\$84,500	\$84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
32	Natural Resources	71,800	71,800	Reintroduction of whooping cranes.
33	Natural Resources	0	0	State snowmobile enforcement program, safety training and fatality reporting.
34	Public Instruction*	200,000	200,000	Grants to replace certain race-based nicknames, logos, mascots, and team names associated with American Indians.
35	Public Instruction	222,800	222,800	Tribal language revitalization grants.
36	Tourism	0	0	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
37	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
38	Tourism	24,900	24,900	State aid for the arts.
39	Transportation	435,600	435,600	Elderly transportation grants.
40	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
41	University of Wisconsin System	293,000	318,900	Ashland full-scale aquaculture demonstration facility debt service payments.
42	University of Wisconsin System	488,700	488,700	UW-Madison physician and health care provider loan assistance.
43	Veterans Affairs	121,100	121,100	American Indian services veterans benefits coordinator position.
44	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
45	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
46	Workforce Development	<u>314,900</u>	<u>314,900</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	\$42,820,100	\$42,871,300	
47	Administration**	\$2,098,000	\$2,098,800	General program operations for Indian gaming regulation under the compacts.
48	Justice	<u>166,500</u>	<u>166,500</u>	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	\$2,264,500	\$2,265,300	
	Total Allocations	\$45,084,600	\$45,136,600	

*The tribal gaming receipts appropriation condition estimates under the bill assumed funding of \$200,000 annually for the appropriation. Under the bill, the appropriation is funded \$0 annually.

**The amounts shown were included in the tribal gaming receipts appropriation condition estimates. Under the bill, the appropriation is funded \$2,097,900 in 2023-24 and \$2,098,800 in 2024-25.

Joint Finance: Reestimate net tribal gaming revenue available for deposit to the general fund by \$6,892,700 in 2024-25 associated with net changes to unobligated funds reversions, program allocations to state agencies, and program reserves.

2023-25 Tribal Gaming General Fund Revenue, Reestimated

	<u>2023-24</u>	<u>2024-25</u>
Opening Balance	-\$32,957,600	-\$21,703,100
Estimated Tribal Payments	\$59,510,300	\$61,921,400
Regulatory Payments	350,000	350,000
Unobligated Funds Reversions	<u>300,000</u>	<u>699,900</u>
Total Revenue	\$60,160,300	\$62,971,300
Program Allocations to State Agencies	\$34,070,100	\$34,138,400
Program Reserves	<u>14,835,700</u>	<u>237,100</u>
Tribal Gaming General Fund Revenue	\$0	\$6,892,700

Several changes were made to allocations recommended by the Governor, and are shown in the list of allocations that follows: (a) reduce funding for grants to support tribal programs, tribal language revitalization, and cultural preservation by \$21,024,900 annually (item #1); (b) provide \$11,000,000 in 2023-24 to the Joint Committee on Finance supplemental PR appropriation for tribal grants (item #2); (c) reduce funding for other tribal grants by \$266,600 annually (item #3); (d) specify that the increase of \$109,300 annually for UW-Green Bay and Oneida Nation programs assistance grants be provided on a one-time basis (item #5); (e) reduce funding for American Indian economic development, technical assistance, and tourism promotion by \$40,500 annually (item #6); (f) reduce funding for tribal elder food assistance by \$500,000 annually for net new funding of \$1,500,000 annually (item #7); (g) provide \$507,000 annually for Menominee Child Protective Services (item #10); (h) provide \$256,600 in 2023-24 and \$282,600 in 2024-25 for reimbursements for the cost of subsidized guardianships (item #11); (i) increase funding for the transfer to the fish and wildlife account of the conservation fund by \$1,000,000 annually (item #31); (j) reestimate debt service for the Ashland full-scale aquaculture demonstration facility by -\$15,500 in 2023-24 (item #44); (k) modify funding for tribal gaming administration by \$27,000 annually (item #50); and (l) remove the reversion of \$507,000 from the Lac du Flambeau fishing license approvals appropriation to the tribal receipts appropriation in 2023-24.

2023-25 Tribal Gaming Revenue Appropriations -- Joint Finance

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2023-24</u>	<u>2024-25</u>	
1	Administration	\$0	\$0	Grants to support tribal programs, tribal language revitalization, and cultural preservation.
2	Administration*	0	0	Tribal grants.
3	Administration	544,200	544,200	Other tribal grants for Oneida Nation programs.
4	Administration	563,200	563,200	County management assistance grant program.
5	Administration	356,800	356,800	UW-Green Bay and Oneida Nation programs assistance grants.
6	Administration	79,500	79,500	American Indian economic development, technical assistance, and tourism promotion.

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2023-24</u>	<u>2024-25</u>	
7	Agriculture, Trade and Consumer Protection	\$1,500,000	\$1,500,000	Tribal elder food 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	Children and Families	507,000	507,000	Menominee child protective services.
11	Children and Families	256,600	282,600	Reimbursements for the cost of subsidized guardianships.
12	Corrections	50,000	50,000	American Indian tribal community reintegration program.
13	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
14	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
15	Health Services	445,500	445,500	Indian substance abuse prevention education.
16	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
17	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
18	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
19	Health Services	106,900	106,900	American Indian health projects.
20	Health Services	22,500	22,500	American Indian diabetes and control.
21	Higher Educational Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
22	Higher Educational Aids Board	481,800	481,800	Wisconsin Grant Program for tribal college students
23	Higher Educational Aids Board	405,000	405,000	Tribal College Payments
24	Historical Society	236,800	236,800	Northern Great Lakes Center operations funding.
25	Historical Society	341,600	341,600	Collection preservation storage facility.
26	Justice	695,000	695,000	Tribal law enforcement grant program.
27	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
28	Justice	490,000	490,000	County law enforcement grant program.
29	Justice	99,100	99,100	County-tribal law enforcement programs: state operations.
30	Kickapoo Reserve Management Board	73,900	73,900	Law enforcement services at the Kickapoo Valley Reserve.
31	Natural Resources	4,000,000	4,000,000	Transfer to the fish and wildlife account of the conservation fund.
32	Natural Resources	201,800	201,800	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
33	Natural Resources	108,000	108,000	Management of an elk reintroduction program.
34	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
35	Natural Resources	71,800	71,800	Reintroduction of whooping cranes.
36	Natural Resources	1,309,500	1,309,500	State snowmobile enforcement program, safety training and fatality reporting.

<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2023-24</u>	<u>2024-25</u>	
37 Public Instruction	\$222,800	\$222,800	Tribal language revitalization grants.
38 Shared Revenue and Property Tax Relief**	0	0	Aid payment to counties affected by 1854 Treaty of La Pointe.
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	277,500	318,900	Ashland full-scale aquaculture demonstration facility debt service payments.
45 University of Wisconsin System	488,700	488,700	UW- Madison physician and health care provider loan assistance.
46 Veterans Affairs	121,100	121,100	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	<u>314,900</u>	<u>314,900</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Subtotal (Non-Regulatory Items)	\$31,778,700	\$31,846,100	
50 Administration	\$2,124,900	\$2,125,800	General program operations for Indian gaming regulation under the compacts.
51 Justice	<u>\$166,500</u>	<u>\$166,500</u>	Investigative services for Indian gaming law enforcement.
Subtotal (Regulation/Enforcement)	\$2,291,400	\$2,292,300	
Total Appropriations	\$34,070,100	\$34,138,400	

*While funds are not provided to DOA, \$11 million in 2023-24 is reserved in the Committee's supplemental PR appropriation for tribal grants.

**While funds are not provided to the appropriation under Shared Revenue and Property Tax Relief, \$3,613,000 in 2023-24 is reserved in the Committee's supplemental PR appropriation for aid payments to counties affected by the 1854 Treaty of La Pointe. [See "Program Supplements."]

2. GRANTS FOR TRIBAL PROGRAMS, TRIBAL LANGUAGE REVITALIZATION, AND CULTURAL PRESERVATION [LFB Paper 166]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$42,049,800	- \$42,049,800	\$0

Governor: Create an annual PR appropriation titled "Tribal grants" and provide \$21,024,900 annually, funded by tribal gaming revenues. Specify that any unencumbered balance on June 30 of each year would revert to the tribal gaming receipts appropriation.

Require DOA to award grants of equal amounts to each of the 11 federally-recognized tribes and bands in the state for use as the tribe or band deems necessary to support programs to meet the needs of members. Specify that grant funds may not be used to pay gaming-related expenses.

Require DOA to additionally award grants of equal amounts to each of the 11 federally-recognized tribes and bands in the state to promote tribal language revitalization and cultural preservation. Specify that grant funds may not be used to pay gaming-related expenses.

The Administration indicates that \$15,524,900 annually would be allocated to grants for tribal programs (approximately \$1,411,400 per tribe and band) and \$5,500,000 annually would be allocated to grants for tribal language revitalization and cultural preservation (\$500,000 per tribe and band). The amount of funding provided to the appropriation for grants was calculated with the objective of distributing to tribes and bands the full amount of tribal gaming program revenue remaining after other allocations are made.

Joint Finance: Provision not included. Instead, create an annual PR appropriation funded by tribal gaming revenue, titled "Tribal grants," for the purpose of making grants to tribes and bands in Wisconsin. Specify that any unencumbered balance would revert to the tribal gaming receipts appropriation at the end of each fiscal year. Specify that the program and appropriation would sunset on July 1, 2025. Provide \$11,000,000 PR in 2023-24 to the Joint Committee on Finance's supplemental PR appropriation for potential release of funding for tribal grants. [See "Program Supplements."]

3. GRANTS FOR ONEIDA NATION AND MENOMINEE TRIBE PROGRAMS [LFB Paper 166]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$1,621,600	- \$533,200	\$1,088,400

Governor: Create an annual PR appropriation titled "Tribal grants; other" and provide \$810,800 annually, funded by tribal gaming revenues. Specify that any unencumbered balance on June 30 of each year would revert to the tribal gaming receipts appropriation.

Require DOA to award grants from the appropriation, in amounts not to exceed each specified allocation, as follows: (a) \$266,600 annually for grants to the Menominee Indian Tribe to support the Tribe's transit services; (b) \$259,100 annually for grants to the Oneida Nation to support the "Healing to Wellness Court" program; (c) \$175,000 annually to the Oneida Nation to support the Nation's collaboration with the Audubon Society relating to Great Lakes restoration projects; (d) \$110,100 annually to the Oneida Nation for grants to support coordination between the National Estuarine Research Reserve System (NERR) under the federal Office for Coastal

Management, and the Great Lakes tribal nations. Specify that grants to the Oneida Nation for Great Lakes restoration projects under (c) may not be awarded after June 30, 2028.

Grants under (a) are intended to improve access to youth services, court-ordered visitations, and other family services appointments. Grants under (b) would support staff and service costs for the coordinated, post-conviction substance use disorder program intended to reduce recidivism and treat addiction. Grants under (c) would support habitat restoration and a bird monitoring project. Grants under (d) would fund a coordinator position within the NERR System who would work with NERR and the Great Lakes Tribal Nations.

Joint Finance: Modify provision to create an annual PR appropriation funded by tribal gaming revenue, titled "Tribal grants; other" for the purpose of making grants to the Oneida Nation. Specify that any unencumbered balance would revert to the tribal gaming receipts appropriation at the end of each fiscal year. Provide \$544,200 annually for the specified earmarks for the Oneida Nation identified above under (b), (c), and (d).

4. NATOW CONTRACT TRANSFER AND INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$630,000	-\$630,000	\$0

5. GAMING INVESTIGATIONS AND OUTREACH [LFB Paper 167]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$392,900	2.05	-\$392,900	- 2.05	\$0	0.00
PR	<u>- 220,600</u>	<u>- 1.05</u>	<u>220,600</u>	<u>1.05</u>	<u>0</u>	<u>0.00</u>
Total	\$172,300	1.00	-\$172,300	- 1.00	\$0	0.00

Governor: Create an annual GPR gaming investigation services appropriation for investigative and outreach services for charitable and tribal gaming. Provide \$185,900 GPR in 2023-24, \$207,000 GPR in 2024-25, and 2.05 GPR positions annually. The appropriation would fund and expand investigative and outreach services, including: investigating public and industry complaints relating to legal and illegal gambling; developing and maintaining relationships with federal, state, tribal, and local law enforcement agencies; preparing cases for referral to law enforcement and district attorneys; providing outreach and education to governmental entities and the public; and conducting audits to ensure compliance with regulations.

Reduce funding and position authority for the general program operations; Indian gaming appropriation by \$27,000 PR and 0.25 PR position annually. Reduce funding and position authority for the general program operations; raffles and bingo appropriation by \$83,300 PR and

0.80 PR position annually.

Joint Finance: Provision not included.

6. ONEIDA NATION AND UW-GREEN BAY PROGRAMMING

PR	\$218,600
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Governor: Provide \$109,300 annually, funded by tribal gaming revenues, to the University of Wisconsin-Green Bay for educational programs developed in partnership with the Oneida Nation. 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. Funding of \$109,300 annually was provided on a one-time basis during the 2021-23 biennium.

Joint Finance: Specify that funding be provided on a one-time basis.

7. NATIVE AMERICAN ECONOMIC DEVELOPMENT; TECHNICAL ASSISTANCE GRANT PROGRAM [Paper 168]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$81,000	- \$81,000	\$0

Governor: Provide \$40,500 annually to DOA's appropriation for American Indian economic development; technical assistance to increase funding for the Great Lakes Inter-Tribal Council's 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 funding increase is intended to enable the program to expand its network of partnerships and to collaborate with regional and statewide economic development initiatives, state and federal business development programs, private businesses, and UW and college extensions including the Lac Courte Oreilles Ojibwe University and the College of Menominee Nation. The appropriation is provided base funding of \$79,500 annually from tribal gaming revenues.

Joint Finance: Provision not included.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$61,674,200	\$112,024,200	\$75,457,700	- \$36,566,500	- 32.6%	\$13,783,500	22.3%
FED	23,398,800	23,671,200	23,545,600	- 125,600	- 0.5	146,800	0.6
PR	62,124,800	68,375,600	67,601,800	- 773,800	- 1.1	5,477,000	8.8
SEG	<u>73,647,800</u>	<u>88,887,600</u>	<u>83,167,300</u>	<u>- 5,720,300</u>	<u>- 6.4</u>	<u>9,519,500</u>	<u>12.9</u>
TOTAL	\$220,845,600	\$292,958,600	\$249,772,400	- \$43,186,200	- 14.7%	\$28,926,800	13.1%
BR		\$7,000,000	\$0				

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	201.40	214.90	201.40	- 13.50	0.00
FED	91.52	90.77	88.77	- 2.00	- 2.75
PR	217.87	222.62	218.62	- 4.00	0.75
SEG	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	641.29	658.79	639.29	- 19.50	- 2.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$54,200	- \$270,000	- \$324,200
FED	1,078,200	- 125,600	952,600
PR	1,073,200	- 246,400	826,800
SEG	<u>403,400</u>	<u>0</u>	<u>403,400</u>
Total	\$2,500,600	- \$642,000	\$1,858,600

Governor: Provide adjustments to the agency base budget for the following: (a) reductions

for staff turnover (-\$202,600 GPR, -\$94,400 FED and -\$184,700 PR annually); (b) removal of non-continuing elements from the base (-\$265,800 FED in 2024-25); (c) full funding of continuing position salaries and fringe benefits (\$399,000 GPR, \$793,100 FED, \$723,000 PR, and \$196,000 SEG annually); (d) reclassifications and semi-automatic pay progression (\$4,800 GPR annually, \$51,100 PR in 2023-24 and \$56,900 PR in 2024-25, and \$76,100 SEG in 2023-24 and \$81,700 SEG in 2024-25); and (e) full funding of lease and directed move costs (-\$176,300 GPR, -\$22,100 FED, -\$33,200 PR, and -\$54,400 SEG in 2023-24 and -\$280,300 GPR, -\$31,300 FED, -\$78,200 PR, and -\$92,000 SEG in 2024-25).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$135,000 GPR, -\$123,200 PR, and -\$62,800 FED annually.

2. BUREAU OF LABORATORY SERVICES [LFB Paper 170]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$696,000	0.00	-\$696,000	0.00	\$0	0.00
PR	367,400	1.00	864,600	-1.00	1,232,000	0.00
SEG	<u>0</u>	<u>0.00</u>	<u>360,000</u>	<u>0.00</u>	<u>360,000</u>	<u>0.00</u>
Total	\$1,063,400	1.00	\$528,600	-1.00	\$1,592,000	0.00

Governor: Provide \$375,000 GPR and \$74,200 PR in 2023-24 and \$321,000 GPR and \$93,200 PR in 2024-25 with 1.0 PR position to support additional staff and equipment acquisition within the Bureau of Laboratory Services (BLS). Additionally, provide \$100,000 PR each year for general operations and services.

BLS analyzes samples gathered during inspections and regulatory actions under the food safety 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 \$74,200 PR in 2023-24 and \$93,200 PR in 2024-25 would be directly associated with the 1.0 PR position, while \$100,000 PR each year would support additional general costs of laboratory operations. Additional base funding of \$300,000 GPR each year would be used to support replacement of instruments and equipment. In addition, the Department intends to use \$54,000 GPR in one-time funding in 2023-24 to purchase wireless temperature monitoring equipment, and use \$21,000 GPR each year for maintenance of the wireless monitoring system.

Joint Finance: Modify funding to provide the following from BLS general operations PR: (a) \$600,000 PR in 2023-24 to support equipment acquisition and maintenance; (b) \$54,000 PR in 2023-24 for wireless temperature monitoring equipment; and (c) \$21,000 PR each year of the biennium for maintenance of the wireless temperature monitoring system. Provide funding in programs outside of BLS as follows to cover lab-assessed costs of equipment: (a) \$349,500 in 2023-24 and \$10,500 in 2024-25 from the segregated agrichemical management (ACM) fund; and (b) \$325,500 PR in 2023-24 and \$10,500 PR in 2024-25 from fees on regulation of food, lodging, and recreational facilities.

Additionally, include the provision for \$100,000 PR each year to support maintenance and general laboratory operations within BLS. Funding in programs outside of BLS would consist of: (a) \$52,000 SEG each year from the agrichemical management SEG; and (b) \$48,000 each year from fees on of food, lodging, and recreational facilities. [See "Agriculture, Trade and Consumer Protection -- Regulatory Programs."]

3. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$226,800	- \$226,800	\$0
SEG	<u>34,200</u>	<u>- 34,200</u>	<u>0</u>
Total	\$261,000	- \$261,000	\$0

4. TRIBAL LIAISON POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$149,900	1.00	- \$149,900	- 1.00	\$0	0.00

5. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$86,400	0.50	- \$86,400	- 0.50	\$0	0.00

6. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES

PR	\$300,000
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Governor/Joint Finance: Provide \$150,000 in each of 2023-24 and 2024-25 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 \$3,871,600 in 2023-24 and \$3,868,900 in 2024-25.

7. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$25,600	- \$145,300	- \$170,900
SEG	<u>1,061,800</u>	<u>- 84,200</u>	<u>977,600</u>
Total	<u>\$1,036,200</u>	<u>- \$229,500</u>	<u>\$806,700</u>

Governor: Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -\$100 GPR in 2023-24 and -\$500 GPR in 2024-25 for bonds issued for past upgrades to the Wisconsin Veterinary Diagnostic Laboratory (WVDL); (b) \$61,600 GPR in 2023-24 and -\$86,600 GPR in 2024-25 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) \$203,400 SEG in 2023-24 and \$858,400 SEG in 2024-25 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to landowners for structural best management practices installed under the soil and water resource management (SWRM) program.

Under the bill, debt service is budgeted as follows: (a) for the WVDL, \$700 GPR in 2023-24 and \$300 GPR in 2024-25; (b) for CREP, \$1,060,600 GPR in 2023-24 and \$912,400 GPR in 2024-25; and (c) for SWRM grants, \$4,943,700 SEG in 2023-24 and \$5,598,700 SEG in 2024-25.

Joint Finance: Reestimate an additional -\$78,200 GPR in 2023-24 and -\$67,100 GPR in 2024-25 for CREP debt service, and -\$61,400 SEG in 2023-24 and -\$22,800 SEG in 2024-25 for SWRM debt service. Under Joint Finance action, debt service is budgeted as follows: (a) for WVDL upgrades, \$700 GPR in 2023-24 and \$300 GPR in 2024-25; (b) for CREP, \$982,400 GPR in 2023-24 and \$845,300 GPR in 2024-25; and (c) for SWRM grants, \$4,882,300 SEG in 2023-24 and \$5,575,900 SEG in 2022-23.

8. POSITION REALIGNMENT

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.

	Funding	Positions
GPR	- \$5,000	0.00
FED	- 162,800	- 0.75
PR	159,200	0.75
SEG	<u>2,200</u>	<u>0.00</u>
Total	<u>- \$6,400</u>	<u>0.00</u>

DATCP Position Realignment

<u>Division/Appropriation</u>	<u>Fund</u>	<u>Annual Funding</u>	<u>Positions 2023-25</u>
<i>Food and Recreational Safety</i>			
Food inspection	GPR	-\$77,700	-0.75
<i>Animal Health</i>			
General program operations	GPR	10,900	0.15
<i>Trade and Consumer Protection</i>			
Public warehouse regulation	PR	-22,500	-0.25
Dairy trade regulation	PR	-45,100	-0.50
Grain inspection and certification	PR	-184,400	-2.00
Weights and measures inspection	PR	107,100	1.25
Federal funds; weights and measures	FED	-70,700	-1.00
Unfair Sales Act enforcement	SEG	-22,500	-0.25
Telephone solicitation regulation	PR	69,900	0.75
<i>Agricultural Development</i>			
General program operations	GPR	64,300	0.60
Federal funds; Wisconsin Farm Center	FED	-11,100	-0.10
<i>Agricultural Resource Management</i>			
Related services	PR	187,100	2.00
Industrial hemp	PR	-187,100	-2.00
Agricultural resource management services	PR	-23,600	-0.25
Soil and water administration	SEG	23,600	0.25
<i>Management Services</i>			
Computer system equipment, staff, and services	PR	178,200	1.75
Indirect cost reimbursements	FED	400	0.35
Total		-\$3,200	0.00

The transfers would result in a net change of \$3,200 annually and affect funds by source annually as follows: (a) -\$2,500 GPR; (b) \$79,600 PR with 0.75 positions; (c) -\$81,400 FED with -0.75 positions; and (d) \$1,100 SEG.

9. PROGRAM REVENUE REESTIMATES

PR	- \$57,000
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Governor/Joint Finance: Reestimate the program revenue appropriation associated with the former industrial hemp program by -\$28,500 per year. Beginning on January 1, 2022, administration of the Wisconsin hemp program was transferred from DATCP to the U.S. Department of Agriculture (USDA). This provision and others in separate items would delete all base funding budgeted for the industrial hemp program.

10. FEDERAL REVENUE REESTIMATES

FED	- \$643,000
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Governor/Joint Finance: Reestimate federal funds for the Division of Agricultural Development by -\$321,500 each year. The affected appropriation receives funds primarily associated with the federal Specialty Crop Block Grant program and other market development grants for certain crops.

11. DELETE VACANT POSITIONS

Joint Finance: Delete 2.0 positions vacant for more than 18 months under the Department's federal funds appropriations for food safety and central administrative services.

	Positions
FED	- 2.00

Agricultural Assistance

1. AGRICULTURAL ASSISTANCE GRANT PROGRAMS [LFB Papers 175 thru 178]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$35,000,000	- \$32,800,000	\$2,200,000

Governor: Provide \$17,500,000 each year of the 2023-25 biennium for various agricultural assistance programs, allocated as listed below. Consolidate existing appropriations for Buy Local, Buy Wisconsin grants (\$200,000 each year), dairy processor grants (\$200,000 each year), meat processing facility grants (\$200,000 each year), and the dairy producer loan grant program (no base funding), in an existing biennial grants and loans appropriation, and expand the purposes of the appropriation to include the programs created as described in the subsequent paragraphs. While the bill provides 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

	<u>Base</u>	<u>2023-24</u>	<u>Governor</u> <u>2024-25</u>	<u>Biennium</u>
Food Security Grant Program		\$15,000,000	\$15,000,000	\$30,000,000
Meat Processor Grant Program	\$200,000	1,000,000	1,000,000	2,000,000
Dairy Processor Grant Program	200,000	1,000,000	1,000,000	2,000,000
Value-Added Agriculture Program		400,000	400,000	800,000
Buy Local, Buy Wisconsin	200,000	200,000	200,000	400,000
Farm-to-Fork Grant Program		200,000	200,000	400,000
Something Special from Wisconsin		200,000	200,000	400,000
Farm Business Consultant Grants		<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
Total	\$600,000	\$18,100,000	\$18,100,000	\$36,200,000
Increase over Base		17,500,000	17,500,000	35,000,000

Food Security Grant Program. Allocate \$15,000,000 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 nonprofit organizations that provide food assistance. Funding for the Food Security Initiative has previously been provided by: (a) \$25 million in federal relief funds allocated by the Governor under the Coronavirus Aid, Relief, and Economic Security (CARES) Act; and (b) \$40 million allocated from the State Fiscal Recovery Fund (SFRF) under the federal American Recovery Plan Act (ARPA).

Meat Processor Grant Program. Provide an additional \$800,000 each year of the 2023-25 biennium for grants to facilities that slaughter animals for human consumption, or that process meat or meat products, excluding rendering plants, to promote the growth of the meat industry in Wisconsin. Under 2021 Act 58 and subsequent action by the Joint Committee on Finance, a biennial appropriation allocating \$200,000 GPR each year was created for meat processing grants. In addition to state funding, \$10 million in one-time federal ARPA funding was provided for grants to meat processors in 2021-22 through the Meat and Poultry Supply Chain Resiliency grant program. The bill would provide \$1,000,000 each year in ongoing funding for the program.

Dairy Processor Grant Program. Provide an additional \$800,000 each year of the 2023-25 biennium for grants to dairy processors to fund projects intended to grow processing plants, contribute to processor innovation, or improve production and profitability of processing plants. 2021 Act 58 provided \$200,000 each year in base funding and \$200,000 per year in one-time funding in the 2021-23 biennium for dairy processing grants. The bill would provide a total of \$1,000,000 each year in ongoing funding for dairy processor grants.

Value-Added Agriculture Program. Allocate \$400,000 in each year of the 2023-25 biennium for the value-added agriculture program. Allow DATCP to provide education, technical assistance, and grants related to the promotion and implementation of agricultural practices that produce value-added agriculture products. Specify that activities include: (a) providing assistance related to organic farming practices, including business and market development assistance; (b) collaborating with organic producers and industry participants; and (c) 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; and (d) general market promotion of value-added agricultural products, including those produced using resource-conserving practices. (The bill as introduced omits a definition for resource-conserving practices. An amendment would be required to reflect the bill's intent.)

Buy Local, Buy Wisconsin. Maintain base funding of \$200,000 each year of the 2023-25 biennium for Buy Local, Buy Wisconsin grants. 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-Fork Grant Program. Allocate \$200,000 in each year of the 2023-25 biennium for the farm-to-fork grant program. Define a farm-to-fork program as one that: (a) connects entities

that have cafeterias, other than school districts, to nearby farms to provide locally produced fresh fruit, vegetables, dairy products, and other nutritious, locally produced foods; (b) develops healthy eating habits in the general public; (c) provides nutritional and agricultural education; and (d) improves 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 entities 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.

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.

Something Special from Wisconsin. Increase funding for the Something Special from Wisconsin program by providing \$200,000 GPR in one-time funding each year of the 2023-25 biennium to support program marketing efforts. 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. The program is typically PR-funded, and the Administration intends for GPR-supported grants to increase overall program participation and program revenues long-term. If DATCP is unable to use GPR funding for grants, the intended allocation could support other programs within the agricultural assistance grant and loan appropriation.

Farm Business Consultant Grant Program. Allocate \$100,000 in each year of the 2023-25 biennium for grants to county agriculture agents of the University of Wisconsin-Madison Division of Extension to help farm operators hire business consultants and attorneys to examine farmers' business plans and create farm succession plans. Authorize DATCP to promulgate rules to administer the farm business consultant grant program.

Joint Finance: Modify provision to provide an additional \$1,600,000 for grants to meat processing facilities in 2023-24. Total funding for meat processing grants would be \$1,800,000 in

2023-24 and \$200,000 in 2024-25. Provide an additional \$300,000 each year in the 2023-25 biennium for grants to dairy processors on a one-time basis. Funding for the program would be \$500,000 each year. Buy Local, Buy Wisconsin grants would continue with base funding of \$200,000 each year. Separate appropriations would continue for each of the meat processing facility, dairy processing plant and Buy Local, Buy Wisconsin grant programs. The table below summarizes program allocations through Joint Finance action.

Agricultural Assistance Grants -- Joint Finance

	<u>Base</u>	<u>Governor</u>		<u>Jt. Finance</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
Food Security Grant Program		\$15,000,000	\$15,000,000		
Meat Processor Grant Program	\$200,000	1,000,000	1,000,000	\$1,800,000	\$200,000
Dairy Processor Grant Program	200,000	1,000,000	1,000,000	500,000	500,000
Value-Added Agriculture Program		400,000	400,000		
Buy Local, Buy Wisconsin	200,000	200,000	200,000	200,000	200,000
Farm-to-Fork Grant Program		200,000	200,000		
Something Special from Wisconsin		200,000	200,000		
Farm Business Consultant Grants		<u>100,000</u>	<u>100,000</u>		
Total	\$600,000	\$18,100,000	\$18,100,000	\$2,500,000	\$900,000
JFC Change to Governor				-15,600,000	-17,200,000

2. TRIBAL FOOD SECURITY PROGRAM [LFB Paper 175]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$4,000,000	- \$1,000,000	\$3,000,000

Governor: Provide \$2,000,000 tribal gaming PR annually for grants to nonprofit food assistance organizations that purchase and distribute food to tribal elders and to entities supporting the growth and operation of participating food producers. Specify that grant recipients should give preference to indigenous-based food producers and local food producers when purchasing food for distribution. Provide DATCP with rule-making authority to implement the program. The program would provide ongoing state funding for the Tribal Elder Food Box program, which began in 2021 with funding from Feeding Wisconsin Association of Food Banks and USDA.

Joint Finance: Modify provision to provide \$1,500,000 tribal gaming PR annually and specify funding be provided on a one-time basis during the 2023-25 biennium.

3. WISCONSIN AGRICULTURAL EXPORT PROMOTION [LFB Paper 179]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,883,200	- \$883,200	\$2,000,000

Governor: Eliminate the \$1,000,000-per-year statutory spending cap and provide \$1,883,200 in 2023-24 and \$1,000,000 in 2024-25 to DATCP's International Agribusiness Center to support agricultural export promotion through the Wisconsin Initiative for Agricultural Exports (WIAE).

2021 Wisconsin Act 92 established the WIAE and requires DATCP, in collaboration with the Wisconsin Economic Development Corporation (WEDC), to seek to increase Wisconsin agricultural exports to 25% more than their December 31, 2021, amount by June 30, 2026, for the following: (a) milk and dairy products; (b) meat, poultry, and fish products; and (c) crops and crop products. Of the amounts appropriated for the program, \$2,500,000 (50%) must be expended for milk and dairy products, \$1,250,000 (25%) must be expended for meat, poultry, and fish products, and \$1,250,000 (25%) must be expended for crops and crop products. Act 92 specifies DATCP may not expend more than \$1,000,000 per year under the program.

2021 Act 58 created a GPR continuing appropriation to DATCP and set aside \$558,400 GPR each year of the 2021-23 biennium in the Joint Committee on Finance's supplemental appropriation to support the WIAE program. Subsequent action by the Committee approved transfers of \$558,400 in each of February and August, 2022, to the agricultural exports appropriation. Additionally, 2021 Wisconsin Act 207 provided DATCP the ability to use available PR balances of an inactive rural development program for the purposes of promoting dairy exports under WIAE. A total of \$441,600 each year in the 2021-23 biennium was allocable to WIAE from this source, resulting in total funding of \$1,000,000 each year. Funding in 2021-22 supported export expansion grants, international market access grants, and various trade promotion activities.

The bill would eliminate the \$1,000,000-per-year cap on program expenditures and allocate additional funds to WIAE surpassing the \$1,000,000 per year established by 2021 Act 92. The proposal would result in total funding for the biennium of \$2,883,200, including ongoing funding of \$1,000,000 in 2024-25.

Joint Finance: Modify provision to provide \$1,000,000 GPR annually for WIAE.

4. MEAT TALENT DEVELOPMENT GRANT PROGRAM [LFB Paper 180]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,237,500	- \$1,237,500	\$0

Governor: Provide \$1,237,000 beginning in 2024-25 for tuition assistance grants to individuals pursuing meat processing programming at any higher education institution in Wisconsin. Tuition reimbursement grants would cover up to 80% of the first \$9,375 in tuition costs, or \$7,500 per grant. In addition, authorize grants to support curriculum development for meat processing programs.

The program would provide ongoing state funding for the Meat Talent Development program, which was begun in 2022 with federal ARPA funding. The Governor has allocated up to

\$5 million for the program. Funding through 2022 has supported: (a) training in establishing operational plans for hazardous food processing; (b) development for meat processing education through high school agricultural education programs; (c) training in humane handling; (d) introductory courses for high school and post-secondary students considering careers in meat processing; and (e) tuition reimbursement for certain courses.

Joint Finance: Provision not included.

5. REGIONAL FARMER SUPPORT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$352,600	2.00	-\$352,600	- 2.00	\$0	0.00

6. FARMER MENTAL HEALTH ASSISTANCE [LFB Paper 181]

GPR	\$200,000
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Governor: Provide \$100,000 annually as ongoing funding for farmer mental health assistance programming. Under 2019 Act 9 and 2021 Act 58, DATCP has been provided \$100,000 each year since 2019-20 in one-time funding for farmer mental health assistance to support: (a) a 24-hour helpline for providing immediate support; (b) tele-counseling sessions that can be administered online by a licensed mental health professional; and (c) counseling vouchers that farmers and their family members can redeem for free in-person care at participating mental health providers in their area. In addition to counseling services, funding supported: (a) free virtual courses for agricultural service providers such as lenders and agribusiness firms in understanding and managing the stresses of farming; (b) online farmer and farm couple support groups for bringing farmers together to discuss their shared challenges; and (c) a podcast on farm-related challenges.

Joint Finance: Modify provision to specify that funding is provided on a one-time basis in the 2023-25 biennium.

7. AGRICULTURAL ECONOMIST

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$167,500	1.00	-\$167,500	- 1.00	\$0	0.00

Governor: Provide \$74,300 in 2023-24 and \$93,200 in 2024-25 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.

8. FOOD WASTE REDUCTION GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

9. COUNTY FAIR AIDS

GPR	\$387,200
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Joint Finance: Provide an additional \$193,600 for aids to county and district fairs each year. Total funding for the program would be \$650,000 annually. Section 93.23 of the statues requires DATCP to provide fair aids to counties and certain organized agricultural societies, associations, and boards in the state in an amount equal to 95% of the first \$8,000 paid in net premiums and 70% of all net premiums that exceed \$8,000, up to a maximum amount of \$10,000 per fair. If premium reimbursement requests exceed available funding, the Department must prorate the amount of aids provided to each fair. Under current law, premium payments are appropriated \$456,400 GPR annually.

10. AGRICULTURE IN THE CLASSROOM

SEG	\$100,000
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Joint Finance: Provide an additional \$50,000 annually from the segregated agrichemical management fund for the Agriculture in the Classroom grant. Total funding for the grant would be \$143,900 annually. Annual grants are made to the Wisconsin Farm Bureau Federation for administration of the program.

Environment

1. COUNTY CONSERVATION STAFF AND PROGRAM EXPANSION [LFB Paper 185]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,737,600	- \$4,321,400	\$1,416,200
SEG	<u>7,134,200</u>	<u>- 4,301,900</u>	<u>2,832,300</u>
Total	\$12,871,800	- \$8,623,300	\$4,248,500

Governor: Provide \$3,369,100 in 2023-24 and \$3,765,100 in 2024- 25 from nonpoint SEG and \$2,766,800 GPR in 2023-24 and \$2,970,800 GPR in 2024-25 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 \$15,100,000 in 2023-24 and \$15,700,000 in 2024-25 for county staffing grants, as shown in the table.

County Conservation Staffing Funding

Fiscal Year	GPR		Nonpoint SEG		Annual Total
	Base	Additional	Base	Additional	
2020	\$3,027,200		\$5,936,900	\$475,000	\$9,439,100
2021	3,027,200		5,936,900	475,000	9,439,100
2022	3,027,200	\$688,600	5,936,900	1,377,300	11,030,000
2023	3,027,200	772,000	5,936,900	1,543,900	11,280,000
2024	3,027,200	2,766,800	5,936,900	3,369,100	15,100,000
2025	3,027,200	2,970,800	5,936,900	3,765,100	15,700,000

Note: Additional amounts shown in the 2019-21 and 2021-23 biennia were one-time funding amounts. Additional amounts in the 2023-25 biennium would increase base funding.

Under current law, county conservation staff activities eligible for funding include: (a) implementation of land and water resource management plans, which are required of every county by statute to identify local objectives for soil and water conservation; (b) conservation practice engineering, design, and installation; (c) cost-share grant administration; (d) farmland preservation program administration; and (e) livestock regulation. The bill would expand this list to include staff administering or implementing long-range planning and erosion control mitigation.

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 2023 allocation, first and second positions at each county were funded at 100% and 70% respectively, and 5% of costs on average associated with third positions were funded. Under the 2023 allocation, fully funding the state share of first, second, and third positions would have cost approximately \$13.5 million.

Current law requires DNR and DATCP to attempt to provide an average of \$100,000 to each county for staffing grants. The bill provides that if any funding remains after meeting current statutory goals, DATCP and DNR may assist counties in meeting their funding goals for second or third positions by providing grants to lower match requirements and increasing the state share. Grants may also be awarded to counties for fourth or subsequent positions. The Administration indicates such allocations would be determined by DATCP as part of the joint allocation plan allocating state aids for nonpoint pollution abatement and land conservation programs.

Joint Finance: Modify provision to provide \$1,332,100 nonpoint SEG and \$666,100 GPR in 2023-24 and \$1,500,200 nonpoint SEG and \$750,100 GPR in 2024-25 on a one-time basis for

county conservation grants. Total funding for the program is \$10,962,300 in 2023-24 and \$11,214,400 in 2024-25, as shown in the table. No changes are included regarding uses of grant funds.

County Conservation Staffing Funding -- Joint Finance

Fiscal Year	GPR		Nonpoint SEG		Annual Total
	Base	One-Time	Base	One-Time	
2020	\$3,027,200		\$5,936,900	\$475,000	\$9,439,100
2021	3,027,200		5,936,900	475,000	9,439,100
2022	3,027,200	\$688,600	5,936,900	1,377,300	11,030,000
2023	3,027,200	772,000	5,936,900	1,543,900	11,280,000
2024	3,027,200	666,100	5,936,900	1,332,100	10,962,300
2025	3,027,200	750,100	5,936,900	1,500,200	11,214,400

2. NITROGEN OPTIMIZATION PILOT PROGRAM [LFB Paper 186]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$4,800,000	-\$1,200,000	\$3,600,000

Governor: Provide \$2,400,000 nonpoint SEG in ongoing funding in each year of the 2023-25 biennium for nitrogen optimization and cover crop insurance rebate programs funded initially in 2022-23. 2021 Wisconsin Act 223 established a commercial nitrogen optimization pilot program and a cover crop insurance rebate program administered by DATCP to implement strategies that optimize the application of commercial nitrogen and to encourage broader use of cover crops to benefit Wisconsin soils, surface water, and groundwater. The act did not appropriate funding, but the Joint Committee on Finance approved supplemental funding of \$2,400,000 nonpoint SEG in 2022-23 for DATCP to begin implementing the programs. Application periods for 2022-23 funding for each program closed January 31, 2023. Funding under the bill would support \$1,600,000 for the commercial nitrogen optimization pilot program and \$800,000 for the cover crop insurance premium rebate program annually.

Joint Finance: Modify provision to provide \$1,000,000 nonpoint SEG annually on a one-time basis for the nitrogen optimization pilot program and \$800,000 nonpoint SEG annually on a one-time basis for the cover crop rebate program.

3. PRODUCER-LED WATERSHED PROTECTION GRANTS

[LFB Paper 186]

SEG	\$500,000
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Governor: Increase funding for producer-led watershed protection grants by an additional \$250,000 nonpoint SEG annually. Under 2021 Act 58, the statutory cap on annual producer-led watershed protection grant awards was increased from \$750,000 to \$1,000,000 and an additional \$250,000 nonpoint SEG each year was appropriated on a one-time basis during the 2021-23 biennium to provide a total of \$1,000,000 in each year of the biennium. For 2023, DATCP has

awarded 43 grants to producer-led watershed protection groups. Groups may receive grants for such activities as: (a) planning and shared learning programs; (b) surveying and identification of management practices and solutions; (c) increasing participation in conservation, including through incentive payments; and (d) measurement and promotion of the benefits of conservation practices, including water and soil testing.

Joint Finance: Adopt provision, but specify funding is on a one-time basis in the 2023-25 biennium.

4. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY [LFB Paper 187]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$7,000,000	- \$7,000,000	\$0
GPR	\$0	\$7,000,000	\$7,000,000

Governor: 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.

Joint Finance: Modify provision to provide \$7,000,000 GPR in 2023-24 in an existing continuing appropriation to support cost-sharing grants to landowners for installation of structural practices.

5. SOIL AND WATER RESOURCE MANAGEMENT AIDS [LFB Paper 187]

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

Governor: Provide an additional \$100,000 nonpoint SEG annually for soil and water resource management noncapital projects. Funding would be used for nonstructural costs largely

related to agricultural best management practices. Allocations would be determined by DATCP and DNR in the annual joint allocation plan.

Joint Finance: Provision not included.

6. WATER STEWARDSHIP CERTIFICATION GRANTS

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

Governor: Create a continuing appropriation with \$250,000 each year for grants to agricultural producers to reimburse payments made to the Alliance for Water Stewardship (AWS) to receive certification of water stewardship. 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.

Joint Finance: Provision not included.

7. CLEAN SWEEP GRANTS [LFB Paper 188]

SEG	\$500,000
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Governor/Joint Finance: Provide an additional \$250,000 annually from the environmental management account of the segregated environmental fund for clean sweep grants. Clean sweep grants are provided to counties and municipalities for the collection and disposal of pesticides, farm chemicals, unwanted prescription drugs, and hazardous wastes. Funding for clean sweep grants in the 2021-23 biennium is \$750,000 annually from environmental management SEG. Base funding for the program would be \$1,000,000 under the bill.

8. BIODIGESTER PLANNING GRANTS [LFB Paper 189]

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

Governor: Provide \$250,000 environmental management SEG annually 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.

9. BIODIGESTER OPERATOR CERTIFICATION GRANTS [LFB Paper 189]

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

Governor: Provide \$50,000 annually for grants to individuals pursuing biodigester operator certifications. Require the Department to promulgate rules to administer the grant program. The Administration intends to use programming and certification provided by the American Biogas Council, which in recent years has conducted courses for participants at UW-Oshkosh.

Joint Finance: Provision not included.

10. FARMLAND PRESERVATION PLANNING GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Regulatory Programs

1. MEAT INSPECTION PROGRAM STAFF [LFB Paper 195]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$953,800	\$126,400	\$1,080,200

Governor: Convert 2.0 GPR and 2.0 FED project positions provided by 2021 Act 58, and scheduled to expire June 30, 2025, to permanent positions. The provision would reallocate \$88,300 annually within the state budget system for each fund source from project position salaries to permanent position salaries, but no additional funding for positions would be provided.

Additionally, provide \$476,900 GPR in each year of the 2023-25 biennium to match FED expenditures for inspection and sampling at meat processors. DATCP's meat safety program conducts inspection of animal and poultry slaughtering and processing in establishments not otherwise inspected by 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 on a dollar-for-dollar basis. 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: Modify provision to provide an additional \$538,800 GPR in 2023-24 and

\$541,400 GPR in 2024-25 to meet federal matching requirements for DATCP's meat inspection program on a one-time basis. This increases bill amounts by \$61,900 in 2023-24 and by \$64,500 in 2024-25. Maintain project positions set to expire June 30, 2025.

2. ANIMAL DISEASE RESPONSE AND PREVENTION UNIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$1,070,500	6.00	-\$1,070,500	- 6.00	\$0	0.00

3. DOG FACILITY, RABIES CONTROL AND HUMANE OFFICER PROGRAM STAFFING [LFB Paper 196]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$320,800	1.00	-\$320,800	- 1.00	\$0	0.00
PR	<u>- 320,800</u>	<u>- 1.00</u>	<u>240,800</u>	<u>1.00</u>	<u>- 80,000</u>	<u>0.00</u>
Total	\$0	0.00	-\$80,000	0.00	- \$80,000	0.00

Governor: Transfer 1.0 humane officer position and \$160,400 from the Division of Animal Health dog licenses, rabies control, and related services PR appropriation to the Division of Animal Health general program operations GPR appropriation. Funding to be transferred would include \$142,900 in salary and fringe benefits and \$17,500 for supplies and services each year.

The dog licenses, rabies control, and related services appropriation has carried an unsupported overdraft since 2018-19. As required by 2021 Act 58, DATCP in 2021-22 transferred \$450,000 from the Veterinary Examining Board PR appropriation to the dog licenses, rabies control, and related services appropriation to reduce the overdraft. As of June 30, 2022, the appropriation has an unsupported overdraft of \$70,200. The Administration intends for the position transfer to further reduce program expenditures while additional fee revenues anticipated over the next several years would be expected to eliminate the overdraft.

Joint Finance: Maintain the 1.0 humane officer as PR-funded. Reduce supplies and services funding within the PR appropriation by \$40,000 annually. Base funding for the appropriation would be \$464,600 in 2023-24 and \$464,200 in 2024-25.

4. LIVESTOCK PREMISES REGISTRATION SUPPORT [LFB Paper 197]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$140,000	- \$140,000	\$0
SEG	<u>0</u>	<u>140,000</u>	<u>140,000</u>
Total	\$140,000	\$0	\$140,000

Governor: Increase funding in the Division of Animal Health livestock premises registration appropriation by \$70,000 in each year of the 2023-25 biennium. Under current law, any person keeping livestock must register with DATCP the premises at which the animals are kept. Premises holding any of the following animals are required to register with DATCP: (a) bovine animals; (b) equine animals; (c) goats; (d) sheep; (e) swine; (f) poultry; (g) farm-raised deer or elk; (h) captive game birds, such as pheasant, quail or duck; (i) camelids, such as camels, llamas or alpacas; (j) ratites, such as ostrich or emu; and (k) fish. Additional funding would be used to support the administration of registration. Base funding for the program is \$350,000 GPR annually. The program is administered through a contract with the Wisconsin Livestock Identification Consortium. The bill would provide total base funding of \$437,500 for the program, including an increase of \$17,500 annually under a separate item for state operations adjustments.

Joint Finance: Modify provision to provide \$70,000 annually from the segregated agricultural management fund. Amend an existing ACM SEG appropriation for animal health inspection, testing, and enforcement to authorize expenditures for the livestock premises registration program. Funding for the program would be \$420,000 annually.

5. REPEAL MINIMUM MARKUP FOR MOTOR VEHICLE FUEL *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. VEHICLE OWNERS CONSUMER PROTECTIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$412,200	2.00	- \$412,200	- 2.00	\$0	0.00

7. MARIJUANA REGULATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$467,500	3.00	- \$467,500	- 3.00	\$0	0.00

8. AGRICHEMICAL MANAGEMENT OPERATIONS [LFB

SEG	\$104,000
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 Paper 170]

Governor/Joint Finance: Provide \$52,000 annually from the segregated agrichemical management fund for general program operations in the Division of Agricultural Resource Management.

9. FOOD, LODGING AND RECREATION REGULATION [LFB

PR	\$96,000
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 Paper 170]

Governor/Joint Finance: Provide \$48,000 in each year of the biennium for additional expenditures associated with the Division of Food and Recreational Safety, consisting of \$24,000 each year for each of the food establishment and recreational facility establishment program areas. 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 \$12.1 million in 2023-24 and \$11.8 million in 2024-25.

10. BROADBAND CONSUMER PROTECTIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$165,300	1.00	-\$165,300	-1.00	\$0	0.00

11. MANOOMIN (WILD RICE) TRUTH-IN-LABELING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. LANDLORD-TENANT PROTECTIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

APPROPRIATION OBLIGATION BONDS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$622,359,600	\$646,207,700	\$1,046,207,700	\$400,000,000	61.9%	\$423,848,100	68.1%

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 [LFB Paper 106]

GPR	\$15,272,300
GPR-Lapse	<u>13,963,000</u>
Net GPR	\$29,235,300

Governor/Joint Finance: Reduce funding by \$1,701,000 in 2023-24 and increase funding by \$16,973,300 in 2024-25 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 second year or the following year. Compared to the base level funding of \$199,760,900, a smaller payment is scheduled in 2023-24 and larger payments are scheduled in 2024-25 and 2025-26. Therefore, the GPR appropriation is decreased in 2023-24 and increased in 2024-25 compared to the biennium's 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 2022-23, it was estimated that \$12,811,800 would lapse to the general fund. The Department of Administration (DOA) anticipates lapses of \$750,000 in 2023-24 and \$10,910,600 in 2024-25. The net effect of these adjustments would be an increase in net expenditures of \$29,235,300, as shown in the table below.

Pension Bonds

	Base Year <u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	Change to Base <u>Year Doubled</u>
GPR	\$199,760,900	\$198,059,900	\$216,734,200	\$15,272,300
GPR-Lapse	<u>-12,811,800</u>	<u>-750,000</u>	<u>-10,910,600</u>	<u>13,963,000</u>
Net GPR	\$186,949,100	\$197,309,900	\$205,823,600	\$29,235,300

2. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- TOBACCO BONDS [LFB Paper 106]

GPR	\$8,575,800
GPR-Lapse	<u>19,082,200</u>
Net GPR	\$27,658,000

Governor/Joint Finance: Reduce funding by \$212,000 in 2023-24 and increase funding by \$8,787,800 in 2024-25 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 the 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 \$111,418,900, a smaller payment is scheduled for 2023-24 and larger payments are scheduled in 2024-25 and 2025-26. Therefore, the GPR appropriation is decreased in 2023-24 and increased in 2024-25 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 2022-23, it was estimated that \$9,807,100 would lapse to the general fund. DOA anticipates lapses of \$5,000 in 2023-24 and \$527,000 in 2024-25. The net effect of these adjustments would be an increase in net expenditures of \$27,658,000, as shown in the table below.

Tobacco Bonds

	Base Year <u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	Change to Base <u>Year Doubled</u>
GPR	\$111,418,900	\$111,206,900	\$120,206,700	\$8,575,800
GPR-Lapse	<u>-9,807,100</u>	<u>-5,000</u>	<u>-527,000</u>	<u>19,082,200</u>
Net GPR	\$101,611,800	\$111,201,900	\$119,679,700	\$27,658,000

3. PAY OFF TOBACCO SETTLEMENT APPROPRIATION OBLIGATION DEBT [LFB Paper 236]

GPR	\$400,000,000
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Joint Finance: Provide \$400,000,000 GPR in 2023-24 in the existing appropriation used to pay debt service on the appropriation obligation bonds issued to repurchase the rights to the state's tobacco settlement revenues for the purpose of defeasing or using a tender offer to pay off outstanding bonds.

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$258,000	\$269,600	\$264,200	-\$5,400	- 2.0%	\$6,200	2.4%
FED	<u>3,184,800</u>	<u>3,067,000</u>	<u>3,067,000</u>	<u>0</u>	0.0	<u>- 117,800</u>	- 3.7
TOTAL	\$3,442,800	\$3,336,600	\$3,331,200	-\$5,400	- 0.2%	-\$111,600	- 3.2%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
FED	7.00	7.00	7.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$6,200
FED	<u>- 117,800</u>
Total	- \$111,600

Governor/Joint Finance: Reduce funding by \$55,800 (\$3,100 GPR and -\$58,900 FED) annually to reflect the full funding of the following standard budget adjustments: (a) continuing position salaries and fringe benefits (-\$50,700 FED annually); and (b) lease and directed moves costs (\$3,100 GPR and -\$8,200 FED annually) in the 2023-25 biennium.

2. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,400	-\$5,400	\$0

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$3,294,200	\$3,640,100	\$3,121,200	-\$518,900	- 14.3%	-\$173,000	- 5.3%
FED	105,400	105,400	105,400	0	0.0	0	0.0
SEG	<u>0</u>	<u>0</u>	<u>121,700</u>	<u>121,700</u>	N.A.	<u>121,700</u>	N.A.
TOTAL	\$3,399,600	\$3,745,500	\$3,348,300	-\$397,200	- 10.6%	-\$51,300	- 1.5%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	9.50	10.50	7.70	- 2.80	- 1.80
FED	0.00	0.00	0.00	0.00	0.00
SEG	<u>0.00</u>	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
TOTAL	9.50	10.50	8.70	- 1.80	- 0.80

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	- \$44,600
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Governor/Joint Finance: Delete \$22,300 annually in the 2023-25 biennium, consisting of -\$25,600 for full funding of salaries and fringe benefits of continuing positions and \$3,300 for full funding of leases and directed moves.

2. VACANT POSITION ADJUSTMENT [LFB Paper 205]

	<u>Governor</u> (Chg. to Base)		<u>Jt. Finance</u> (Chg. to Gov)		<u>Net Change</u> Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$138,800	0.00	-\$412,200	- 1.80	-\$273,400	- 1.80

Governor: Provide \$69,400 annually in the 2023-25 biennium, including \$51,500 for

salaries and \$17,900 for fringe benefits. BCPL had 1.8 vacant positions at the time standard budget adjustments were calculated, reducing the salary and fringe allotments below levels at which the Board would normally recruit the positions. The Board intends to fill all positions in the 2023-25 biennium.

Joint Finance: Modify provision by increasing base funding by \$11,700 annually, a difference to the bill of -\$57,700 annually, to fully fund all filled positions. Further, delete 1.8 vacant positions, including 1.0 Deputy Commissioner and 0.8 accountant, and \$148,400 annually. Repeal the statutory provision that the BCPL Executive Secretary appoint a Deputy Commissioner.

3. FORESTER POSITION [LFB Paper 206]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$121,700	1.00	-\$121,700	- 1.00	\$0	0.00
SEG	<u>0</u>	<u>0.00</u>	<u>121,700</u>	<u>1.00</u>	<u>121,700</u>	<u>1.00</u>
Total	\$121,700	1.00	\$0	0.00	\$121,700	1.00

Governor: Provide \$52,200 in 2023-24, including \$38,700 for salary and \$13,500 for fringe benefits, and \$69,500 in 2024-25, including \$51,600 for salary and \$17,900 for fringe benefits, with 1.0 position to hire a senior forester. BCPL manages approximately 77,000 acres of timberland. These lands are managed as income-producing properties for public school library beneficiaries. BCPL currently has one full-time forester and limited-term forestry staff responsible for managing these lands.

Joint Finance: Modify the Governor's proposal to create an appropriation from the forestry account of the SEG conservation fund for BCPL forestland and timber management. Provide 1.0 forester position, with \$52,200 SEG in 2023-24 and \$69,500 SEG in 2024-25.

4. INVESTMENT AND LAND MANAGEMENT EXPENSES [LFB Paper 205]

GPR	\$130,000
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Governor/Joint Finance: Provide \$65,000 annually in the 2023-25 biennium for supplies and services. 2021 Act 58 reallocated \$76,500 within the Board's general operations appropriation from the supplies and services allotment to allotments for salaries and fringe benefits in each year; the reallocation was intended to accommodate additional funding for BCPL to fill vacant positions. The provision would increase the Board's supplies and services allotment to partially restore base funding for such costs as: (a) appraisals for real estate transactions; (b) due diligence on prospective investments of trust fund assets; and (c) accounting and reporting of transactions.

5. AIDS IN LIEU OF TAXES [LFB Paper 207]

GPR	\$15,000
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Joint Finance: Provide \$5,000 in 2023-24 and \$10,000 in 2024-25 to BCPL's aids in lieu

of taxes appropriation to fund estimated increases in aids to local governments that hold BCPL lands. Payments would be budgeted at \$30,000 in 2023-24 and \$35,000 in 2024-25, reflecting amounts due on current holdings and other acquisitions anticipated to close by 2025.

BOARD ON AGING AND LONG-TERM CARE

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$3,421,000	\$3,842,900	\$3,757,600	- \$85,300	- 2.2%	\$336,600	9.8%
PR	<u>4,215,600</u>	<u>4,496,700</u>	<u>4,363,900</u>	<u>- 132,800</u>	- 3.0	<u>148,300</u>	3.5
TOTAL	\$7,636,600	\$8,339,600	\$8,121,500	- \$218,100	- 2.6%	\$484,900	6.3%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	20.48	21.98	21.13	- 0.85	0.65
PR	<u>24.02</u>	<u>25.52</u>	<u>24.37</u>	<u>- 1.15</u>	<u>0.35</u>
TOTAL	44.50	47.50	45.50	- 2.00	1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$219,300
PR	<u>85,100</u>
Total	\$304,400

Governor/Joint Finance: Provide \$147,000 (\$107,800 GPR and \$39,200 PR) in 2023-24 and \$157,400 (\$111,500 GPR and \$45,900 PR) in 2024-25 to fund the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$108,700 GPR and \$52,900 PR annually); (b) reclassifications and semi-automatic pay progression (\$8,800 GPR and \$5,800 PR in 2023-24 and \$12,500 GPR and \$12,500 PR in 2024-25); and (c) full funding of leases and directed moves costs (-\$9,700 GPR and -\$19,500 PR annually).

2. ADMINISTRATIVE STAFF

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$202,600	1.50	-\$85,300	- 0.85	\$117,300	0.65
PR	<u>196,000</u>	<u>1.50</u>	<u>- 132,800</u>	<u>- 1.15</u>	<u>63,200</u>	<u>0.35</u>
Total	\$398,600	3.00	-\$218,100	- 2.00	\$180,500	1.00

Governor: Provide \$175,200 (\$89,000 GPR and \$86,200 PR) in 2023-24 and \$223,400 (\$113,600 GPR and \$109,800 PR) in 2024-25 and 3.0 positions (1.5 GPR and 1.5 PR positions) beginning in 2023-24, to create 1.0 state long-term care ombudsman, 1.0 communications specialist-senior, and 1.0 executive assistant position.

Specify that the Board on Aging and Long-Term Care executive director employs, rather than serves as, the state long-term care ombudsman. Under current law, the executive director is also the long-term care ombudsman.

The Administration notes that Wisconsin is the only state in which the executive director, or equivalent, is also the state long-term care ombudsman and that in order to ensure adequate service and compliance with federal requirements, these two positions must be separated, requiring the creation of 1.0 state long-term care ombudsman position.

Further, the bill would provide 1.0 communications specialist position to enable BOALTC to reach a wider audience through updated websites, listservs, and social media, as well as 1.0 executive assistant. These positions would be an addition to the 3.0 administrative support positions that the Board currently has.

Joint Finance: Reduce funding by \$96,500 (-\$37,800 GPR and -\$58,700 PR) in 2023-24 and \$121,600 (-\$47,500 GPR and -\$74,100 PR) in 2024-25, and delete 2.0 (-0.85 GPR and -1.15 PR) positions (-1.0 communications specialist and -1.0 executive assistant), beginning in 2023-24.

With these changes, Joint Finance would provide \$78,700 (\$51,200 GPR and \$27,500 PR) in 2023-24 and \$101,800 (\$66,100 GPR and \$35,700 PR) in 2024-25 and 1.0 position (0.65 GPR and 0.35 PR) beginning in 2023-24, to create 1.0 state long-term care ombudsman position. Further, specify that the BOALTC executive director employs, rather than serves as, the state long-term care ombudsman.

BONDING AUTHORIZATION

1. GENERAL OBLIGATION BONDING AUTHORITY SUMMARY SCHEDULE

Governor: Include a summary schedule showing general obligation bonding authority of \$865,383,900, including the Governor's recommendations for the state building program.

Joint Finance: Include a summary schedule showing general obligation bonding authority of \$635,099,900. In addition, include a summary schedule showing GPR debt service of \$458,545,000 in 2023-24 and \$527,931,000 in 2024-25, and all funds debt service of \$860,420,100 in 2023-24 and \$934,623,300 in 2024-25.

<u>Agency and Purpose</u>	<u>Governor</u>	<u>Joint Finance</u>
Administration		
Energy Conservation Projects	\$50,000,000	\$25,000,000
Building Commission		
Housing State Agency	110,285,000	8,878,000
Other Public Purposes	100,000,000	100,000,000
Agriculture, Trade and Consumer Protection		
Soil and Water	7,000,000	0
Natural Resources		
SEG Revenue Supported Facilities	30,568,900	30,568,900
Contaminated Sediment Removal	15,000,000	0
Dam Safety Projects	10,000,000	0
Nonpoint Source	10,000,000	0
Urban Nonpoint Source Cost-Sharing	11,000,000	0
State Fair Park Board		
Self-amortizing Facilities	6,500,000	6,500,000
Transportation		
Freight Rail	20,000,000	0
Fox River Brown County Southern Bridge	50,000,000	0
Blatnik Major Interstate Bridge	47,200,000	352,800,000
Harbor Assistance	16,000,000	0
Southeastern Wisconsin Mega-Projects	140,873,000	0
University of Wisconsin System		
Self-Amortizing Facilities	215,141,000	104,922,000
Veterans Affairs		
Self-Amortizing Facilities	<u>25,816,000</u>	<u>6,431,000</u>
TOTAL General Obligation Bonds*	\$865,383,900	\$635,099,900

*Excludes \$1,725,000,000 of economic refunding bonds included in the bill.

2. REVENUE OBLIGATION BONDING SUMMARY SCHEDULE

Governor: Include a summary schedule showing revenue obligation bonding authority of \$539,714,300, as indicated.

Joint Finance: Include a summary schedule showing revenue obligation bonding authority of \$46,000,000, as indicated.

<u>Purpose</u>	<u>Governor</u>	<u>Joint Finance</u>
Environmental Improvement Program		
Clean Water and Safe Drinking Water	\$372,000,000	\$46,000,000
Transportation		
Transportation Facilities and Major Highway Projects	<u>167,714,300</u>	<u>0</u>
TOTAL Revenue Obligation Bonds	\$539,714,300	\$46,000,000
GRAND TOTAL General and Revenue Obligation Bonds	\$1,405,098,200	\$681,099,900

BUDGET MANAGEMENT AND COMPENSATION RESERVES

Budget Change Items

1. COMPENSATION RESERVES

Governor: Provide, in the 2023-25 general fund condition statement, total compensation reserves of \$667,480,900 in 2023-24 and \$1,001,825,800 in 2024-25 for cost increases related to state and UW System employee salaries and fringe benefits. Total compensation reserve amounts by fund source and fiscal year are shown in the following table.

<u>Fund Source</u>	<u>2023-24</u>	<u>2024-25</u>
General Purpose Revenue	\$365,260,700	\$581,614,700
Federal Revenue	80,773,600	112,308,700
Program Revenue	141,762,100	197,108,000
Segregated Revenue	<u>79,684,500</u>	<u>110,794,400</u>
Total	\$667,480,900	\$1,001,825,800

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) \$45,809,700 in 2023-24 and \$85,931,300 in 2024-25 to support prior period and inflationary increases for fringe benefits; (b) \$5,216,900 in 2023-24 and \$5,351,400 in 2024-25 to reduce the health insurance waiting period for new permanent and project employees by one month; and (c) \$2,182,500 annually to provide sick leave for limited-term employees of non-UW executive branch agencies and temporary employees of the UW System. [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 and temporary UW System employees, see "Administration -- Personnel Management."]

The GPR compensation reserve amounts under the bill related to salaries for employees include the following: (a) \$114,434,800 in 2023-24 and \$301,269,900 in 2024-25 intended to support a 5% general wage adjustment for state and UW System employees on July 1, 2023, as well as another 3% general wage adjustment (GWA) for state and UW System employees on July

1, 2024; (b) \$63,258,300 in 2023-24 and \$60,915,100 in 2024-25 to continue paying the \$5 per hour high vacancy correctional security add-on and incorporate a \$4 per hour pilot add-on (currently supported by American Rescue Plan Act funds) into base pay of correctional security employees; (c) \$85,119,800 in 2023-24 and \$82,408,200 in 2024-25 to enhance the existing correctional security pay progression, increase minimum pay for correctional officers, correctional sergeants, youth counselors/advanced, and psychiatric care technicians/advanced, and provide parity pay for security supervisors; (d) \$20,240,000 in 2023-24 and \$19,490,400 in 2024-25 to support market wage and parity adjustments for specific, targeted classifications; (e) \$18,301,000 in 2023-24 and \$17,630,200 in 2024-25 to support a \$1 per hour add-on for correctional security positions at medium-security institutions and to increase the maximum-security add-on from \$2 to \$4 per hour; (f) \$16,705,600 in 2023-24 and \$17,373,900 in 2024-25 for a paid family and medical leave program for state and UW System executive branch employees that would provide 12 weeks of leave annually; (g) \$9,244,800 in 2023-24 and \$9,636,400 in 2024-25 for a probation and parole agent pay progression; (h) \$1,121,300 in 2023-24 and \$3,218,200 in 2024-25 for a pay progression that would provide seniority-based pay increases to employees in various position classifications; (i) \$1,491,900 in 2023-24 and \$3,103,200 in 2024-25 to establish June 19 and November 11 as paid holidays for state and UW System executive branch employees; (j) \$2,129,700 in 2024-25 for information technology position market adjustments; (k) \$916,200 in 2023-24 and \$1,131,000 in 2024-25 to fund market adjustments for classified attorneys not eligible for pay progression; (l) \$307,700 in 2023-24 and \$320,100 in 2024-25 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 (m) \$134,500 annually to fund a pay progression for Natural Resources wardens and Wisconsin State Capitol Police. [For additional information regarding the proposals to establish June 19 and November 11 as paid holidays, create a paid family and medical leave program, and modify the vacation allowance structure, see "Administration -- Personnel Management."]

The amounts budgeted in compensation reserves also include an assumed lapse of 5% in each year, reducing total funding by \$19,224,300 in 2023-24 and \$30,611,300 in 2024-25.

With regard to the 5% general wage adjustment on July 1, 2023, and 3% general wage adjustment on July 1, 2024, for state and UW System employees, amounts in compensation reserves: (a) 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); and (b) due to an inadvertent calculation error, funding in 2024-25 is \$114.4 million higher than would be necessary to support the intended pay increases.

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, 2025; the State Superintendent 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, 2027; 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 and deputy district attorneys, assistant attorneys general, 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 other proposed pay increases; (c) increases in the employer share of contributions to the state retirement fund for employees' future state retirement benefits; and (d) the accumulated sick leave conversion credit program, income continuation benefits, and payments for pension obligation bonds issued to cover the state's unfunded prior service liability for retirement benefits and unfunded liability for sick leave conversion credits.

Joint Finance: Provide total funding to compensation reserves of \$311,180,900 GPR in 2023-24 (\$559,532,000 all funds) and \$397,930,000 GPR in 2024-25 (\$693,952,500 all funds). Amounts provided to compensation reserves by fund source are shown in the table below.

<u>Fund Source</u>	<u>2023-24</u>	<u>2024-25</u>
General Purpose Revenue	\$311,180,900	\$397,930,000
Federal Revenue	66,376,100	79,117,100
Program Revenue	116,493,800	138,855,000
Segregated Revenue	<u>65,481,200</u>	<u>78,050,400</u>
Total	\$559,532,000	\$693,952,500

Funding would be provided for the following items, net of a 5% reduction in each year associated with a higher than usual level of position vacancies: (a) prior period and inflationary increases for fringe benefits, \$43,519,200 GPR in 2023-24 and \$81,634,700 GPR in 2024-25; (b) general wage adjustments of 4% on July 1, 2023, and 2% on July 1, 2024, \$88,718,100 GPR in 2023-24 and \$132,414,000 GPR in 2024-25; (c) market wage and parity adjustments, \$2,000,000

GPR annually; (d) probation and parole agent pay progression, \$2,850,000 GPR in 2023-24 and \$2,964,000 GPR in 2024-25; (e) funding to continue non-security pilot add-ons applicable to the Departments of Administration, Corrections, Health Services, Military Affairs, Safety and Professional Services, and Veterans Affairs, \$3,573,800 GPR in 2023-24 and \$3,445,500 GPR in 2024-25; (f) information technology position generated market adjustments, \$1,187,500 GPR in 2024-25; (g) one-year extension of the retention incentive award program for protective status employees of Corrections and Health Services, \$545,200 GPR in 2023-24; and (h) modifications to the Natural Resources warden and Capitol Police pay progression, \$127,800 GPR annually.

Funding would be provided for the following items, net of a 20% reduction in 2023-24 and 15% reduction in 2024-25 associated with a higher than usual level of correctional security position vacancies: (a) correctional security position and supervisor base pay increases, including minimum pay of \$33 per hour for correctional officers, youth counselors, and psychiatric care technicians, \$143,948,600 GPR in 2023-24 and \$147,655,400 GPR in 2024-25; and (b) continuing the \$5 per hour high-vacancy add-on and agents as officers add-on, increasing the maximum-security add-on applicable to Corrections from \$2 per hour to \$3 per hour, and creating a \$1 per hour medium-security add-on applicable to Corrections, \$25,898,200 GPR in 2023-24 and \$26,501,100 GPR in 2024-25.

In addition, SEG funding would be reserved for Department of Transportation-related compensation provisions as follows: (a) for potential pay increases of up to \$5 per hour for state patrol troopers and inspectors, subject to the current law collective bargaining process, which includes approval of a negotiated agreement by the Joint Committee on Employment Relations and the Legislature, \$5,399,300 SEG annually; and (b) for a 10% increase in base pay for positions in the civil engineer-transportation classification series, structural engineer-transportation classification series, or transportation specialist classification series, or who are classified as civil engineer-transportation supervisor, DOT engineering chief, DOT technical services chief, structural engineer-transportation-supervisor, or transportation specialist supervisor, \$2,535,500 SEG annually.

Specify that administrator of the Division of Personnel Management in the Department of Administration must include an extension of the retention incentive award program for protective status employees of Corrections and Health Services through 2023-24 in the proposed 2023-25 compensation plan submitted to the Joint Committee on Employment Relations. One-time lump sum awards (bonuses) under the program would continue to be provided in 2023-24 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.

With regard to the timing of base pay increases such as general wage adjustments, correctional security pay increases, market adjustments, DOT engineering pay increases, and pay progression modifications, to the extent that the implementation of the 2023-25 compensation plan would follow the planned implementation date for a provision, the intent would be for lump-sum payments to be provided to eligible employees for hours in pay status dating back to the pay period of the proposed implementation date.

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

2. REQUIRED GENERAL FUND STATUTORY BALANCE

Governor: Provide that the required general fund statutory balance would be \$600 million beginning in fiscal year 2023-24 and in each fiscal year thereafter.

Under current law, the required balance is \$100 million in 2023-24 and \$105 million in 2024-25, and in future fiscal years the prior year amount plus \$5 million, but not to exceed 2% of total GPR appropriations plus GPR compensation reserves for each fiscal year.

Joint Finance: Provision not included.

3. REQUIRED GENERAL FUND STRUCTURAL BALANCE

Joint Finance: Suspend the statutory provision requiring a structural balance in 2024-25 so that it would not apply to any legislation enacted in the 2023-24 legislative session.

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

	<u>Governor</u>			<u>Joint Finance Modifications</u>			<u>Compensation Reserves Total</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennium</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Biennium</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Biennium</u>
Prior Period and Inflationary Increases for Fringe Benefits	\$43,519,200	\$81,634,700	\$125,153,900	\$0	\$0	\$0	\$43,519,200	\$81,634,700	\$125,153,900
General Wage Adjustments (Governor: 5%/3%; Joint Finance: 4%/2%)	108,713,000	286,206,500	394,919,500	-19,994,900	-153,792,500	-173,787,400	88,718,100	132,414,000	221,132,100
Correctional Security Base Pay Increases (Including \$33 Minimum)	126,100,500	121,848,800	247,949,300	17,848,100	25,806,600	43,654,700	143,948,600	147,655,400	291,604,000
Correctional Security Add-on Pay	32,244,600	31,057,000	63,301,600	-6,346,400	-4,555,900	-10,902,300	25,898,200	26,501,100	52,399,300
Market Wage and Parity Adjustments	19,228,000	18,515,900	37,743,900	-17,228,000	-16,515,900	-33,743,900	2,000,000	2,000,000	4,000,000
Paid Family and Medical Leave	15,870,300	16,505,200	32,375,500	-15,870,300	-16,505,200	-32,375,500	0	0	0
Probation and Parole Agent Pay Progression	8,782,600	9,154,600	17,937,200	-5,932,600	-6,190,600	-12,123,200	2,850,000	2,964,000	5,814,000
Decrease Health Insurance Waiting Period	4,956,100	5,083,800	10,039,900	-4,956,100	-5,083,800	-10,039,900	0	0	0
Funding to Continue Pilot Add-ons	0	0	0	3,573,800	3,445,500	7,019,300	3,573,800	3,445,500	7,019,300
Sick Leave for Limited-Term Employees and Temporary UW Employees	2,073,400	2,073,400	4,146,800	-2,073,400	-2,073,400	-4,146,800	0	0	0
Enterprise Pay Progression	1,065,200	3,057,300	4,122,500	-1,065,200	-3,057,300	-4,122,500	0	0	0
Juneteenth and Veterans Day Holidays	1,417,300	2,948,000	4,365,300	-1,417,300	-2,948,000	-4,365,300	0	0	0
Information Technology Generated Market Adjustments	0	2,023,200	2,023,200	0	-835,700	-835,700	0	1,187,500	1,187,500
Market Adjustments for Classified Attorneys	870,400	1,074,400	1,944,800	-870,400	-1,074,400	-1,944,800	0	0	0
Retention Incentive Awards for Protective Employees of Corrections, Health Services	0	0	0	545,200	0	545,200	545,200	0	545,200
Vacation Allowance Modifications	292,300	304,100	596,400	-292,300	-304,100	-596,400	0	0	0
Natural Resources Warden and Capitol Police Pay Progression	127,800	127,800	255,600	0	0	0	127,800	127,800	255,600
Compensation Reserves Total - GPR	\$365,260,700	\$581,614,700	\$946,875,400	-\$54,079,800	-\$183,684,700	-\$237,764,500	\$311,180,900	\$397,930,000	\$709,110,900
Compensation Reserves Total - All Funds	\$667,480,900	\$1,001,825,800	\$1,669,306,700	-\$107,948,900	-\$307,873,300	-\$415,822,200	\$559,532,000	\$693,952,500	\$1,253,484,500

BUDGET STABILIZATION FUND

Budget Change Item

1. TRANSFER TO BUDGET STABILIZATION FUND

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

Governor: Transfer \$500,000,000 from the general fund to the budget stabilization fund in fiscal year 2023-24. The budget stabilization fund currently has a balance of \$1.76 billion.

Joint Finance: Provision not included.

BUILDING COMMISSION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$80,296,400	\$141,161,200	\$70,435,900	- \$70,725,300	- 50.1%	- \$9,860,500	- 12.3%
PR	1,122,800	2,994,300	1,091,100	- 1,903,200	- 63.6	- 31,700	- 2.8
SEG	<u>2,048,400</u>	<u>2,048,400</u>	<u>2,048,400</u>	<u>0</u>	0.0	<u>0</u>	0.0
TOTAL	\$83,467,600	\$146,203,900	\$73,575,400	- \$72,628,500	- 49.7%	- \$9,892,200	- 11.9%

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

Budget Change Items

1. DEBT SERVICE REESTIMATE [LFB Papers 106 and 230]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$60,864,800	- \$70,725,300	- \$9,860,500
PR	<u>1,871,500</u>	<u>- 1,903,200</u>	<u>- 31,700</u>
Total	\$62,736,300	- \$72,628,500	- \$9,892,200
GPR-Lapse	\$0	- \$3,410,000	- \$3,410,000

Governor: Increase funding by \$4,294,900 GPR in 2023-24 and \$56,569,900 GPR in 2024-25 to reflect the reestimate of GPR debt service costs on state general obligation bonds and short-term debt. Increase funding by \$349,800 PR in 2023-24 and \$1,521,700 PR in 2024-25 for debt service on PR-supported bonds.

Joint Finance: Reestimate debt service by -\$17,853,900 GPR and -\$480,300 PR in 2023-24 and by -\$52,871,400 GPR and -\$1,422,900 PR in 2024-25.

In addition, estimate a general fund lapse of -\$860,000 in 2023-24 and -\$550,000 in 2024-25 to reflect GPR savings from the recent issuance of refunding bonds. Estimate a general fund lapse of -\$1,000,000 in each year of the 2023-25 biennium to reflect GPR savings from the use of interest earnings of funds deposited to the bond security and redemption fund.

2. GPR TRANSFER TO THE CAPITAL IMPROVEMENT FUND [LFB Paper 236]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Transfer	\$1,955,000,000	-\$720,918,100	\$1,234,081,900

Governor: Transfer \$1,955,000,000 in the 2023-25 biennium from the general fund to the state capital improvement fund. Specify that the moneys transferred under this provision would be kept separate from other moneys in the capital improvement fund and would have to be used, in lieu of bonding, to fund building projects authorized in the 2023-25 State Building Program. All earnings on or income from the investment of the transferred moneys would be deposited in the general fund. Additionally, any excess moneys that are not used to fund building projects would be transferred to the general fund.

Joint Finance: Include provision except transfer \$1,234,081,900, rather than \$1,955,000,000, from the general fund to the capital improvement fund. Specify that these moneys could also be used to fund modifications to prior building program projects, and that \$20,000,000 of this amount could be used by the Building Commission for inflationary increases, subject to approval by the Joint Committee on Finance. Create a continuing appropriation authorizing the expenditure of these moneys.

3. PR TRANSFER TO THE CAPITAL IMPROVEMENT FUND

Governor: Increase the existing PR appropriation under DOA for facility operations and maintenance and police and protection functions by \$40 million in 2023-24. The Executive Budget Book indicates that this funding is intended to be transferred to the capital improvement fund for state building projects enumerated in the capital budget. The fiscal effect of this item is shown under the Department of Administration (DOA).

Joint Finance: Provision not included.

4. TRANSFER TO THE BUILDING TRUST FUND

Governor/Joint Finance: Transfer \$18,000,000 from DOA's capital planning and building construction services program revenue appropriation to the building trust fund in 2023-24. The DOA program revenue appropriation receives moneys for the provision of building construction and capital planning services provided on behalf of state agencies. These amounts include amounts assessed to building program projects by the DOA Division of Facilities Development for their

management of those projects and for assistance to the Building Commission in the performance of their duties. The fiscal effect of this item is shown under the Department of Administration (DOA).

5. 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 \$1.725 billion, from \$9.51 billion to \$11.235 billion. Under current law, the Building Commission is authorized to contract public debt of up to \$9.51 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.

6. ADDITIONAL BUILDING TRUST FUND MONEYS

Joint Finance: Provide \$32,000,000 GPR to the Joint Committee on Finance's supplemental appropriation to be released to the building trust fund, subject to approval by the Joint Committee on Finance. Create a GPR appropriation under the Building Commission to accomplish this purpose. The fiscal effect of this item is shown under Program Supplements.

BUILDING PROGRAM

1. 2023-25 ENUMERATED PROJECTS [LFB Paper 235]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
All Funds	\$3,320,700,900	- \$1,322,834,700	\$1,997,866,200

Governor: Provide \$3,320,700,900 from all funding sources of 2023-25 building program financing authority for: (a) specific enumerated projects (\$2,704,417,000); and (b) all agency projects (\$616,283,900).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) \$512,425,900 from new general obligation bonding authority; (b) \$154,435,000 from general obligation bonding authority that is currently authorized; (c) \$18,500,200 from new revenue bonding authority; (d) \$334,830,800 from agency operating funds; (e) \$1,782,866,000 from segregated revenue; (f) \$98,137,200 from federal funds; and (g) \$419,505,800 from gifts, grants, and other receipts. Define "segregated revenue" as the moneys transferred from the general fund to the capital improvement fund to be used to fund building projects authorized in the 2023-25 state building program. The funding sources for the 2023-25 building program by agency are shown in Table 1.

Joint Finance: Provide \$1,997,866,200 from all funding sources of 2023-25 building program financing authority for: (a) specific enumerated projects (\$1,401,582,300); and (b) all agency projects (\$596,283,900).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) \$275,799,900 from new general obligation bonding authority; (b) \$154,435,000 from general obligation bonding authority that is currently authorized; (c) \$18,500,200 from existing revenue bonding authority; (d) \$241,617,800 from agency operating funds; (e) \$1,074,648,300 from segregated revenue; (f) \$98,622,200 from federal funds; and (g) \$134,242,800 from gifts, grants, and other receipts. Define "segregated revenue" as the moneys transferred from the general fund to the capital improvement fund to be used to fund building projects authorized in the 2023-25 state building program. Specify that "segregated revenue" could also be used to fund modifications to prior building program projects included in this bill.

The funding sources for the 2023-25 building program by agency, as recommended by the Committee, are shown in Table 2. The major agency projects enumerated as part of the 2023-25 state building program, as recommended by the Governor and Committee, are listed in Table 3. Tables 4 and 5 list the projects included by the Governor and Joint Finance in the UW System's minor facilities renewal projects program and the instructional space projects program. Table 6 shows total funding from all funding sources for the 2023-25 building program, funds allocated for project planning, and modifications to prior building programs. Descriptions of projects allocated planning funds and modifications to prior building program projects are included in separate items of this summary.

TABLE 1**Governor's Recommended Funding Sources for the 2023-25 Building Program**

	<u>New General Obligation Bonds</u>		<u>Revenue</u>	<u>Existing</u>	<u>Agency</u>	<u>Segregated</u>	<u>Gifts,</u>	<u>Federal</u>	<u>Total</u>
	<u>PR</u>	<u>SEG</u>	<u>Bonds</u>	<u>Obligation</u>	<u>Operating</u>	<u>Revenue</u>	<u>and Other</u>		
				<u>Bonds</u>	<u>Funds</u>				
Administration	\$110,285,000	-	-	-	\$40,000,000	\$47,775,000	-	-	\$198,060,000
Building Commission	-	-	-	-	-	62,839,000	\$207,852,000	-	270,691,000
Corrections	-	-	-	-	-	218,623,000	-	-	218,623,000
Health Services	-	-	-	-	-	116,398,000	-	-	116,398,000
Military Affairs	-	-	-	-	-	27,155,000	-	\$40,672,000	67,827,000
Natural Resources	-	\$19,114,000	-	-	-	24,471,000	-	-	43,585,000
Transportation	-	-	\$11,490,000	-	-	-	-	-	11,490,000
University of Wisconsin System	215,141,000	-	-	\$144,435,000	217,381,000	973,141,000	208,750,000	-	1,758,848,000
Veterans Affairs	<u>6,431,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,464,000</u>	<u>-</u>	<u>-</u>	<u>18,895,000</u>
Subtotal	\$331,857,000	\$19,114,000	\$11,490,000	\$144,435,000	\$257,381,000	\$1,482,866,000	\$416,602,000	\$40,672,000	\$2,704,417,000
All Agency									
Facilities Repair and Renovation	\$50,000,000	\$7,039,300	\$7,010,200	\$9,897,000	\$32,161,900	\$195,000,000	\$1,135,800	\$39,512,400	\$341,756,600
Utilities Repair and Renovation	35,000,000	4,415,600	-	-	8,298,000	70,000,000	-	9,629,600	127,343,200
Health, Safety and Environmental Protection	2,000,000	-	-	103,000	6,117,600	20,000,000	1,768,000	714,000	30,702,600
Preventive Maintenance Program	870,000	-	-	-	-	-	-	-	870,000
Programmatic Remodeling and Renovation	12,130,000	0	-	-	19,833,000	5,000,000	-	6,022,800	42,985,800
Capital Equipment and Acquisition	-	-	-	-	-	5,000,000	-	-	5,000,000
Land and Property Acquisition	-	0	-	-	10,615,500	-	-	-	10,615,500
Energy Conservation	<u>50,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,800</u>	<u>5,000,000</u>	<u>-</u>	<u>1,586,400</u>	<u>57,010,200</u>
Subtotal	\$150,000,000	\$11,454,900	\$7,010,200	\$10,000,000	\$77,449,800	\$300,000,000	\$2,903,800	\$57,465,200	\$616,283,900
TOTAL	\$481,857,000	\$30,568,900	\$18,500,200	\$154,435,000	\$334,830,800	\$1,782,866,000	\$419,505,800	\$98,137,200	\$3,320,700,900

TABLE 2**Joint Committee on Finance Recommended Funding Sources for the 2023-25 Building Program**

	New General Obligation Bonds		Existing General Obligation Bonds	Existing Revenue Bonds	Agency Operating Funds	Segregated Revenue	Gifts, Grants, and Other	Federal	Total
	<u>PR</u>	<u>SEG</u>							
Administration	\$8,878,000	-	-	-	-	\$6,400,000	-	-	\$15,278,000
Building Commission	-	-	-	-	-	86,539,000	\$131,339,000	-	217,878,000
Corrections	-	-	-	-	-	50,640,000	-	-	50,640,000
Health Services	-	-	-	-	-	28,441,000	-	-	28,441,000
Military Affairs	-	-	-	-	-	27,317,000	-	\$41,157,000	68,474,000
Natural Resources	-	\$19,114,000	-	-	-	40,772,300	-	-	59,886,300
Transportation	-	-	-	\$11,490,000	-	-	-	-	11,490,000
University of Wisconsin System	104,922,000	-	\$144,435,000	-	\$154,168,000	527,075,000	-	-	930,600,000
Veterans Affairs	<u>6,431,000</u>	-	-	-	-	<u>12,464,000</u>	-	-	<u>18,895,000</u>
Subtotal	\$120,231,000	\$19,114,000	\$144,435,000	\$11,490,000	\$154,168,000	\$779,648,300	\$131,339,000	\$41,157,000	\$1,401,582,300
All Agency									
Facilities Repair and Renovation	\$50,000,000	\$7,039,300	\$9,897,000	\$7,010,200	\$42,161,900	\$195,000,000	\$1,135,800	\$39,512,400	\$351,756,600
Utilities Repair and Renovation	35,000,000	4,415,600	-	-	8,298,000	70,000,000	-	9,629,600	127,343,200
Health, Safety and Environmental Protection	2,000,000	-	103,000	-	6,117,600	20,000,000	1,768,000	714,000	30,702,600
Preventive Maintenance Program	870,000	-	-	-	-	-	-	-	870,000
Programmatic Remodeling and Renovation	12,130,000	-	-	-	19,833,000	5,000,000	-	6,022,800	42,985,800
Capital Equipment and Acquisition	-	-	-	-	-	5,000,000	-	-	5,000,000
Land and Property Acquisition	-	-	-	-	10,615,500	-	-	-	10,615,500
Energy Conservation	<u>25,000,000</u>	-	-	-	<u>423,800</u>	-	-	<u>1,586,400</u>	<u>27,010,200</u>
Subtotal	\$125,000,000	\$11,454,900	\$10,000,000	\$7,010,200	\$87,449,800	\$295,000,000	\$2,903,800	\$57,465,200	\$596,283,900
TOTAL	\$245,231,000	\$30,568,900	\$154,435,000	\$18,500,200	\$241,617,800	\$1,074,648,300	\$134,242,800	\$98,622,200	\$1,997,866,200

TABLE 3**State Agency 2023-25 Enumerated Major Projects
Total Project Authority (All Funding Sources)**

	<u>Governor</u>	<u>Joint Finance</u>
Administration		
State Industry and Labor Building (GEF 1) - Building Renovation and Parking Garage Repairs	\$141,407,000	-
Wisconsin Air Services - New Airplane Hangar	4,675,000	\$4,675,000
State Capitol - Sidewalk & Storm Water Piping Replacement	6,400,000	6,400,000
Hill Farms Building D - State Lab of Hygiene - New Lab	4,203,000	4,203,000
State Capitol - Fiber and Cable Upgrades	<u>41,375,000</u>	*
Total	\$198,060,000	\$15,278,000
Building Commission		
Bronzeville Center for the Arts - African American Art Center - Milwaukee County	\$54,900,000	-
Children's Wisconsin - Dental Clinic Expansion - Milwaukee County	9,578,000	\$9,578,000
Woodman's Sports and Convention Center - Janesville	50,500,000	-
Green Bay National Railroad Museum Expansion	15,000,000	-
Marquette University - School of Dentistry Upgrades - Milwaukee	28,000,000	28,000,000
Milwaukee Iron District - New Soccer Stadium	45,000,000	-
Door County Peninsula Players Theatre – Dormitory Upgrade	4,213,000	-
Versiti Blood Research Institute Addition - Milwaukee County	63,500,000	63,500,000
Regional Forensic Science Center - Marathon County	-	14,800,000
Food and Farm Exploration Center	-	41,000,000
Badgerland after School Enrichment Program (BASE)	-	11,000,000
Grants for Local Projects	<u>-</u>	<u>50,000,000</u>
Total	\$270,691,000	\$217,878,000
Corrections		
Type 1 Juvenile Correctional Facility - Statewide	\$83,000,000	*
Green Bay Correctional Institution - New Health Services Unit	25,057,000	-
Statewide - Minor Facilities Renewal Program - Roof and ADA Compliance	4,099,000	\$4,099,000
Dodge Correctional Institution - Health Services Unit Replacement	28,851,000	28,851,000
Statewide - Minor Facilities Renewal Program - Asphalt Pavement Improvements	13,629,000	-
Lincoln Hills School/Copper Lake School – School Building HVAC Improvements	5,723,000	5,723,000
Grow Academy - 16 Bed Replacement Facility	24,904,000	-
Fox Lake Correctional Institution - Housing Units 1-6 Bathroom Remodel	21,393,000	-
Fox Lake Correctional Institution - Vocational Building Elevated Walkway Replacement	<u>11,967,000</u>	<u>11,967,000</u>
Total	\$218,623,000	\$50,640,000
Health Services		
Central Wisconsin Center - Food Service Building Renovation	\$56,002,000	*
Winnebago Mental Health Institute - Utility and Service Tunnel Improvements	31,955,000	*
Statewide – Minor Facilities Renewal Program - HVAC Improvements	8,330,000	\$8,330,000
Systemwide – Minor Facilities Renewal Program - Envelope Repairs	<u>20,111,000</u>	<u>20,111,000</u>
Total	\$116,398,000	\$28,441,000
Military Affairs		
Madison AASF 2 - Fire Suppression System	\$3,906,000	\$3,906,000
Black River Falls – New Readiness Center	45,819,000	45,819,000
Statewide - Tower Updates, Phase II	13,656,000	13,656,000
Madison AASF 2 – Remodel Hangar Pod Doors 5 and 6	4,446,000	4,446,000
Watertown Readiness Center - New Motor Vehicle Storage Building	<u>-</u>	<u>647,000</u>
Total	\$67,827,000	\$68,474,000

	<u>Governor</u>	<u>Joint Finance</u>
Natural Resources		
Pattison State Park - Dam Reconstruction	\$7,848,000	\$7,848,000
Statewide – Trail Accessibility Improvements	3,957,000	3,957,000
Badger State Trail - Stewart Tunnel Repair	6,606,000	6,606,000
Friendship Ranger Station - Fire Response Ranger Station Replacement	7,649,000	7,649,000
Crandon Ranger Station - Fire Response Ranger Station Replacement	4,512,000	4,512,000
Potawatomi State Park - Observation Tower Revitalization	6,060,000	500,000
Lemay Forestry Center – New Fire Response Equipment Facility	3,023,000	3,023,000
Lemay Forestry Center – New Fire Equipment Fabrication Storage Facility	3,930,000	3,930,000
Montello/Fox River -- Lock Channel Repairs	-	5,026,900
Horicon Marsh -- Main Dam	-	3,023,000
Peninsula State Park -- Renovate 5 Tension T/S Buildings	-	3,571,600
Gov. Earl Peshtigo River State Forest -- Repair and Replace Boat Access Sites Property-wide	-	7,117,800
Rock Island State Park -- Historic Boat House Breakwall/Pier Replacement	-	<u>3,122,000</u>
Total	<u>\$43,585,000</u>	<u>\$59,886,300</u>
Transportation		
Spoooner – Multi-Divisional Replacement Facility	\$11,490,000	\$11,490,000
UW System		
Systemwide - Instructional Space Projects Program	\$46,604,000	\$46,604,000
Systemwide - Minor Facilities Renewal Program	89,939,000	89,939,000
Systemwide - Central Plants & Utility Distribution Renovation	149,269,000	-
Madison - Engineering Replacement Building/Computer Aided Engineering Facility Demolition	347,336,000	-
La Crosse - Prairie Springs Science Center Completion/Cowley Hall Demolition	182,506,000	-
Madison - Humanities Art Department Relocation & Consolidation	169,072,000	-
Madison - Music Hall Restoration & Exterior Envelope Renovation	39,741,000	-
Stout - Heritage Hall Addition & Renovation	*	138,887,000
Oshkosh - Gruenhagen Conference Center Plumbing Riser Replacement	20,462,000	20,462,000
Stevens Point - Champions Hall Addition & Renovation/Two Building Demolition	32,906,000	32,906,000
Madison - Kronshage-Jorns-Humphrey Residence Halls Addition & Renovations	79,211,000	-
Oshkosh - Donner-Webster Residence Halls Additions & Renovations	57,671,000	57,671,000
La Crosse - Center for the Arts Parking Ramp/University Police Building Addition	27,642,000	27,642,000
Eau Claire - Science/Health Science Building Completion/Phillips Hall Demolition	231,326,000	231,326,000
Madison - Camp Randall Sports Center Replacement	<u>285,163,000</u>	<u>285,163,000</u>
Total	<u>\$1,758,848,000</u>	<u>\$930,600,000</u>
Veterans Affairs		
King - Power Plant Chillers Repair, Phase II	\$9,895,000	\$9,895,000
Wisconsin Veterans Museum - Museum Upgrade and Expansion – Acquisition Only	<u>9,000,000</u>	<u>9,000,000</u>
Total	<u>\$18,895,000</u>	<u>\$18,895,000</u>
All Agency Program		
Facility Maintenance and Repair	\$341,756,600	\$351,756,600
Utility Repair and Renovation	127,343,200	127,343,200
Health, Safety, and Environmental Protection	30,702,600	30,702,600
Preventive Maintenance	870,000	870,000
Programmatic Remodeling and Renovation	42,985,800	42,985,800
Capital Equipment Acquisition	5,000,000	5,000,000
Land and Property Acquisition	10,615,500	10,615,500
Energy Conservation	<u>57,010,200</u>	<u>27,010,200</u>
Total	<u>\$616,283,900</u>	<u>\$596,283,900</u>
Grand Total	\$3,320,700,900	\$1,997,866,200

*Planning funds allocated for these projects.

TABLE 4**2023-25 University of Wisconsin System, Minor Facility Renewal Program**

<u>Campus</u>	<u>Project Description</u>
UW - Green Bay	Campus-wide Fire Alarm & Smoke Detection System Replacement
UW - Milwaukee	Kenilworth Square East Exterior Envelope Maintenance & Repairs
UW - Parkside	Facilities Management Center Health & Safety Renovations
UW - Stout	Swanson Library Electrical System Replacement/Exterior Envelope Maintenance & Repairs
UW - La Crosse	Graff Main Hall/Mitchell Hall Exterior Envelope Maintenance & Repairs
UW - Milwaukee	Chapman Hall/Cunningham Hall Exterior Envelope Maintenance & Repairs
UW - Platteville	Williams Fieldhouse Exterior Envelope Maintenance & Repairs
UW - Stout	Multi-building Exterior Envelope Maintenance & Repairs
UW - Whitewater	Wells Hall Elevator Modernization
UW - Madison	Nielsen Tennis Center Roof Replacement
UW - Parkside	Multi-building Telecommunications Cable Replacement
UW - Madison	Lifesaving Station Erosion Repairs & Prevention
UW - Madison	University Bay Fields Enhancements
UW - Madison	Lakeshore Path Pedestrian Bridge

TABLE 5**2023-25 University of Wisconsin System, Instructional Space Projects Program**

<u>Campus</u>	<u>Project Description</u>
UW - Parkside	Health Science Laboratory Renovations
UW - River Falls	Ag Engineering & Ag Science Laboratory Renovations
UW - Platteville	Boebel Hall Biochemistry Laboratory Renovation (Rm 327)
UW - Whitewater	Center of the Arts Metals Lab Renovation (Rm 2054)
UW - Oshkosh	Arts & Communication Center Music Hall Renovation
UW - Green Bay	Studio Arts 4th Floor Visual Arts Laboratory Renovations
UW - Eau Claire	Haas Fine Arts Art & Design Studio Renovation
UW - Stout	Communications Technology Classroom Renovations
UW - Madison	Van Hise Hall First Floor Classroom Renovations
UW - La Crosse	Wing Technology Center Computer Science Laboratory Renovation
UW - Eau Claire	Hibbard Hall Classroom Renovations
UW - Madison	Steenbock Library Active Learning Space Renovation
UW - Madison	Brogden Psychology Lecture Hall 105 Renovation

TABLE 6

Total Project Authority (All Funding Sources)

	<u>Governor</u>	<u>Joint Finance</u>
2023-25 Enumerated Major Projects	\$3,320,700,900	\$1,997,866,200
Planning Funds		
Department of Administration		
State Capitol - Fiber and Cable Upgrades	*	\$1,200,000
Department of Corrections		
Type 1 Juvenile Correctional Facility - Statewide	*	\$6,000,000
Type 1 Juvenile Correctional Facility - Statewide - Planning Only	\$4,000,000	-
Department Of Health Services		
Central Wisconsin Center - Food Service Building Renovation	*	\$5,000,000
Winnebago Mental Health Institute - Utility and Service Tunnel Improvements	*	<u>3,000,000</u>
Total		\$8,000,000
Department Of Military Affairs		
Fort Mccooy - Wing Challenge Academy Design	\$700,000	\$700,000
UW System		
Milwaukee - Health Sciences Renovation	\$1,000,000	\$5,000,000
Whitewater - Winther Hall/Heide Hall Entry Additions & Renovations	500,000	3,000,000
Stout - Heritage Hall Addition & Renovation	<u>500,000</u>	*
Total	\$2,000,000	\$8,000,000
Total Planning Funds	\$6,700,000	\$23,900,000
Modifications to Prior Building Programs		
Department of Corrections		
Type 1 Juvenile Correctional Facility - Milwaukee County	\$78,400,000	\$78,400,000
Department Of Health Services		
Mendota Mental Health Institute - Utility Improvements	\$56,000,000	\$19,920,000
Winnebago Mental Health Institute - Patient Admissions Area	34,511,000	34,511,000
Sand Ridge Secure Treatment Center - Skilled Care Unit Expansion	<u>18,175,000</u>	<u>18,175,000</u>
Total	\$108,686,000	\$72,606,000
Department Of Military Affairs		
Clintonville Readiness Center – New Motor Vehicle Storage Building	\$2,786,000	\$2,786,000
West Bend AASF 1 - Hangar Addition and Fire Suppression	<u>12,671,000</u>	<u>12,671,000</u>
Total	\$15,457,000	\$15,457,000
Department Of Natural Resources		
Wausau Service Center - Service Center Addition	\$4,707,000	\$4,707,000

	<u>Governor</u>	<u>Joint Finance</u>
State Fair Park		
State Fair Park - Cream Puff Pavilion Renovation	\$12,500,000	\$12,500,000
UW System		
Wisconsin Veterinary Diagnostic Laboratory -- Barron	-	\$14,555,000
Department Of Veterans Affairs		
King - Central Kitchen Replacement	\$41,498,800	-
Southern Wisconsin Veterans Memorial Cemetery - Administration		
Building Expansion and Fire Protection	<u>3,708,000</u>	<u>\$3,708,000</u>
Total	<u>\$45,206,800</u>	<u>\$3,708,000</u>
Wisconsin Historical Society		
Wisconsin History Museum	<u>\$160,487,000</u>	<u>\$160,487,000</u>
Total Modifications to Prior Building Programs	\$425,443,800	\$362,420,000
GRAND TOTAL	\$3,752,844,700	\$2,384,186,200

*Project enumerated.

2. BONDING AUTHORIZATIONS FOR THE 2023-25 BUILDING PROGRAM [LFB Paper 235]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$512,425,900	- \$236,626,000	\$275,799,900

Governor: Provide \$512,425,900 of new general obligation bonding authority for 2023-25 building program projects.

Joint Finance: Provide \$275,799,900 of new general obligation bonding authority for 2023-25 building program projects as shown in the table below.

2023-25 Building Program Bonding Authorizations

	<u>Governor</u>	<u>Jt Finance</u>
Administration		
Energy Conservation Projects	\$50,000,000	\$25,000,000
Building Commission		
Housing State Agency	110,285,000	8,878,000
Other Public Purposes	100,000,000	100,000,000
Natural Resources		
SEG Revenue Supported Facilities	30,568,900	30,568,900
University of Wisconsin System		
Self-Amortizing Facilities	215,141,000	104,922,000
Veterans Affairs		
Self-Amortizing Facilities	<u>6,431,000</u>	<u>6,431,000</u>
GRAND TOTAL	\$512,425,900	\$275,799,900

3. MODIFICATIONS TO PRIOR BUILDING PROGRAMS [LFB Paper 235]

Governor: Modify prior building programs as follows:

a. 2015-17 Building Program

(1) Under Department of Military Affairs, create a new subdivision for projects financed by segregated revenue and provide \$2,726,000 for the "Aircraft hangar addition and renovation - West Bend" project. Under projects financed by federal funds, increase the amount for "Hangar addition -- West Bend" from \$8,350,000 to \$9,503,000. Increase the total enumeration from all fund sources from \$8,792,000 to \$12,671,000. Further, reclassify the funding added by 2019 Act 9 (\$52,000) from GPR-supported borrowing to existing GPR-supported borrowing, thereby increasing

existing GPR-supported borrowing for "Hangar addition -- West Bend" from \$390,000 to \$442,000 and decreasing funding from GPR-supported borrowing to \$0.

b. 2017-19 Building Program

(1) Under the Department of Corrections, create a new subdivision for projects financed by segregated revenue and provide \$32,609,000 for "Type 1 juvenile correctional facilities -- statewide." Further, create a new subdivision for projects financed by existing GPR-supported borrowing and reclassify a portion of the GPR-supported borrowing for "Type 1 juvenile correctional facilities -- statewide" (\$45,791,000) as existing GPR-supported borrowing. Eliminate the remaining funding for GPR-supported borrowing (\$25,000,000). Increase the total enumeration from all fund sources from \$45,791,000 to \$78,400,000.

(2) Under State Fair Park, create a new subdivision for projects financed by PR-supported borrowing, and provide \$6,500,000 of that borrowing for "Cream Puff Pavilion -- West Allis." Increase the total enumeration from all fund sources from \$6,000,000 to \$12,500,000.

(3) Under projects financed by PR-supported borrowing, increase the amount for the "Wisconsin Veterans Home at King -- central services kitchen upgrade" project under the Department of Veterans Affairs from \$7,588,800 to \$19,385,000, to reflect an increase in PR-supported borrowing of \$19,385,000. Create a new subdivision for projects financed by segregated revenue and provide \$13,537,700 for "Wisconsin Veterans Home at King -- central services kitchen upgrade." Create a new subdivision for projects financed by existing PR-supported borrowing and reclassify the funding added by 2017 Act 59, and amended by 2021 Act 58, (\$7,588,800) from PR-supported borrowing to existing PR-supported borrowing. Create a new subdivision for projects financed by existing GPR-supported borrowing. Reduce the funding for projects financed by GPR-supported borrowing from \$4,086,200 to \$0 to reflect a transfer by the State Building Commission, in May 2022, of \$3,098,900 to the food service project at Union Grove, and the reclassification of the remaining GPR-supported borrowing (\$987,300) as existing GPR-supported borrowing. Increase the total enumeration from all fund sources from \$8,576,100 to \$41,498,800.

c. 2019-21 Building Program

(1) Under the Department of Natural Resources, create a new subdivision for projects financed by segregated revenue and provide \$3,432,500 for the "Wausau Service Center -- service center additions -- Wausau" project. Continue \$892,100 of SEG-supporting borrowing for this project. Reduce the funding for the Wausau Service Center project financed by GPR-supported borrowing from \$382,400 to \$0 to reflect the reclassification of the funding under the newly-created subdivision for projects financed by existing GPR-supported borrowing. Increase the total enumeration from all fund sources from \$1,274,500 to \$4,707,000.

(2) Under the Wisconsin Historical Society, create a new subdivision for projects financed by segregated revenue and provide \$42,341,000 for the "Wisconsin History Museum -- Madison" project. Under projects financed by gifts, grants, and other receipts, increase the amount of funding for the Wisconsin History Museum from \$30,000,000 to \$48,146,000. Reduce the funding for the Wisconsin History Museum project financed by GPR-supported borrowing from \$70,000,000 to \$0 to reflect the reclassification of the funding as existing GPR-supported borrowing. Increase the total

enumeration from all fund sources from \$100,000,000 to \$160,487,000.

(3) Under the Department of Veterans Affairs, create a new subdivision for projects financed by segregated revenue and provide \$1,083,000 for the "Wisconsin Veterans Home at Union Grove -- Southern Wisconsin Veterans Memorial Cemetery Administration Building expansion and fire protection" project. Create a new subdivision for projects financed by program revenue and provide \$123,000 for the project. Reduce the funding for the project financed by GPR-supported borrowing from \$2,176,000 to \$0 to reflect the reclassification of the funding under the newly-created subdivision for projects financed by existing GPR-supported borrowing. Increase the existing GPR-supported borrowing amount to \$2,502,000 to reflect the Building Commission's August 2022, authorization to increase the project budget by \$326,000. Increase the total enumeration from all fund sources from \$2,502,000 to \$3,708,000.

d. 2021-23 Building Program

(1) Under the Department of Health Services, create a new subdivision for projects financed by segregated revenue and provide \$17,716,000 for the "Winnebago Mental Health Institute -- patient admission area -- Oshkosh" project. Reduce the funding for the Winnebago Mental Health Institute project financed by GPR-supported borrowing from \$16,795,000 to \$0 to reflect the reclassification of the funding under the newly-created subdivision for projects financed by existing GPR-supported borrowing. Increase the total enumeration from all fund sources from \$16,795,000 to \$34,511,000.

(2) Under the Department of Health Services, create a new subdivision for projects financed by segregated revenue and provide \$5,563,000 for the "Sand Ridge Secure Treatment Center -- skilled care unit remodel -- Mauston" project. Reduce the funding for the Sand Ridge Secure Treatment Center project financed by GPR-supported borrowing from \$12,612,000 to \$0 to reflect the reclassification of the funding under the newly created subdivision for projects financed by existing GPR-supported borrowing. Increase the total enumeration from all fund sources from \$12,612,000 to \$18,175,000.

(3) Under the Department of Health Services, create a new subdivision for projects financed by segregated revenue and provide \$41,080,000 for the "Mendota Mental Health Institute -- utility improvements -- Madison" project. Reduce the funding for the Mendota Mental Health Institute project financed by GPR-supported borrowing from \$14,920,000 to \$0 to reflect the reclassification of the funding under the newly-created subdivision for projects financed by existing GPR-supported borrowing. Increase the total enumeration from all fund sources from \$14,920,000 to \$56,000,000.

(4) Under the Department of Military Affairs, create a new subdivision for projects financed by segregated revenue and provide \$63,100 for the "New motor vehicle storage buildings -- Clintonville and Waupaca" project. Under projects financed by federal funds, change the name of the project identified as "New motor vehicle storage buildings -- Marinette and Waupaca" to "New motor vehicle storage buildings -- Clintonville and Waupaca" and increase the amount from \$1,840,100 to \$2,002,000. Reduce the funding for the project financed by GPR-supported borrowing from \$720,900 to \$0 to reflect the reclassification of the funding under the newly created subdivision for projects financed by existing GPR-supported borrowing. Increase the total enumeration from all

fund sources from \$2,561,000 to \$2,786,000.

Joint Finance: Include provision with the following modifications. Under the 2017-19 Building Program, do not modify the enumeration for the Wisconsin Veterans Home at King -- central services kitchen upgrade.

In addition, further modify the 2021-23 Building Program as follows: Under the University of Wisconsin System, create a new subdivision for projects financed by segregated revenue and provide \$5,000,000 for the "Wisconsin Veterinary Diagnostic Laboratory -- Barron" project. Reduce the funding for the Wisconsin Veterinary Diagnostic Laboratory project financed by GPR-supported borrowing from \$9,555,000 to \$0 to reflect the reclassification of the funding under the newly created subdivision for projects financed by existing GPR-supported borrowing. Increase the total enumeration from all fund sources from \$9,555,000 to \$14,555,000.

4. BONDING AUTHORIZATIONS FOR PREVIOUS BUILDING PROGRAMS [LFB Paper 235]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$25,885,000	- \$19,385,000	\$6,500,000

Governor: Provide \$25,885,000 of new general obligation bonding authority for projects authorized in previous building programs.

Joint Finance: Provide \$6,500,000 of new general obligation bonding authority for projects authorized in previous building programs, as shown in the following table.

	<u>Governor</u>	<u>Jt Finance</u>
<i>2017-19</i>		
State Fair Park Board		
Self-amortizing Facilities	\$6,500,000	\$6,500,000
Veterans Affairs		
Self-amortizing Facilities	<u>19,385,000</u>	<u>0</u>
Total	\$25,885,000	\$6,500,000

5. 2023-25 AUTHORIZED STATE BUILDING PROGRAM APPROPRIATION [LFB Paper 236]

Governor/Joint Finance: Create a segregated revenue continuing appropriation under the Building Commission to expend all moneys transferred from the general fund to the capital improvement fund for projects enumerated under the 2023-25 building program and modifications to prior building program projects. Specify that these moneys would fund project amounts designated as "segregated revenue".

6. TYPE 1 JUVENILE CORRECTIONAL FACILITY

Governor: Provide \$4,000,000 in segregated revenue for project planning, development, design, site selection, and land and property acquisition for a new 72,000 gross square foot Type 1 juvenile correctional facility.

Joint Finance: Provision not included.

7. WISCONSIN NATIONAL GUARD CHALLENGE ACADEMY AT FORT MCCOY

Governor/Joint Finance: Provide \$700,000 in segregated revenue to develop preliminary plans and specifications for the construction of a 71,000 gross square foot Wisconsin National Guard Challenge Academy located at Fort McCoy.

8. UNIVERSITY OF WISCONSIN SYSTEM FACILITIES

Governor: Provide segregated revenue as follows to develop preliminary plans and specifications for the construction of University of Wisconsin System facilities: (a) \$1,000,000 for renovations related to health sciences programs and to complete renovations in the Northwest Quadrant at UW-Milwaukee; (b) \$500,000 for renovations at Winther Hall, replacement of the Heide hall roofing and exterior windows, and construction of new entrances/vertical circulation towers for both of those facilities at UW-Whitewater; and (c) \$500,000 for demolition of a portion of the Vocational Rehabilitation building and for the construction of an addition and comprehensive renovation of the academic facility at UW-Stout.

Joint Finance: Increase the amount of segregated revenue provided for the Northwest Quadrant of UW-Milwaukee from \$1,000,000 to \$5,000,000 and for UW-Whitewater's Winther and Heide Hall renovations from \$500,000 to \$3,000,000. Provide \$138,887,000 of segregated revenue to enumerate the UW-Stout Heritage Hall project, rather than providing \$500,000 of planning funds, as under the Governor's recommendations.

9. PROJECT THRESHOLD ADJUSTMENTS [LFB Paper 237]

Governor: Adjust the building project thresholds as follows:

a. increase the threshold at which a project would be required to be enumerated in the state building program from \$1,000,000 to \$2,000,000;

b. increase the threshold at which the Building Commission may authorize a project for any state agency in accordance with priorities established by the Commission and may adjust the priorities by deleting, substituting, or adding new projects as needed to reflect changing program needs and unforeseen circumstances from \$1,000,000 to \$2,000,000;

c. increase the threshold at which small projects do not require Building Commission approval and can follow simplified bidding procedures from not more than \$300,000 to not more

than \$600,000;

d. increase the threshold at which DOA is allowed to let construction projects to a single trade contractor for all work on the project if at least 85% of the estimated construction cost of the project is for work that involves the trade that is the primary business of the single trade contractor from \$300,000 to \$600,000;

e. increase the threshold on the size of contract for construction, reconstruction, remodeling of, or addition to state facilities that would require Building Commission approval of final plans for the project from \$300,000 to \$600,000. As under current law, State Fair Park Board projects require Building Commission approval, even if the total cost is under this threshold;

f. increase the threshold at which projects are required to utilize single prime bidding and contracting from \$300,000 to \$600,000;

g. increase the threshold at which the contracts and change orders for engineering architectural services and work on construction projects require the Governor's approval from \$300,000 to \$600,000;

h. increase the threshold on the size of contract for which DOA would be required to seek bids from the lowest responsible qualified bidder and meet the requirements for soliciting those bids from \$50,000 to \$100,000; and

i. increase the threshold at which the selection committee must use a request-for-proposal process to select an architect or engineer for a project based on qualifications from \$7,400,000 to \$15,000,000.

Joint Finance: Include provision with the following modification. Keep the threshold at which the selection committee must use a request-for-proposal process to select an architect or engineer for a project based on qualifications (item i) at \$7,400,000.

10. BRONZEVILLE CENTER FOR THE ARTS - AFRICAN AMERICAN ART CENTER

Governor: Enumerate a \$54,900,000 project for the Bronzeville Center for the Arts, Inc. - African American Art Center under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant of up to \$5,000,000 from segregated revenue to the Bronzeville Center for the Arts, Inc. to assist the Center in the construction of an Arts Destination Museum on a 3.4-acre parcel on the northeast corner of North Avenue and Dr. Martin Luther King Jr. Drive in Milwaukee. Specify that, before approving any state funding commitment for the construction of the museum, the Building Commission make a determination that the Bronzeville Center for the Arts, Inc. has secured additional funding for the project of at least \$49,900,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the Bronzeville Center for the Arts, Inc. for the construction of the African American Art Center, the state would retain an ownership interest in the center equal to the amount of the state's grant if,

for any reason, the center is not used as an Arts Destination Museum.

Specify that the Legislature finds and determines that providing cultural preservation and appreciation and support of the arts and gallery space for African-American art to be displayed vastly enriches the lives of the citizens of this state, and will provide economic development through construction-related jobs and employment opportunities after the Bronzeville Center for the Arts Destination Museum opens, 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 Bronzeville Center for the Arts, Inc. with constructing an Arts Destination Museum.

Specify that the Building Commission may not make a grant to Bronzeville Center for the Arts, Inc., for the construction of an Arts Destination 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.

Joint Finance: Provision not included.

11. CHILDREN'S HOSPITAL AND HEALTH SYSTEM - DENTAL CLINIC EXPANSION

Governor/Joint Finance: Enumerate a \$9,578,000 project for the Children's Wisconsin - Milwaukee dental clinic expansion under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant of up to \$4,789,000 from segregated revenue to Children's Hospital and Health System, Inc. Specify that, before approving any state funding commitment for the construction and equipment upgrades, the Building Commission make a determination that Children's Hospital and Health System, Inc. has secured additional funding for the project of at least \$4,789,000 from non-state revenue sources. Require that if the Building Commission makes a grant to Children's Hospital and Health System, Inc. for the construction of the dental clinic expansion, 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 for dentistry purposes.

Specify that the Legislature finds and determines that reducing wait times and improving accessibility of dental care at the dental clinic of Children's Hospital and Health System, Inc. will improve health outcomes for children in this state, reduce the burden on urgent care and emergency services at Children's Hospital and Health System, Inc., and improve economic development in the state by increasing the capacity of the pediatric dental residency program at the dental clinic at Children's, 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 Children's Hospital and Health System, Inc. with the expansion of its dental clinic at its main campus.

Specify that the Building Commission may not make a grant to Children's Hospital and Health System, Inc. for the expansion of its dental clinic 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.

12. JANESVILLE - WOODMAN'S SPORTS AND CONVENTION CENTER

Governor: Enumerate a \$50,500,000 project for the Woodman's Sports and Convention Center in Janesville under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant of up to \$15,000,000 from segregated revenue to the City of Janesville. Specify that, before approving any state funding commitment for the construction of the center, the Building Commission make a determination that the City has secured additional funding for the project of at least \$35,500,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the City for the construction of the Woodman's Sports and Convention Center, the state would retain an ownership interest in the center equal to the amount of the state's grant if, for any reason, the center is not used as a sports and convention center.

Specify that the Legislature finds and determines that the establishment of a sports and convention facility encourages economic development and tourism in this state by improving a blighted area of the City of Janesville and attracting new events and economic activity to the City of Janesville and south central Wisconsin, 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 City of Janesville with constructing the Woodman's Sports and Convention Center.

Specify that the Building Commission may not make a grant to the City of Janesville for the construction of the Woodman's Sports and Convention 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.

Joint Finance: Provision not included.

13. NATIONAL RAILROAD MUSEUM EXPANSION

Governor: Enumerate a \$15,000,000 project for the National Railroad Museum expansion under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant of up to \$7,000,000 from segregated revenue to the National Railroad Museum, Inc. Specify that, before approving any state funding commitment for the construction of the project, the Building Commission make a determination that the National Railroad Museum, Inc. has secured additional funding for the project of at least \$8,000,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the National Railroad Museum, Inc. for the expansion of the museum's Lenfestey

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 for purposes of a national railroad museum.

Specify that the Legislature finds and determines that expanding the National Railroad Museum's Lenfestey Center will encourage economic development and tourism in the City of Green Bay and Brown County, increase educational opportunities for school children, and increase access to community events. Further specify that it is in the public interest, serves a statewide public purpose, and it is the public policy of this state, to assist National Railroad Museum, Inc. with the expansion of the museum's Lenfestey Center.

Specify that the Building Commission may not make a grant to National Railroad Museum, Inc. for the expansion of the museum's Lenfestey 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.

Joint Finance: Provision not included.

14. MARQUETTE UNIVERSITY - SCHOOL OF DENTISTRY UPGRADES

Governor/Joint Finance: Enumerate a \$28,000,000 project for Marquette University's School of Dentistry upgrades under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant of up to \$10,750,000 from segregated revenue to Marquette University. Specify that, before approving any state funding commitment for the construction and equipment upgrades, the Building Commission make a determination that Marquette University has secured additional funding for the project of at least \$17,250,000 from non-state revenue sources. Require that if the Building Commission makes a grant to Marquette University for the construction and equipment upgrades to the Marquette University School of Dentistry, the state would retain an ownership interest in the facility equal to the amount of the state's grant if, for any reason, the facility is not used for dentistry purposes.

Specify that the Legislature finds and determines that improving the experiences and training of Marquette University School of Dentistry dental students, increasing the chances of continuing the supply of dentists throughout this state in future years, and improving access to oral health care statewide, particularly for Wisconsin's underserved populations via the Marquette University School of Dentistry's Main Campus Clinic and its affiliated statewide clinics, 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 Marquette University with construction and equipment upgrades to the Marquette University School of Dentistry's main campus clinic and classrooms, affiliated clinics and classrooms statewide, and patient experience center.

Specify that the Building Commission may not make a grant to Marquette University for the construction and equipment upgrades to its School of Dentistry 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.

15. MILWAUKEE IRON DISTRICT - NEW SOCCER STADIUM

Governor: Enumerate a \$45,000,000 project for a new soccer stadium in the Milwaukee Iron District under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant of up to \$9,300,000 from segregated revenue to the Iron District MKE, LLC. Specify that, before approving any state funding commitment for the construction of the project, the Building Commission make a determination that the Iron District has secured additional funding for the project of at least \$35,700,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the Iron District for the construction of the new soccer stadium and related facilities, the state would retain an ownership interest in the facilities equal to the amount of the state's grant if, for any reason, the facilities are not used for purposes of a soccer stadium and related facilities.

Specify that the Legislature finds and determines that a new soccer stadium and related facilities, including a hotel and a concerts and events venue, will encourage economic development and tourism in this state, reduce unemployment in this state, and bring needed capital into this state for the benefit and welfare of people throughout the state. Further specify that it is in the public interest, serves a statewide public purpose, and it is the public policy of this state, to assist Iron District MKE, LLC with the construction in a blighted area of Milwaukee County of a new soccer stadium and related facilities, including a hotel and a concerts and events venue.

Specify that the Building Commission may not make a grant to Iron District MKE, LLC for the construction of a new soccer stadium and related facilities, including a hotel and a concerts and events venue, in Milwaukee County 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.

Joint Finance: Provision not included.

16. PENINSULA PLAYERS THEATRE - DORMITORY UPGRADE

Governor: Enumerate a \$4,213,000 project for the Peninsula Players Theatre's dormitory upgrade under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant of up to \$1,000,000 from segregated revenue to the Peninsula Players Theatre Foundation, Inc. Specify that, before approving any state funding commitment for the construction of the project, the Building Commission make a determination that the Peninsula Players Theatre Foundation, Inc. has secured additional funding for the project of at least \$3,213,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the Peninsula Players Theatre Foundation, Inc. for the upgrade of its

dormitories, the state would retain an ownership interest in the facilities equal to the amount of the state's grant if, for any reason, the upgraded facilities are not used as dormitories for the staff and interns of the Peninsula Players Theatre.

Specify that the Legislature finds and determines that upgrading the dormitories of the Peninsula Players Theatre in Door County to address the current housing shortcomings, including equipping the dormitories with standard conveniences such as running water, indoor plumbing, and HVAC and increasing the capacity of the dormitories from 25 to 32 individuals, will encourage economic development and tourism in this state, reduce unemployment in this state, and provide needed workforce housing in this state. Further specify that it is in the public interest, serves a statewide public purpose, and it is the public policy of this state, to assist Peninsula Players Theatre Foundation, Inc. with upgrading the dormitories of the Peninsula Players Theatre in Door County.

Specify that the Building Commission may not make a grant to Peninsula Players Theatre Foundation, Inc. for upgrades to the dormitories of the Peninsula Players Theatre 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.

Joint Finance: Provision not included.

17. VERSITI BLOOD RESEARCH INSTITUTE ADDITION

Governor/Joint Finance: Enumerate a \$63,500,000 project for the Versiti Blood Research Institute addition under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant of up to \$10,000,000 from segregated revenue to the Versiti Blood Research Institute Foundation, Inc. Specify that, before approving any state funding commitment for the construction of the project, the Building Commission make a determination that the Versiti Blood Research Institute Foundation, Inc. has secured additional funding for the project of at least \$53,500,000 from non-state revenue sources. Require that if the Building Commission makes a grant to the Versiti Blood Research Institute Foundation, Inc. for the expansion of the Versiti Blood Research Institute, the state would retain an ownership interest in the space equal to the amount of the state's grant if, for any reason, the expanded space is not used for blood research.

Specify that the Legislature finds and determines that research focused on blood health, including research in the areas of blood cancers, benign hematology, cellular therapy, and immunology is essential to the health and well-being of the people 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 Versiti Blood Research Institute Foundation, Inc. with the expansion of the Versiti Blood Research Institute for purposes of blood research.

Specify that the Building Commission may not make a grant to the Versiti Blood Research Institutes Foundation, Inc. for the expansion of the Versiti Blood Research Institute 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.

18. STATEMENT OF BUILDING PROGRAM CONTINUATION

Governor/Joint Finance: Continue the building and financing authority enumerated under previous building programs into the 2023-25 biennium. Each building program is approved only for the current biennium; this provision would continue past state building programs into the 2023-25 biennium.

19. PROJECT LOANS

Governor/Joint Finance: Authorize the Building Commission, during the 2023-25 biennium, to make loans from general fund-supported borrowing or the building trust fund to state agencies for any 2023-25 building program projects funded from non-GPR sources.

20. MARATHON COUNTY - REGIONAL FORENSIC SCIENCE CENTER

Joint Finance: Enumerate a \$14,800,000 project for a Regional Forensic Science Center in Wausau under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant up to \$7,000,000 from segregated revenue to Marathon County. Specify that, before approving any state funding commitment for the construction of the project, the Building Commission make a determination that Marathon County has secured additional funding for the project of at least \$7,800,000 from non-state revenue sources. Require that if the Building Commission makes a grant to Marathon County for the Regional Forensic Science 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 expanded space is not used for purposes of a regional forensic sciences center.

Specify that the Legislature finds and determines that offering training and continuing educations opportunities to coroners and medical examiners, law enforcement, district attorney offices, and emergency medical and health services providers will improve the quality of the death investigation process for central and northern Wisconsin, 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 Marathon County with the construction of the Regional Forensic Science Center.

Specify that the Building Commission may not make a grant to Marathon County for the construction of the Regional Forensic Science 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 of the Governor.

21. FOOD AND FARM EXPLORATION CENTER

Joint Finance: Enumerate a \$41,000,000 project for a Food and Farm Exploration Center under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant up to \$3,000,000 from segregated revenue to the Farming for the Future Foundation (FFTFF). Specify that, before approving any state funding commitment for the construction of the project, the Building Commission make a determination that FFTFF has secured additional funding for the project of at least \$38,000,000 from non-state revenue sources. Require that if the Building Commission makes a grant to FFTFF for the Food and Farm Exploration 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 expanded space is not used for agricultural education.

Specify that the Legislature finds and determines that providing hands-on learning experiences to teach students about agricultural innovation and sustainability will attract more interest in agricultural careers, assist in workforce and development training for elementary, secondary, technical college, and university students, and help the state retain talent, 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 Farming for the Future Foundation with the construction of the Food and Farm Exploration Center.

Specify that the Building Commission may not make a grant to the Farming for the Future Foundation for the construction of the Food and Farm Exploration 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 of the Governor.

22. BADGERLAND AFTER SCHOOL ENRICHMENT PROGRAM (BASE)

Joint Finance: Enumerate an \$11,000,000 project for a new BASE facility under the 2023-25 state building program. The fiscal effect is included in Item #1.

Require that the state funding commitment be in the form of a grant up to \$1,000,000 from segregated revenue to the Badgerland After School Enrichment Program Inc. Specify that, before approving any state funding commitment for the construction of the project, the Building Commission make a determination that BASE has secured additional funding for the project of at least \$10,000,000 from non-state revenue sources. Require that if the Building Commission makes a grant to Base for new facility, the state would retain an ownership interest in the space equal to the amount of the state's grant if, for any reason, the expanded space is not used for an after school care facility.

Specify that the Legislature finds and determines that providing out-of-school care that inspire the local youth to be contributing, productive, and responsible members of their Communities through intentional programming that supports positive character development and unique opportunities to grow as individuals, 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 BASE in the purchase and renovation of a building to serve as a facility to provide out-of-school care to youth.

Specify that the Building Commission may not make a grant to BASE for the construction of the after school care facility 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 of the Governor.

23. GRANTS FOR LOCAL PROJECTS

Joint Finance: Provide \$50,000,000 of segregated revenue to establish a grant program under the Building Commission to assist non-state organizations to carry out construction projects having a statewide public purpose. The fiscal effect is included in Item #1. Specify that no grant awarded under this purpose could exceed \$4,000,000. Prohibit the Building Commission from awarding a grant for a construction project unless the Joint Committee of Finance approves the grant and finds that the project is in the public interest and serves one or more statewide public purposes. Require that the Building Commission determine that the organization carrying out the project has secured additional funding for the project from non-state revenue sources in an amount that is equal to at least 50% of the construction project.

Specify that the Building Commission may not make a grant under this purpose for construction of a project 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. Require that if the Building Commission makes a grant for this purpose, the state would retain an ownership interest in a space constructed with these grants equal to the amount of the state's grant if, for any reason, the expanded space is not used for one or more of the public purposes determined by the Joint Finance Committee.

24. STATE CAPITOL - FIBER AND CABLE UPGRADES

Joint Finance: Provide \$1,200,000 in segregated revenue to develop preliminary plans and specifications for fiber and cable upgrades at the State Capitol. Require the Department of Administration to coordinate with the Chief Clerk of each house of the Legislature and the Legislative Technology Services Bureau in the planning of this project. The fiscal effect is included in Item #1.

25. TYPE 1 JUVENILE CORRECTIONAL FACILITY - STATEWIDE

Joint Finance: Provide \$6,000,000 in segregated revenue to develop preliminary plans for the construction of a new 72,000 gross square foot Type 1 juvenile correctional facility. The fiscal effect is included in Item #1.

26. CENTRAL WISCONSIN CENTER - FOOD SERVICE BUILDING RENOVATION

Joint Finance: Provide \$5,000,000 in segregated revenue to develop preliminary plans for the renovation of the Food Service Building at the Central Wisconsin Center. The fiscal effect is included in Item #1.

27. WINNEBAGO MENTAL HEALTH INSTITUTE - UTILITY AND SERVICE TUNNEL IMPROVEMENTS

Joint Finance: Provide \$3,000,000 in segregated revenue to develop preliminary plans for the replacement and relocation of the service tunnel and utilities at the Winnebago Mental Health Institute. The fiscal effect is included in Item #1.

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$1,990,000	\$10,290,000	\$3,990,000	-\$6,300,000	- 61.2%	\$2,000,000	100.5%
FED	1,329,800	1,313,400	1,313,400	0	0.0	- 16,400	- 1.2
PR	3,136,600	3,464,200	3,464,200	0	0.0	327,600	10.4
SEG	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,486,400	\$15,097,600	\$8,797,600	-\$6,300,000	- 41.7%	\$2,311,200	35.6%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
FED	1.00	1.00	1.00	0.00	0.00
PR	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	7.00	7.00	7.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Joint Finance: Provide \$155,600 (-\$8,200 FED and \$163,800 PR) annually to reflect the net effect of the following standard budget adjustments: full funding of continuing salaries and fringe benefits (-\$8,200 FED and \$157,200 PR annually) and full funding of lease costs (\$6,600 PR annually).

FED	-\$16,400
PR	<u>327,600</u>
Total	\$311,200

2. FAMILY RESOURCE CENTERS [LFB Paper 245]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,300,000	-\$7,300,000	\$1,000,000

Governor: Provide \$4,150,000 annually to increase, from \$995,000 to \$5,145,000, annual

GPR funding for grants distributed by the Board. This item is intended to increase funding for grants to family resource centers (FRCs) to expand service to all areas of the state, serve more families, and provide financial stability for FRCs.

Current law requires the Board to distribute grants to FRCs in urban and rural communities throughout the state. The FRCs use the grant funds to provide direct parent education, family support, and referrals to other social services programs and outreach programs to all families in their service areas. The Board also uses federal grant funding to support FRCs, primarily from the Community-Based Child Abuse Prevention (CBCAP) grant, which typically provides approximately \$600,000 annually. The Board indicates that FRCs currently rely primarily on local government and philanthropic grant funding to maintain their operations, although these grants are often limited to specific services, programs, and population groups. The GPR appropriation affected also supports other grants the Board distributes, including for child sexual abuse prevention and abusive head trauma prevention.

Joint Finance: Reduce funding by \$3,650,000 annually, so that \$1,495,000 GPR would be budgeted annually for grants, a net increase of \$500,000 per year relative to the base.

3. TRIPLE P EXPANSION

GPR	\$1,000,000
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Joint Finance: Provide \$500,000 annually to increase funding the Prevention Board distributes as grants for programs for the primary prevention of child abuse and neglect. This amount is intended to increase funding for programs implementing the Triple P model. Triple P is the Positive Parenting Program, a system of parent education and skills-development interventions. The Prevention Board has provided grants to local agencies to implement Triple P programs, among other parent education programs, under its current authority to provide grants to organizations for the primary prevention of child abuse and neglect.

CHILDREN AND FAMILIES

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$1,009,655,600	\$1,521,330,700	\$976,653,300	- \$544,677,400	- 35.8%	- \$33,002,300	- 3.3%
FED	1,644,560,800	1,890,544,300	1,748,633,900	- 141,910,400	- 7.5	104,073,100	6.3
PR	241,838,200	247,560,100	250,773,600	3,213,500	1.3	8,935,400	3.7
SEG	<u>18,549,400</u>	<u>18,549,400</u>	<u>65,202,300</u>	<u>46,652,900</u>	251.5	<u>46,652,900</u>	251.5
TOTAL	\$2,914,604,000	\$3,677,984,500	\$3,041,263,100	- \$636,721,400	- 17.3%	\$126,659,100	4.3%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	232.92	244.44	232.91	- 11.53	- 0.01
FED	409.24	382.72	379.98	- 2.74	- 29.26
PR	<u>179.51</u>	<u>181.51</u>	<u>179.51</u>	<u>- 2.00</u>	<u>0.00</u>
TOTAL	821.67	808.67	792.40	- 16.27	- 29.27

Budget Change Items

TANF and Economic Support

1. TANF AND CCDF-RELATED REVENUES AND EXPENDITURES

This item presents an overview of the Administration's estimates of revenue available to fund economic support and TANF-funded programs in the 2023-25 biennium, and how funding for these programs would be budgeted under the bill. "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 \$659.0 million in 2023-24 and \$662.6 million in 2024-25. State funding includes

\$174.7 million annually consisting of: (a) \$160.4 million GPR (the state's TANF maintenance of effort amount) and a transfer of \$0.7 million GPR for state child care administration; (b) \$4.5 million PR; and (c) \$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 \$484.2 million in 2023-24 and \$487.9 million in 2024-25. 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 2022-23 ending TANF balance is estimated at \$460.6 million.

Expenditures. Under the bill, the total amount that would be budgeted for TANF-related programs would be \$804.7 million in 2023-24 and \$847.7 million in 2024-25. These amounts include all funds, and represent an increase from the base budget of \$77.1 million in 2023-24 and an increase of \$120.1 million in 2024-25. 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 2023-25 biennium would be \$129.7 million, which could be carried over into the 2025-27 biennium. Although not funded under the bill, the date by which DCF must submit its evaluation of the offender re-entry program would be extended from June 30, 2023, to June 30, 2024. Finally, the bill retitles TANF allocations for child welfare prevention services.

Summary of TANF/CCDF Budget Governor

	2021-22	2022-23	Governor's Budget Total		Change to Base		Item
	Actual	Adjusted Base	2023-24	2024-25	2023-24	2024-25	
Opening Balance (Carryover)	\$360,174,400		\$460,565,500	\$314,802,300			
Revenue							
GPR Appropriations Base Funding	\$160,848,400	\$160,381,400	\$161,070,100	\$161,070,100	\$688,700	\$688,700	12
FED -- TANF Block Grant	312,846,000	311,009,600	307,336,800	311,009,600	-3,672,800	0	
FED -- CCDF	158,281,000	163,919,100	172,614,100	172,614,100	8,695,000	8,695,000	
FED -- CCDF & TANF Recoveries	2,240,500	4,287,600	4,287,600	4,287,600	0	0	
PR -- Child Support Collections	2,070,100	2,749,000	2,749,000	2,749,000	0	0	
PR -- Child Care Fees	1,661,300	1,530,800	1,500,000	1,500,000	-30,800	-30,800	28
PR -- Social Services Block Grant	100,000	100,000	100,000	100,000	0	0	
PR -- Public Assistance Recoveries	38,800	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	\$647,225,800	\$653,277,800	\$658,957,900	\$662,630,700	\$5,680,100	\$9,352,900	
Expenditures							
<i>Child Care</i>							
Direct Child Care Services	\$281,913,200	\$383,900,400	\$385,628,800	\$403,573,700	\$1,728,400	\$19,673,300	2, 3, 4, 5, 6
Quality Care for Quality Kids	16,032,600	16,683,700	42,850,900	42,647,700	26,167,200	25,964,000	8, 9, 10, 11
State Administration and Licensing	36,802,200	42,877,700	45,957,600	46,043,900	3,079,900	3,166,200	12
<i>Employment Programs</i>							
W-2 Benefits	27,034,100	34,000,000	30,717,200	32,913,100	-3,282,800	-1,086,900	13
W-2 Worker Supplement	437,500	2,700,000	2,700,000	2,700,000	0	0	
W-2 Service Contracts	44,983,800	57,071,200	52,580,300	59,854,900	-4,490,900	2,783,700	14
Transitional/Transform Milwaukee Jobs	5,987,200	9,500,000	11,200,000	11,200,000	1,700,000	1,700,000	15
Children First	425,300	1,140,000	1,140,000	1,140,000	0	0	

	2021-22	2022-23	Governor's Budget Total		Change to Base		Item
	Actual	Adjusted Base	2023-24	2024-25	2023-24	2024-25	
<i>Child Welfare Programs</i>							
Kinship Care Benefits & Assessments	\$24,656,900	\$31,441,800	\$43,574,100	\$53,719,500	\$12,132,300	\$22,277,700	16
Child Welfare Safety Services	8,819,200	10,314,300	6,282,400	6,282,400	-4,031,900	-4,031,900	17
Child Welfare Prevention Services	6,789,600	6,789,600	6,789,600	6,789,600	0	0	
Child Abuse Prevention Grant	469,500	500,000	500,000	500,000	0	0	
Substance Abuse Prevention Grant	0	500,000	500,000	500,000	0	0	
<i>Housing Programs</i>							
Emergency Assistance	1,694,100	6,000,000	6,000,000	6,000,000	0	0	
Homeless Grants	0	500,000	1,000,000	1,000,000	500,000	500,000	18
Case Mgt. Services for Homeless --	500,000	500,000	500,000	500,000	0	0	
<i>Grant Programs</i>							
Boys & Girls Clubs of America	2,713,800	2,807,000	3,307,000	3,307,000	500,000	500,000	19
GED Test Assistance	229,300	241,300	241,300	241,300	0	0	
Adult Literacy	118,100	118,100	118,100	118,100	0	0	
Legal Services	500,000	500,000	1,000,000	1,000,000	500,000	500,000	20
Families and Schools Together	199,500	250,000	500,000	500,000	250,000	250,000	21
Jobs for America's Graduates	378,300	500,000	1,000,000	1,000,000	500,000	500,000	22
Wisconsin Community Services	371,200	400,000	400,000	400,000	0	0	
Fostering Futures	437,500	560,300	560,300	560,300	0	0	
Offender Reentry	229,200	0	0	0	0	0	
Child Support Debt Reduction	0	0	3,472,000	6,944,000	3,472,000	6,944,000	23
<i>Administrative Support</i>							
Public Assistance and TANF Admin.	15,272,900	17,820,700	19,160,100	19,569,100	1,339,400	1,748,400	24
Local Fraud Prevention	430,600	605,500	605,500	605,500	0	0	
<i>Funding Transfers to Other Agencies</i>							
DHS -- SSI Caretaker Supplement	18,564,700	18,145,000	12,762,400	12,188,900	-5,382,600	-5,956,100	25
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	0	0	
DOR -- Earned Income Tax Credit	<u>53,850,000</u>	<u>66,600,000</u>	<u>109,020,000</u>	<u>111,260,000</u>	<u>42,420,000</u>	<u>44,660,000</u>	26
Total Expenditures	\$564,493,800	\$727,620,100	\$804,721,100	\$847,712,500	\$77,101,000	\$120,092,400	
Year-End Closing Balance	\$442,906,400		\$314,802,300	\$129,720,500			

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 of all funds for TANF-related programs are estimated to be \$1,175.5 million in 2023-24 and \$1,122.6 million in 2024-25. Compared to the Governor's recommendations, this is \$55.9 million in 2023-24 and \$171.2 million in 2024-25 more than previously estimated. The opening balance reflects \$11.0 million of unspent supplements CCDF provided to support the rate increase in 2021-22 that could not be expended due to a decrease in child care subsidy expenditures.

Under Joint Finance, overall expenditures would be \$715.5 million in 2023-24 and \$797.6 million in 2024-25. These amounts include all funds, and represent a decrease from the base budget of \$12.2 million in 2023-24 and an increase of \$70.0 million in 2024-25 (and a decrease of \$89.3 million in 2023-24 and \$50.1 million in 2024-25 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 increased funding for other programs.

TABLE 2

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

	<u>Governor</u>		<u>Joint Finance</u>		<u>Joint Finance Change to Governor</u>		<u>Item</u>
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>	
Opening Balance (Carryover)	\$460,565,492	\$314,802,300	\$516,500,000	\$459,998,200	\$55,934,508	\$171,178,700	
Revenue							
GPR Appropriations Base Funding	\$161,070,100	\$161,070,100	\$161,070,100	\$161,070,100	\$0	\$0	
FED -- TANF Block Grant	307,336,800	311,009,600	307,336,800	311,009,600	0	0	
FED -- CCDF	172,614,100	172,614,100	172,614,100	172,614,100	0	0	
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	
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)	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>0</u>	<u>0</u>	
Total Revenues	\$658,957,900	\$662,630,700	\$658,957,900	\$662,630,700	0	0	
Expenditures							
<i>Child Care</i>							
Direct Child Care Services	\$385,628,800	\$403,573,700	\$368,834,800	\$428,779,700	-\$16,794,000	\$25,206,000	2-6, 30, 31
Quality Care for Quality Kids	42,850,900	42,647,700	28,518,700	46,018,700	-14,332,200	3,371,000	8-11, 32-35
Child Care Admin. and Licensing	45,957,600	46,043,900	45,796,000	45,570,300	-161,600	-473,600	12
<i>Employment Programs</i>							
W-2 Benefits	\$30,717,200	\$32,913,100	\$28,000,000	\$29,000,000	-\$2,717,200	-\$3,913,100	13
W-2 Worker Supplement	2,700,000	2,700,000	2,700,000	2,700,000	0	0	
W-2 Service Contracts	52,580,300	59,854,900	57,071,200	57,071,200	4,490,900	-2,783,700	14
Transitional/Transform Milwaukee Jobs	11,200,000	11,200,000	9,500,000	9,500,000	-1,700,000	-1,700,000	15
Children First	1,140,000	1,140,000	1,140,000	1,140,000	0	0	
<i>Child Welfare Programs</i>							
Kinship Care Benefits & Assessments	\$43,574,100	\$53,719,500	\$31,719,200	\$35,661,000	-\$11,854,900	-\$18,058,500	16
Child Welfare Safety Services	6,282,400	6,282,400	10,314,300	10,314,300	4,031,900	4,031,900	17
Child Welfare Prevention Services	6,789,600	6,789,600	6,789,600	6,789,600	0	0	
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	
<i>Housing Programs</i>							
Emergency Assistance	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$0	\$0	
Homeless Grants	1,000,000	1,000,000	500,000	500,000	-500,000	-500,000	18
Case Mgt. Services for Homeless Families	500,000	500,000	500,000	500,000	0	0	
<i>Grant Programs</i>							
Boys & Girls Clubs of America	\$3,307,000	\$3,307,000	\$7,807,000	\$2,807,000	\$4,500,000	-\$500,000	19
GED Test Assistance	241,300	241,300	241,300	241,300	0	0	
Adult Literacy	118,100	118,100	118,100	118,100	0	0	
Legal Services	1,000,000	1,000,000	500,000	500,000	-500,000	-500,000	20
Families and Schools Together	500,000	500,000	250,000	250,000	-250,000	-250,000	21
Jobs for America's Graduates	1,000,000	1,000,000	1,000,000	1,000,000	0	0	22
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	
Child Support Debt Reduction	3,472,000	6,944,000	0	0	-3,472,000	-6,944,000	25
Skills Enhancement Grants	0	0	500,000	500,000	500,000	500,000	27

	<u>Governor</u>		<u>Joint Finance</u>		<u>Joint Finance Change to Governor</u>		<u>Item</u>
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>	
<i>Administrative Support</i>							
Public Assistance & TANF Admin.	\$19,160,100	\$19,569,100	\$19,015,300	\$19,424,300	-\$144,800	-\$144,800	24
Local Fraud Prevention	605,500	605,500	605,500	605,500	0	0	
<i>Funding Transfers to Other Agencies</i>							
DHS -- SSI Caretaker Supplement	\$12,762,400	\$12,188,900	\$9,699,900	\$10,990,400	-\$3,062,500	-\$1,198,500	25
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	0	0	
DOR -- Earned Income Tax Credit	<u>109,020,000</u>	<u>111,260,000</u>	<u>61,725,000</u>	<u>65,002,000</u>	<u>-47,295,000</u>	<u>-46,258,000</u>	26, 37
Total Expenditures	\$804,721,100	\$847,712,500	\$715,459,700	\$797,597,200	-\$89,261,400	-\$50,115,300	
Year-End Closing Balance	\$314,802,300	\$129,720,500	\$459,998,200	\$325,031,700	\$145,195,900	\$195,311,200	

2. DIRECT CHILD CARE SERVICES -- OVERVIEW

The following table summarizes the Governor's recommended funding that would be allocated, by statute, for direct child care services. The table includes the next four items: (a) the reestimated cost-to-continue base subsidies for the Wisconsin Shares child care subsidy program; (b) changing Wisconsin Shares authorizations based on full- and part-time authorizations, rather than on an hourly basis; (c) providing an exemption to the Wisconsin Shares income eligibility requirements for direct care workers; and (d) increased funding for tribal child care contracts.

<u>Budget Items</u>	<u>Base Funding</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Change to Base</u>	
				<u>2023-24</u>	<u>2024-25</u>
Wisconsin Shares Reestimate	\$369,045,400	\$316,339,000	\$316,339,000	-\$52,706,400	-\$52,706,400
Part/Full-Time Authorization	0	53,459,800	71,279,700	53,459,800	71,279,700
Direct Care Income Disregard	0	600,000	600,000	600,000	600,000
County Contracts	14,855,000	14,855,000	14,855,000	0	0
Tribal Contracts	<u>0</u>	<u>375,000</u>	<u>500,000</u>	<u>375,000</u>	<u>500,000</u>
Total	\$383,900,400	\$385,628,000	\$403,573,700	\$1,728,400	\$19,673,300

Joint Finance: The following table summarizes the funding recommended by Joint Finance that would be allocated, by statute, for direct child care services. The table includes the five items described below: (a) the estimated cost-to-continue base subsidies for the Wisconsin Shares child care subsidy program; (b) changing Wisconsin Shares authorizations based on full- and part-time authorizations, rather than on an hourly basis; (c) setting a single initial eligibility and phase-out threshold for Wisconsin Shares subsidies at 200% FPL, beginning in 2024-25; (d) changing the copayment phase-out to \$1 for every \$5 increase in a participating household's income, rather than \$1 for every \$3 increase in a participating household's income, as under current law, beginning in 2024-25; and (e) increased funding for tribal child care contracts.

Budget Items	Base Funding	2023-24	2024-25	Change to Base	
				2023-24	2024-25
Wisconsin Shares Reestimate	\$369,045,400	\$300,145,400	\$315,145,000	-\$68,900,000	-\$53,900,400
Part/Full-Time Authorization	0	53,459,800	71,279,700	53,459,800	71,279,700
County Contracts	14,855,000	14,855,000	14,855,000	0	0
Tribal Contracts	0	375,000	500,000	375,000	500,000
Initial Eligibility Expansion	0	0	5,000,000	0	5,000,000
Subsidy Phase-out	0	0	22,000,000	0	22,000,000
Total	\$383,900,400	\$368,835,200	\$428,779,700	-\$15,065,200	\$44,879,300

3. DIRECT CHILD CARE -- WISCONSIN SHARES SUBSIDY REESTIMATE [LFB Paper 251]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	-\$105,412,800	-\$17,388,000	-\$122,800,800

Governor: Decrease funding for direct child care services by \$52,706,400 annually to reflect estimates of the funding needed to fully support subsidies under the Wisconsin Shares program in the 2023-25 biennium. Federal TANF and CCDF funding supports Wisconsin Shares subsidies.

The estimate is based on two factors which suggest that subsidy costs in the 2023-25 biennium will be less than the 2022-23 base allocation. First, Wisconsin Shares caseloads as of January, 2023, remain 15% below the pre-pandemic level in January, 2020. Second, current law restricts subsidies from exceeding a provider's market price, and thus Wisconsin Shares issuance has not yet fully reflected the subsidy increase provided under Act 58 (the 2021-23 biennial budget act). DCF estimates that approximately 1,000 providers raised their prices since January, 2022, whereas the subsidy "capped out" at 15,900 providers as of the end of July, 2022. [Under Wisconsin Shares, total reimbursement payments to any provider may not exceed the provider's market price.]

Joint Finance: Reduce funding by \$16,194,000 in 2023-24 and \$1,194,000 in 2024-25 to reflect a reestimate of the cost of subsidies under current law. In total, reduce base funding by \$68,900,400 FED in 2023-24 and by \$53,900,400 FED in 2024-25.

4. DIRECT CHILD CARE SUBSIDIES -- PART-TIME AND FULL-TIME AUTHORIZATIONS

FED	\$124,739,500
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Governor/Joint Finance: Provide \$53,459,800 in 2023-24 and \$71,279,700 in 2024-25 to fund the full cost of implementing Wisconsin Shares authorizations based on part-time and full-time authorizations, instead of exact hourly authorizations. Under current practice, authorizations for child care may be for full-time care (between 35 and 50 hours per week) or part-time care (less than 35 hours per week). Additional time may also be authorized, although a child cannot be

authorized for more than 75 hours per week.

Federal law requires that subsidy payments reflect generally accepted payment practices of child care providers who serve children who do not receive CCDF subsidies, including payments made based on full- or part-time reservations. The federal Administration for Children and Families conditionally approved the state's federal fiscal years 2022-2024 CCDF plan with the requirement that DCF develop new policies for rate authorizations using part-time and full-time authorizations.

According to DCF, under the new system, authorizations under 21 weekly hours would receive a part-time rate, and authorizations of 21 hours or more would receive a full-time rate. DCF estimates the cost of this change is \$71.3 million on an annualized basis, with the new authorizations beginning October, 2023.

5. DIRECT CHILD CARE -- INCOME DISREGARD FOR DIRECT CARE WORKERS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

6. DIRECT CHILD CARE SERVICES -- TRIBAL CONTRACTS

FED	\$875,000
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Governor/Joint Finance: Provide \$375,000 in 2023-24 and \$500,000 2024-25 to increase funding for tribal child care contracts. Nine of the state's 11 tribes currently have child care contracts with DCF to carry out state child care certification activities, Wisconsin Shares authorizations and administration, and fraud prevention and investigations. The Administration intends to increase each of the existing tribal child care contracts by \$55,555, which could support at least one additional FTE position per tribe.

7. CHILD CARE PARTNERSHIP PROGRAM [LFB Paper 252]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$22,396,000	- \$22,396,000	\$0

Governor: Provide \$11,198,000 annually to create a child care partnership grant program, including \$10,000,000 annually to fund grants and \$1,198,000 annually to fund contracted services to administer the program. Create an annual GPR appropriation to fund the grants.

Authorize DHS to award grants to businesses that provide, or wish to provide, child care services for their employees. Specify that a grant may be used to: (a) reserve child care placements

for local business employees; (b) pay child care tuition; and (c) fund other costs related to child care. Authorize DCF to promulgate rules to administer the program, including rules to determine eligibility for grants. Require grantees to provide matching funds equal to at least 25% of the amount awarded. Define "business" as any organization or enterprise operated for profit or a nonprofit corporation, and does not include a governmental entity.

Joint Finance: Provision not included.

8. QUALITY CARE FOR QUALITY KIDS -- CHILD CARE IMPROVEMENT PROJECT [LFB Paper 253]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$303,108,700	4.00	-\$303,108,700	- 4.00	\$0	0.00
FED	<u>38,000,000</u>	<u>0.00</u>	<u>- 38,000,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Total	\$341,108,700	4.00	-\$341,108,700	- 4.00	\$0	0.00

Governor: Provide \$100,389,400 (\$81,389,400 GPR and \$19,000,000 FED) in 2023-24 and \$240,719,300 (\$221,719,300 GPR and \$19,000,000 FED) in 2024-25 to establish the Child Care Counts program as a permanent child care quality improvement program. The funding increases in the bill include: (a) \$100,000,000 (\$81,000,000 GPR and \$19,000,000 FED) in 2023-24 and \$240,000,000 (\$221,000,000 GPR and \$19,000,000 FED) in 2024-25 to fund payments to providers; and (b) \$389,400 GPR in 2023-24 and \$719,300 to fund DCF's costs of administering the program, including 4.0 GPR positions, beginning in 2023-24.

Authorize DCF to establish a program to make monthly payments and monthly per-child payments to certified child care providers, licensed child care centers, and child care programs established or contracted for by a school board. Authorize DCF to promulgate rules to implement the program, including establishing eligibility requirements and payment amounts and setting requirements for how recipients may use the payments. Specify that DCF may promulgate the rules as emergency rules without providing a finding of an emergency.

Repeal an obsolete provision that prohibits DCF from increasing the maximum payment rates for child care providers before June 30, 2013.

The Child Care Counts stabilization payments program provides monthly payments to child care providers to support the costs of maintaining high quality care and to support workforce recruitment and retention. The payment period runs in two, nine-month blocks from August, 2022, through April, 2023, followed by a subsequent nine-month payment program from May, 2023, through January, 2024. Payments for provider costs are determined based on a per child amount by age (for example each full-time infant would increase the payment by \$175) plus an additional amount for each child who: (a) receives Wisconsin Shares; (b) attends during non-standard hours; or (c) participates in a Birth-to-3 child care pilot program. Payments for staff recruitment and retention are determined based on an amount per employee (\$150 for each full-time and \$75 per part-time worker) plus a quality incentive amount for YoungStar participating providers (for

example, \$350 per full-time worker for 5-Star providers). The program is funded currently from one-time supplemental and emergency CCDBG funds the state received under the federal American Rescue Plan Act (ARPA).

Joint Finance: Provision not included.

9. QUALITY CARE FOR QUALITY KIDS -- WELLPOINT EARLY CHILDHOOD EDUCATION CENTER *(Removed from consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$840,000	- \$840,000	\$0
FED	<u>840,000</u>	<u>- 840,000</u>	<u>0</u>
Total	\$1,680,000	- \$1,680,000	\$0

10. QUALITY CARE FOR QUALITY KIDS -- SOCIAL EMOTIONAL LEARNING INITIATIVE [LFB Paper 254]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$3,291,200	- \$2,221,200	\$1,070,000

Governor: Provide \$1,327,200 in 2023-24 and \$1,964,000 in 2024-25 to fund social emotional learning (SEL) for young children. Although not specified in the bill, the Administration indicates that 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 2023-24 and \$1,152,000 in 2024-25); (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 2023-24 and \$635,600 in 2024-25); (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 2023-24 and \$302,600 in 2024-25); and (d) statewide training, materials, an evaluation, technical support, and indirect costs (\$301,700 in 2023-24 and \$408,800 in 2024-25. In addition to the funding increase in the bill, base funding for SEL activities (\$535,000) would also be used to support these costs.

Joint Finance: Decrease funding by \$792,200 in 2023-24 and by \$1,429,000 in 2024-25 so that an additional \$535,000 annually would be provided to fund SEL for young children. Including base funding (\$535,000), overall funding for such programs would be \$1,070,000 annually.

11. QUALITY CARE FOR QUALITY KIDS -- NEW PROVIDER GRANTS [LFB paper 254]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$10,000,000	-\$10,000,000	\$0

Governor: Provide \$5,000,000 annually to provide grants for pre-licensing support, including start-up costs, to applicants interested in becoming child care providers. Although not specified in the bill, DCF would increase a current pre-licensing contract (currently \$340,000 annually) to offer greater technical assistance and guidance to applicants who wish to become licensed providers. Further, DCF would implement a grant targeted to new providers within the child care counts program to support new providers. The Administration indicates that this would include \$500,000 set aside to fund providers in tribal areas.

Joint Finance: Provision not included.

12. CHILD CARE -- STATE ADMINISTRATION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,377,400	0.00	\$0	0.00	\$1,377,400	0.00
FED	<u>4,868,700</u>	<u>-1.00</u>	<u>-684,200</u>	<u>0.00</u>	<u>4,184,500</u>	<u>-1.00</u>
Total	\$6,246,100	-1.00	-\$684,200	0.00	\$5,561,900	-1.00

Governor: Increase funding by \$3,079,900 (\$688,700 GPR and \$2,391,200 FED) in 2023-24 and \$3,166,200 (\$688,700 GPR and \$2,477,500 FED) in 2024-25 for state administration of child care programs, including the following.

Online Licensing. Provide \$994,400 FED in 2023-24 and \$426,900 FED in 2024-25 for the costs of transitioning childcare provider licensing from a paper-based system to an online format.

Child Care Counts Information Technology (IT). Provide \$212,000 FED in 2023-24 and \$424,000 FED in 2023-24 for ongoing maintenance, ad-hoc requests, and other IT changes as needed for the Child Care Counts program.

Child Care Counts Call Center Operations. Provide \$100,000 FED in 2023-24 and \$200,000 FED in 2024-25 to support call center operations assist grant recipients troubleshoot issues with Child Care Counts applications, payments, and regulations.

Child Care Statewide Administration on the Web (CSAW). Increase funding by \$688,700 GPR annually to reflect the transfer of the administrative responsibilities for, and costs of, CSAW from the Department of Health Services to DCF. CSAW is used to create authorizations for families to receive Wisconsin Shares child care subsidies. A corresponding GPR reduction is reflected under "Health Services -- FoodShare and Public Assistance Administration."

CARES. Provide \$126,200 FED in 2023-24 and \$200,400 FED in 2024-25 to support administrative vendor contract costs for the Client Assistance for Re-employment and Economic Support (CARES) system.

Standard Budget Adjustments. Increase CCDF funding by \$958,600 FED in 2023-24 and by \$1,226,200 FED in 2024-25 to reflect standard budget adjustments, including: (a) turnover reduction (-\$376,700 annually); (b) full funding of continuing position salaries and fringe benefits (\$968,100 annually); (c) full funding of lease and directed moves costs (-\$102,600 in 2023-24 and -\$128,300 in 2024-25); and (d) a realignment of funding and positions within the Department (-\$146,700 annually). Finally, a funding increase of \$616,500 in 2023-24 and \$909,800 in 2024-25 would be for staff costs associated with health insurance, retirement, and reserves.

Joint Finance: Reduce funding by \$186,100 FED in 2023-24 and \$498,100 FED in 2024-25 to reflect: (a) the removal of items related to the Child Care Counts call center and IT services (-\$312,000 in 2023-24 and -\$624,000 in 2024-25); (b) an increase in the turnover reduction (-\$251,000 annually) summarized under "Departmentwide;" and (c) funding to support the Department's cybersecurity plan (\$376,900 annually) summarized under "Departmentwide."

13. WISCONSIN WORKS BENEFITS REESTIMATE [LFB Paper 250]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	-\$4,369,700	-\$6,630,300	-\$11,000,000

Governor: Reduce funding for Wisconsin Works (W-2) benefits payments by \$3,282,800 in 2023-24 and by \$1,086,900 in 2024-25 to fund projected costs in the 2023-25 biennium. Base funding for W-2 benefits is \$34,000,000, so a total of \$30,717,200 in 2023-24 and \$32,913,100 in 2024-25 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 \$2,717,200 in 2023-24 and by \$3,913,100 in 2024-25. Overall, a total of \$28,000,000 in 2023-24 and \$29,000,000 in 2024-25 in TANF funds would be budgeted for W-2 benefits payments.

14. WISCONSIN WORKS SERVICE CONTRACTS [LFB Paper 250]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	-\$1,707,200	\$1,707,200	\$0

Governor: Decrease funding for W-2 contracts by \$4,490,900 in 2023-24 and increase funding by \$2,783,700 in 2024-25 to reflect estimates of funding that DCF will need to support

W-2 service contracts in the 2023-25 biennium. Base funding for contracts is \$57,071,200, so a total of \$52,580,300 in 2023-24 and \$59,854,900 in 2024-25 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.

Joint Finance: Delete the funding changes recommended by the Governor. Maintain base funding for W-2 contracts, based on W-2 benefit and caseload information through March, 2023, unemployment data, and the terms of the 2023 W-2 service contract.

15. TRANSFORM MILWAUKEE AND TRANSITIONAL JOBS *(Removed from consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$3,400,000	- \$3,400,000	\$0

16. KINSHIP CARE [LFB paper 266]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$34,410,000	- \$29,913,400	\$4,496,600

Governor: Provide \$12,132,300 in 2023-24 and \$22,277,700 in 2024-25 to increase funding for monthly kinship care payments. In total, the bill would provide \$43,574,100 in 2023-24 and \$53,719,500 in 2024-25 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 -- \$300 per child per month -- equals the current Level 1 foster care payment rate.

The funding change in the bill reflects the following three adjustments.

First, decrease funding by \$4,130,700 in 2023-24 and \$4,208,000 in 2024-25 to reflect projected costs of kinship care payments and assessments under current law, based on projected kinship care caseloads and benefit payments.

Second, increase funding by \$8,436,300 in 2023-24 and \$16,824,400 in 2024-25 to fund the estimated costs of modifying the program so that kinship caregivers would receive monthly payment amounts based on the age of the child (similar to monthly payments to foster care parents), and other supplemental payments foster parents currently receive. The Administration's estimates of the cost of these changes are as follows: (a) \$8,264,700 in 2023-24 and \$16,482,300 in 2024-25 to fund age-based level monthly payment rates); (b) \$134,100 in 2023-24 and \$267,400

in 2024-25 to fund sibling exceptional payments; and (c) \$37,500 in 2023-24 and \$74,700 in 2024-25 to fund one-time clothing allowances)

Third, increase funding by \$7,826,700 in 2023-24 and \$9,661,300 in 2024-25 to expand eligibility for kinship care to like-kin relationships, first cousin once-removed, and tribal designees. [For additional information on these proposals, see Child Welfare.]

Joint Finance: Reduce funding by \$11,854,900 2023-24 and \$18,058,500 in 2024-25, as the provisions expanding kinship care are not included. Overall, increase TANF funding for kinship care payments by \$277,400 in 2023-24 and \$4,219,200 in 2024-25 to reflect caseload estimates and to fund an increase the monthly rate from \$300 to \$375, beginning January 1, 2024. Further information is provided under "Child Welfare."

17. CHILD WELFARE SAFETY SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,063,800	- \$8,063,800	\$0
FED	<u>- 8,063,800</u>	<u>8,063,800</u>	<u>0</u>
Total	\$0	\$0	\$0

18. HOMELESS CASE MANAGEMENT SERVICES GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

19. BOYS AND GIRLS CLUBS [LFB Paper 255]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,600,000	- \$2,600,000	\$0
FED	<u>1,000,000</u>	<u>4,000,000</u>	<u>5,000,000</u>
Total	\$3,600,000	\$1,400,000	\$5,000,000

Governor: Provide \$1,800,000 (\$1,300,000 GPR and \$500,000 FED) annually to increase a grant DCF provides to the Boys and Girls Clubs of Wisconsin. Create an annual GPR appropriation for this purpose.

Although not specified in the bill, the Administration indicates that the TANF funding increase would support the Wisconsin After Three program, an after-school program designed to

improve social, academic, and employment skills of low-income youth through tutoring in math and English, study habits, and exposure to career options and role models. The GPR funding is intended to support mental health and substance abuse prevention services. DCF indicates that that approximately 40% of program participants would not be meet TANF eligibility requirements, and therefore state funding is needed to provide services that cannot be funded with TANF.

Joint Finance: Delete GPR funding and the GPR appropriation from the bill (-\$1,300,000 GPR annually). Further, change the federal funding by \$4,500,000 in 2023-24 and -\$500,000 in 2024-25 so that, relative to base funding, total funding is increased by \$5,000,000 FED in 2023-24 for the Boys and Girls Clubs. Under Joint Finance, grant funding for the Boys and Girls Clubs of Wisconsin would be \$7,807,000 FED in 2023-24 and \$2,807,000 FED in 2024-25.

20. CIVIL LEGAL SERVICES [LFB Paper 255]

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

Governor: Provide \$500,000 annually to increase, from \$500,000 to \$1,000,000, annual funding DCF provides to the Wisconsin Trust Account Foundation, Inc. (WisTAF) to distribute grants to programs that provide legal services in certain civil matters.

Modify the program to: (a) permit grant recipients to use funding to provide eligible individuals civil legal services related to evictions; (b) repeal a provision that establishes a \$75,000 annual maximum award amount any program can receive in a year; and (c) repeal provisions that authorizes DCF to identify underspending in the federal block grant aids appropriation for TANF and provide up to \$100,000 of such funds to WisTAF under certain conditions, including that the funding be matched by private donations. [DCF indicates it does not currently make grants described under (c), as DCF would be required to underspend the statutory TANF allocations for other programs.]

WisTAF is a nonprofit 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, and 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 TANF-eligible individuals with household income less than 200% of the federal poverty level (\$49,720 per year for a family of three in 2023).

Joint Finance: Provision not included.

21. FAMILIES AND SCHOOLS TOGETHER [LFB Paper 255]

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

Governor: Provide \$250,000 annually to increase funding for the families and schools together (FAST) program from \$250,000 to \$500,000 annually. Specify that the additional funding would be distributed only if the recipient provides matching funds.

FAST is a prevention/early intervention program for elementary school-aged children that connects schools, families and communities in five elementary schools in Milwaukee Public Schools selected by DCF. Parents participate in monthly group meetings over a period of eight weeks to enhance family functioning, strengthen infant or scholastic development, and prevent substance abuse and delinquency.

Joint Finance: Provision not included.

22. JOBS FOR AMERICA'S GRADUATES PROGRAM [LFB Paper 255]

FED	\$1,000,000
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Governor/Joint Finance: Provide \$500,000 annually to expand the Jobs for America's Graduates (JAG) program to up to five additional schools in rural and urban areas of the state. Total funding for the program would increase from \$500,000 to \$1,000,000 annually, beginning in 2023-24.

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. In 2020-21, the JAG program served 290 students (116 of whom were funded through DCF) in Chippewa, Clark, Dane, Jackson, Marathon, Milwaukee, Monroe, and Rock Counties.

23. CHILD SUPPORT DEBT REDUCTION PROGRAM (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$10,416,000	- \$10,416,000	\$0

24. STATE ADMINISTRATION OF WISCONSIN WORKS AND OTHER RELATED TANF PROGRAMS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$3,087,800	-\$289,600	\$2,798,200

Governor: Increase funding by \$1,339,400 in 2023-24 and \$1,748,400 in 2024-25 to support the costs of administering TANF-related programs, including the following.

BRITS. Provide one-time funding of \$118,300 in 2023-24 and \$322,900 in 2024-25 for enhancements and system upgrades for the Benefit Recovery Investigation Tracking System (BRITS). BRITS is an 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.

HOPE. Provide \$187,200 annually to support a contracted position to manage implementation of a new Housing, Opportunity, Planning, and Empowerment (HOPE) program, DCF indicates that the program would provide financial literacy and empowerment services to families receiving Wisconsin Works benefits.

eWiSACWIS. Provide one-time funding of \$268,800 in each year of the biennium to support the vendor contract to develop mobile solutions and other advancements to the Wisconsin statewide automated child welfare information system (eWiSACWIS).

CARES. Provide \$199,200 in 2023-24 and \$316,400 in 2024-25 to support administrative vendor contract costs for the Client Assistance for Re-employment and Economic Support (CARES) system.

Homeless Case Management Services. Provide \$14,900 in 2023-24 and \$36,600 in 2024-25 to support staffing costs for the homeless case management services grant program.

Standard Budget Adjustments. Increase TANF funding by \$551,000 in 2023-24 and by \$616,500 in 2024-25 to reflect standard budget adjustments, including: (a) turnover reduction (-\$127,500 annually); (b) full funding of continuing position salaries and fringe benefits (\$428,100 annually); and (c) full funding of lease and directed moves costs (\$22,300 in 2023-24 and \$11,800 in 2024-25). Finally, a funding increase of \$228,100 in 2023-24 and \$304,100 in 2024-25 would be for staff costs associated with health insurance, retirement, and reserves.

Joint Finance: Reduce funding by \$144,800 annually to reflect the following changes: (a) removal of the \$187,200 for HOPE; (b) increased turnover reduction of -\$85,000 annually under "Departmentwide"; and (c) cybersecurity funding of \$127,400 annually under "Departmentwide."

25. CARETAKER SUPPLEMENT [LFB Paper 256]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- \$11,338,700	- \$4,261,000	- \$15,599,700

Governor: Reduce funding by \$5,382,600 in 2023-24 and \$5,956,100 in 2024-25 to reflect a reestimate of TANF-supported program costs for the caretaker supplement program, a program administered by the Department of Health Services 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 TANF funding budgeted in DCF for benefits and administration of the caretaker supplement is \$18,145,000. DHS funds caretaker supplement payments with a combination of GPR and TANF transferred from DCF. The GPR budgeted for payments is provided to enable the state to continue to meet federal SSI maintenance of effort requirements.

Under the bill, a total of \$12,762,400 in 2023-24 and \$12,188,900 in 2024-25, funded from TANF, would be budgeted to fund caretaker supplement payments and program administration costs.

Joint Finance: Reduce funding by \$3,062,500 in 2023-24 and by \$1,198,500 in 2024-25 to reflect: (a) the cost of increasing the supplement by 10%, from \$250 for the first child and \$150 for each additional child, to \$275 for the first child and \$165 for each additional child, effective July 1, 2023; and (b) reestimates of TANF-funded and GPR-funded state SSI supplemental payments.

26. EARNED INCOME TAX CREDIT (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$87,080,000	- \$87,080,000	\$0

27. SKILLS ENHANCEMENT GRANTS [LFB Paper 255]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0
FED	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total	\$500,000	\$500,000	\$1,000,000

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 (\$37,290 for a family of three in 2023).

Joint Finance: Delete the Governor's funding increase (-\$250,000 GPR annually). Instead, increase funding for the program by \$500,000 FED in 2023-24 and 2024-25 on a one-time basis. Together with base funding (\$250,000 GPR), \$750,000 (all funds) would be budgeted in both 2023-24 and 2024-25 for grants.

28. CHILD CARE FEE REVENUE REESTIMATE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$61,600	\$49,000	\$110,600
PR	<u>- 61,600</u>	<u>- 49,000</u>	<u>- 110,600</u>
Total	\$0	\$0	\$0

Governor: Reduce child care licensing fee revenue (PR) by \$30,800 annually to reflect estimates of child care licensing fee revenue to support program costs. Further, increase funding from the TANF block grant (FED) for TANF-related programs in a corresponding amount. This reestimate of program revenue and reallocation of TANF is reflected as: (a) a reduction in PR expenditures, with corresponding FED increases, for administrative standard budget adjustments of \$112,200 in 2023-24 and \$97,500 in 2024-25; and (b) an increase of \$81,400 PR in 2023-24 and \$66,700 PR in 2024-25 budgeted for program administration (supplies and services), with corresponding decreases in federal spending.

Joint Finance: Decrease PR funding by \$24,500 annually and increase FED funding by a corresponding amount to support the implementation of a cybersecurity plan under "Departmentwide."

29. TANF ALLOCATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

30. DIRECT CHILD CARE SERVICES -- SUBSIDY PHASE-OUT [LFB Paper 251]

FED	\$22,000,000
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Joint Finance: Provide \$22,000,000 in 2024-25 and change the increase in Wisconsin Shares copayments above the phase-out threshold to \$1 for every \$5 increase in a participating household's income, rather than \$1 for every \$3 increase in a participating household's income,

as under current law, beginning in 2024-25.

31. DIRECT CHILD CARE SERVICES -- WISCONSIN SHARES INITIAL ELIGIBILITY EXPANSION [LFB Paper 251]

FED	\$5,000,000
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Joint Finance: Provide \$5,000,000 in 2024-25 to set a single initial eligibility and phase-out threshold for Wisconsin Shares subsidies at 200% of the federal poverty level (FPL), beginning in 2024-25. Under current law, applicants are financially eligible for Wisconsin Shares if their annual income is at or below 185% of the FPL. The required family copayments increase by \$1 for every \$3 a participating family's income increases above the 200% FPL phase-out threshold. They remain financially eligible so long as their income remains at or below the phase-out threshold of 85% of the state median income.

32. QUALITY CARE FOR QUALITY KIDS -- QUALITY RATING AND IMPROVEMENT SYSTEM (YOUNGSTAR) [LFB Paper 253]

FED	\$30,000,000
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Joint Finance: Provide \$10,000,000 in 2023-24 and \$20,000,000 in 2024-25 to the statutory allocation for quality care for quality kids to fund the resumption of YoungStar adjustment to subsidies under the Wisconsin Shares child care subsidy program based on the number of stars child care providers earn.

33. QUALITY CARE FOR QUALITY KIDS -- REWARD STIPENDS [LFB Paper 254]

FED	\$5,000,000
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Joint Finance: Provide \$5,000,000 in 2024-25 to support enhanced REWARD stipends. The REWARD program provides stipends to child care providers and teachers, provided that they meet certain requirements for education, employment, and career longevity. Stipend amounts are based on the individual's career level in the Registry, a credential system for the child care and education profession. The Registry awards certificates for specialized teaching fields and determines an individual's placement into the career levels system based on the individual's education and training. Including base funding, a total of \$5,700,000 would be provided in 2024-25 for REWARD stipends.

34. QUALITY CARE FOR QUALITY KIDS -- SHARED SERVICES NETWORK [LFB Paper 254]

FED	\$2,500,000
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Joint Finance: Provide \$2,500,000 in 2024-25 to support development and expansion of the Wisconsin Early Education Shared Services Network (WEESN). Child care providers use WEESN to pool resources and achieve economies of scale in purchasing supplies, conducting training, and recruiting workers.

35. QUALITY CARE FOR QUALITY KIDS -- CHILD CARE RESOURCE AND REFERRAL FED \$2,600,000

Joint Finance: Provide \$1,300,000 annually for child care resource and referral services. Wisconsin contracts with locally based child care resource and referral agencies to provide the following services: (a) connect parents with child care services and consumer education to make informed choices in selecting child care; (b) provide guidance to parents on child development, early learning, child abuse and neglect prevention, health and wellness, early care and education, and school-readiness; (c) develop professionals who care for and educate children; (d) deliver training and professional development, conferences, on-site consultation, and networking opportunities; (e) design, implement, and evaluate child care quality improvement initiatives; and (f) collect, analyze, and share data about early child care and education. Resource and referral agencies also function as local YoungStar offices. Together with base funding, overall funding would be \$2,598,600 annually.

36. NATIONAL READING PROGRAM

Joint Finance: Create an annual GPR appropriation to support national reading program grants. Provide \$500,000 GPR annually to the Committee's supplemental appropriation for this purpose. The fiscal effect of this provision is shown under "Program Supplements."

37. EARNED INCOME TAX CREDIT - REESTIMATE FED - \$6,473,000

Joint Finance: Reduce funding for the refundable portion of earned income tax credit by -\$4,875,000 in 2023-24 and -\$1,598,000 in 2024-25 to reflect reestimates of credit claims under current law. [See "General Fund Taxes -- Income and Franchise Taxes."]

Under the bill, total TANF funding budgeted to fund the refundable portion of the earned income tax credit would decrease from \$66,600,000 to \$61,725,000 in 2023-24 and \$65,002,000 in 2024-25.

Child Welfare

1. DOMESTIC ABUSE SERVICES [LFB Paper 265]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$40,434,600	- \$40,434,600	\$0

Governor: Provide \$20,217,300 annually to increase grant funding for domestic abuse

services.

First, create a new program, the Living Independently through Financial Empowerment (LIFE) program, to provide assistance to survivors of domestic abuse. Create an appropriation for the program, and authorize DCF to allocate up to \$14,000,000 annually to fund the LIFE program. Specify that DCF may contract with a Wisconsin Works agency to administer the program.

Second, provide the remaining \$6,217,300 per year to increase grant funding budgeted under the domestic abuse grant program DCF currently administers. Under current law, DCF provides grant funding to nonprofit organizations and public agencies that provide shelter, advocacy, counseling, 24-hour phone assistance, and community education related to domestic abuse. Under the bill, total annual funding for this grant program would increase from \$12,434,600 to \$18,651,900. Of this funding, the statutes currently require grants for specific purposes totaling \$1,648,900.

Joint Finance: Provision not included.

2. INTENSIVE FAMILY PRESERVATION SERVICES *(Removed from consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$33,163,400	1.00	-\$33,163,400	- 1.00	\$0	0.00
FED	<u>2,671,400</u>	<u>1.00</u>	<u>- 2,671,400</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$35,834,800	2.00	-\$35,834,800	- 2.00	\$0	0.00

3. KINSHIP CAREGIVER SUPPORTS AND SEARCH SERVICES [LFB Paper 266]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$16,496,500	-\$16,496,500	\$0

Governor: Provide \$8,259,400 in 2023-24 and \$8,237,100 in 2024-25 to provide additional support for kinship care providers and to assist in identifying potential kinship care placements.

Authorize DCF and county child welfare agencies to provide additional payments or services to support kinship care providers and create a GPR appropriation for that purpose. Authorize DCF to promulgate rules implementing such supports, including specifying eligibility criteria and qualifying costs and services.

This item includes \$7,868,200 in 2023-24 and \$7,845,900 in 2024-25 to fund flexible supports for kinship care providers. DCF indicates that services and financial support could provide assistance with costs of care that may otherwise jeopardize a placement or potential

placement, such as clothing, food, transportation, child care, and extra-curricular activities. The funding amount reflects DCF estimates that 41% of court-ordered and voluntary kinship care placements would receive supports, at an average annual cost of \$3,500 per child.

The remaining funding (\$391,200 annually) reflects DCF's intent to contract for access to a national database to identify relatives of a child. DCF and county child welfare agencies would use this service to improve their ability to identify potential kinship care placements.

Joint Finance: Provision not included.

4. FOSTER CARE AND KINSHIP CARE RATES [LFB Paper 266]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,176,100	- \$22,800	\$1,153,300
FED	<u>618,500</u>	<u>- 12,000</u>	<u>606,500</u>
Total	\$1,794,600	- \$34,800	\$1,759,800

Governor: Provide \$598,200 (\$392,000 GPR and \$206,200 FED) in 2023-24 and \$1,196,400 (\$784,100 GPR and \$412,300 FED) in 2024-25 to increase base monthly rates paid to foster care providers.

Increase the base monthly rates for basic foster care (level two) and treatment foster care (levels three through five) by 5%, to the amounts shown in the table below.

	<u>Current Rate</u>	<u>Proposed Rate</u>
Up to Age Five	\$420	\$441
Ages Five through 11	460	483
Ages 12 through 14	522	548
Ages 15 and Over	545	572

Modify monthly rates paid to kinship care providers and foster care providers with child-specific (level one) licenses (typically relatives or others with a close relationship to the child they are fostering) so that, rather than receiving a flat \$300 payment regardless of the age of the child, the kinship care or relative foster care payment would equal the same age-based rates paid to basic and treatment foster care providers.

Specify that these rate increases would take effect January 1, 2024. Increase the statutory amount paid to counties under Children and Family Aids to account for the estimated cost to counties to provide increased foster care payments.

The funding amount reflects \$1,156,100 (all funds) per year for the 5% increase to basic and treatment foster care base rates and \$40,300 (all funds) per year for the increase of relative foster care rates to match the age-based rates, beginning January 1, 2024. The federal share of the funding

reflects estimated reimbursements under Title IV-E. Kinship care payments are fully supported by TANF funds. As summarized under an item in "TANF and Economic Support," the bill would increase FED TANF funding by \$8,264,700 in 2023-24 and \$16,482,300 in 2024-25 to reflect the Administration's estimate of the cost of implementing these changes in kinship care payments.

While counties, other than Milwaukee, are financially responsible for foster care payments, child welfare operations, and related services, DCF distributes Children and Family Aids (CFA) to counties to support these costs. Of the funding provided, the bill appropriates \$396,200 (\$259,600 GPR and \$136,600 FED) in 2023-24 and \$792,400 (\$519,300 GPR and \$273,100 FED) to increase CFA payments by the estimated cost counties would incur to provide the increased rates. Base CFA funding on an all-funds basis is \$101,162,800 per year.

Joint Finance: Instead of adopting age-based rates for kinship care and child-specific foster care, adopt a flat rate of \$375 per child per month, an increase from the \$300 under current law. Reduce funding by \$11,600 (-\$7,600 GPR and -\$4,000 FED under Title IV-E) in 2023-24 and by \$23,200 (-\$15,200 GPR and -\$8,000 FED under Title IV-E) in 2024-25 to account for this change to child-specific foster care.

To account for this change to kinship care rates, as summarized under "TANF and Economic Support," reduce funding by \$4,740,400 FED under TANF in 2023-24 and \$9,350,100 FED under TANF in 2024-25.

The reductions in funding related to child-specific foster care include reductions of \$7,600 (\$5,000 GPR and \$2,600 FED under Title IV-E) in 2023-24 and \$15,600 (\$10,300 GPR and \$5,300 FED under Title IV-E) in amounts appropriated to increase the CFA allocation. Net of this change and the exclusion of Item 5, the statutory amount distributed under CFA is increased by \$388,600 in 2023-24 and \$776,800 in 2024-25 relative to the base amount. This would bring the total distributions to \$101,551,400 in 2023-24 and \$101,939,600 in 2024-25.

5. EXCEPTIONAL PAYMENTS FOR KINSHIP CARE AND RELATIVE FOSTER CARE [LFB Paper 266]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$12,800	-\$12,800	\$0
FED	<u>6,900</u>	<u>- 6,900</u>	<u>0</u>
Total	\$19,700	-\$19,700	\$0

Governor: Provide \$9,400 (\$6,100 GPR and \$3,300 FED) in 2023-24 and \$10,300 (\$6,700 GPR and \$3,600 FED) in 2024-25 to increase rates paid to foster care providers with child-specific (level one) licenses, who are typically relatives or others with a close relationship to the child they are fostering, to include exceptional payments to allow siblings or a minor parent and their child to be placed together and an initial clothing allowance. Modify administrative code related to exceptional payments made to basic foster care (level two) and treatment foster care (levels three through five) providers to permit these payments to relative foster care providers.

Separately, modify statutes to permit the same exceptional payments to be made to kinship care providers, and authorize DCF to promulgate rules implementing these payments. Create administrative rules specifying that these exceptional payments may be made, subject to a maximum amount determined by DCF.

Authorize emergency payments to kinship care providers, subject to DCF approval and in amounts determined by DCF, if any of the following apply to the location where the kinship care provider lives: (a) the Governor has declared a state of emergency; (b) the federal government has declared a major disaster; (c) the state has received federal funding for child welfare purposes due to an emergency or disaster; or (d) DCF determines that conditions such as a pandemic or other public health threat, a natural disaster, or unplanned school closures of five or more consecutive days have resulted in a temporary increase in care costs. Authorize DCF to promulgate administrative rules to implement these emergency payments.

The federal share of the funding provided reflects estimated reimbursements under Title IV-E. Kinship care payments are fully supported by TANF funds. As described under "TANF and Economic Support," the bill would provide an additional \$171,600 FED in 2023-24 and \$342,100 FED in 2024-25 in TANF funds to make these supplemental payments to kinship care providers, beginning January 1, 2024.

While counties, other than Milwaukee, are financially responsible for foster care payments, child welfare operations, and related services, DCF distributes Children and Family Aids (CFA) to counties to support these costs. Of the funding provided, the bill provides \$5,700 (\$3,800 GPR and \$1,900 FED) in 2023-24 and \$6,400 (\$4,200 GPR and \$2,200 FED) to increase CFA payments by the estimated cost counties would incur to provide the exceptional payments. Base CFA funding on an all-funds basis is \$101,162,800 per year.

Joint Finance: Provision not included.

6. ELIGIBILITY OF LIKE-KIN FOR KINSHIP CARE [LFB Paper 266]

Governor: Provide \$7,826,700 in 2023-24 and \$9,661,300 in 2024-25 in TANF funding, as described under "TANF and Economic Support," to expand eligible placements under the kinship care program to include adults with a strong relationship to the child similar to a familial relationship. Make statutory changes to implement this expansion, as detailed below.

Kinship care is one potential court-ordered or voluntary out-of-home care placement setting, similar to foster care or congregate care. Under current law, children can be placed with any descendant of their great-great-grandparents other than third cousins, cousins once removed, or more distant cousins, including step-siblings, -uncles, and -aunts, and including the spouse or former spouse of any such relative. Relatives providing kinship care do not need to be licensed as foster care providers, although they may be required to pursue licensure to continue receiving monthly kinship care payments.

The bill would permit kinship care placements with first cousins once removed and with like-kin, defined as people with a significant emotional relationship to the child or their family that

is similar to a familial relationship. The bill excludes former foster parents from the definition of like-kin for this purpose, but specifies that current and former foster parents may still participate in permanency planning for children placed in a qualified residential treatment program, as under current law. For Native American children, the bill specifies that like-kin can include people identified by the child's tribe or band according to tribal law, code, resolution, or tradition.

The bill further modifies statutes to expand provisions that apply to kinship care placements with a relative to also apply to placements with like-kin, including provisions of the Children's Code and Juvenile Justice Code.

The state assumes financial responsibility for kinship care payments in every county, tribe, and band and funds monthly kinship care payments with TANF funding. DCF estimates that the expansion of kinship care to include like-kin will increase non-tribal placements by 20%, that the inclusion of caregivers identified by a tribe or band will increase tribal placements by 40%, and that the inclusion of first cousins once removed would increase all placements by half a percent. Summarized separately, the bill would increase kinship care rates to use the same age-based rates and supplements paid under non-relative foster care. The table below summarizes the estimated cost of each eligibility expansion in this item under current rates and under the proposed rates.

<u>Included Group</u>	<u>Cost Under Current Rates</u>		<u>Cost Under Proposed Rates</u>	
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
Like-Kin	\$5,462,200	\$5,446,700	\$6,614,700	\$8,126,400
Tribal Designees	864,200	892,600	1,046,600	1,331,700
1st Cousins Once Removed	<u>136,600</u>	<u>136,200</u>	<u>165,400</u>	<u>203,200</u>
Total	\$6,463,000	\$6,475,500	\$7,826,700	\$9,661,300

Joint Finance: Provision not included.

7. DIVISION OF MILWAUKEE CHILD PROTECTIVE SERVICES -- AIDS PAYMENTS AND CONTRACTED SERVICES

GPR	\$5,035,100
FED	<u>3,504,000</u>
Total	\$8,539,100

Governor/Joint Finance: Provide \$4,274,300 (\$2,521,100 GPR and \$1,753,200 FED) in 2023-24 and \$4,264,800 (\$2,514,000 GPR and \$1,750,800 FED) in 2024-25 to reflect reestimates of the cost of Division of Milwaukee Child Protective Services (DMCPS) aids payments and contracted services. Base funding for these costs is \$111,112,300 (\$70,591,000 GPR, \$23,601,300 PR, and \$16,920,000 FED).

This item includes the following: (a) an adjustment to the division of costs between GPR and FED to reflect updated claiming and federal matching rates (-\$694,700 GPR and \$694,700 FED annually); (b) a decrease in funding for out-of-home care and wraparound services, to reflect expected caseloads and service costs lower than the base budget, of \$3,327,200 (-\$3,175,000 GPR and -\$152,200 FED) in 2023-24 and a decrease of \$3,336,700 (-\$3,182,100 GPR and -\$154,600 FED) in 2024-25; and (c) an increase in funding for aids contracts costs, such as funding for case

management, court services, placement services, and foster parent training, of \$7,601,500 (\$6,390,800 GPR and \$1,210,700 FED) annually.

8. MILWAUKEE CARE AND TREATMENT SERVICES [LFB Paper 267]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$15,463,000	-\$15,463,000	\$0

Governor: Provide \$4,381,000 in 2023-24 and \$11,082,000 in 2024-25 for services provided by DMCPs. DCF intends to use this funding to fill gaps they have identified in the continuum of care and treatment services currently available in the county. The funding reflects the following: (a) \$1,820,000 in 2023-24 and \$3,640,000 in 2024-25 to expand and improve access to mental, behavioral, and crisis health care services ; (b) \$1,261,000 in 2023-24 and \$2,522,000 in 2024-25 to expand the capabilities of assessment and stabilization centers to work with children with high needs; (c) \$2,320,000 in 2024-25 to contract for a dedicated qualified residential treatment program (QRTP) facility; and (d) \$1,300,000 in 2023-24 and \$2,600,000 in 2024-25 to provide expanded aftercare supports for children transitioning from a residential treatment setting to a foster family home or other less restrictive setting.

DCF indicates that many children in out-of-home care currently face waitlists and restrictions to access needed mental health care and behavioral health care. All children enrolled in out-of-home care receive health care coverage through the Medical Assistance (MA) program. DMCPs additionally contracts for mobile crisis services, but does not currently have dedicated contracts for other mental and behavioral health care that could prevent crises or provide transitional support once a child in crisis has been stabilized. The provided funding reflects estimated costs to contract with additional mental, behavioral, and crisis care providers to deliver urgent services to approximately 140 children per year, beginning in calendar year 2023, for periods of 60–90 days while access to long-term service providers is secured.

Assessment and stabilization centers provide a temporary placement for youth age 12 through 17 when they first enter care, experience a crisis, or otherwise need stabilization and an assessment of what subsequent placement would best meet their needs. DMCPs currently contracts with three centers providing 20 beds total. DCF indicates that ASCs do not currently have sufficient staff, medical professionals, and physical configurations to stabilize and assess children in severe crisis or with complex needs.

QRTPs provide short-term, intensive, residential treatment to children with the highest level of mental health care need. DCF indicates that Milwaukee children with this level of need are often placed out of state or in areas of the state far from family and other supports. DCF estimates that contracting for a dedicated QRTP for DMCPs would have ongoing costs of \$2,320,000 per year. The provided funding reflects \$1,160,000 for start-up costs over six months beginning July 2024 and \$1,160,000 for operating costs for the final six months of 2024-25.

QRTPs currently provide limited aftercare services to facilitate children's transitions back

into family settings, but not all other congregate care placements do. DCF intends to use the provided funding to expand aftercare services, including maintaining contact with the same providers, extending the time over which interventions are tapered off, providing therapy, and training foster parents in medication management and crisis intervention. The funding provided reflects DCF's estimates of service costs of \$26,000 per discharge from congregate care and providing expanded aftercare services for 100 discharges per year beginning in calendar year 2023.

Joint Finance: Provision not included.

9. MILWAUKEE CASE AIDES, MONITORING, AND ON-SITE CARE [LFB Paper 267]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding Positions		Funding	Positions	Funding	Positions
GPR	\$1,252,500	4.60	-\$1,252,500	- 4.60	\$0	0.00
FED	<u>61,300</u>	<u>0.40</u>	<u>- 61,300</u>	<u>- 0.40</u>	<u>0</u>	<u>0.00</u>
Total	\$1,313,800	5.00	-\$1,313,800	- 5.00	\$0	0.00

Governor: Provide \$510,900 (\$484,600 GPR and \$26,300 FED) in 2023-24 and \$802,900 (\$767,900 GPR and \$35,000 FED) and 5.0 positions (4.6 GPR and 0.4 FED), beginning in 2023-24, to improve DMCPs operations. The Administration intends to convert LTE case aide positions that assist initial assessment specialists into permanent positions (\$125,700 in 2023-24 and \$167,600 in 2024-25 and 2.0 positions), contract for child care services while initial assessments are being conducted (\$183,000 GPR in 2023-24 and \$366,000 GPR in 2024-25), and increase contract and performance monitoring capacity (\$202,200 in 2023-24 and \$269,300 in 2024-25 and 3.0 positions). Under this item, 8% of the costs would be supported with federal funds DCF claims under Title IV-E, which is the rate currently applied to DMCPs staff.

DCF currently uses temporary project positions to hire assistants to support the work of initial assessment specialists. These aides require less expertise and training than assessment specialists require, and allow specialists to work more quickly and efficiently by taking on tasks such as transporting and supervising children, collecting information, and clerical tasks. DCF describes the temporary nature of these positions as creating a barrier to recruiting and maintaining these staff and increasing costs of hiring and training.

Currently, when a child is removed from their home, immediate care for that child is the responsibility of the initial assessment specialist (or case aide, if available) while they complete the assessment and identify an out-of-home placement. DCF intends to contract with a child care center to provide 24/7 access to professional child care with staff and facilities equipped for children that may be distraught or have other behavioral responses to being removed from their family home. The funding in this item reflects an estimated annual cost of \$366,000, beginning in calendar year 2024, for the contract.

When DMCPs places a child in out-of-home care, the case is assigned to a contracted agency to provide case management and ongoing services to the child and their family. Currently,

four program and policy analysts and one manager oversee these contracts, including measuring performance and working to reduce the use of congregate care. In addition, the quality improvement section for DMCPs as a whole consists of seven staff that collect program data, analyze system needs, and assist in policy development. DCF intends to add three program and policy analysts to these sections to meet increased contract oversight workload, improve data analysis and reporting, and work to improve the quality of care in DMCPs.

Joint Finance: Provision not included.

10. MILWAUKEE PREVENTIVE RESPITE SHELTER *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,098,300	- \$1,098,300	\$0

11. TRIBAL HIGH-COST PLACEMENTS AND PREVENTION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$7,925,000	- \$7,925,000	\$0

12. TRIBAL SUBSIDIZED GUARDIANSHIPS [LFB Paper 268]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$539,200	- \$539,200	\$0
FED	292,600	0	292,600
PR	<u>0</u>	<u>539,200</u>	<u>539,200</u>
Total	\$831,800	\$0	\$831,800
GPR-Tribal	\$0	- \$539,200	- \$539,200

Governor: Provide \$395,800 (\$256,600 GPR and \$139,200 FED) in 2023-24 and \$436,000 (\$282,600 GPR and \$153,400 FED) in 2024-25 to reimburse tribes and bands for the cost of subsidized guardianships. Modify the GPR and FED appropriations currently used to reimburse counties for these costs to authorize reimbursements to tribes and bands. Authorize DCF to enter into agreements with tribal governments to provide reimbursement for subsidized guardianships, but require that such agreements require tribes and bands to comply with all requirements for administering subsidized guardianships that apply to counties, including eligibility. Make modifications to the statutes related to subsidized guardianships to expand provisions that apply to

counties to also apply to tribes and bands. Specify that a county may continue to make payments, and receive state reimbursement, for subsidized guardianships ordered by a tribal court if that county has entered into an agreement with the tribal government to do so.

The subsidized guardianship program funds payments to court-appointed guardians who provide permanent care for children with whom they have a familial or other significant emotional relationship. Subsidies are capped at the level of the foster care maintenance payment the guardian was receiving prior to the guardianship agreement. Financial responsibility for subsidized guardianships was transferred from local child welfare agencies to the state under 2021 Act 132, but the Act did not apply to subsidized guardianships ordered by a tribal court.

Joint Finance: Modify this item to use tribal gaming revenue in place of GPR. Create a new PR appropriation in DCF for this purpose and create a corresponding allocation under a Department of Administration (DOA) tribal gaming appropriation. Reduce GPR revenue by corresponding amounts to reflect a reduction in the tribal gaming revenue deposited in the general fund. Specify that any amounts of tribal gaming revenue transferred to DCF under this appropriation that are not expended revert to the DOA tribal gaming appropriation at the end of the fiscal year. Delete the modification to the existing GPR appropriation used to reimburse counties for these costs.

13. INDEPENDENT LIVING PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$7,705,000	- \$7,705,000	\$0

14. HOME VISITING [LFB Paper 269]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,096,000	- \$5,096,000	\$0
FED	<u>104,000</u>	<u>- 104,000</u>	<u>0</u>
Total	\$5,200,000	- \$5,200,000	\$0

Governor: Provide \$1,200,000 GPR in 2023-24 and \$4,000,000 (\$3,896,000 GPR and \$104,000 FED from Title IV-E) in 2024-25 to expand the Family Foundations Home Visiting (FFHV) program.

Under current law, DCF provides FFHV grants to county agencies, cities, nonprofit agencies, tribal organizations, and collaborations to provide voluntary home visiting services to at-risk families to prevent child abuse and neglect. Services generally follow one of three national models, known as Healthy Families America, Parents as Teachers, and Nurse-Family Partnership, each of which offer supportive in-home consultations beginning as early as pregnancy, hands-on

parent guidance and training, screenings for health, development, and maltreatment risks, and early interventions to prevent maltreatment. The program is primarily supported by the federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) grant, which provided \$8,564,700 in 2023. DCF is also currently budgeted \$1,985,700 GPR and \$6,212,100 FED from TANF per year for the program, and requires local matching funds for each grant. DCF currently contracts with 22 agencies to provide home visiting services, covering 40 counties and six tribes and bands.

DCF intends to use the additional funding in the bill to expand the geographic reach of the home visiting program by contracting with approximately 12 additional organizations to provide these services in new locations. DCF indicates that each new location could serve multiple counties, tribes, or bands. The funding reflects \$100,000 per new agency in 2023-24 for start-up costs and an average of \$333,300 per new agency in ongoing funding, beginning in 2024-25, for full service costs.

Prevention services such as home visiting are eligible for a 50% federal match under Title IV-E when they are provided for children who are at imminent risk of removal to out-of-home care or are pregnant or parenting while in out-of-home care. Based on available data, DCF estimates that 5.2% of children currently served by the home visiting program had an investigated allegation of maltreatment, and that a similar share would be eligible for IV-E prevention matching funds. Hence, the funding in the bill includes a 50% federal match for 5.2% of the service expenditures.

Joint Finance: Provision not included.

15. INFORMATION SYSTEM ENHANCEMENTS [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,010,200	-\$3,010,200	\$0
FED	<u>1,827,600</u>	<u>3,010,200</u>	<u>4,837,800</u>
Total	4,837,800	\$0	\$4,837,800

Governor: Provide \$2,418,900 (\$1,505,100 GPR and \$913,800 FED) annually, consisting of \$1,935,100 (\$1,204,100 GPR and \$731,000 FED) in one-time funding and \$483,800 (\$301,000 GPR and \$182,800 FED) in ongoing funding, for child welfare program operations. The Administration intends to use this funding for enhancements to the electronic Wisconsin Statewide Automated Child Welfare Information System (eWiSACWIS).

DCF and local child welfare agencies use eWiSACWIS as the database and case management system for all children involved in the child welfare system. DCF currently funds operation of the system with \$5,375,500 per year, consisting of \$2,321,500 GPR, \$1,935,200 FED matching funding received under Title IV-E, \$581,300 PR from counties assessed as their share of costs, and \$537,500 FED received under TANF corresponding to the share of costs related to the kinship care caseload. The one-time funding reflects a 50% funding increase to provide system modifications to meet new federal standards and improve functionality, including implementing mobile support and improving data exchanges with local agencies. The ongoing funding reflects a 10% increase to provide ongoing maintenance and improvements. Both increases are distributed

among GPR, Title IV-E, and TANF funding in proportion to their current share of costs; no increase is made to the costs assessed from counties. This item reflects only the GPR and Title IV-E funding changes, while the TANF funding (\$215,000 annually in one-time funding and \$53,800 annually in ongoing funding) is shown under "TANF and Economic Support."

Joint Finance: Modify funding for this item by deleting the GPR funding (-\$1,505,100 GPR annually) and replacing it with uncommitted Title IV-E funding (\$1,505,100 FED annually) to fund eWiSACWIS enhancements in the 2023-25 biennium. Of the amounts budgeted in 2024-25, \$2,150,100 [(\$1,935,100 FED (Title IV-E) and \$215,000 FED (TANF))] would be provided as one-time funding.

16. STATE OUT-OF-HOME CARE AND ADOPTIONS RE-ESTIMATE

GPR	- \$7,174,900
FED	<u>3,024,600</u>
Total	- \$4,150,300

Governor/Joint Finance: Reduce funding by \$2,739,700 (-\$4,055,700 GPR and \$1,316,000 FED) in 2023-24 and by \$1,410,600 (-\$3,119,200 GPR and \$1,708,600 FED) in 2024-25 to reflect a reestimate of adoption assistance, subsidized guardianship, and state foster care payments, changes in federal claiming rates in the 2023-25 biennium, and an increase to state adoption services contract costs to meet new federal requirements. The state claims federal matching funding for these costs under Title IV-E of the Social Security Act.

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 subsidized guardianship program funds payments to court-appointed guardians who provide permanent care for children with whom they have a familial or other significant emotional relationship. Subsidies are capped at the level of the foster care maintenance payment the guardian was receiving prior to the guardianship agreement. Financial responsibility for subsidized guardianships was transferred from local child welfare agencies to the state under 2021 Act 132. The base funding shown in the table below reflects GPR funding transferred through a request approved by the Joint Committee on Finance; the corresponding federal appropriation was not reestimated to include base funding specific to subsidized guardianships.

The state foster care program provides temporary care for children in the custody of the state. Custody may be transferred from local child welfare agencies (or DMCPS) for children who are awaiting adoption and whose parents' parental rights have been terminated, including children who have been placed in out-of-home care for 15 of the most recent 22 months.

DCF provides pre-adoption services under the public adoptions program including case management, identification of potential adoptive families, and training, and provides post-adoption supports, services, and information under the Wisconsin adoption and permanency support (WiAPS) program. The request includes an increase in funding for these services to meet federal requirements related to re-investing savings under the federal Fostering Connections to Success and Increasing Adoptions Act of 2008.

The following table summarizes, by source, the base funding for these payments and services, the funding changes under this item, and the total funding provided.

	2023-24			2024-25		
	GPR	FED IV-E	All Funds	GPR	FED IV-E	All Funds
Adoption Assistance						
Base Funding	\$44,783,900	\$46,811,900	\$91,595,800	\$44,783,900	\$46,811,900	\$91,595,800
Reestimate	<u>-2,909,800</u>	<u>-853,100</u>	<u>-3,762,900</u>	<u>-2,903,500</u>	<u>-846,100</u>	<u>-3,749,600</u>
Subtotal	\$41,874,100	\$45,958,800	\$87,832,900	\$41,880,400	\$45,965,800	\$87,846,200
Subsidized Guardianship						
Base Funding	\$5,200,000	\$0	\$5,200,000	\$5,200,000	\$0	\$5,200,000
Reestimate	<u>197,700</u>	<u>2,927,500</u>	<u>3,125,200</u>	<u>745,700</u>	<u>3,224,600</u>	<u>3,970,300</u>
Subtotal	\$5,397,700	\$2,927,500	\$8,325,200	\$5,945,700	\$3,224,600	\$9,170,300
State Foster Care						
Base Funding	\$6,503,700	\$3,333,800	\$9,837,500	\$6,503,700	\$3,333,800	\$9,837,500
Reestimate	<u>-2,414,900</u>	<u>-1,183,500</u>	<u>-3,598,400</u>	<u>-2,246,700</u>	<u>-1,095,000</u>	<u>-3,341,700</u>
Subtotal	\$4,088,800	\$2,150,300	\$6,239,100	\$4,257,000	\$2,238,800	\$6,495,800
State Adoption Services						
Base Funding	\$2,615,300	\$1,633,700	\$4,249,000	\$2,615,300	\$1,633,700	\$4,249,000
Reestimate	<u>1,071,300</u>	<u>425,100</u>	<u>1,496,400</u>	<u>1,285,300</u>	<u>425,100</u>	<u>1,710,400</u>
Subtotal	\$3,686,600	\$2,058,800	\$5,745,400	\$3,900,600	\$2,058,800	\$5,959,400
Total						
Base Funding	\$59,102,900	\$51,779,400	\$110,882,300	\$59,102,900	\$51,779,400	\$110,882,300
Reestimate	<u>-4,055,700</u>	<u>1,316,000</u>	<u>-2,739,700</u>	<u>-3,119,200</u>	<u>1,708,600</u>	<u>-1,410,600</u>
Total	\$55,047,200	\$53,095,400	\$108,142,600	\$55,983,700	\$53,488,000	\$109,471,700

17. RUNAWAY AND HOMELESS YOUTH SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,040,000	-\$4,040,000	\$0

18. QUALIFIED RESIDENTIAL TREATMENT PROGRAM TRAINING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$400,000	-\$400,000	\$0
FED	<u>0</u>	<u>400,000</u>	<u>400,000</u>
Total	\$400,000	\$0	\$400,000

Governor: Provide \$200,000 annually to purchase specialized training for qualified residential treatment program (QRTP) staff. QRTPs are congregate care providers that meet federal qualifications to treat youth with serious mental or behavioral needs. The 2021-23 budget

provided \$140,000 GPR and \$60,000 FED (Title IV-E) in 2022-23 on a one-time basis for this purpose. This item would continue providing trainings on an ongoing basis.

Recent federal and state law changes created the QRTP designation and restricted reimbursement for out-of-home care placements with the intent of reducing placements in congregate care except for short-term, treatment-focused placements for the highest-acuity children. DCF indicates that these shifts will require more advanced skills from care providers, and the federal law requires QRTPs to implement trauma-informed methods. Using the one-time funding provided in 2022-23, DCF currently provides trainings related to safely reducing the use of restraints, understanding child sex trafficking, effectively responding to trauma, and other skills that make treatment more effective. DCF indicates that other topics that could be pursued with this funding include how psychotropic and other medications affect care and facility safety and management.

Joint Finance: Fund this item using an accumulated balance of FED funding received under Title IV-E in place of GPR. Although this program is not expected to be eligible for federal matching funds under Title IV-E, across all state expenditures under Title IV-E in recent years total reimbursements have been larger than the total amount of FED funding budgeted, yielding a FED balance that has been carried forward.

19. SIBLING CONNECTIONS PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

20. CONSOLIDATE FUNDING AND PROGRAMS ADMINISTERED BY THE BUREAU OF YOUTH SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

21. MENOMINEE TRIBE CHILD PROTECTIVE SERVICES

PR	\$1,014,000
GPR-Tribal	-\$1,014,000

Joint Finance: Provide \$507,000 per year in tribal gaming revenue to support child welfare expenditures of the Menominee Indian Tribe of Wisconsin. Create a new PR appropriation in DCF for this purpose and create a corresponding allocation under a Department of Administration (DOA) tribal gaming appropriation. Reduce GPR revenue by corresponding amounts to reflect a reduction in the tribal gaming revenue deposited in the general fund. Specify that any amounts of tribal gaming revenue transferred to DCF under this appropriation that are not expended revert to the DOA tribal gaming appropriation at the end of the fiscal year.

This funding would be separate from existing funding provided by DCF to the Menominee

Tribe under the tribal family support program (FSP). That program provides annual allocations to each tribe and band that can be used to supplement a variety of human services, including domestic abuse prevention, child welfare, self-sufficiency, teen parenting, youth services, and child care.

22. TRIPLE P ONLINE

FED	\$4,000,000
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Joint Finance: Provide \$2,000,000 under Title IV-E annually in one-time funding to Children's Wisconsin for the purpose of making available statewide an online evidence-based parenting program that provides support to parents, reduces childhood behavioral issues, and increases family stability. Specify in statute that DCF shall award these amounts. The Triple P Online program is one such program identified by the federal Title IV-E Prevention Services Clearinghouse of evidence-based child abuse and neglect prevention interventions.

Expenditures for Triple P Online that are attributable to families with children at imminent risk of removal to out-of-home care such as foster care would be eligible for 50% federal matching under the Title IV-E prevention program. The remaining costs would be funded using an accumulated balance of FED funding received under Title IV-E. Across all state expenditures under Title IV-E in recent years total reimbursements have been larger than the total amount of FED funding budgeted, yielding a FED balance that has been carried forward.

Juvenile Justice

1. JUVENILE JUSTICE AIDS FOR 17-YEAR-OLDS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

2. YOUTH JUSTICE TRAINING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,665,500	-\$3,665,500	\$0

- 3. **JUVENILE JUSTICE REFORM REVIEW COMMITTEE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

- 4. **YOUTH JUSTICE DATA SYSTEMS** [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,882,200	- \$1,882,200	\$0
FED	<u>870,200</u>	<u>1,481,800</u>	<u>2,352,200</u>
Total	\$2,752,400	- \$400,400	\$2,352,200

Governor: Provide \$936,700 GPR and \$435,100 FED in 2023-24 and \$945,500 GPR and \$435,100 FED in 2024-25 to develop a youth justice data and reporting system and to support continued licensing costs for the Youth Assessment Screening Instrument.

Joint Finance: Delete provision. Instead, provide one-time funding of \$1,176,000 FED (Title IV-E) in 2023-24 and 2024-25 to fund programming services for 5.0 contracted staff to develop a youth justice case management and reporting system.

5. **SRCC BONUS FUNDING FOR QUALIFYING COUNTIES**

GPR	\$750,000
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Governor/Joint Finance: Provide \$750,000 in 2024-25 to fund the estimated bonus payment to Racine County for operational costs associated with operating a Secure Residential Care Center (SRCC) for Children and Youth. Funding would be provided to the "Community Youth and Family Aids; Bonus for County Facilities" appropriation created under 2017 Act 185.

6. **YOUTH AIDS FUNDING MODIFICATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. **YOUTH AND FAMILY AIDS -- LOCAL GOVERNMENT FUND**

GPR	- \$46,652,900
SEG	<u>46,652,900</u>
Total	\$0

Joint Finance: Provide \$46,652,900 SEG in 2024-25 from the local government fund created under 2023 Act 12 for current law youth and family aids and modify existing funding by -\$46,652,900 GPR in 2024-25. This funding would be provided in addition to funding from the existing GPR appropriation for youth and family aids to maintain the current level of funding (\$93,305,700). As under the existing GPR appropriation, allow the Department of Children and Families to transfer money between fiscal years with Joint Committee on Finance approval.

Child Support and Departmentwide

1. LOCAL CHILD SUPPORT ENFORCEMENT [LFB Paper 280]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$10,000,000	- \$3,916,700	\$6,083,300
FED	<u>19,411,800</u>	<u>- 4,852,900</u>	<u>14,558,900</u>
Total	\$29,411,800	- \$8,769,600	\$20,642,200

Governor: Provide \$14,705,900 (\$5,000,000 GPR and \$9,705,900 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 \$11,060,000. With this increase, GPR support for the program would increase to \$18,010,000 in calendar years 2024 and 2025. 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. 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 \$8,769,600 (\$3,916,700 GPR and \$4,852,900 FED (IV-D)) in 2023-24 to reflect an opening balance of \$1,416,700 in DCF's continuing appropriation and the difference in timing between state fiscal year and the calendar year allocations for counties.

2. CHILD SUPPORT IT MODERNIZATION PROJECT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,411,500	- \$1,924,700	\$7,486,800
FED	<u>18,269,400</u>	<u>- 3,736,300</u>	<u>14,533,100</u>
Total	\$27,680,900	- \$5,661,000	\$22,019,900

Governor: Provide \$7,163,700 (\$2,435,600 GPR and \$4,728,100 FED) in 2023-24 and

\$20,517,200 (\$6,975,900 GPR and \$13,541,300 FED) in 2024-25 to support replacing the Kids Information Data System (KIDS) with a modern web-based information technology (IT) system. The federal funding would be 66% matching funds under Title IV-D of the Social Security Act.

KIDS is a mainframe system made using COBOL programming that was implemented statewide in September, 1996. It is the primary IT system used for child support enforcement case and financial management functions by state, local, and tribal staff. DCF indicates that the aged architecture in KIDS is difficult to maintain and enhance, thereby increasing the complexity and expense of upgrading IT systems to meet federal performance standards. Further, according to DCF, the system is limited in terms of user interface, is unintuitive, lacks access to modern communication methods, and its automated data reporting is insufficient. DCF indicates that the total cost of the IT system, including upgrades, is estimated to be \$270 million for the 12-year period from 2018-19 through 2029-30, including: planning, development, statewide implementation, hardware, software, operation, and maintenance.

Joint Finance: Reduce funding by \$7,163,700 (-\$2,435,600 GPR and -\$4,728,100 FED) in 2023-24 and increase funding by \$1,502,700 (\$510,900 GPR and \$991,800 FED) in 2024-25. Provide overall funding of \$22,019,900 (\$7,486,800 GPR and \$14,533,100 FED) in 2024-25 to support replacing KIDS with a modern web-based information technology system. The funding would be provided on a one-time basis and not made part of the base budget for the 2025-27 biennium.

3. OFFICE OF LEGAL COUNSEL *(Removed from budget consideration pursuant to Joint Finance Motion #10).*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$290,700	0.92	-\$290,700	-0.92	\$0	0.00
FED	25,400	0.08	-25,400	-0.08	0	0.00
PR	<u>258,100</u>	<u>1.00</u>	<u>-258,100</u>	<u>-1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$574,200	2.00	-\$574,200	-2.00	\$0	0.00

4. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$1,574,600	-\$452,000	-\$2,026,600
FED	-825,400	-301,300	-1,126,700
PR	<u>-1,698,400</u>	<u>-453,200</u>	<u>-2,151,600</u>
Total	-\$4,098,400	-\$1,206,500	-\$5,304,900

Governor: Decrease funding by \$1,294,600 (-\$795,200 GPR, \$387,900 FED, and -\$887,300 PR) in 2023-24 and \$2,803,800 (-\$779,400 GPR, -\$1,213,300 FED, and -\$811,100 PR)

in 2024-25 to reflect the following standard budget adjustments: (a) turnover reduction (-\$339,100 GPR, -\$102,800 FED and -\$339,800 PR annually); (b) removal of non-continuing items (-\$508,000 FED and 24.0 FED positions in 2023-24 and -\$2,036,900 FED and 27.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-\$521,600 GPR, \$813,700 FED, and \$604,700 PR annually); (d) overtime (\$736,900 GPR, \$20,600 FED, and \$4,200 PR annually); (e) night and weekend differential pay (\$129,700 GPR, \$11,300 FED, and \$1,300 PR annually); and (f) full funding of lease and directed moves costs (-\$801,100 GPR, \$153,100 FED, and -\$1,157,700 PR in 2023-24 and -\$785,300 GPR, \$80,800 FED, and -\$1,081,500 in 2024-25); and (g) minor transfers between appropriations (\$0).

These amounts do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program (\$816,100 FED and -\$112,200 PR in 2023-24 and \$816,100 FED and -\$97,500 PR in 2024-25), which are included in separate entries under "Economic Support and TANF-Funded Programs."

Joint Finance: Reduce funding by \$628,700 (-\$226,000 GPR, -\$176,100 FED, and -\$226,600 PR) in 2023-24 and by \$577,800 (-\$226,000 GPR, -\$125,200 FED, and \$226,600 PR) in 2024-25 to reflect: (a) a decrease of \$520,900 (-\$226,000 GPR, -\$68,300 FED, and -\$226,600 PR) annually to change the turnover rate from 3% to 5% for appropriations subject to turnover reduction; and (b) a decrease of \$107,800 FED in 2023-24 and \$56,900 FED in 2024-25 to reestimate full funding of lease and direct move costs.

5. FUNDING AND POSITIONS REALIGNMENTS

Governor/Joint Finance: Increase funding by \$111,900 (-\$1,000 GPR, \$700 FED, and \$111,900 PR) annually, and provide 1.0 PR position, beginning in 2023-24, to more accurately reflect the current needs and organizational structure of DCF. The net increase of 1.0 position and associated funding shown in this item are offset in a separate item under "Economic Support and TANF-Related Programs."

	Funding	Positions
GPR	- \$2,000	0.00
FED	1,400	0.00
PR	<u>223,800</u>	<u>1.00</u>
Total	\$223,200	1.00

6. PROGRAM REVENUE AND FEDERAL REVENUE REESTIMATES

Governor/Joint Finance: Provide \$3,621,100 (\$121,100 FED and \$3,500,000 PR) annually to reflect the net effect of adjustments to several program revenue and federal appropriations, as summarized in the following table.

FED	\$242,200
PR	<u>7,000,000</u>
Total	\$7,242,200

Program Revenue and Federal Funding Reestimates

	Source	Base	2023-24			2024-25		
			Reestimate	Other Items	Total	Reestimate	Other Items	Total
Children and Family Services								
Federal Program Aids	FED	\$12,264,400	-\$262,600	\$0	\$12,001,800	-\$262,600	\$0	\$12,001,800
Federal Project Aids	FED	3,843,300	56,700	0	3,900,000	56,700	0	3,900,000
Economic Support								
Community Services Block Grant	FED	8,717,000	327,000	-5,000	9,039,000	327,000	-5,200	9,038,800
Child Care Worker Background Checks	PR	0	2,000,000	0	2,000,000	2,000,000	0	2,000,000
Interagency and Intra-Agency Programs	PR	4,583,800	-500,000	-43,700	4,040,100	-500,000	-40,300	4,043,500
General Administration								
Interagency and Intra-Agency Programs	PR	17,986,400	2,000,000	0	19,986,400	2,000,000	0	19,986,400
Subtotal FED			\$121,100			\$121,100		
Subtotal PR			<u>3,500,000</u>			<u>3,500,000</u>		
Total			\$3,621,100			\$3,621,100		

7. CYBERSECURITY [LFB Paper 282]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,371,600	-\$1,403,400	\$968,200
FED	0	345,800	345,800
PR	<u>0</u>	<u>2,420,600</u>	<u>2,420,600</u>
Total	\$2,371,600	\$1,363,000	\$3,734,600

Governor: Provide \$1,185,800 annually to develop and implement a comprehensive cybersecurity plan for critical infrastructure, data, systems, and user accounts. The plan would include the following areas: (a) proactively managing, monitoring and tracking IT systems; (b) backup and recovery of critical systems and data; (c) strengthening digital data integrity and interoperability; (d) a contracted privacy officer to review data confidentiality; (e) cybersecurity supervision and coordination; and (e) implementation of a single "MyWisconsin" ID and authentication across state IT system.

Joint Finance: Increase funding by \$657,000 (-\$701,700 GPR, \$172,900 FED and \$1,185,800 PR) annually to fund the development and implementation of a comprehensive cybersecurity plan by using funding transferred from other DCF appropriations to a program revenue-service appropriation that funds centralized administrative and support services. Due to the transfer, these costs are "double counted" in the DCF budget (\$1,185,800 PR annually). Some of the funding for this item (\$504,300 FED) is summarized under other items in "TANF and Economic Support."

Allocation of Cybersecurity Plan Funding Among Divisions and Programs

		<u>Source</u>	<u>Amount</u>
	Children and Family Services		
(1)(aw)	General Program operations	GPR	\$124,500
(1)(cw)	Milwaukee Child Welfare Services	GPR	313,100
(1)(mw)	Milwaukee Child Welfare Services	FED	29,500
(1)(n)	State Foster Care and Adoption Services	FED	76,300
	Economic Support		
(2)(a)	General Program Operations	GPR	26,200
(2)(jn)	Child Licensing and Certification Activities	PR	24,500
(2)(mc)	Federal Block Grant Operations	FED	376,900
(2)(n)	Child Support State Operations	FED	52,700
(2)(om)	Refugee Assistance	FED	14,400
(2)(mc)	Federal Block Grant -- State Operations (TANF)	FED	127,400
	General Administration		
(3)(a)	General Program Operations	GPR	<u>20,300</u>
	Subtotal		\$1,185,800
(3)(k)	Administrative and Support Services	PR	\$1,185,800

8. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$171,500	1.00	-\$171,500	- 1.00	\$0	0.00

9. VACANT POSITIONS

Joint Finance: Delete 2.27 (-0.01 GPR, -1.26 FED, and -1.00 PR) positions, beginning in 2023-24, that have been vacant for 18 months or more.

	Positions
GPR	- 0.01
FED	- 1.26
PR	<u>- 1.00</u>
Total	- 2.27

CIRCUIT COURTS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$231,477,200	\$234,823,000	\$232,243,000	-\$2,580,000	- 1.1%	\$765,800	0.3%
PR	<u>465,400</u>	<u>465,400</u>	<u>465,400</u>	<u>0</u>	0.0	<u>0</u>	0.0
TOTAL	\$231,942,600	\$235,288,400	\$232,708,400	-\$2,580,000	- 1.1%	\$765,800	0.3%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	543.00	551.00	551.00	0.00	8.00
PR	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	543.00	551.00	551.00	0.00	8.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	-\$2,378,600
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Governor/Joint Finance: Provide an adjustment to the base of -\$1,189,300 annually associated with full funding of continuing position salaries and fringe benefits.

2. CIRCUIT COURT BRANCHES FUNDING AND POSITIONS [LFB Paper 106]

	Funding	Positions
GPR	\$2,303,600	8.00

Governor/Joint Finance: Provide \$1,107,000 in 2023-24, \$1,196,600 in 2024-25, and 8.0 positions annually for the last four new circuit court branches created under 2019 Act 184. In total, Act 184 created 12 circuit court branches over a three-year period (four judges each in 2021, 2022, and 2023), at the discretion of the Director of State Courts. Position authority includes 4.0 judges and 4.0 circuit court reporters annually (a judge and court reporter each in Clark, Manitowoc, Sawyer, and Wood counties).

Since judgeships are specifically identified in the statutes, modify statutory language to

update the number of judicial circuit court branches, by county, to reflect 2019 Act 184. Specifically, increase the statutory number of judicial circuit court branches in Adams, Eau Claire, Vilas, and Waushara counties (added and allocated by the Director of State Courts to begin operation on August 1, 2022), as well as Clark, Manitowoc, Sawyer, and Wood counties (added and allocated by the Director of State Courts to begin operation on August 1, 2023).

3. CIRCUIT COURT COST PAYMENTS

GPR	\$840,800
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Governor/Joint Finance: Provide \$402,100 in 2023-24 and \$438,700 in 2024-25 in the circuit court cost appropriation for additional support to counties. Under 2019 Act 184, the number of circuit court branches in Wisconsin will increase from 257 to 261 on August 1, 2023. Since the circuit court cost appropriation distributes funding based on the number of branches, increased funding is intended to maintain current per branch funding levels (approximately \$109,700 per branch) in the 2023-25 biennium.

4. DIGITAL AUDIO RECORDING DEVICES [LFB Paper 285]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,580,000	- \$1,580,000	\$0

Governor: Provide an increase of \$790,000 annually in sum sufficient expenditure authority in the circuit courts appropriation to support the installation of 100 additional digital audio recording devices and to provide for on-going maintenance and replacement of associated hardware and accessories. According to the Director of State Courts, increased digital audio recording equipment would allow the courts to: (a) continue to transition to digital, rather than stenographic, court reporters (the latter of which is becoming increasingly difficult to find and hire); and (b) improve courtroom function and increase flexibility by allowing court reporters to work remotely and to cover cases in different counties or on an emergency basis, as needed.

Joint Finance: Provision not included.

5. PRETRIAL RISK ASSESSMENT REIMBURSEMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

6. MODIFICATION OF CERTIFICATES OF QUALIFICATION FOR EMPLOYMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

CORRECTIONS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$2,690,131,600	\$2,828,858,100	\$2,762,538,500	-\$66,319,600	- 2.3%	\$72,406,900	2.7%
FED	5,334,400	5,333,400	5,333,400	0	0.0	- 1,000	0.0
PR	<u>248,802,800</u>	<u>276,292,100</u>	<u>277,237,600</u>	<u>945,500</u>	0.3	<u>28,434,800</u>	11.4
TOTAL	\$2,944,268,800	\$3,110,483,600	\$3,045,109,500	-\$65,374,100	- 2.1%	\$100,840,700	3.4%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	9,716.22	9,725.52	9,615.22	- 110.30	- 101.00
FED	1.00	1.00	1.00	0.00	0.00
PR	<u>544.30</u>	<u>536.60</u>	<u>544.30</u>	<u>7.70</u>	<u>0.00</u>
TOTAL	10,261.52	10,263.12	10,160.52	- 102.60	- 101.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$12,138,000	-\$4,292,600	\$7,845,400
FED	- 1,000	0	- 1,000
PR	<u>1,135,200</u>	<u>- 157,600</u>	<u>977,600</u>
Total	\$13,272,200	-\$4,450,200	\$8,822,000

Governor: Provide adjustments to the base totaling \$6,069,000 GPR, -\$500 FED, and \$567,600 PR annually. Adjustments are for: (a) turnover reduction (-\$13,646,800 GPR and

-\$489,500 PR annually); (b) full funding of salaries and fringe benefits (-\$67,820,100 GPR, -\$500 FED and -\$1,374,200 PR annually); (c) night and weekend differential (\$10,151,800 GPR and \$325,200 PR annually); and (d) overtime (\$77,384,100 GPR and \$2,106,100 PR annually). It should be noted that all costs associated with overtime and night and weekend differential are removed in the calculation of full funding of salaries and fringe benefits. [See Item #2, "Overtime Supplement."]

In addition, request minor transfers of classified positions within the Department of Corrections' adult and juvenile general program operations appropriations, the services for community corrections appropriation, the Becky Young community corrections; recidivism reduction community services appropriation, the correctional farms appropriation, the prison industries appropriation, the interagency and intra-agency programs appropriation, the juvenile operations appropriation, and the juvenile community supervision appropriation.

Joint Finance: Modify the overtime standard budget adjustment funding by \$889,700 GPR and \$18,800 PR annually to correct inadvertent calculation errors in the bill. [In total, standard budget adjustment overtime is \$78,273,800 GPR and \$2,124,900 PR annually.] In addition, increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$3,036,000 GPR and -\$97,600 PR annually. [In total, turnover reduction is -\$16,682,800 GPR and -\$587,100 PR annually.]

2. OVERTIME SUPPLEMENT [LFB Paper 290]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$94,879,400	- \$64,879,400	\$30,000,000
PR	<u>519,000</u>	<u>132,000</u>	<u>651,000</u>
Total	\$95,398,400	- \$64,747,400	\$30,651,000

Governor: Provide \$47,439,700 GPR and \$259,500 PR annually for an overtime supplement. Under standard budget adjustments each budget cycle, all funding associated with overtime 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 provides overtime in the amount provided for the prior biennium, adjusted by the new variable fringe rate (\$77,384,100 GPR and \$2,106,100 PR annually). Based on 2021-22 actual hours, the bill provides supplemental funding of \$47,439,700 GPR and \$259,500 PR annually. In total, the bill provides \$124,823,800 GPR and \$2,365,600 PR annually to fund costs associated with overtime. Note that the cost of actual hours used to calculate overtime include compensation incentives implemented in the 2021-23 biennium, where applicable, as well as proposed pay increases in the 2023-25 biennium [See "Budget Management and Compensation Reserves."]

Joint Finance: Modify funding by -\$32,439,700 GPR and \$66,000 PR annually to provide \$15,000,000 GPR and \$325,500 PR annually as an overtime supplement. [Total overtime funding, including standard budget adjustments, would be \$93,273,800 GPR and \$2,450,400 PR annually.]

3. FUNDING FOR CONTINUED ADD-ON PAY TO RECRUIT AND RETAIN CERTAIN POSITIONS [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,648,100	- \$3,648,100	\$0
PR	<u>136,300</u>	<u>- 136,300</u>	<u>0</u>
Total	\$3,784,400	- \$3,784,400	\$0

Governor: Provide \$1,858,400 GPR and \$69,400 PR in 2023-24 and \$1,789,700 GPR and \$66,900 PR in 2024-25 to continue add-ons for non-security positions implemented in the 2021-23 biennium. Specifically, the funding is intended to allow the Department to extend: (a) a \$5 per hour add-on for nurse clinicians, nurse clinicians 2-weekend, licensed practical nurses, and nursing assistants 3 at certain institutions; (b) a \$3 per hour add-on for nurse clinicians working weekend shifts at certain institutions; and (c) a \$3 per hour add-on for teachers at Lincoln Hills School and Copper Lake School. [For continued add-on pay for security staff, see "Budget Management and Compensation Reserves."]

Joint Finance: Modify provision to instead provide funding to compensation reserves in the amounts included in AB 43/SB 70, less a 5% reduction associated with a higher than usual level of position vacancies, to continue supplemental pilot add-on pay to address severe recruitment and retention issues. [See "Budget Management and Compensation Reserves."]

4. STAFF RECRUITMENT [LFB Paper 291]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$370,000	- \$370,000	\$0

Governor: Provide \$185,000 annually for resources to assist with recruiting and hiring staff to fill vacant positions. Specific recruitment strategies may include the use of billboards and/or print, broadcast and social media advertisements.

Joint Finance: Provision not included.

5. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$13,756,000	\$14,400,400	\$644,400
PR	<u>- \$84,100</u>	<u>0</u>	<u>- 84,100</u>
Total	- \$13,840,100	\$14,400,400	\$560,300

Governor: Adjust funding by -\$6,421,900 GPR and -\$43,600 PR in 2023-24 and -\$7,334,100 GPR and -\$40,500 PR in 2024-25 to reflect the current law estimate of debt service costs. The reestimate includes: (a) adult corrections (-\$5,663,700 GPR and -\$43,600 PR in 2023-24 and -\$7,139,100 GPR and -\$40,500 PR in 2024-25); and (b) juvenile corrections (-\$758,200 GPR in 2023-24 and -\$195,000 GPR in 2024-25).

Joint Finance: Modify funding by \$3,119,500 GPR in 2023-24 and \$11,280,900 GPR in 2024-25 to adjust funding by -\$3,302,400 GPR and -\$43,600 PR in 2023-24 and \$3,946,800 GPR and -\$40,500 PR in 2024-25 to reflect current debt service costs.

6. RENT

Governor/Joint Finance: Provide an adjustment of -\$592,700 GPR and \$34,000 PR in 2023-24 and -\$278,700 GPR and \$44,600 PR in 2024-25 for departmentwide rent expenses and related supplies and services expenses.

GPR	- \$871,400
PR	<u>78,600</u>
Total	- \$792,800

7. REALIGNMENT OF FUNDING AND POSITIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,107,400	7.70	-\$1,107,400	- 7.70	\$0	0.00
PR	<u>- 1,107,400</u>	<u>- 7.70</u>	<u>1,107,400</u>	<u>7.70</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Adjust funding and positions between appropriations to reflect various organizational modifications within the Department. The adjustments include a reallocation of: (a) \$9,072,200 GPR and \$12,100 PR within the Secretary's Office to allow the Department to create budgetary subunits for the currently existing research unit, reentry unit, Prison Rape Elimination Act (PREA) unit, Office of Legal Counsel, Office of Internal Affairs, and Office of Public Information; (b) \$251,000 GPR from the general program operations appropriation (Bureau of Personnel and Human Resources) to the services for community corrections appropriation (Bureau of Personnel and Human Resources) to more accurately reflect human resource services by appropriation; (c) 8.0 GPR positions and associated funding (\$676,800 GPR) from the general programs operations appropriation to the services for community corrections appropriation related to a previous transfer of positions; (d) 7.70 PR positions and associated funding (\$553,700) to GPR positions and funding to account for a decrease in PR revenue, but an on-going utilization of the

positions; (e) \$490,000 GPR and 4.0 GPR positions to match the reallocation of the positions (and associated funding) from the Divisions of Community Corrections and Juvenile Justice to the Office of the Secretary in calendar year 2021; (f) \$11,200 GPR to provide supplies and services to previously transferred positions; and (g) \$2,210,300 GPR to align funding between the general program operations, the community corrections, and the purchased services for offenders appropriations to reflect actions in the 2021-23 budget.

Division	Appropriation	Annual Funding		Positions	
		GPR	PR	GPR	PR
Adult Institutions	General Program Operations	\$1,508,500		-4.00	
Adult Institutions	Services for Community Corrections	1,507,100		14.70	
Adult Institutions	Purchased Services for Offenders	-2,078,300			
Adult Institutions	Becky Young Community Corrections; Recidivism Reduction Community Services*	0			
Adult Institutions	Home Detention Services; Supervision		-\$130,200		-2.20
Adult Institutions	Administration of Restitution		-423,500		-5.50
Adult Institutions	Interagency and Intra-agency Programs*		0		
Juvenile Corrections	General Program Operations	<u>-383,600</u>		<u>-3.00</u>	
	Total	\$553,700	-\$553,700	7.70	-7.70

*\$8,138,100 GPR would be transferred among programs within the Becky Young appropriation and \$12,100 PR would be transferred among programs within the interagency and intra-agency programs appropriation, with no funding or positions being added or removed from the appropriations in total.

Joint Finance: Provision not included.

8. PROGRAM REVENUE REESTIMATES

PR	\$19,479,300
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Governor/Joint Finance: Provide \$9,575,800 in 2023-24 and \$9,903,500 in 2024-25 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 recommended by the Administration, and the total funding that would be budgeted for these purposes under the Governor's recommendation.

Purpose	2023-24				2024-25		
	2022-23 Base	Funding Adjustment	Other Budget Items	Total	Funding Adjustment	Other Budget Items	Total
Badger State Logistics	\$8,605,400	\$600,000	\$59,500	\$9,264,900	\$600,000	\$59,600	\$9,265,000
Canteen Operations	\$986,700	1,000,000	16,200	2,002,900	1,000,000	16,200	2,002,900
Correctional Farms	\$7,879,700	1,600,000	250,900	9,730,600	1,600,000	251,300	9,731,000
Prison Industries	21,422,700	1,400,000	3,081,100	25,903,800	1,400,000	3,023,100	25,845,800
Telephone Company Commissions	3,404,600	1,000,000	0	4,404,600	1,000,000	0	4,404,600
General Operations	7,270,000	1,000,000	-7,200	8,262,800	1,000,000	-7,200	8,262,800
Probation, Parole, Ext. Supervision	9,302,800	2,000,000	14,600	11,317,400	2,000,000	14,600	11,317,400
Juvenile Alternate Care Services	2,752,800	741,000	0	3,493,800	913,600	0	3,666,400
Juvenile Utilities & Heating	371,800	<u>234,800</u>	0	606,600	<u>389,900</u>	0	761,700
Total PR Reestimates		\$9,575,800			\$9,903,500		

9. REGIONAL FACILITIES MAINTENANCE TEAM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,903,900	6.00	-\$1,093,900	- 6.00	\$0	0.00

Governor: Provide \$527,900 in 2023-24, \$566,000 in 2024-25, and 6.0 positions annually to create and operate a regional facilities maintenance team to support departmentwide projects outside the scope of routine maintenance. The team would travel from site-to-site and include: (a) 1.0 buildings grounds supervisor; (b) 1.0 facilities maintenance specialist; (c) 1.0 HVAC/refrigeration specialist; (d) 1.0 electrician; (e) 1.0 plumber; and (f) 1.0 electronic technician security.

Joint Finance: Provision not included.

10. BUREAU OF TRAINING AND STAFF DEVELOPMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$815,700	5.00	-\$815,700	- 5.00	\$0	0.00

11. BUREAU OF TECHNOLOGY MANAGEMENT [LFB Paper 292]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$998,100	5.00	-\$998,100	- 5.00	\$0	0.00

Governor: Provide \$464,600 in 2023-24, \$533,500 in 2024-25, and 5.0 information systems technology services specialist positions annually for the Bureau of Technology and Management's Facilities Infrastructure and Innovative Technologies team to assist with Department initiatives such as modernizing surveillance systems and expanding wireless networks.

Joint Finance: Provision not included.

12. CYBERSECURITY TEAM [LFB Paper 292]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$414,900	7.00	-\$414,900	- 7.00	\$0	0.00

Governor: Provide \$192,200 in 2023-24, \$222,700 in 2024-25, and 7.0 positions annually to create a cybersecurity team in the Bureau of Technology Management. The position authority would include 6.0 information systems (IS) technical services specialists and 1.0 IS supervisor. The 7.0 permanent positions would replace 6.0 contractor positions the Department is currently using for cybersecurity-related responsibilities.

Joint Finance: Provision not included.

13. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$231,000	-\$231,000	\$0

14. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$175,100	1.00	-\$175,100	- 1.00	\$0	0.00

15. TRIBAL LIAISON POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$151,900	1.00	-\$151,900	- 1.00	\$0	0.00

16. PREGNANCY OR POSTPARTUM INDIVIDUALS IN CORRECTIONAL FACILITIES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Adult Institutions

1. ADULT CORRECTIONAL FACILITY POPULATIONS [LFB Paper 295]

Governor: Estimate an average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 21,183 in 2023-24 and 21,836 in 2024-25. From this projection, the following table identifies the adjusted estimated distribution of this population.

	March 3, 2023 <u>Actual Population</u>	<u>Average Daily Population</u>	
		<u>2023-24</u>	<u>2024-25</u>
Institutions*	18,377	18,206	18,859
Centers	2,396	2,859	2,859
Contract Beds**	<u>36</u>	<u>118</u>	<u>118</u>
Total	20,809	21,183	21,836

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (390 on March 3, 2023, and 444 for 2023-24 and 2024-25).

** Contract bed populations include inmates held in federal facilities, adult inmates in Division of Juvenile Corrections facilities, temporary lock-ups of inmates from correctional centers, and inmates in Wisconsin County jails.

Joint Finance: Reestimate the average daily population in adult correctional facilities and contract beds to 22,242 in 2023-24 and 23,249 in 2024-25. The following table identifies the estimated distribution of this population.

	June 9, 2023 <u>Actual Population</u>	<u>Average Daily Population</u>	
		<u>2023-24</u>	<u>2024-25</u>
Institutions & Centers*	21,196	21,984	22,085
Contract Beds**	<u>67</u>	<u>258</u>	<u>1,164</u>
Total	21,263	22,242	23,249

*Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (392 on June 9, 2023, and 444 for 2023-24 and 2024-25)

**Contract bed populations include inmates held in federal facilities, adult inmates in Division of Juvenile Corrections facilities, temporary lock-ups of inmates from correctional centers, and inmates in Wisconsin County jails.

2. POPULATION AND INFLATIONARY COST INCREASES -- ADULT CORRECTIONAL FACILITIES [LFB Paper 295]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$11,735,000	\$11,200,000	\$22,935,000

Governor: Provide adjustments of -\$1,674,600 in 2023-24 and \$13,409,600 in 2024-25 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) \$4,424,700 in 2023-24 and \$6,112,600 in 2024-25 for food costs; (b) \$1,766,900 in 2023-24 and \$2,580,700 in 2024-25 for variable non-food costs, such as inmate wages, bedding, clothing, kitchen utensils, and other supplies; and (c) -\$7,866,200 in 2023-24 and \$4,716,300 in 2024-25 for inmate non-food health services. The funding for inmate health services assumes that the per capita adult inmate cost will increase from an estimated \$5,089 in 2022-23 to \$5,474 in 2023-24 and \$5,890 in 2024-25. Health care costs include supplies and services, 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: Modify funding by \$7,832,800 in 2023-24 and \$3,367,200 in 2024-25 to provide \$6,158,200 in 2023-24 and \$16,776,800 in 2024-25 for inflationary costs. In addition, provide \$5,675,100 annually to the Committee's supplemental appropriation associated with anticipated increased expenses for healthcare contract staffing. [See "Program Supplements."]

3. CONTRACT BED FUNDING [LFB Paper 295]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$6,100,600	\$12,440,100	\$6,339,500

Governor: Provide an adjustment of -\$3,068,600 in 2023-24 and -\$3,032,000 in 2024-25 related to prison contract beds. The Administration projects a total need of 100 contract prison beds annually. In addition, the Administration projects a need of 500 contract beds the Division of Community Corrections would use for extended supervision sanctions, and 18 beds the Department of Corrections would use for inmates in federal 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 \$19,296,300.

Joint Finance: Modify contract bed funding by \$2,109,500 in 2023-24 and by \$10,330,600 in 2024-25. In addition, provide \$8,790,400 in 2024-25 to the Committee's supplemental appropriation. Funding is associated with 730 contract beds in 2023-24 (including 212 Wisconsin county contract beds for overcrowding) and 1,636 contract beds in 2024-25 (including 1,118 Wisconsin county contract beds for overcrowding (funding to Corrections is associated with 650

beds and funding in the Committee's supplemental appropriation is associated with 468 beds)).
 [See "Program Supplements."]

4. WISCONSIN RESOURCE CENTER SECURITY OPERATIONS TRANSFER [LFB Paper 296]

	Funding	Positions
GPR	-\$17,813,800	- 110.00

Governor: Eliminate 110.0 security positions and associated funding (-\$8,906,900 annually) from the Department of Corrections. Transfer assets and liabilities, position authorizations, the incumbent employees holding those positions, tangible personal property, contracts and any pending matters to the Department of Health Services (DHS). Provide increased funding and position authorization in DHS associated with the transfer. [See "Health Services -- Care and Treatment Facilities."]

Joint Finance: See "Health Services -- Care and Treatment Facilities" for modifications to funding associated with this provision.

5. MEDICATION ADMINISTRATION PILOT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$5,974,900	30.60	-\$5,974,900	- 30.60	\$0	0.00

6. FUEL AND UTILITIES

GPR	\$5,749,200
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Governor/Joint Finance: Provide \$2,628,700 in 2023-24 and \$3,120,500 in 2024-25 associated with expected changes in prices for fuel and utilities in adult correctional facilities. Current base funding for the fuel and utilities appropriation is \$26,401,300.

7. INSTITUTIONAL REPAIR AND MAINTENANCE

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,805,200	-\$902,600	\$902,600

Governor: Provide \$657,900 in 2023-24 and \$1,147,300 in 2024-25 for repair and maintenance costs associated with services and materials for adult institutions. Funding is based on an estimated construction cost index increase of 8% every six months through 2023 and of 4% every six months, beginning in 2024. Base funding for institutional repair and maintenance is \$5,340,100 annually.

Joint Finance: Modify funding by -\$329,000 in 2023-24 and -\$573,600 in 2024-25 to provide \$328,900 in 2023-24 and \$573,700 in 2024-25 for repair and maintenance associated with services and materials for adult correctional institutions.

8. MEDICATION-ASSISTED TREATMENT [LFB Paper 297]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$5,022,600	1.00	-\$339,300	- 1.00	\$4,683,300	0.00

Governor: Provide \$1,106,800 in 2023-24, \$3,915,800 in 2024-25, and 1.0 pharmacist position annually to expand access to medication-assisted treatment, which uses medication in combination with counseling and behavioral therapies to treat individuals with substance use disorders. The expansion would allow the Department to serve Division of Adult Institution inmates, including approximately 415 inmates in 2023-24, and 930 inmates on an annualized basis, beginning in 2024-25. Currently, while some individuals may receive an initial shot while in custody, the program only exists for Division of Community Corrections individuals. In addition, reallocate 1.0 currently vacant position for this purpose.

Joint Finance: Modify funding by -\$150,900 in 2023-24, -\$188,400 in 2024-25, and -1.0 position annually to provide \$955,900 in 2023-24 and \$3,727,400 in 2024-25 to expand the medication assisted treatment program to the Division of Adult Institutions. Reallocate 1.0 vacant physician position for this purpose.

9. TREATMENT CAPACITY EXPANSION (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$2,862,800	36.00	-\$2,862,800	- 36.00	\$0	0.00

10. TECHNICAL MOBILE LABS [LFB Paper 298]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,951,600	-\$1,951,600	\$0

Governor: Provide \$975,800 annually to support instructor costs at the existing six technical mobile labs. A mobile lab is a self-contained classroom inside a trailer located on institution grounds. The Department currently operates five labs in the following functional areas

and at the following institutions: (a) computer numerical control (CNC) at Racine Correctional and Kettle Moraine Correctional (one at each location); (b) welding at Taycheedah Correctional; (c) electromechanical at New Lisbon Correctional; and (d) mechatronics at the Racine Youthful Offender Facility. In addition, the Department notes that a new lab is expected to arrive this summer to replace the lab at Racine, at which point the old lab will be repurposed and moved to Green Bay Correctional as an industrial maintenance lab.

Joint Finance: Require the Department of Workforce Development to provide, in each year of the 2023-25 biennium, \$975,800 in Wisconsin Fast Forward grant funding to the Department of Corrections to support instructor costs for technical mobile labs. [See "Workforce Development -- Employment and Training."]

11. WINDOWS TO WORK EXPANSION [LFB Paper 299]

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

Governor: Provide \$250,000 annually to expand the Windows to Work program to allow for an additional 96 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 2021-22, the program served 502 new enrollees, 180 transfer enrollees, and 359 continuing-participants. The program is currently budgeted at \$1,892,200.

Joint Finance: Provision not included.

12. METAL STAMPING EXPANSION [LFB Paper 790]

PR	\$5,963,600
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Governor/Joint Finance: Provide an increase in expenditure authority of \$3,012,700 in 2023-24 and \$2,950,900 in 2024-25 in the annual prison industries appropriation to expand the Bureau of Correctional Enterprise's metal stamping operations at Waupun Correctional Institution to comply with the requirements of 2021 Act 163 (which requires the issuance of new registration plates, constructed according to specific design criteria). Increased funding would support the purchase of equipment and supplies and services required by Act 163 (such as aluminum and plastic sheeting) as well as overtime costs for Bureau of Correctional Enterprises staff. [See "Transportation -- Motor Vehicles."]

13. INCREASE STAFFING IN THE WOMEN'S CORRECTIONAL CENTER SYSTEM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,005,700	6.00	-\$325,600	- 2.00	\$680,100	4.00

Governor: Provide \$463,000 in 2023-24, \$542,700 in 2024-25, and 6.0 positions annually to increase staffing at the Robert E. Ellsworth Correctional Center (REECC) and the Milwaukee Women's Correctional Center. The provided positions include: (a) 5.0 supervising officers at REECC; and (b) 1.0 chaplain, who will split time between the two centers.

Joint Finance: Modify funding and positions by -\$149,100 in 2023-24, -\$176,500 in 2024-25, and -2.0 positions annually to provide \$313,900 in 2023-24, \$366,200 in 2024-25, and 4.0 supervising officer positions annually to increase staffing at the Robert E. Ellsworth Correctional Center.

14. CONVERT LIMITED-TERM EMPLOYEE PHARMACY TECHNICIAN POSITIONS TO FULL-TIME EMPLOYEE POSITIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$472,300	10.00	-\$130,100	- 5.00	\$342,200	5.00

Governor: Provide \$153,300 and 5.0 positions in 2023-24, and \$319,000 and an additional 5.0 positions in 2024-25 to convert limited-term employee pharmacy technicians to permanent pharmacy technician positions. The 10.0 total positions would be allocated to the Central Pharmacy.

Joint Finance: Modify funding by -\$130,100 and -5.0 positions in 2024-25 to provide \$153,300 in 2023-24, \$188,900 in 2024-25, and 5.0 positions annually to convert limited-term employee pharmacy technicians to permanent pharmacy technicians.

15. CONVERT CONTRACTED POSITIONS TO FULL-TIME EMPLOYEE POSITIONS

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	3.00	- 3.00	0.00

Governor: Provide an increase in position authority to convert three Bureau of Technology Management contracted positions to full-time employee positions. Reallocate \$376,600 GPR from

the Department's supplies and services budget (\$316,600 within the general program operations appropriation and \$60,000 from community corrections) to cover the difference between the contractor and full-time employee costs.

Joint Finance: Provision not included.

16. WISCONSIN SECURE PROGRAM FACILITY HEALTH SERVICE UNIT SUPPLIES AND SERVICES

GPR	\$85,300
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Governor/Joint Finance: Provide \$85,300 in 2024-25 for non-personnel costs (including \$50,300 for permanent property (such as telemedicine machines, dental equipment, and dialysis machines) and \$35,000 for supplies and services) related to the opening of the new health services unit at the Wisconsin Secure Program Facility (WSPF) located in Boscobel. According to the Department, the WSPF health services unit is scheduled to be substantially completed late in 2024-25.

17. FULL FUNDING OF THE CENTRAL GENERATING PLANT POSITION

PR	\$8,800
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Governor/Joint Finance: Provide increased expenditure authority of \$4,400 annually in the annual institutional operations and charges appropriation to fund non-salary costs funded for a partial year in 2022-23 associated with the water utility operator position at the Waupun central generating plant, provided in 2021 Act 58 (the 2021-23 biennial budget).

18. LAW ENFORCEMENT INVESTIGATIVE SERVICES [LFB Paper 300]

Governor: Request statutory language changes to reimburse local governments for law enforcement investigative services rendered to state prisons and juvenile correctional facilities. In addition, request a corresponding reallocation of \$125,700 GPR from the adult correctional services general program operations appropriation to the adult correctional services reimbursement claims of counties containing state prisons appropriation.

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, modify the reimbursement claims of counties containing state prisons and juvenile correctional facility appropriation titles to also include municipalities.

Reallocate \$125,700 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 \$65,700 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: Modify the provision to create statutory language specifying that reimbursement must be provided on a quarterly basis.

Community Corrections

1. OPENING AVENUES TO REENTRY SUCCESS EXPANSION [LFB Paper 305]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,796,500	-\$6,524,200	\$2,272,300

Governor: Provide \$3,449,600 in 2023-24 and \$5,346,900 in 2024-25 to expand the Opening Avenues to Reentry Success (OARS) program to serve an additional 177 individuals annually. The OARS program began as a pilot program in 2011, providing intensive case management and mental health services to serious mentally ill offenders. 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. A second, "OARS 2" pilot program began in 2020, which functions similarly to OARS, with the primary difference being the eligibility requirements (OARS has a pre-release component for inmates, but OARS 2 participants must be at least 30 days post-release).

The OARS program is jointly administered with the Department of Health Services, which provides treatment services under contract. [See "Health Services -- Behavioral Health" for OARS position expansion.] In 2021-22, the OARS program (including OARS 2) served 430 participants. The program is currently budgeted at \$4,128,400.

Joint Finance: Modify funding by -\$2,689,300 in 2023-24 and -\$3,834,900 in 2024-25 to provide \$760,300 in 2023-24 and \$1,512,000 in 2024-25 to expand the OARS program, and create non-statutory language to specify increased OARS funding would be provided only for the original OARS program (and not the OARS 2 program). [See "Health Services -- Behavioral Health" for modifications to funding and positions associated with this provision.]

2. ALTERNATIVE TO REVOCATION EXPANSION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,670,900	-\$6,670,900	\$0

3. GLOBAL POSITIONING SYSTEM (GPS) SEX OFFENDER TRACKING

GPR	\$646,900
PR	<u>33,900</u>
Total	\$680,800

Governor/Joint Finance: Provide \$198,500 GPR and \$10,400 PR in 2023-24 and \$448,400 GPR and \$23,500 PR in 2024-25 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. As of February 1, 2023, the Department was monitoring 3,000 individuals by GPS. The Governor projects the GPS-monitored population to increase by 264 individuals by the end of 2023-24 and by an additional 212 individuals by the end of 2024-25.

4. GLOBAL POSITIONING SYSTEM (GPS) TRACKING ESTIMATE

GPR	\$398,800
PR	<u>19,200</u>
Total	\$418,000

Governor/Joint Finance: Provide \$199,400 GPR and \$9,600 PR annually to fund non-salary costs funded for a partial year in 2022-23 associated with GPS tracking.

5. NOTIFICATION TO CRIME VICTIMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. REENTRY CENTERS

Joint Finance: Provide \$4,000,000 GPR in 2023-24 to the Committee's supplemental appropriation for the operation of reentry centers, as authorized under pending legislation 2023 Assembly Bill 183/Senate Bill 172. Create a new annual GPR appropriation in the Department of Corrections to establish and operate the community reentry centers. Corrections may request release of funds under the provisions of s. 13.10 pending enactment of AB 183/SB 172. [See "Program Supplements."]

Adult Sentencing

1. **EARNED RELEASE PROGRAM CRITERIA AND ELIGIBILITY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
2. **EARNED RELEASE COMPLIANCE CREDIT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
3. **EXPUNGEMENT OF CRIMINAL RECORDS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
4. **IMMUNITY FOR CERTAIN CONTROLLED SUBSTANCES OFFENSES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES

Governor/Joint Finance: Under the bill, the juvenile correctional facility average daily population (ADP) is estimated to be 93 annually as shown in the table below. The juvenile facilities include Lincoln Hills School (LHS) (males), Copper Lake School (CLS) (females), the Mendota Juvenile Treatment Center (MJTC), and the Grow Academy, an agriculture science-based experiential education program held at a facility in Oregon, Wisconsin.

<u>Facilities</u>	<u>June 9, 2023 Actual Population</u>	<u>Average Daily Population</u>	
		<u>2023-24</u>	<u>2024-25</u>
Lincoln Hills School	39	50	50
Copper Lake School	6	12	12
Mendota Juvenile Treatment Center	26	26	26
Grow Academy	<u>5</u>	<u>5</u>	<u>5</u>
Total Juvenile Correctional Facility	76	93	93

2. STATUTORY DAILY RATES

Governor/Joint Finance: Establish the statutory daily rate at \$1,246 in 2023-24 and \$1,268 in 2024-25 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. The current daily rate for 2022-23 is \$1,178.

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.

3. SERIOUS JUVENILE OFFENDER FUNDING

GPR	\$7,567,100
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Governor/Joint Finance: Provide \$1,567,700 in 2023-24 and \$5,999,400 in 2024-25 related to juvenile institution care, alternate care, and community supervision for serious juvenile offenders (SJO). Increased costs are associated with an increase in the statutory daily rate for the estimated populations. The estimated ADP for the SJO population would be 75 in 2023-24 and 82 in 2024-25. Base funding for the program is \$19,205,300 GPR annually. The following ADPs for the SJO appropriation, are projected for the 2023-25 biennium:

Average Daily Population

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>		
	<u>April, 2023</u>	<u>2023-24</u>	<u>2024-25</u>
Juvenile Corrections Facilities	16	42	51
Community Supervision Program	<u>62</u>	<u>33</u>	<u>31</u>
Total ADP	78	75	82
Alternate Care*	16	11	11

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

4. POPULATION AND INFLATIONARY COSTS

PR	\$222,500
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Governor/Joint Finance: Modify population-related funding for juvenile corrections by \$87,700 in 2023-24 and \$134,800 in 2024-25, as follows: (a) \$132,900 in 2023-24 and \$138,800 in 2024-25 for food costs at juvenile correctional facilities; (b) \$31,000 annually for variable non-food costs (such as clothing, laundry, and personal items); and (c) -\$76,200 in 2023-24 and -\$35,000 in 2024-25 for juvenile health costs.

5. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE [LFB Paper 457]

PR	\$1,084,400
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Governor/Joint Finance: Provide \$447,300 in 2023-24 and \$637,100 in 2024-25 related to payments to the Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center (MJTC). Base funding for MJTC is \$1,365,500 GPR and \$4,068,600 PR.

6. AGE OF JUVENILE JURISDICTION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

COURT OF APPEALS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$24,769,000	\$23,988,700	\$23,988,700	\$0	0.0%	- \$780,300	- 3.2%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	75.50	75.50	75.50	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	- \$780,300
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Governor/Joint Finance: Provide adjustments to the base totaling -\$401,300 in 2023-24 and -\$379,000 in 2024-25 associated with: (a) full funding of continuing position salaries and fringe benefits (-\$309,300 annually); and (b) full funding of lease and directed moves costs (-\$92,000 in 2023-24 and -\$69,700 in 2024-25).

DISTRICT ATTORNEYS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$113,249,800	\$136,953,100	\$127,438,700	-\$9,514,400	- 6.9%	\$14,188,900	12.5%
FED	0	2,668,000	2,668,000	0	0.0	2,668,000	N.A.
PR	<u>9,381,600</u>	<u>7,387,600</u>	<u>7,861,800</u>	<u>474,200</u>	6.4	<u>- 1,519,800</u>	- 16.2
TOTAL	\$122,631,400	\$147,008,700	\$137,968,500	-\$9,040,200	- 6.1%	\$15,337,100	12.5%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	456.40	511.20	460.80	- 50.40	4.40
FED	46.00	0.00	0.00	0.00	- 46.00
PR	<u>42.50</u>	<u>35.50</u>	<u>38.50</u>	<u>3.00</u>	<u>- 4.00</u>
TOTAL	544.90	546.70	499.30	- 47.40	- 45.60

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$5,353,100	0.00	-\$1,626,200	0.00	-\$6,979,300	0.00
FED	2,668,000	- 46.00	0	0.00	2,668,000	- 46.00
PR	<u>- 1,519,800</u>	<u>- 4.00</u>	<u>0</u>	<u>0.00</u>	<u>- 1,519,800</u>	<u>- 4.00</u>
Total	-\$4,204,900	- 50.00	-\$1,626,200	0.00	-\$5,831,100	- 50.00

Governor: Provide adjustments to the base totaling -\$2,969,700 GPR, \$2,668,000 FED, and -\$759,900 PR, and -4.0 PR positions in 2023-24, and -\$2,383,400 GPR and -\$759,900 PR, and -4.0 PR and -46.0 FED positions in 2024-25. Adjustments are for: (a) turnover reduction (-\$1,219,700 GPR annually); (b) removal of non-continuing elements from the base (-\$889,400 FED and -\$607,500 PR and -4.0 PR positions in 2023-24 and -\$3,557,400 FED and -\$607,500 PR

and -46.0 FED and -4.0 PR positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-\$2,405,900 GPR, \$3,557,400 FED, and -\$152,400 PR, annually); (d) reclassifications and semiautomatic pay progression (\$560,900 GPR in 2023-24 and \$1,147,200 GPR in 2024-25); and (e) night and weekend differential pay (\$95,000 GPR annually). Note that positions removed under non-continuing element were supported with federal ARPA funds.

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$813,100 GPR annually.

2. RESTORE TURNOVER [LFB Paper 315]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,439,400	-\$2,439,400	\$0

Governor: Provide \$1,219,700 annually to restore the turnover reduction applied in standard budget adjustments.

Joint Finance: Provision not included.

3. SALARY ADJUSTMENTS [LFB Paper 316]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$14,026,800	\$2,215,600	\$16,242,400

Governor: Provide \$7,013,400 annually to increase the starting salary of all Assistant District Attorneys (ADAs) to \$35 an hour and provide an hourly increase of \$7.76 (\$16,140 annually) to all ADAs and Deputy District Attorneys. Further, include non-statutory language specifying that, notwithstanding statutory provisions that establish maximum annual salary increases in connection with pay progression, salary increases in 2023-24 and 2024-25 may be more than 10% annually.

Joint Finance: Provide an additional \$1,107,800 annually to increase the salary adjustment from \$7.76 to \$8.76 an hour. Further, include non-statutory language specifying that, notwithstanding statutory provisions that establish maximum annual salary increases in connection with pay progression, salary increases in 2023-24 may be more than 10% annually. In addition, include non-statutory language specifying that, notwithstanding the current compensation plan, that the agency can provide the new minimum salary upon appointment and provide adjustments and pay progression to those at the maximum salary level.

4. PAY PROGRESSION [LFB Paper 316]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,672,100	\$432,400	\$2,104,500

Governor: Provide \$1,672,100 in 2024-25 to support the 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 (\$56,659 as of January 3, 2023) and the highest annual salary (\$136,781 as of January 3, 2023). The value of one hourly salary step equals \$4,722 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 equal to one step.

Joint Finance: Provide an additional \$432,400 in 2024-25 such that current law provisions may provide pay progression of one step with higher salaried individuals limited to the maximum of the salary range then in effect.

5. DISTRICT ATTORNEY COMPENSATION [LFB Paper 317]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$854,300	\$71,900	\$926,200

Governor: Provide \$854,300 in 2024-25 to increase the hourly compensation of elected district attorneys by \$10.03 (\$7.76 salary adjustment and \$2.27 one step increase) (\$20,862 annually) beginning with the start of their new term (January, 2025) to match the raise provided to ADAs and DDAs. Salaries for elected District Attorneys (ranging from \$106,288 to \$145,288 based on county population) are established in the state's compensation plan which is approved by the Joint Committee on Employment Relations.

Joint Finance: Provide an additional \$71,900 in 2024-25 to increase the salary adjustment from \$7.76 to \$8.76 an hour.

6. **ADDITIONAL GPR PROSECUTOR POSITIONS** [LFB Paper 318]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$8,945,000	54.80	-\$8,457,700	- 50.40	\$487,300	4.40
PR	- 474,200	- 3.00	474,200	3.00	0	0.00
Total	\$8,470,800	51.80	-\$7,983,500	- 47.40	\$487,300	4.40

Governor: Provide \$3,750,200 GPR and 48.8 GPR positions in 2023-24, and \$5,194,800 GPR and 54.8 GPR positions in 2024-25, to provide additional prosecutors to District Attorney offices across the state. In addition, modify funding by -\$237,100 PR annually and -3.0 PR positions.

a. *New State Prosecutor Positions.* Provide \$3,421,600 GPR in 2023-24, \$4,562,100 GPR in 2024-25, and 44.9 GPR positions annually, to provide additional ADAs requested by the following 16 offices:

<u>County</u>	<u>Recommended GPR ADA Positions</u>	<u>Current Prosecutor Position Authority</u>	<u>Current FED ADA Positions*</u>	<u>Resulting Prosecutor Position Authority</u>
Brown	6.0	17.0	2.5	25.5
Clark	2.0	2.0	0.0	4.0
Dane	10.0	30.0	3.0	43.0
Dodge	1.0	5.0	0.0	6.0
Eau Claire	2.0	11.0	1.0	14.0
Fond du Lac	0.5	9.0	1.5	11.0
Grant	1.0	2.0	0.0	3.0
Marathon	1.0	13.0	2.0	16.0
Marinette	1.0	3.0	0.0	4.0
Milwaukee	4.0	124.5	16.0	144.5
Monroe	2.0	5.0	0.5	7.5
Sauk	2.0	6.0	0.5	8.5
St. Croix	1.0	7.0	0.5	8.5
Walworth	3.0	6.0	0.5	9.5
Waukesha	7.4	20.0	1.5	28.9
Waupaca	<u>1.0</u>	4.0	0.0	5.0
Total	44.9			

* Positions expire at the end of 2024.

b. *Convert PR and FED-Funded ADA Position Authority to GPR.* Provide \$237,100 GPR and -\$237,100 PR and 3.0 GPR and -3.0 PR positions in 2023-24, \$515,900 GPR and -\$237,100 PR in 2024-25 and 8.5 GPR and -3.0 PR positions, to convert funding for certain prosecutor positions from program revenue to general purpose revenue as identified below. [Note

that the federal funding for positions converted are removed as part of standard budget adjustments as non-continuing items.]

<u>County</u>	<u>Recommended PR to GPR Positions</u>	<u>Recommended FED to GPR Positions*</u>	<u>Total Converted Positions</u>
Fond du Lac	1.0	1.5	2.5
Kenosha	0.0	2.0	2.0
Milwaukee	2.0	0.0	2.0
Outagamie	<u>0.0</u>	<u>2.0</u>	<u>2.0</u>
Total	3.0	5.5	8.5

* Position starts in 2024-25.

c. *Increase Existing Part-Time ADA Position Authority:* Provide \$91,500 GPR and 0.9 GPR positions in 2023-24, and \$116,800 GPR and 1.4 GPR positions in 2024-25 to increase part-time prosecutor positions in the following three counties: (a) Langlade 0.5 GPR position in 2024-25 (0.5 to 1.0 position); (b) Oneida 0.5 GPR position (0.5 to 1.0 position); and (c) Ozaukee 0.4 GPR position (0.6 to 1.0 position).

Joint Finance: Reduce funding by \$3,582,500 GPR and 46.9 GPR positions in 2023-24 and \$4,875,200 GPR and 50.4 GPR positions in 2024-25. As a result, \$167,700 GPR and 1.9 GPR positions in 2023-24 and \$319,600 GPR and 4.4 GPR positions in 2024-25 would be provided for additional ADAs. Specify that positions would be provided as follows: Langlade, 0.5 GPR in 2024-25; Oneida, 0.5 GPR in 2023-24; Ozaukee, 0.4 GPR in 2023-24; Kenosha, 2.0 GPR in 2024-25; and Sauk, 1.0 GPR in 2023-24. Further, restore \$237,100 PR and 3.0 PR positions annually.

7. SUPPLIES AND SERVICES [LFB Paper 319]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,118,800	\$289,000	\$1,407,800

Governor: Provide \$559,400 annually to support the costs of various Department of Administration (DOA) assessments including charges for personnel services, financial services, DOA overhead, risk management and state accounting system. As part of the District Attorneys salary and fringe benefits appropriation, \$223,200 annually is allocated to supplies and services. Payments for special prosecutors (\$155,100 in 2021-22) are also made from the appropriation's supplies and services allocation.

Joint Finance: Provide an additional \$144,500 annually for DA supplies and services for a total of \$703,900 annually.

8. DEPUTY DISTRICT ATTORNEY ALLOCATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. DISTRICT ATTORNEY INFORMATION TECHNOLOGY PROGRAM [LFB Paper 146]

Governor: Provide \$4,400,000 GPR annually in the Department of Administration to support the District Attorney Information Technology (DAIT) program, which provides IT hardware, software, and legal subscription services to the District Attorneys (DA), Assistant District Attorneys, and other District Attorney Office staff. Funding is intended to provide laptops and software for 1,600 state- and county-funded employees statewide utilizing the DAIT network (\$3,000,000 annually) and to provide TIME Access, Westlaw subscription, and State Bar legal research tools for eligible DA office employees (\$1,400,000 annually). Further, funding is intended to upgrade the prosecutor technology for case tracking system. [See "Administration -- Information Technology."]

Joint Finance: Provide funding but on a one-time basis. [See "Administration -- Information Technology."]

10. REPRESENTATION FOR LAW LICENSE GRIEVANCES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$11,668,400	\$11,720,500	\$13,024,500	\$1,304,000	11.1%	\$1,356,100	11.6%
PR	<u>30,142,400</u>	<u>31,014,400</u>	<u>31,014,400</u>	<u>0</u>	<u>0.0</u>	<u>872,000</u>	<u>2.9</u>
TOTAL	\$41,810,800	\$42,734,900	\$44,038,900	\$1,304,000	3.1%	\$2,228,100	5.3%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	25.94	25.94	25.94	0.00	0.00
PR	<u>28.24</u>	<u>28.24</u>	<u>25.56</u>	<u>- 2.68</u>	<u>- 2.68</u>
TOTAL	54.18	54.18	51.50	- 2.68	- 2.68

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$542,600
PR	<u>872,000</u>
Total	\$1,414,600

Governor/Joint Finance: Modify the base budget by \$269,600 GPR and \$430,400 PR in 2023-24 and \$273,000 GPR and \$441,600 PR in 2024-25 for: (a) full funding of continuing salaries and fringe benefits (\$173,300 GPR and \$211,700 PR annually); (b) \$4,300 GPR and \$18,300 PR in 2023-24 and \$7,300 GPR and \$20,200 PR in 2024-25 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; and (e) \$10,000 GPR and \$185,000 PR in 2023-24 and \$10,400 GPR and \$194,300 PR in 2024-25 for full funding of lease and directed move costs.

2. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$589,700	\$1,307,000	\$717,300

Governor: Reestimate debt service funding by -\$181,200 in 2023-24 and -\$408,500 in 2024-25. Base level funding is \$1,949,500 annually.

Joint Finance: Reestimate debt service by \$421,500 in 2023-24 and \$885,500 in 2024-25

3. FUEL AND UTILITIES REESTIMATE

GPR	\$96,200
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Governor/Joint Finance: Provide \$41,800 in 2023-24 and \$54,400 in 2024-25 to reestimate the Board's fuel and utilities budget to reflect anticipated changes in prices and statistically normal weather conditions. Base level funding is \$818,300 annually.

4. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

5. DELETE VACANT POSITIONS

	Positions
PR	- 2.68

Joint Finance: Delete 2.68 PR positions vacant for 24 months or more from ECB's appropriation for gifts, grants, contracts, leases, instructional materials, and copyrights.

ELECTIONS COMMISSION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$9,739,000	\$12,631,200	\$10,158,800	- \$2,472,400	- 19.6%	\$419,800	4.3%
FED	1,702,400	1,768,300	1,731,300	- 37,000	- 2.1	28,900	1.7
PR	715,800	887,200	914,400	27,200	3.1	198,600	27.7
SEG	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>	0.0	<u>0</u>	0.0
TOTAL	\$12,157,400	\$15,286,900	\$12,804,700	- \$2,482,200	- 16.2%	\$647,300	5.3%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	25.75	35.75	25.75	- 10.00	0.00
FED	3.25	3.25	3.25	0.00	0.00
PR	3.00	3.00	3.00	0.00	0.00
SEG	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	32.00	42.00	32.00	- 10.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$381,500	\$38,300	\$419,800
FED	65,900	- 37,000	28,900
PR	<u>171,400</u>	<u>27,200</u>	<u>198,600</u>
Total	\$618,800	\$28,500	\$647,300

Governor: Provide adjustments to the base totaling \$189,300 GPR, \$31,600 FED, and \$85,700 PR in 2023-24 and \$192,200 GPR, \$34,300 FED, and \$85,700 PR in 2024-25. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (\$171,500 GPR, \$16,100 FED, and \$71,400 PR annually); (b) reclassifications and semiautomatic pay

progression (\$42,700 GPR, \$4,300 FED, and \$14,300 PR in 2023-24 and \$42,700 GPR, \$5,800 FED, and \$14,300 PR in 2024-25); and (c) full funding of lease and directed moves costs (-\$24,900 GPR and \$11,200 FED in 2023-24 and -\$22,000 GPR and \$12,400 FED in 2024-25).

Joint Finance: Modify full funding of lease and directed moves costs by \$20,600 GPR, -\$17,900 FED, and \$13,600 PR in 2023-24, and by \$17,700 GPR, -\$19,100 FED, and \$13,600 PR to reflect Elections Commission rent costs for the 2023-25 biennium.

2. OFFICE OF ELECTION TRANSPARENCY AND COMPLIANCE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$1,938,000	10.00	-\$1,938,000	- 10.00	\$0	0.00

3. BADGER BOOK GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$400,000	-\$400,000	\$0

4. VOTER IDENTIFICATION TRAINING APPROPRIATION MODIFICATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. REIMBURSEMENT FOR SPECIAL PRIMARY AND ELECTION COSTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. SPECIAL ELECTION DATES FOR CERTAIN FEDERAL OFFICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. RECOUNT FEES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. AUTOMATIC VOTER REGISTRATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$172,700	-\$172,700	\$0

9. **VOTER REGISTRATION MODIFICATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
10. **STUDENT PROOF OF IDENTIFICATION FOR VOTING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
11. **HIGH SCHOOL VOTER REGISTRATION REQUIREMENT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
12. **TEMPORARY IDENTIFICATION CARDS FOR VOTING -- VALID PERIOD** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
13. **EARLY CANVASSING OF ABSENTEE BALLOTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
14. **CENTRAL COUNTING AT COUNTY SEAT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
15. **IN-PERSON ABSENTEE VOTING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
16. **RESIDENCY REQUIREMENT FOR VOTING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
17. **VOTER BILL OF RIGHTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

EMPLOYEE TRUST FUNDS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$65,000	\$49,300	\$49,300	\$0	0.0%	- \$15,700	- 24.2%
SEG	<u>105,424,600</u>	<u>120,010,600</u>	<u>118,555,900</u>	<u>- 1,454,700</u>	- 1.2	<u>13,131,300</u>	12.5
TOTAL	\$105,489,600	\$120,059,900	\$118,605,200	- \$1,454,700	- 1.2%	\$13,115,600	12.4%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
SEG	275.20	291.20	287.20	- 4.00	12.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$1,342,800	- \$846,000	\$496,800

Governor: Provide adjustments to the base totaling \$671,400 annually for: (a) turnover reduction, -\$634,600 annually; (b) full funding of continuing position salaries and fringe benefits, \$1,306,700 annually; (c) overtime, \$45,600 annually; (d) night and weekend differential pay, \$72,300 annually; and (e) full funding of lease and directed moves costs, -\$118,600 annually.

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$423,000 annually.

2. RETIRED EMPLOYEES BENEFIT SUPPLEMENT RE-ESTIMATE [LFB Paper 106]

GPR	- \$15,700
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Governor/Joint Finance: Reduce estimated expenditures by \$4,600 in 2023-24 and \$11,100 in 2024-25 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 \$32,500.

3. INSURANCE ADMINISTRATION SYSTEM AND DATA MANAGEMENT [LFB Paper 335]

	Funding	Positions
SEG	\$11,736,800	7.00

Governor: Provide \$3,626,300 in 2023-24, \$8,110,500 in 2024-25, and 7.0 positions annually (4.0 permanent and 3.0 project) for the following: (a) insurance administration system ongoing costs (\$4,344,100 in 2024-25); (b) consulting services to assist with implementation of pension and insurance administration systems (\$2,160,000 annually); (c) data management expenses (\$950,400 annually); and (d) \$515,900 in 2023-24 and \$656,000 in 2024-25 for positions to assist with data management (2.0 permanent positions annually), IT development and quality assurance (2.0 permanent positions annually), and temporary trust fund specialist position coverage while existing subject matter experts participate in IT systems implementation and improvement (3.0 four-year project positions annually).

The insurance administration system, currently in development under contract, will replace the Department's current health insurance administration system as well as provide support for administration for other insurance programs, including life insurance, income continuation insurance, and supplemental benefits.

Funding for consulting services would be for planning and project oversight, business process reengineering, and organization change management. Data management expenses include costs for data integration, data quality improvement, and data governance.

Joint Finance: Include provision. In addition, specify that ETF may request that the Governor create or abolish a position that is funded from the Public Employee Trust Fund if the position would perform duties relating to modernizing business processes or integrating information technology systems of ETF. The Governor may approve or modify the request. If the Governor approves or modifies the request, require the Governor to notify the Joint Committee on Finance of his or her proposed action. Specify that the Committee would review the request under a 14-day passive review process. If a position is created, the salaries and fringe benefits of the position would be supported by monies from the trust fund.

Further, specify that, for the purpose of modernizing business processes or integrating information technology systems, EFT may request that the Governor supplement any sum certain appropriation funded from the trust fund. As with positions, specify that the Governor may request that the Committee approve the recommended supplement. The review would be conducted under a 14-day passive review process.

For both the recommended position and funding modifications, specify that if the Committee objects to the Governor's recommendation, the Committee would schedule a meeting to review the matter. Such meetings would be conducted under the provisions of s. 13.10 of the statutes.

The position and funding supplementation process would apply to requests submitted before July 1, 2029.

4. SERVICE LEVELS TO MEET EMPLOYER AND MEMBER GROWTH [LFB Paper 336]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$989,600	7.00	-\$282,900	-2.00	\$706,700	5.00

Governor: Provide \$437,800 in 2023-24 and \$551,800 in 2024-25 and 7.0 trust fund specialist positions annually to expand the service capacity of ETF to meet growth over the past 10 years in the number of employers and members (retirees and inactive members in particular). The Department would assign the positions to the following areas of responsibility: (a) call center, 2.0 positions, to manage increase volume and length of calls; (b) member services, 2.0 positions, to provide retirement estimates and appointments; (c) employer services, 2.0 positions, to support employers and retirees with matters relating to health insurance and supplemental programs; and (d) benefit services, 1.0 position, to address workload relating to retirement services, such as processing retirement applications and transactions.

Joint Finance: Modify funding and position authority by -\$125,200 in 2023-24, -\$157,700 in 2024-25, and -2.0 positions annually.

5. SUPPORT FOR FINANCIAL AND ACTUARIAL FUNCTIONS [LFB Paper 336]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$325,800	2.00	-\$325,800	-2.00	\$0	0.00

Governor: Provide \$143,600 in 2023-24, \$182,200 in 2024-25, and 2.0 positions annually (1.0 actuarial analyst and 1.0 accountant-advanced) to address increased workload in financial and actuarial duties relating to retirement and insurance programs administered by the Department for state and local employees. The actuarial analyst would be responsible for: ensuring accurate data is maintained and utilized for actuarial valuations; providing leadership in actuarial functions and projects; managing the work of consulting actuaries; providing support for actuarial research and analysis; and overseeing data quality of financial data in support of the Department's data management program. The accountant-advanced position would be responsible for: processing

annuity payments, vendor payments, qualified domestic relations orders, service purchase requests, and additional retirement contributions; assisting employers with accounting compliance requirements; ensuring that financial reporting requirements and deadlines are met; and enforcing compliance with tax laws and regulations.

Joint Finance: Provision not included.

6. EXPENDITURE AUTHORITY FOR AUDITS CONDUCTED BY LEGISLATIVE AUDIT BUREAU

SEG	\$191,000
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Governor/Joint Finance: Provide \$17,000 in 2023-24 and \$174,000 in 2024-25 to ETF's administration appropriation, allotted to one-time financing, to fund two statutorily-required audits performed or contracted for by the Legislative Audit Bureau: (a) an actuarial audit of the Wisconsin Retirement System, performed once every five years; and (b) an audit of Governmental Accounting Standards Board statements 74 and 75, pertaining to the supplemental health insurance conversion credit program and retiree life insurance. Funding would be one-time in nature and would not remain in the agency's base for the 2025-27 biennium.

7. INCOME CONTINUATION INSURANCE PREMIUMS AND BENEFITS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. POLICY AND OVERSIGHT OF DISABILITY PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. OFFICE OF INTERNAL AUDIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. DISTRIBUTION OF TRUST FUND EARNINGS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

11. HEALTH INSURANCE WAITING PERIOD *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. DOMESTIC PARTNER BENEFITS ADMINISTERED BY ETF *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

13. REHIRED ANNUITANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

14. 2025-27 REQUEST FOR PENSION ADMINISTRATION SYSTEM FUNDING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

EMPLOYMENT RELATIONS COMMISSION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$1,767,600	\$2,604,800	\$1,837,800	- \$767,000	- 29.4%	\$70,200	4.0%
PR	<u>291,200</u>	<u>291,200</u>	<u>291,200</u>	<u>0</u>	0.0	<u>0</u>	0.0
TOTAL	\$2,058,800	\$2,896,000	\$2,129,000	- \$767,000	- 26.5%	\$70,200	3.4%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	6.00	9.00	6.00	- 3.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	- \$7,800
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Governor/Joint Finance: Provide standard budget adjustments to the base totaling -\$4,800 in 2023-24 and -\$3,000 in 2024-25. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$6,600 annually); (b) full funding of lease and directed moves costs (\$1,800 in 2023-24 and \$3,600 in 2024-25); and (c) minor transfers within the same alpha appropriation (\$2,500 annually from permanent property to supplies and services).

2. GENERAL OPERATIONS FUNDING *(Part: \$5,200 annually for an inflationary increase removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$88,400	- \$10,400	\$78,000

Governor: Provide \$44,200 annually to increase supplies and services funding for current

operations of the Commission. Of this amount, \$5,200 is for the state operations inflationary increase, and the remaining \$39,000 is primarily for supplies and services costs associated with increased risk management liability insurance premiums due to a large claim made in a previous year. Higher premiums are expected through fiscal year 2028. Base funding for supplies and services is currently \$104,800.

Joint Finance: Provide \$39,000 annually for costs associated with increased risk management liability insurance premiums.

3. COLLECTIVE BARGAINING MODIFICATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$497,700	2.00	-\$497,700	- 2.00	\$0	0.00

4. LOCAL GOVERNMENT EMPLOYEE GRIEVANCE PROCEDURE MODIFICATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$258,900	1.00	-\$258,900	- 1.00	\$0	0.00

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$12,974,000	\$212,338,800	\$12,304,600	- \$200,034,200	- 94.2%	- \$669,400	- 5.2%
SEG	<u>14,000,000</u>	<u>10,500,000</u>	<u>10,500,000</u>	<u>0</u>	0.0	<u>- 3,500,000</u>	- 25.0
TOTAL	\$26,974,000	\$222,838,800	\$22,804,600	- \$200,034,200	- 89.8%	- \$4,169,400	- 15.5%
BR		\$372,000,000	\$46,000,000				

FTE Position Summary
Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.

Budget Change Items

- LEAD SERVICE LINE REPLACEMENT FUNDING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

- REVENUE OBLIGATION BONDING AUTHORITY** [LFB Paper 345]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$372,000,000	- \$326,000,000	\$46,000,000

Governor: Increase revenue obligation bonding authority by \$372,000,000 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 state match to the federal capitalization grant for each program. Federal law requires states to provide a 20% match to receive most capitalization grants and a 10% match for certain supplemental grants provided through the IJA. Debt service payments are made from loan repayments.

Under current law, the program is authorized to issue up to \$2,551,400,000 in revenue obligation bonds. The bill would increase that amount to \$2,923,400,000. In the EIF biennial finance plan published in late 2022, 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 through the 2025-27 state fiscal biennium.

Joint Finance: Increase the revenue bonding authorization for the EIF by \$46,000,000, from \$2,551,400,000 to \$2,597,400,000.

3. LAND RECYCLING LOAN PROGRAM -- ENVIRONMENTAL FUND REPAYMENTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$635,200	- \$34,200	- \$669,400
SEG	<u>- 3,500,000</u>	<u>0</u>	<u>- 3,500,000</u>
Total	- \$4,135,200	- \$34,200	- \$4,169,400

Governor: Reestimate GPR general obligation debt service by -\$977,700 in 2023-24 and \$342,500 in 2024-25. This includes adjustments of: (a) -\$602,200 in 2023-24 and \$695,200 in 2024-25 for the clean water fund; and (b) -\$375,500 in 2023-24 and -\$352,700 in 2024-25 for the safe drinking water loan program.

In addition, delete \$1,000,000 EIF SEG in 2023-24 and \$2,500,000 EIF SEG in 2024-25 from the annual appropriation for clean water fund debt service. Annual clean water fund SEG debt service would be \$6,000,000 in 2023-24 and \$4,500,000 beginning in 2024-25.

Joint Finance: Reestimate GPR general obligation debt service by an additional -\$29,600 in 2023-24 and -\$4,600 in 2024-25. This includes adjustments of -\$19,000 in 2023-24 and -\$2,400 in 2024-25 for clean water fund debt service and -\$10,600 in 2023-24 and -\$2,200 in 2024-25 for safe drinking water loan program debt service. Retain the deletion of \$1,000,000 EIF SEG in 2023-

24 and \$2,500,000 EIF SEG in 2024-25 for clean water fund debt service. The following table shows EIF debt service under Joint Finance.

Environmental Improvement Fund Debt Service

	<u>Base</u>	<u>Change to Base</u>	<u>2023-24</u>		<u>2024-25</u>		
			<u>Change to Bill</u>	<u>Total</u>	<u>Change to Base</u>	<u>Change to Bill</u>	<u>Total</u>
Clean Water Fund							
GPR	\$2,756,600	-\$621,200	-\$19,000	\$2,135,400	\$692,800	-\$2,400	\$3,449,400
SEG	<u>7,000,000</u>	<u>-1,000,000</u>	<u>0</u>	<u>6,000,000</u>	<u>-2,500,000</u>	<u>0</u>	<u>4,500,000</u>
Subtotal	\$9,756,600	-\$1,621,200	-\$19,000	\$8,135,400	-\$1,807,200	-\$2,400	\$7,949,400
Safe Drinking Water Loan Program							
GPR	\$3,730,400	-\$386,100	-\$10,600	\$3,344,300	-\$354,900	-\$2,200	\$3,375,500
Total	\$13,487,000	-\$2,007,300	-\$29,600	\$11,479,700	-\$2,162,100	-\$4,600	\$11,324,900

ETHICS COMMISSION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$2,027,400	\$2,385,400	\$2,509,800	\$124,400	5.2%	\$482,400	23.8%
PR	<u>1,055,400</u>	<u>1,270,000</u>	<u>1,270,000</u>	<u>0</u>	0.0	<u>214,600</u>	20.3
TOTAL	\$3,082,800	\$3,655,400	\$3,779,800	\$124,400	3.4%	\$697,000	22.6%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	4.70	4.70	4.70	0.00	0.00
PR	<u>3.30</u>	<u>3.30</u>	<u>3.30</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	8.00	8.00	8.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	-\$8,600
PR	<u>- 5,400</u>
Total	-\$14,000

Governor/Joint Finance: Provide adjustments to the base totaling -\$7,000 annually (-\$4,300 GPR and -\$2,700 PR) associated with:

(a) full funding of continuing position salaries and fringe benefits (-\$1,900 GPR and -\$2,700 PR annually); and (b) full funding of lease and directed moves costs (-\$2,400 GPR annually).

2. CAMPAIGN FINANCE INFORMATION SYSTEM WEBSITE REPLACEMENT [LFB Paper 350]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$366,600	\$124,400	\$491,000
PR	<u>220,000</u>	<u>0</u>	<u>220,000</u>
Total	\$586,600	\$0	\$711,000

Governor: Provide \$183,300 GPR and \$110,000 PR annually to create a campaign finance

reporting website to replace the existing campaign finance information system. The Ethics Commission is required by law to maintain an online, publicly available campaign finance reporting system that displays all contributions and disbursements in order to promote transparency in campaign financing. The funding would be one-time, and would be used to hire two information technology contractors for the 2023-25 biennium. The program revenue expenditure authority would be funded from a campaign finance filing fee balance in the general program operations appropriation for campaign finance and ethics code administration.

Joint Finance: Modify funding by \$137,200 GPR in 2023-24 and -\$12,800 GPR in 2024-25, in order to provide total one-time funding of \$320,500 GPR and \$110,000 PR in 2023-24 and \$170,500 GPR and \$110,000 PR in 2024-25 to replace the existing campaign finance information system website with a vendor product and to hire an information technology contractor for the 2023-25 biennium.

FINANCIAL INSTITUTIONS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$0	\$2,000,000	\$0	-\$2,000,000	- 100.0%	\$0	N/A
PR	36,659,400	47,685,400	40,629,400	- 7,056,000	- 14.8	3,970,000	10.8%
SEG	<u>1,999,200</u>	<u>1,899,000</u>	<u>1,899,000</u>	<u>0</u>	0.0	<u>- 100,200</u>	- 5.0
TOTAL	\$38,658,600	\$51,584,400	\$42,528,400	-\$9,056,000	- 17.6%	\$3,869,800	10.0%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
PR	138.54	141.04	138.54	- 2.50	0.00
SEG	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	141.54	144.04	141.54	- 2.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$610,000	-\$403,400	\$206,600
SEG	<u>- 100,200</u>	<u>0</u>	<u>- 100,200</u>
Total	\$509,800	-\$403,400	\$2,000,000

Governor: Provide adjustments to the base budget for: (a) turnover reduction (-\$302,600 PR annually); and (b) full funding of continuing position salaries and fringe benefits (\$667,400 PR annually and -\$61,000 SEG annually); and (c) full funding of lease and directed moves costs (-\$59,800 PR and \$10,900 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$201,700 PR annually.

2. DEPARTMENT OPERATIONS [LFB Paper 355]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$6,786,200	- \$4,786,200	\$2,000,000

Governor: Provide \$3,393,100 annually for the Department's central duties including: (a) the maintenance and upgrade of critical information technology infrastructure, financial examiner travel and training costs, and accreditation costs (\$3,284,200); and (b) limited-term-employee salary and fringe costs (\$108,900).

Joint Finance: Reduce funding by \$2,393,100 annually in order to provide \$1,000,000 annually for Department operations.

3. SMALL BUSINESS RETIREMENT SAVINGS PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	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	\$0	0.00	\$0	0.00

4. CHARITABLE AND PROFESSIONAL ORGANIZATIONS TECHNOLOGY PROJECT [LFB Paper 356]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$1,115,900	- \$1,115,900	\$0

Governor: Provide \$1,115,900 in 2024-25 for modernization of the Department's charitable and professional organizations technology systems. The upgrades are intended to allow the Department to accept annual reports from approximately 11,000 active charitable organizations electronically, rather than on paper, and allow fund-raising costs as a percentage of donations received to be automatically added to the publicly-available database.

Joint Finance: Provision not included.

5. SECURITIES FILING TECHNOLOGY PROJECT [LFB Paper 356]

PR	\$1,038,900
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Governor/Joint Finance: Provide \$1,038,900 in 2024-25 to update and enhance the

Department's securities filing technology systems. Under current law provisions related to the sale of securities in Wisconsin, securities must be: (a) registered with the DFI Division of Securities; (b) exempt from registration; or (c) submitted to the Division via a notice filing. Currently, over 20,000 active mutual funds with an annual renewal process are filed electronically, but the information must then be transferred into the federal system. This project is intended to maintain electronic transfer between systems.

6. UNIFORM COMMERCIAL CODE AND TRADEMARK FILING SYSTEM TECHNOLOGY PROJECT [LFB Paper 356]

PR	\$724,500
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Governor: Provide \$724,500 in 2023-24 for modernization of DFI's Uniform Commercial Code and trademark processing and filing technology systems. In April, 2019, DFI and a third-party vendor signed an initial term of five years with two options to extend the contract by one year upon mutual agreement of the parties. The extended contract will expire on March 15, 2024, unless the parties exercise their second and final option to extend the contract for an additional year. The new contract would include a one-time implementation fee of \$724,500 in the 2023-25 biennium and annual software service costs in the 2025-27 biennium.

Joint Finance: Provide funding in 2024-25 on a one-time basis instead of 2023-24.

7. AGENCY EQUITY OFFICER *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$83,800	0.50	-\$83,800	- 0.50	\$0	0.00

8. TRANSFER TO THE SECRETARY OF STATE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

9. ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) SAVINGS ACCOUNT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$522,500	1.00	-\$522,500	- 1.00	\$0	0.00

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
SEG	\$250,800	\$250,800	\$250,800	\$0	0.0%	\$0	0.0%

FTE Position Summary
<p>There are no state authorized positions for the Fox River Navigational System.</p>

GENERAL FUND TAXES

1. GENERAL FUND TAX CHANGES

Governor/Joint Finance: The following table shows the general fund tax changes recommended by the Governor and by the Joint Committee on Finance, along with their estimated fiscal effects in the 2023-25 biennium. The table does not include tax law changes that are estimated to have a minimal fiscal effect. The table does not include changes to refundable tax credits, because they are paid from appropriations rather than recorded as reductions in tax revenues.

Estimated Biennial Fiscal Effects of Budget Provisions, Governor and Joint Finance

	<u>2023-25</u> <u>Governor</u>	<u>2023-25</u> <u>Jt. Finance</u>	<u>Change to</u> <u>Governor</u>
Income and Franchise Taxes			
Income Tax Rate Reductions	\$0	-\$2,910,700,000	-\$2,910,700,000
Family and Reinvestment Credit	-839,818,200	0	839,818,200
Limit MAC for Manufacturers	655,100,500	0	-655,100,500
Update Withholding 1/1/2024	0	-603,400,000	-603,400,000
IRC Update - TCJA	387,200,000	0	-387,200,000
Capital Gains Limitation	339,400,000	0	-339,400,000
Caregiver Credit	-195,096,700	0	195,096,700
Income Exclusion for Banks	0	-65,200,000	-65,200,000
Child and Dependent Care Credit	-55,110,700	0	55,110,700
Interactive Effects	24,000,000	0	-24,000,000
Pre-Tax Treatment of Paid Family Leave	-20,450,000	0	20,450,000
Retirement Increase Subtraction Increase	-16,200,000	0	16,200,000
Expand Refundable Research Credit	-16,100,000	0	16,100,000
Universal Changing Station Credit	-15,900,000	0	15,900,000
Limit Private School Tuition Deduction	13,000,000	0	-13,000,000
Low-Income Housing Credit	-8,700,000	0	8,700,000
Financial Institution Apportionment	0	-7,000,000	-7,000,000
Limit Dividends Received Deduction	6,400,000	0	-6,400,000
First-Time Homebuyer Deduction	-4,800,000	0	4,800,000
Repeal NOL Carryback	4,400,000	0	-4,400,000
IRC Update - Changes Since 2020	1,000,000	0	-1,000,000
Flood Insurance Premiums Credit	-800,000	0	800,000
Disability Income Subtraction	-520,000	0	520,000
Sunset Working Families Credit	250,000	0	-250,000
Subtotal--Income and Franchise	<u>\$257,254,900</u>	<u>-\$3,586,300,000</u>	<u>-\$3,843,554,900</u>
General Sales and Use Tax			
Sales Tax on Prewritten Software	\$59,000,000	\$0	-\$59,000,000
Increase Sales Tax Retailer's Discount	0	-36,600,000	-36,600,000
Exemption for Diapers/Hygiene Products	-32,800,000	0	32,800,000
Sales Tax on Recreational Marijuana	10,200,000	0	-10,200,000
Exemption for Renewable Energy Storage	-4,200,000	0	4,200,000

	<u>2023-25 Governor</u>	<u>2023-25 Jt. Finance</u>	<u>Change to Governor</u>
General Sales and Use Tax (continued)			
Exemption for Breastpumps	-\$1,190,000	\$0	\$1,190,000
Exemption for Prairie/Wetland Services	-1,000,000	0	1,000,000
Exemption for Gun Safes and Locks	-540,000	0	540,000
Repeal Exemption for Farm-Raised Deer	<u>210,000</u>	<u>0</u>	<u>-210,000</u>
Subtotal--General Sales and Use Tax	\$29,680,000	-\$36,600,000	-\$66,280,000
Excise Taxes			
Increase Tax on Vapor Products	\$22,400,000	\$0	-\$22,400,000
Increase Tax on Little Cigars	5,500,000	0	-5,500,000
Increase Cigarette Tax Discount	<u>0</u>	<u>-3,200,000</u>	<u>-3,200,000</u>
Subtotal--Excise Taxes	\$27,900,000	-\$3,200,000	-\$31,100,000
Tax Enforcement Provisions			
Delinquent Tax Collection Agents - 7.0 FTE	\$20,100,000	\$0	-\$20,100,000
Advanced Technology System	<u>7,600,000</u>	<u>7,600,000</u>	<u>0</u>
Subtotal--Tax Enforcement Provisions	\$27,700,000	\$7,600,000	-\$20,100,000
Total Tax Changes	\$342,534,900	-\$3,618,500,000	-\$3,961,034,900

The following table shows the estimated fiscal effects of the general fund tax changes recommended by the Joint Committee on Finance by year. The table does not include changes to refundable tax credits, or changes with a minimal fiscal effect.

2023-25 General Fund Tax Changes under Joint Finance

	<u>2023-24</u>	<u>2024-25</u>	<u>2023-25 Biennium</u>
Income and Franchise Taxes			
Income Tax Rate Reductions	-\$1,489,300,000	-\$1,421,400,000	-\$2,910,700,000
Update Withholding 1/1/2024	-603,400,000	0	-603,400,000
Income Exclusion for Banks	-35,900,000	-29,300,000	-65,200,000
Financial Institution Apportionment	-3,500,000	-3,500,000	-7,000,000
Sales and Use Taxes			
Increase Sales Tax Retailer's Discount	-15,500,000	-21,100,000	-36,600,000
Excise Taxes and Other Taxes			
Increase Cigarette Tax Discount	-1,400,000	-1,800,000	-3,200,000
Tax Enforcement Provisions			
Advanced Technology System	<u>0</u>	<u>7,600,000</u>	<u>7,600,000</u>
Total General Fund Tax Changes	-\$2,149,000,000	-\$1,469,500,000	-\$3,618,500,000

Income and Franchise Taxes

1. FAMILY AND INDIVIDUAL REINVESTMENT CREDIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$839,818,200	\$839,818,200	\$0

2. MANUFACTURING AND AGRICULTURE TAX CREDIT LIMITATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$655,100,500	-\$655,100,500	\$0

3. IRC UPDATE - TAX CUTS AND JOBS ACT OF 2017 *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$387,200,000	-\$387,200,000	\$0

4. IRC UPDATE - FEDERAL LEGISLATION ENACTED IN 2021 AND 2022 [LFB Paper 360 and 361]

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

Governor: Update references to the Internal Revenue Code (IRC) under the individual income and corporate income/franchise taxes. For taxable years beginning after December 31, 2022, adopt the selected IRC provisions included in the following federal laws that were enacted in 2021 and 2022: (a) American Rescue Plan Act of 2021 (ARPA); (b) Paycheck Protection Program Extension Act of 2021; (c) Surface Transportation Extension Act of 2021; (d) Further Surface Transportation Extension Act of 2021; (e) Infrastructure Investment and Jobs Act; (f) Consolidated Appropriations Act of 2022; (g) Supreme Court Security Funding Act of 2022; and (h) Inflation Reduction Act of 2022.

Provide that, beginning in tax year 2022, changes to Section 529 of the IRC related to college savings plans are automatically adopted for state tax purposes. Under current law, Wisconsin generally conforms to Section 529 provisions enacted as of December 31, 2020.

Adopt several revisions to state tax statutes to simplify the legal references to the federal IRC. Under current law, the IRC is defined for state tax purposes under several different sections of state statutes for different types of taxpayers (such as individuals, partnerships, limited liability companies (LLCs), tax-option (S) corporations, and insurance companies). The bill would consolidate these provisions, generally defining the term "internal revenue code" in one location in the state statutes. Further, the bill would recreate a conformity section so as to simplify the list of specific provisions subject to static conformity to the IRC in effect as of a certain date (such as depreciation conforming to the IRC in effect on January 1, 2014), and those provisions continuously conforming to all subsequent changes to the IRC (such as Section 179 expensing).

According to the Administration, state adoption of these provisions would reduce state income and franchise tax revenues by \$400,000 in 2023-24 and increase revenues by \$1,400,000 in 2024-25. However, it should be noted that this item would adopt Section 9675 of ARPA, specifying that most student loans discharged after December 31, 2020, and before January 1, 2026, would not be included in gross income for income tax purposes. The Administration indicates that the fiscal effect of this provision is assumed to be minimal due to recent court decisions (*Biden v. Nebraska* and *Department of Education v. Brown*) which vacated the federal student loan discharge program that would have discharged up to \$10,000 (or up to \$20,000 for Pell Grant recipients) of student loan debt for borrowers that satisfy certain income limits. However, if the student loan discharge program were upheld on appeal, state adoption of ARPA Section 9675 could result in foregone revenues of several hundred million dollars in the 2023-25 biennium (depending on the outcome of future court cases).

Joint Finance: Provision not included.

5. LIMIT CAPITAL GAINS EXCLUSION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$339,400,000	-\$339,400,000	\$0

6. FAMILY CAREGIVER CREDIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$195,096,700	\$195,096,700	\$0

7. EXPAND CHILD AND DEPENDENT CARE CREDIT [LFB Paper 362]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$55,110,700	\$55,110,700	\$0

Governor: Beginning in tax year 2023, increase the nonrefundable credit for child and dependent care expenses from 50% to 100% of the corresponding federal credit claimed on the claimant's federal income tax return in the same tax year. Reduce estimated individual income tax collections relative to current law by \$27,280,800 in 2023-24 and \$27,829,900 in 2024-25 and annually thereafter.

Federal law provides an individual income tax credit for child and dependent care expenses that are paid for the purpose of enabling a taxpayer to be gainfully employed. The maximum amount of expenses that can be claimed for the federal credit is \$3,000 if the claimant has one qualifying child (under the age of 13) or dependent (generally an individual who is physically or mentally unable to care for himself or herself) and \$6,000 if the claimant has more than one qualifying child and/or dependent. The credit is calculated as a percentage of eligible expenses, with the percentage ranging from 35% to 20%, depending on the claimant's federal adjusted gross income (AGI). Eligible expenses are reduced dollar-for-dollar for any amounts excluded as dependent care assistance benefits under separate provisions of state and federal law. The state credit acts as a supplement to the federal credit and reimburses between 10% and 17.5% of the claimant's eligible expenses.

Joint Finance: Provision not included.

8. PRE-TAX CONTRIBUTIONS FOR FAMILY MEDICAL LEAVE BENEFITS
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$20,450,000	\$20,450,000	\$0

9. EXPAND RETIREMENT INCOME EXCLUSION [LFB Paper 364]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$16,200,000	\$16,200,000	\$0

Governor: Expand the current law exclusion for income received from a qualified retirement plan by a person aged 65 or older who meets certain income requirements, beginning in tax year 2023. Provide that the maximum annual exclusion is increased to \$5,500. Provide that

the federal AGI amount at which the exclusion is eliminated is increased to: (a) \$30,000 for single and head-of-household filers; and (b) \$60,000 for married filers. This provision would reduce individual income tax collections by an estimated \$8,100,000 annually, beginning in 2023-24.

Under current law, an exclusion is provided for payments or distributions received each year by an individual from a qualified retirement plan under the IRC, or from an individual retirement account established under specified provisions of federal law, if the individual: (a) is at least 65 years of age before the close of the taxable year to which the exclusion relates; and (b) has federal AGI below \$15,000 if a single or head-of-household filer, or below \$30,000 (income combined with their spouse) if a married filer. The maximum exclusion under current law is \$5,000.

Joint Finance: Provision not included.

10. UNIVERSAL CHANGING STATIONS CREDIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$15,900,000	\$15,900,000	\$0

11. LIMIT PRIVATE SCHOOL TUITION DEDUCTION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$13,000,000	-\$13,000,000	\$0

12. STATE LOW-INCOME HOUSING TAX CREDIT INCREASE [LFB Paper 856]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$8,700,000	\$8,700,000	\$0

Governor: Increase the limit on the total amount of state low-income housing credits that may be certified by the Wisconsin Housing and Economic Development Authority (WHEDA) from \$42 million to \$100 million. In addition, increase the maximum number of years the tax may be claimed from six years to 10 years. Further, require that to be eligible for a state housing credit, qualified low-income housing developments must be allocated the federal low-income housing tax credit and financed with tax-exempt bonds that are subject to the federal volume cap. However, authorize WHEDA to waive, in the Authority's federally required Qualified Action Plan (QAP), the requirements of tax-exempt bond financing and federal credit allocation, to the extent that WHEDA anticipates that sufficient tax-exempt private activity bond volume cap under federal law will not be available to finance low-income housing projects in any year. [See "Wisconsin Housing

and Economic Development Authority."]

2017 Wisconsin Act 176 created a state nonrefundable low-income housing tax credit (LIHTC). The credit is claimable against the state individual income tax, the corporate income/franchise tax, and the insurance premiums tax. WHEDA awards the credit as a match to the federal 4% low-income housing tax credit, which provides a 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. 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. Credits are awarded through a competitive application process, whereby WHEDA assigns scores to the applications based on criteria laid out in the Authority's QAP. Awards are limited to \$1.4 million per project. WHEDA is also required by law to give preference to developments located in cities, towns, or villages with populations fewer than 150,000.

Under the current program, WHEDA may award up to \$7 million in state tax credits annually, claimable for six years, for a maximum program total of \$42 million annually once the program is fully implemented. The bill would increase the program total to \$100 million, claimable over 10 years. The Administration estimates the provision would decrease state income and franchise tax revenues by \$1,450,000 in 2023-24 and \$7,250,000 in 2024-25, fully phasing in to a decrease of \$58 million in 2033-34. Combined with the \$42 million limit under current law, the credit is estimated to decrease state tax revenues by \$100 million annually beginning in 2033-34. The bill as introduced does not specify the initial applicability of changes to the credit.

Under current law, eligible projects are required to be financed with tax-exempt bonds. The bill would require eligible projects to be awarded federal low-income housing credits and be financed with certain tax-exempt bonds that are issued under the state's share of federal volume cap for private economic development or housing purposes. WHEDA could waive these requirements due to having insufficient tax-exempt private activity bonding available under the federal volume cap in a given year.

Joint Finance: Provision not included.

13. DIVIDENDS RECEIVED DEDUCTION LIMITATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$6,400,000	-\$6,400,000	\$0

14. FIRST-TIME HOMEBUYER SAVINGS ACCOUNTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- \$4,800,000	\$4,800,000	\$0

15. REPEAL NET OPERATING LOSS CARRYBACK *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$4,400,000	- \$4,400,000	\$0

16. FLOOD INSURANCE PREMIUMS CREDIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

17. EXPAND DISABILITY INCOME EXCLUSION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- \$520,000	\$520,000	\$0

18. SUNSET WORKING FAMILIES CREDIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

19. ABLE ACCOUNT TERMINATION ADDBACK *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

20. DETERMINING HEALTH CARE ELIGIBILITY VIA INDIVIDUAL INCOME TAX RETURNS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

21. TAX LAW CHANGE INTERACTIVE EFFECTS

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

Governor: Increase income and franchise tax collections by an estimated \$11,800,000 in 2023-24 and \$12,200,000 in 2024-25 to account for the interactive effects of proposed income and franchise tax changes under the Governor's budget.

Joint Finance: Estimate a minimal change to income and franchise tax collections for interactive effects of the proposed tax changes under Joint Finance.

22. INDIVIDUAL INCOME TAX RATE REDUCTION [LFB Paper 366] GPR-Tax - \$2,910,700,000

Joint Finance: Reduce the top marginal individual income tax rate from 7.65% to 6.50%, collapse the third bracket (5.30% rate) into the second bracket (4.65%) and reduce the corresponding rate to 4.40%, and reduce the 3.54% rate to 3.50%, beginning in tax year 2023. Estimate reduced individual income tax collections of \$1,489,300,000 in 2023-24 and \$1,421,400,000 in 2024-25.

The following tables show the individual income tax rate and bracket schedule under current law and under Joint Finance that would apply for tax year 2023.

Current Law Individual Income Tax Rate and Bracket Schedule, Tax Year 2023

<u>Tax Rate</u>	<u>Income Tax Brackets by Filing Status</u>		
	<u>Single and Head-of-Household</u>	<u>Married-Joint</u>	<u>Married-Separate</u>
3.54%	\$0 to \$13,810	\$0 to \$18,420	\$0 to \$9,210
4.65%	13,810 to 27,630	18,420 to 36,840	9,210 to 18,420
5.30%	27,630 to 304,170	36,840 to 405,550	18,420 to 202,780
7.65%	304,170 and over	405,550 and over	202,780 and over

Joint Finance Individual Income Tax Rate and Bracket Schedule, Tax Year 2023

<u>Tax Rate</u>	<u>Income Tax Brackets by Filing Status</u>		
	<u>Single and Head-of-Household</u>	<u>Married-Joint</u>	<u>Married-Separate</u>
3.50%	\$0 to \$13,810	\$0 to \$18,420	\$0 to \$9,210
4.40%	13,810 to 304,170	18,420 to 405,550	9,210 to 202,780
6.50%	304,170 and over	405,550 and over	202,780 and over

23. WITHHOLDING TABLE ADJUSTMENTS [LFB Paper 365]

GPR-Tax	- \$603,400,000
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Joint Finance: Direct the Department of Revenue (DOR) Secretary to issue guidance no later than October 1, 2023, updating the individual income tax withholding tables to reflect the tax rates, brackets, and sliding scale standard deduction in effect for tax year 2024. Specify that these withholding table changes first take effect on January 1, 2024. In conjunction with the income tax rate reductions under Joint Finance, estimate a one-time reduction in individual income tax revenues of \$603,400,000 in 2023-24.

24. INCOME EXCLUSION ON COMMERCIAL LOANS

GPR-Tax	- \$65,200,000
SEG-Rev	- \$130,000

Joint Finance: Create an income and franchise tax deduction, beginning in tax year 2023, for the income of a financial institution derived from a commercial loan of \$5 million or less provided to a person residing or located in this state and used primarily for a business or agricultural purpose. Decrease income and franchise tax collections by an estimated \$35,900,000 in 2023-24 and \$29,300,000 in 2024-25. Estimate surcharge revenues paid by banks into the economic development fund to decrease by \$130,000 SEG-Rev annually, beginning in 2024-25. Decreased amounts appropriated from the economic development fund for the Wisconsin Economic Development Corporation (WEDC) are reflected under "Wisconsin Economic Development Corporation."

25. APPORTIONMENT OF GROSS RECEIPTS FROM TRADING ASSETS

GPR-Tax	- \$7,000,000
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Joint Finance: Specify in the administrative code that DOR's authority to substitute net gains (net of commissions) from the sales of trading assets, for purposes of apportionment, does not apply to any taxpayer who, before January 1, 2023, elected to use the customer billing address method and has not revoked that election, and who, for any taxable year beginning on or after January 1, 2022, determines its receipts factor by using the average of the receipts factors determined using gross receipts, net of commissions, and net gain, net of commissions, from sales of trading assets for the taxable year, with all other components of the receipts factor remaining the same, and any such taxpayer may compute its receipts factor using that averaging method. Specify that DOR may not require any taxpayer who elected before January 1, 2023, to use the

customer billing address method, and who has not revoked that election, to use any other method of determining its receipts factor.

This provision would apply retroactively to taxable years beginning on January 1, 2022. Decrease income and franchise tax collections by an estimated \$3,500,000 annually, beginning in 2023-24.

General Sales and Use Taxes

1. SALES TAX ON THE ACCESS TO PREWRITTEN COMPUTER SOFTWARE
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$59,000,000	- \$59,000,000	\$0

2. SALES TAX EXEMPTION FOR DIAPERS AND FEMININE HYGIENE PRODUCTS
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- \$32,800,000	\$32,800,000	\$0

3. SALES TAX ON MARIJUANA
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$10,200,000	- \$10,200,000	\$0

4. SALES TAX EXEMPTION FOR ENERGY SYSTEMS
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	- \$4,200,000	\$4,200,000	\$0

5. **SALES TAX EXEMPTION FOR BREASTFEEDING EQUIPMENT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$1,190,000	\$1,190,000	\$0

6. **SALES TAX EXEMPTION FOR CERTAIN PLANNING AND COUNSELING SERVICES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

7. **SALES TAX EXEMPTION FOR GUN SAFES, TRIGGER LOCKS, AND GUN BARREL LOCKS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	-\$540,000	\$540,000	\$0

8. **REPEAL SALES TAX EXEMPTION FOR FARM-RAISED DEER** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$210,000	-\$210,000	\$0

9. **SALES TAX EXEMPTION FOR LOCAL PROFESSIONAL BASEBALL PARK DISTRICTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. **SALES TAX EXEMPTION FOR IMPROVEMENTS TO BASEBALL PARK DISTRICTS AND DEVELOPMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

11. **SALES TAX EXEMPTION FOR TRANSIT AUTHORITIES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. **SALES TAX RETAILER'S DISCOUNT**

GPR-Tax - \$36,600,000

Joint Finance: Increase the sales tax retailer's discount rate from 0.5% to 0.75%, and increase the maximum discount a retailer may claim per reporting period from \$1,000 to \$8,000. Specify that these changes would first apply to sales and use taxes payable on the first day of the third month beginning after publication of the bill. Estimate a reduction in sales tax collections of \$15,500,000 in 2023-24 and \$21,100,000 in 2024-25.

13. **SALES TAX EXEMPTION FOR WEDC CERTIFIED DATA CENTERS**

Joint Finance: Create a sales and use tax exemption for certain property and items used at a qualified data center, as certified by WEDC, including the sales price from:

a. the sale of and the storage, use, or other consumption of tangible personal property, regardless of whether the property is affixed to or incorporated into real property, and property, used exclusively for the development, construction, renovation, expansion, replacement, repair, or operation of a qualified data center, including computer server equipment and the chassis for such equipment; networking equipment; switches; racks; fiber-optic cabling, copper cabling, and other cabling, including cabling used to connect one or more qualified data centers; trays; conduits; substations; uninterruptible energy equipment; supplies; fuel piping and storage; duct banks; switches; switchboards; batteries; testing equipment; backup generation equipment; modular data centers and preassembled components; monitoring equipment; and security systems;

b. the sales of and the storage, use, or other consumption of tangible personal property or property used in the development, construction, renovation, expansion, replacement, or repair of a water cooling or conservation system used exclusively to cool or conserve water for one or more qualified data centers, including chillers, mechanical equipment, refrigerant piping, fuel piping and storage, adiabatic and free cooling systems, cooling towers, water softeners, air handling units, indoor direct exchange units, fans, ducting, and filters;

c. the sale of and the storage, use, or other consumption of tangible personal property or property affixed to real property sold to a construction contractor that, in fulfillment of a real property construction activity, transfers the tangible personal property or property to a qualified data center, if such tangible personal property or property affixed to real property becomes a component of the qualified data center; and

d. the sale of electricity used at a qualified data center.

Define "eligible data center costs" to mean expenditures made after the first day of the third month beginning after publication of the bill for the development, acquisition, construction, renovation, expansion, replacement, or repair and the operation of a qualified data center in this state, including costs of tangible personal property and leased property affixed to real property, land, buildings, site improvements, modular data centers, computer data center equipment

acquisition and permitting, lease payments, site characterization and assessment, engineering, and design used at a qualified data center in this state.

Define "qualified data center" to mean one or more buildings or an array of connected buildings owned, leased, or operated by the same business entity (or its affiliate) and for which all of the following apply:

a. the buildings are rehabilitated or constructed to house a group of networked server computers in one physical location or multiple locations in order to centralize the processing, storage, management, retrieval, communication, or dissemination of data and information; and

b. the buildings create a minimum qualified investment in this state of any of the following amounts within five years from the certification date: (i) \$150,000,000 for buildings located in a county having a population greater than 100,000; (ii) \$100,000,000 for buildings located in a county having a population greater than 50,000 and not more than 100,000; (iii) \$50,000,000 for buildings located in a county having a population of not more than 50,000; or (iv) for buildings located in more than one county, the minimum qualified investment provided for the most populous county in which the buildings are located.

Define "qualified investment" to mean the aggregate, non-duplicative eligible data center costs expended at a qualified data center by an owner, operator, or tenant, or an affiliate of an owner, operator, or tenant, of the qualified data center.

Require WEDC to certify a qualified data center for purposes of the sales and use tax exemption. Require the certification to include a description of the geographic location or locations and buildings of the qualified data center and an identification of the business entity. Require WEDC to contract with that business entity and, upon request, to amend the certification and contract to include one or more additional locations and buildings of the qualified data center. If WEDC certifies a qualified data center for purposes of the sales and use tax exemption and the data center fails to satisfy the minimum qualified investment requirements described above, require WEDC to revoke the certification. All amounts of the sales and use tax exemption claimed under that certification as of the date of revocation become due and payable to each taxing authority against whom the exemption was claimed in the amounts so claimed. WEDC may grant an extension of time within which the qualified data center may avoid revocation by satisfying the applicable qualified investment requirement.

The effective date of this provision would be the first day of the third month beginning after publication of the bill.

DOR indicates that, based on typical capital expenditures for the construction of a data center (\$215.5 million) and adjusting for items that would otherwise be subject to sales tax, the exemption would decrease sales and use tax collections by \$8,500,000 for the initial construction of facilities, with an annual sales tax reduction of \$735,000 related to ongoing operating expenses of such a facility. There are no known facilities in the state meeting the minimum qualified investment amounts specified above. The estimated amount of foregone sales tax revenue as a result of this provision is unknown. Further, it is unknown whether WEDC would certify any new qualified data centers to be constructed during the 2023-25 biennium.

Excise Taxes and Other Taxes

1. **VAPOR PRODUCTS TAX** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$22,400,000	- \$22,400,000	\$0

2. **IMPOSE CIGARETTE TAX ON LITTLE CIGARS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Tax	\$5,500,000	- \$5,500,000	\$0

3. **DEFINE MANUFACTURER'S LIST PRICE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. **REAL ESTATE TRANSFER FEE EXEMPTION FOR RELATED ENTITIES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **NOTICE OF UTILITY TAXES BY CERTIFIED MAIL** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **CIGARETTE TAX STAMP DISCOUNT RATE**

GPR-Tax	- \$3,200,000
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Joint Finance: Increase the discount rate that cigarette manufacturers and distributors receive on total cigarette tax stamp purchases as compensation for their administrative costs from 0.8% to 1.25%. Specify that this increase would first apply to cigarette tax stamps purchased on the first day of the third month beginning after publication of the bill. Estimate a decrease in cigarette tax revenues of \$1,400,000 in 2023-24 and \$1,800,000 in 2024-25.

General Fund Tax Transfers

1. GENERAL FUND TAX TRANSFERS TO THE TRANSPORTATION FUND [LFB Paper 761]

Governor: Under current law, 0.25% of estimated general fund taxes that are designated as "Taxes" in the general fund summary published in the biennial budget act are transferred to the transportation fund. This provision would be retained, and the associated transfer would be \$54,326,400 in 2023-24 and \$56,363,000 in 2024-25 under the Governor's budget.

Additional tax transfers proposed under the bill are discussed in the following entries. The table below shows total general fund tax transfers to the transportation fund under the bill.

General Fund Tax Transfers to the Transportation Fund

	<u>2023-24</u>	<u>2024-25</u>
Current Law 0.25% Transfer	\$54,326,400	\$56,363,000
Automotive Parts Sales Tax Transfer	43,625,700	52,895,500
Electric Vehicle Sales Tax Transfer	39,300,000	55,100,000
Total General Fund Tax Transfers	\$137,252,100	\$164,358,500
Transfers as % of General Fund Taxes	0.63%	0.73%

Joint Finance: Retain the current law transfer of 0.25% of estimated general fund taxes from the general fund to the transportation fund. Estimate the associated transfer at \$48,112,000 in 2023-24 and \$51,700,000 in 2024-25. The table below shows total general fund tax transfers to the transportation fund under the Joint Finance budget.

General Fund Tax Transfers to the Transportation Fund

	<u>2023-24</u>	<u>2024-25</u>
Current Law 0.25% Transfer	\$48,112,000	\$51,700,000
Electric Vehicle Sales Tax Transfer	39,300,000	55,100,000
Total General Fund Tax Transfers	\$87,412,000	\$106,800,000
Transfers as % of General Fund Taxes	0.45%	0.52%

2. TRANSFER OF SALES TAX GENERATED BY AUTOMOTIVE PART SALES [LFB Paper 761]

Governor: Require the Secretary of the Department of Administration (DOA) to transfer, annually, from the general fund to the transportation fund, an amount approximating the difference between the sales tax generated from the sale of automotive parts, accessories, tires, and repair and maintenance services in 2020-21 and the amount of sales tax generated from such sales in the fiscal

year of the transfer. [A technical amendment would be needed to clarify the Administration's intent that 2019-20 (rather than 2020-21) would be the base year for this calculation.] Specify that this amount would be calculated by DOA and the first transfer would occur on June 30, 2024. The Administration estimates transfers of \$43,625,700 in 2023-24 and \$52,895,500 in 2024-25. [For additional information, see "Transportation -- Transportation Finance."]

Joint Finance: Provision not included.

3. TRANSFER OF SALES TAX GENERATED BY ELECTRIC VEHICLE SALES
[LFB Paper 761]

Governor: Require the DOA Secretary to transfer, annually, from the general fund to the transportation fund, an amount approximating the sales tax generated by the sale of electric vehicles in this state. Specify that this amount would be calculated by DOA and the first transfer would occur on June 30, 2024. Further specify that, beginning in 2025-26, the amount transferred could not exceed 120% of the previous year's transfer, or \$75,000,000, whichever is less. The Administration estimates transfers of \$39,300,000 in 2023-24 and \$55,100,000 in 2024-25. [For additional information, see "Transportation -- Transportation Finance."]

Joint Finance: Modify the Governor's provision to eliminate the DOA estimating methodology. Instead specify that the amounts transferred each year would equal the amount shown for the transfer in the general fund summary schedule of the biennial budget act. The amount of the transfer from the general fund to the transportation fund would be the same as the amount recommended by the Governor.

4. SALES TAX TRANSFER TO THE LOCAL GOVERNMENT FUND

Joint Finance: Direct the DOA Secretary to transfer from the general fund to the local government fund, created under separate provisions of the bill, an amount equal to 20% of sales and use taxes imposed in 2024-25. Sales and use taxes under the Joint Finance budget are estimated at \$7,816,900,000 in 2024-25, and the corresponding transfer to the local government fund is estimated at \$1,563,380,000. [For additional information, see "Shared Revenue and Tax Relief -- Direct Aid Payments."]

Refundable Tax Credits and Other Payments

1. EARNED INCOME CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,312,000	\$88,000	\$3,400,000
PR	<u>- 6,473,000</u>	<u>0</u>	<u>- 6,473,000</u>
Total	- \$3,161,000	\$88,000	- \$3,073,000

Governor: Increase estimated GPR expenditures for the state earned income tax credit (EITC) by \$954,000 in 2023-24 and \$2,358,000 in 2024-25. Decrease PR expenditures for the EITC by \$4,875,000 in 2023-24 and \$1,598,000 in 2024-25. Base GPR funding for the EITC is currently estimated at \$25,500,000, and estimated base PR funding is \$66,600,000. Total GPR funding for the EITC is estimated at \$26,454,000 in 2023-24 and \$27,858,000 in 2024-25. Total PR funding for the EITC is estimated at \$61,725,000 in 2023-24 and \$65,002,000 in 2024-25.

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.

Joint Finance: Increase estimated GPR expenditures for EITC claims by \$46,000 in 2023-24 and \$42,000 in 2024-25. Total GPR funding for the EITC is estimated at \$26,500,000 in 2023-24 and \$27,900,000 in 2024-25.

2. EXPAND EARNED INCOME CREDIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$37,420,000	- \$37,420,000	\$0
PR	<u>87,080,000</u>	<u>- 87,080,000</u>	<u>0</u>
Total	\$124,500,000	- \$124,500,000	\$0

3. HOMESTEAD CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$7,900,000	- \$6,800,000	- \$14,700,000

Governor: Decrease estimated expenditures under the homestead tax credit program by \$2,300,000 in 2023-24 and \$5,600,000 in 2024-25. Compared to base funding of \$47,300,000, estimated expenditures would be \$45,000,000 in 2023-24 and \$41,700,000 in 2024-25.

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: Decrease estimated expenditures under the homestead tax credit program by \$2,800,000 in 2023-24 and \$4,000,000 in 2024-25. Total GPR funding for the homestead credit is estimated at \$42,200,000 in 2023-24 and \$37,700,000 in 2024-25.

4. HOMESTEAD CREDIT EXPANSION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$99,400,000	-\$99,400,000	\$0

5. REFUNDABLE RESEARCH CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$15,000,000	\$15,800,000	\$800,000

Governor: Decrease funding for refundable research tax credit claims by \$7,500,000 annually. With the adjustments, estimated total funding would decrease from \$21,000,000 to \$13,500,000 annually. For comparison, DOR reports that credit usage for fiscal year 2022-23 through January, 2023, is \$13.8 million.

The state provides research credits to businesses equal to a percentage of the increase in a business's qualified research expenses, as defined under the IRC, for research conducted in Wisconsin. For taxable years beginning on or after January 1, 2020, up to 15% of the amount of new credits computed may be claimed as a refundable credit. The remaining portion of the credit is nonrefundable. The amounts shown above reflect only the estimated cost of the refundable portion of research credit claims.

Joint Finance: Reestimate total credit claims at \$21,300,000 in 2023-24 and \$21,500,000 in 2024-25. Compared to the Governor's recommendation, increase funding under the sum sufficient GPR appropriation for research credit claims by \$7,800,000 in 2023-24 and \$8,000,000 in 2024-25.

6. INCREASE REFUNDABLE PORTION OF RESEARCH CREDIT [LFB Paper 395]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$64,400,000	-\$60,900,000	\$3,500,000
GPR-Tax	-\$16,100,000	\$16,100,000	\$0

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 up to 15% of the credit amount to up to 50% of the credit amount. Specify that this provision would first apply to new research credit claims for taxable years beginning after December 31, 2023. Estimate decreased income and franchise tax revenues of \$16,100,000 GPR-Tax in 2023-24 and increased expenditures for refundable research credit claims of \$64,400,000 GPR annually, beginning in 2024-25.

Joint Finance: Increase the refundable portion from 15% of the credit amount to 25% of the credit amount, rather than 50% of the credit amount, for taxable years beginning after December 31, 2023. Increase estimated expenditures for refundable research credit claims by \$3,500,000 GPR in 2024-25 and \$13,800,000 GPR in 2025-26. Relative to the Governor's provision, increase estimated income and franchise tax revenues by \$16,100,000 in 2023-24 and decrease estimated credit claims by \$60,900,000 GPR in 2024-25.

7. ENTERPRISE ZONE CREDIT REESTIMATE [LFB Papers 106 and 396]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$65,360,000	\$485,000	-\$64,875,000

Governor: Decrease funding by \$23,398,000 in 2023-24 and \$41,962,000 in 2024-25 for the sum sufficient appropriation for refundable enterprise zone tax credits to reestimate anticipated claims during the 2023-25 biennium. The reestimate reflects projections of credit claims for major economic development projects for which WEDC has, to date, contracted and amended tax credit awards. With the adjustments, estimated total funding would decrease from base funding of \$77,500,000 to \$54,102,000 in 2023-24 and \$35,538,000 in 2024-25. 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 anticipated credit claims during the 2023-25 biennium to be \$54,100,000 in 2023-24 and \$36,025,000 in 2024-25. Compared to the Governor's recommendations, decrease funding under the sum sufficient GPR appropriation for the enterprise zone program by \$2,000 in 2023-24 and increase funding by \$487,000 in 2024-25.

8. ENTERPRISE ZONE LIMIT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. VETERANS PROPERTY TAX CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$500,000	\$14,800,000	\$14,300,000

Governor: Decrease funding for the veterans and surviving spouses property tax credit by \$1,000,000 in 2023-24 and increase funding by \$500,000 in 2024-25. Compared to base funding of \$50,000,000, total funding for the credit is estimated at \$49,000,000 in 2023-24 and \$50,500,000 in 2024-25.

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. 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 via a sum sufficient GPR appropriation. 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: Increase funding for the veterans and surviving spouses property tax credit by \$5,600,000 in 2023-24 and \$9,200,000 in 2024-25. Total funding for the credit is estimated at \$54,600,000 in 2023-24 and \$59,700,000 in 2024-25.

10. VETERANS PROPERTY TAX CREDIT FOR 70% DISABILITY RATING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$43,200,000	- \$43,200,000	\$0

11. VETERANS PROPERTY TAX CREDIT FOR RENTERS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$10,300,000	- \$10,300,000	\$0

12. ILLINOIS-WISCONSIN RECIPROcity REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$42,884,000	- \$9,484,000	\$33,400,000

Governor: Increase the estimated payment under the Illinois-Wisconsin individual income tax reciprocity agreement by \$21,442,000 in 2023-24 and 2024-25 to reflect anticipated payments to Illinois in the 2023-25 biennium. Compared to base funding of \$118,000,000, total funding is estimated at \$139,442,000 in 2023-24 and 2024-25.

Joint Finance: Decrease the estimated payment under the Illinois-Wisconsin individual income tax reciprocity agreement by \$8,042,000 in 2023-24 and \$1,442,000 in 2024-25. Total funding is estimated at \$131,400,000 in 2023-24 and \$138,000,000 in 2024-25.

13. BUSINESS DEVELOPMENT CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$6,464,000	\$15,264,000	\$8,800,000

Governor: Reduce funding by \$4,796,000 in 2023-24 and \$1,668,000 in 2024-25 for the sum sufficient appropriation for business development tax credits to reestimate anticipated claims during the 2023-25 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 \$11,700,000 to \$6,904,000 in 2023-24 and \$10,032,000 in 2024-25. For comparison, DOR reports that credit usage for fiscal year 2022-23 through January, 2023, is \$11.3 million.

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 anticipated credit claims during the 2023-25 biennium to be \$15,700,000 in 2023-24 and \$16,500,000 in 2024-25. Compared to the Governor's recommendations, increase funding under the sum sufficient GPR appropriation for business development tax credit claims by \$8,796,000 in 2023-24 and \$6,468,000 in 2024-25.

14. BUSINESS DEVELOPMENT JOB TRAINING CREDIT (Removed from budget consideration pursuant to Joint Finance Motion #10)

15. **BUSINESS DEVELOPMENT CORPORATE HEADQUARTERS CREDIT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

16. **BUSINESS DEVELOPMENT CREDIT FOR RENEWABLE ENERGY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

17. **WAGE THRESHOLDS FOR ENTERPRISE ZONE AND BUSINESS DEVELOPMENT CREDITS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

18. **JOBS CREDIT REESTIMATE** [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$1,290,000	\$890,000	-\$400,000

Governor: Reduce funding by \$582,000 in 2023-24 and \$708,000 in 2024-25 for the sum sufficient appropriation for jobs tax credits to reestimate claims during the 2023-25 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 \$1,000,000 to \$418,000 in 2023-24 and \$292,000 in 2024-25.

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 credit claims during the 2023-25 biennium to be \$1,000,000 in 2023-24 and \$600,000 in 2024-25. Compared to the Governor's recommendation, increase funding under the sum sufficient GPR appropriation for jobs tax credit claims by \$582,000 in 2023-24 and \$308,000 in 2024-25.

19. **OIL PIPELINE TERMINAL TAX DISTRIBUTION REESTIMATE** [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,920,200	-\$1,720,200	\$4,200,000

Governor: Increase estimated payments by \$3,054,100 in 2023-24 and \$2,866,100 in 2024-25. With these increases, oil pipeline terminal tax payments would equal \$9,054,100 in 2023-24

and \$8,866,100 in 2024-25, relative to base level funding of \$6,000,000. The oil pipeline terminal tax distribution provides payments to municipalities where oil pipeline terminal facilities are located. At present, the state has two oil pipeline terminal facilities, which are located in the City of Superior and the Village of Kronenwetter. 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.

Joint Finance: Reestimate the amount of GPR funding necessary to pay oil pipeline terminal tax payments at \$8,300,000 in 2023-24 and \$7,900,000 in 2024-25. Compared to the Governor's recommendation, the reestimate is lower by \$754,100 in 2023-24 and \$966,100 in 2024-25.

20. CIGARETTE AND TOBACCO PRODUCTS TAX REFUNDS REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$2,826,000	-\$3,074,000	-\$5,900,000

Governor: Decrease funding for cigarette and tobacco products tax refunds by \$1,160,000 in 2023-24 and \$1,666,000 in 2024-25 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 from base funding of \$29,700,000 to \$28,540,000 in 2023-24 and \$28,034,000 in 2024-25.

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 under an agreement entered into between DOR and each tribe. For tobacco products or vapor 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 under these agreements. 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 \$27,100,000 in 2023-24 and \$26,400,000 in 2024-25. Compared to the Governor's recommendation, the reestimate is lower by \$1,440,000 in 2023-24 and \$1,634,000 in 2024-25.

21. EITM ZONE CREDIT REESTIMATE [LFB Paper 106]

GPR	-\$2,484,400
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Governor/Joint Finance: Reduce funding by \$245,700 in 2023-24 and \$2,238,700 in 2024-25 for the sum sufficient appropriation for refundable electronics and information technology

manufacturing (EITM) zone tax credits (Foxconn). Total funding would decrease from base funding of \$8,570,700 to \$8,325,000 in 2023-24 and \$6,332,000 in 2024-25.

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 WEDC determines that a certified business makes a significant capital expenditure in the EITM zone, it can certify the business to receive additional tax benefits in an amount to be determined by WEDC, but not exceeding 15% of the business's capital expenditures in the EITM zone in the taxable year. The estimate reflects the Administration's review of the jobs, payroll, and capital expenditure targets established under the amended contract dated April 20, 2021, that WEDC entered into with certain Wisconsin corporations that are affiliated with Foxconn.

22. MARIJUANA TAX REFUNDS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,200,000	-\$2,200,000	\$0

23. CLAIM OF RIGHT CREDIT REESTIMATE [LFB Paper 106]

GPR	-\$56,000
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Governor/Joint Finance: Decrease funding for the claim of right (repayment) credit by \$28,000 in 2023-24 and 2024-25. Compared to base funding of \$150,000, total funding for the credit is estimated at \$122,000 in 2023-24 and 2024-25.

GOVERNOR

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$8,716,400	\$9,060,800	\$9,060,800	\$0	0.0%	\$344,400	4.0%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	37.25	37.25	37.25	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$344,400
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Governor/Joint Finance: Provide adjustments to the base budget totaling \$172,200 annually in the 2023-25 biennium associated with full funding of continuing position salaries and fringe benefits.

HEALTH SERVICES

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$9,955,674,800	\$9,615,677,400	\$10,815,476,900	\$1,199,799,500	12.5%	\$859,802,100	8.6%
FED	15,443,028,600	20,221,065,200	17,154,653,500	- 3,066,411,700	- 15.2	1,711,624,900	11.1
PR	3,657,412,400	3,896,443,800	3,942,822,500	46,378,700	1.2	285,410,100	7.8
SEG	<u>1,249,772,000</u>	<u>1,561,764,800</u>	<u>1,551,891,400</u>	<u>- 9,873,400</u>	- 0.6	<u>302,119,400</u>	24.2
TOTAL	\$30,305,887,800	\$35,294,951,200	\$33,464,844,300	- \$1,830,106,900	- 5.2%	\$3,158,956,500	10.4%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	2,642.84	2,748.72	2,690.43	- 58.29	47.59
FED	1,522.77	1,401.59	1,368.02	- 33.57	- 154.75
PR	2,422.31	2,751.11	2,468.99	- 282.12	46.68
SEG	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	6,589.92	6,903.42	6,529.44	- 373.98	- 60.48

Budget Change Items

Medical Assistance -- Eligibility and Benefits

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 2023-25 biennium under Joint Finance, compared to the base level funding for the program. The cost-to-continue item reflects current estimates of MA costs in the 2023-25 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. Under Joint Finance, these changes are primarily increases to provider reimbursement rates.

TABLE 1

Summary of MA Benefits Funding Under Joint Finance

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2023-24					
Base Funding	\$3,989,935,800	\$6,891,808,500	\$1,336,421,400	\$624,531,700	\$12,842,697,400
MA Cost-to-Continue Estimate	\$113,687,700	\$618,648,900	\$82,458,000	\$298,691,500	\$1,113,486,100
Nursing Home and Long-Term Care					
Nursing Home Support Services	\$28,167,400	\$45,032,600	\$0	\$0	\$73,200,000
Nursing Home Incentives	6,002,900	9,597,100	0	0	15,600,000
Nursing Home Vent. Dependent	1,924,000	3,076,000	0	0	5,000,000
Home and Comm. Based Services	17,194,500	26,512,800	0	0	43,707,300
Family Care Direct Care	5,000,000	7,993,800	0	0	12,993,800
Personal Care	5,000,000	7,993,800	0	0	12,993,800
Personal Needs Allowance	0	0	0	0	0
Hospital Reimbursement					
Dis. Share Hospital Payment	\$24,100,000	\$38,530,000	\$0	\$0	\$62,630,000
Critical Care Hospital Supplement	2,250,000	3,597,000	0	0	5,847,000
Hospital Base Rates	8,741,200	13,975,100	0	0	22,716,300
Behavioral Health Units	4,000,000	6,168,000	0	0	10,168,000
Grad. Med. Education Supplement	360,800	576,700	0	0	937,500
Practitioner Reimbursement					
Primary Care	\$17,394,900	\$26,821,900	\$0	\$0	\$44,216,800
Emergency Physician	1,969,700	3,149,000	0	0	5,118,700
Chiropractic Parity	200,000	400,000	0	0	600,000
Other Adjustments					
Eliminate EMS Supp. (Act 12)	\$0	\$0	\$0	\$0	\$0
Program Revenue Reestimate	0	0	4,808,000	0	4,808,000
Administrative Transfers	-423,600	0	0	0	-423,600
Total Change to Base	\$235,569,500	\$812,072,700	\$87,266,000	\$298,691,500	\$1,433,599,700
2023-24 Total	\$4,225,505,300	\$7,703,881,200	\$1,423,687,400	\$923,223,200	\$14,276,297,100
2024-25					
Base Funding	\$3,989,935,800	\$6,891,808,500	\$1,336,421,400	\$624,531,700	\$12,842,697,400
MA Cost-to-Continue Estimate	\$240,502,500	\$326,565,800	\$38,064,300	-\$21,588,100	\$583,544,500
Nursing Home and Long-Term Care					
Nursing Home Support Services	\$28,774,900	\$44,425,100	\$0	\$0	\$73,200,000
Nursing Home Incentives	6,132,400	9,467,600	0	0	15,600,000
Nursing Home Vent. Dependent	1,965,500	3,034,500	0	0	5,000,000
Home and Comm. Based Services	71,525,000	110,426,800	0	0	181,951,800
Family Care Direct Care	10,000,000	15,438,800	0	0	25,438,800
Personal Care	10,000,000	15,438,800	0	0	25,438,800
Personal Needs Allowance	806,100	1,253,900	0	0	2,060,000

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Hospital Reimbursement					
Dis. Share Hospital Payment	\$24,100,000	\$37,208,000	\$0	\$0	\$61,308,000
Critical Care Hospital Supplement	2,250,000	3,474,000	0	0	5,724,000
Hospital Base Rates	17,859,500	27,573,000	0	0	45,432,500
Behavioral Health Units	8,000,000	12,351,000	0	0	20,351,000
Grad. Med. Education Supplement	366,900	570,600	0	0	937,500
Practitioner Reimbursement					
Primary Care	\$34,763,200	\$53,670,300	\$0	\$0	\$88,433,500
Emergency Physician	4,024,300	6,213,000	0	0	10,237,300
Chiropractic Parity	500,000	700,000	0	0	1,200,000
Other Adjustments					
Eliminate EMS Supp. (Act 12)	-\$2,000,000	0	0	0	-\$2,000,000
Program Revenue Reestimate	0	0	4,808,000	0	4,808,000
Administrative Transfers	<u>-427,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-427,400</u>
Total Change to Base	\$459,142,900	\$667,811,200	\$42,872,300	-\$21,588,100	\$1,148,238,300
2024-25 Total	\$4,449,078,700	\$7,559,619,700	\$1,379,293,700	\$602,943,600	\$13,990,935,700

Table 2 shows the biennial changes to the program under the Governor and Joint Finance shown in relationship to the appropriation base, doubled for the purposes of comparison. The final line shows the Joint Finance change to the Governor.

TABLE 2

Biennial Summary of MA Benefits Funding -- Governor and Joint Committee on Finance

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Base Doubled	\$7,979,871,600	\$13,783,617,000	\$2,672,842,800	\$1,249,063,400	\$25,685,394,800
Governor					
Cost-to-Continue	380,867,800	1,076,652,600	-13,594,200	267,573,600	1,711,499,800
Full Medicaid Expansion	-1,620,202,600	2,293,216,500	0	0	673,013,900
All Other Changes	<u>372,886,400</u>	<u>1,149,979,300</u>	<u>19,216,000</u>	<u>0</u>	<u>1,542,081,700</u>
Total Change to Base	-\$866,448,400	\$4,519,848,400	\$5,621,800	\$267,573,600	\$3,926,595,400
Total 2023-25 Funding	\$7,113,423,200	\$18,303,465,400	\$2,678,464,600	\$1,516,637,000	\$29,611,990,200
Joint Finance					
Cost-to-Continue	\$354,190,200	\$945,214,700	\$120,522,300	\$277,103,400	\$1,697,030,600
All Other Changes	<u>340,522,200</u>	<u>534,669,200</u>	<u>9,616,000</u>	<u>0</u>	<u>884,807,400</u>
Total Change to Base	\$696,712,400	\$1,479,883,900	\$130,138,300	\$277,103,400	\$2,583,838,000
Total 2023-25 Funding	\$8,674,584,000	\$15,263,500,900	\$2,802,981,100	\$1,526,166,800	\$28,267,232,800
Jt. Fin. Chg. to Governor	\$1,561,160,800	-\$3,039,964,500	\$124,516,500	\$9,529,800	-\$1,344,757,400

Table 3 shows the actual and projected average monthly enrollment by major eligibility group under Joint Finance.

TABLE 3

Actual and Projected Monthly Average Enrollment by Group

	Actual	Projected	Estimates	
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Elderly, Blind, Disabled MA				
Elderly	84,089	88,015	87,268	87,502
Non-Elderly Disabled Adults	151,437	153,460	153,571	153,755
Disabled Children	<u>34,741</u>	<u>35,893</u>	<u>35,805</u>	<u>35,834</u>
EBD Total	<u>270,266</u>	<u>277,368</u>	<u>276,645</u>	<u>277,092</u>
BadgerCare Plus				
Children	553,511	583,790	581,419	493,102
Parents	224,548	245,079	236,494	184,982
Childless Adults	257,860	286,213	221,016	179,069
Pregnant Women	<u>32,545</u>	<u>36,642</u>	<u>25,962</u>	<u>19,078</u>
BadgerCare Plus Total	<u>1,068,464</u>	<u>1,151,724</u>	<u>1,064,891</u>	<u>876,231</u>
Other Full Benefit				
Foster Care/Subsidized Adoption	25,616	27,533	23,926	21,765
Well Woman	<u>518</u>	<u>540</u>	<u>502</u>	<u>479</u>
Total Full Benefit	<u>1,364,864</u>	<u>1,457,165</u>	<u>1,365,964</u>	<u>1,175,567</u>
Limited Benefit Groups				
Family Planning Only	45,649	49,017	41,434	36,407
Medicare Cost Sharing	<u>16,244</u>	<u>15,589</u>	<u>16,212</u>	<u>16,663</u>
Total Enrollment	<u>1,426,757</u>	<u>1,521,771</u>	<u>1,423,610</u>	<u>1,228,637</u>

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. In most years, the Department fully spends the SEG appropriation for MA benefits in order to minimize the amount of GPR needed for MA benefits. In 2022-23, however, the Department left an unspent balance of \$303.6 million in the fund, which was related to a federal initiative for the improvement of home and community-based services (HCBS) for eligible elderly and disabled persons. Under the federal program, the state received a 10.0 percentage point increase to its federal Medicaid matching rate for HCBS services during the 12-month period from April 1, 2021 to March 31, 2022. This enhanced matching rate generated state funds savings of \$405.5 million, which, under the federal program, must be spent by March 31, 2025, to enhance the state's HCBS programs. Of this amount, the Department spent \$101.9 million in the 2021-23 biennium, leaving \$303.6 million to be spent in the 2023-25 biennium. This additional HCBS plan spending is carried forward as a balance in the MATF, and is appropriated in 2023-24 as part of the cost-to-continue reestimate.

TABLE 4

**Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2021-22 through 2024-25**

	Actual	Projection	Estimates	
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Beginning Balance	\$61,391,900	\$237,666,500	\$303,641,900	\$0
Provider Assessments				
Hospital Assessment*	\$195,144,400	\$185,880,100	\$155,128,900	\$149,280,100
Nursing Home/ICF-IID Bed Assessment	57,225,900	55,317,700	53,365,500	51,495,300
Critical Access Hospital Assessment*	1,795,700	1,473,800	1,009,000	831,100
Federal Funds Claiming				
County Nursing Home Cert. Pub. Expenditures	23,350,400	\$20,800,000	\$20,176,000	\$19,570,700
UW Intergovernmental Transfer	15,683,200	15,900,900	23,709,000	15,806,000
UW Certified Public Expenditures	0	1,900,000	1,900,000	1,900,000
Other				
Transfer from General Fund	\$174,665,900	\$527,783,700	\$0	\$0
Transfer from Permanent Endowment Fund	126,809,900	133,418,300	101,523,900	95,817,200
Interest Earnings**	<u>264,200</u>	<u>-450,000</u>	<u>-450,000</u>	<u>-450,000</u>
Total Available	\$656,331,500	\$1,179,691,000	\$660,004,200	\$334,250,400
Expenditures				
County Nursing Home Supplement***	\$11,530,000	\$0	\$0	\$0
MA Benefits	<u>407,135,000</u>	<u>876,049,100</u>	<u>660,004,200</u>	<u>334,250,400</u>
Year-End Balance	\$237,666,500	\$303,641,900	\$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 in the following year.

Table 5 shows the actual and projected federal medical assistance percentage (FMAP) rates applicable to MA benefit expenditures in each fiscal year from 2022-23 through 2024-25. The enhanced FMAP applicable during the COVID-19 pandemic will phase out by the end of calendar year 2023, but still impacts the weighted average in 2023-24. 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**

<u>State Fiscal Year</u>	<u>Title 19 (Most MA Services)</u>	<u>Title 21 (Children's Health Insurance Plan)</u>
2022-23		
State	34.06%	23.84%
Federal	65.95	76.16
2023-24		
State	38.48%	26.94%
Federal	61.52	73.06
2024-25		
State	39.31%	27.52%
Federal	60.69	72.48

Table 6 shows the annual income eligibility levels, by household size, at various percentages of the 2023 federal poverty level (FPL). The current BadgerCare Plus income eligibility threshold is 100% for adults and 306% for pregnant women and children, whereas the standard for full Medicaid expansion is 138% (applicable to a proposal under the Governor, but not under Joint Finance). 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 2023 Federal Poverty Level,
By Household Size**

<u>Household Size</u>	<u>Percentage of FPL</u>					
	<u>100%</u>	<u>138%</u>	<u>160%</u>	<u>200%</u>	<u>240%</u>	<u>306%</u>
One	\$14,580	\$20,120	\$23,328	\$29,160	\$34,992	\$44,615
Two	19,720	27,214	31,552	39,440	47,328	60,343
Three	24,860	34,307	39,776	49,720	59,664	76,072
Four	30,000	41,400	48,000	60,000	72,000	91,800
Five	35,140	48,493	56,224	70,280	84,336	107,528

2. MEDICAL ASSISTANCE COST-TO-CONTINUE ESTIMATE [LFB Paper 405]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$380,867,800	-\$26,677,600	\$354,190,200
FED	1,076,652,600	-131,437,900	945,214,700
PR	-\$13,594,200	134,116,500	120,522,300
SEG	<u>267,573,600</u>	<u>9,529,800</u>	<u>277,103,400</u>
Total	\$1,711,499,800	-\$14,469,200	\$1,697,030,600

Governor: Provide \$1,080,023,800 (\$119,124,000 GPR, \$633,051,500 FED, \$46,004,200 PR, and \$281,844,100 SEG) in 2023-24 and \$631,476,000 (\$261,743,800 GPR, \$443,601,100 FED, -\$59,598,400 PR, and -\$14,270,500 SEG) in 2024-25 to fund projected MA benefits under a cost-to-continue scenario (no program changes to benefits or eligibility). The funding adjustments are based on the Administration's projections of caseload changes and changes in the use and cost of providing medical and long-term care services. The cost-to-continue estimate is developed using projections for enrollment and average cost per beneficiary for all service categories, among other factors. The estimates for the 2023-25 biennium build on the Administration's expenditure and enrollment projections for the remainder of 2022-23.

Joint Finance: Increase funding by \$33,462,300 (-\$5,436,300 GPR, -\$14,402,600 FED, \$36,453,800 PR, and \$16,847,400 SEG) in 2023-24 and decrease funding by \$47,931,500 (-\$21,241,300 GPR, -\$117,035,300 FED, \$97,662,700 PR, and -\$7,317,600 SEG) in 2024-25 to reflect the cost-to-continue reestimate. The following table shows the resulting funding, expressed as a change to the base.

<u>Fund</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Biennium</u>
GPR	\$113,687,700	\$240,502,500	\$354,190,200
FED	618,648,900	326,565,800	945,214,700
PR	82,458,000	38,064,300	120,522,300
SEG	<u>298,691,500</u>	<u>-21,588,100</u>	<u>277,103,400</u>
Total	\$1,113,486,100	\$583,544,500	\$1,697,030,600

3. FULL MEDICAID EXPANSION (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$1,619,519,900	\$1,619,519,900	\$0
FED	<u>2,295,264,400</u>	<u>- 2,295,264,400</u>	<u>0</u>
Total	\$675,744,500	-\$675,744,500	\$0

4. POSTPARTUM ELIGIBILITY EXTENSION [LFB Paper 406]

	Governor (Chg. To Base)	Jt. Finance (Chg. To Gov)	Net Change
GPR	\$11,635,300	- \$11,635,300	\$0
Fed	<u>22,778,600</u>	<u>- 22,778,600</u>	<u>0</u>
Total	\$34,413,900	- \$34,413,900	\$0

Governor: Provide \$16,949,900 (\$5,674,800 GPR and \$11,275,100 FED) in 2023-24 and \$17,464,000 (\$5,960,500 GPR and \$11,503,500 FED) in 2024-25 to reflect the estimated cost of providing one year post-partum coverage for pregnant women. Specify that, if approved by the federal government, a woman who is determined to be eligible under the BadgerCare Plus program as a pregnant woman remains eligible for benefits 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 90th day after the last day of the pregnancy falls.

Under current law, DHS is required to submit a request for federal approval of a state Medicaid plan amendment or federal waiver to extend postpartum eligibility for pregnant women until the last day of the month in which the 90th day following the pregnancy falls. Until such a request is approved, or if such a request is denied, postpartum eligibility lasts until the last day of the month in which the 60th day following the pregnancy falls. The Department submitted a federal waiver request in June of 2022, but the federal Centers for Medicare and Medicaid Services has not yet acted on the request (as of the date of the introduction of the bill). Consequently, the 60-day standard remains in effect. As amended by the bill, DHS would be required to submit a request for approval of the one-year postpartum coverage. Federal law permits states to adopt a one-year postpartum coverage period for pregnant women as an optional eligibility category. Since selecting this option could be implemented with an amendment to the state Medicaid plan, no federal waiver would be required.

The current income eligibility threshold for pregnant women is 306% of the federal poverty level (FPL). 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 whose household income is above 100% of the FPL are no longer eligible for coverage following the last day of the month in which the 60th day after the last day of the pregnancy falls. Therefore, this item would affect the eligibility for women whose household income is between 100% of the FPL and 306% of the FPL, allowing them to retain eligibility for an additional 10 months.

The Administration estimates that, if approved, the monthly average number of pregnant women with coverage under BadgerCare Plus would increase by 6,700 in 2023-24 and by 4,300 in 2024-25, relative to the total enrollment baseline. Under the Administration's cost-to-continue projections (no change to eligibility), the baseline enrollment of pregnant women is expected to be 26,100 in 2023-24 and 19,100 in 2024-25.

The funding increase in the bill reflects a two-year increase in federal matching rates that the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted,

the federal share of all benefit expenditures would decrease and the GPR share would increase. In addition, the number of women affected by the coverage extension would increase since fewer women would otherwise be covered under the full expansion item. The Administration estimates that the funding required for extending postpartum coverage without full Medicaid expansion would be \$20,783,800 (\$7,997,600 GPR and \$12,786,200 FED) in 2023-24 and \$21,414,200 (\$8,379,400 GPR and \$13,034,800 FED) in 2024-25.

Joint Finance: Provision not included.

5. HOSPITAL ACCESS PAYMENTS -- ACUTE CARE HOSPITALS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$531,012,400	-\$531,012,400	\$0

6. HOSPITAL ACCESS PAYMENTS -- CRITICAL ACCESS HOSPITALS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$7,033,800	-\$7,033,800	\$0

7. HOSPITAL REIMBURSEMENT RATE INCREASE [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$23,111,500	\$3,489,200	\$26,600,700
FED	<u>45,037,300</u>	<u>-3,489,200</u>	<u>41,548,100</u>
Total	\$68,148,800	\$0	\$68,148,800

Governor: Provide \$22,716,300 (\$7,605,400 GPR and \$15,110,900 FED) in 2023-24 and \$45,432,500 (\$15,506,100 GPR and \$29,926,400 FED) in 2024-25 to support reimbursement rate increases for hospital services under MA. Require DHS, if the state has adopted full Medicaid expansion, to increase the reimbursement rates paid for hospital services by \$7,605,400 as the state share of payments, in addition to the applicable federal matching funds, in 2023-24, and by \$15,506,100 as the state share of payments, in addition to the applicable federal matching funds, in 2024-25. Specify that the Department shall limit payment to hospitals to the upper payment limit under the Medicare program if the increase to the reimbursement under this item would otherwise exceed that limit.

The funding that would be provided under this item is based on an estimate, using 2022 cost

and payment data, of the increase to base inpatient and outpatient hospital payments that would be needed so that total payments, including hospital supplements, would equal 85% of total hospital costs that can be allocated to MA patients. This calculation is done for all hospitals in aggregate; the actual percentage would vary by hospital. The proposed increase to payments would begin with the calendar year 2024 hospital rates.

The federal matching funds that are associated with the GPR allocations under this item are based on the assumption that the state would adopt full Medicaid expansion, and so would become eligible for a two-year, 5.0 percentage point increase to the state's standard FMAP. To provide the same level of total funding for hospital payments without this incentive would require \$8,741,200 GPR and \$13,975,100 FED in 2023-24 and \$17,777,700 GPR and \$27,654,800 FED in 2024-25.

Joint Finance: Increase GPR funding by \$1,135,800 in 2023-24 and \$2,353,400 in 2024-25 and decrease FED funding by the same amounts to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor. Remove the condition specifying that this rate increase would apply only if full Medicaid expansion is adopted.

8. PEDIATRIC HOSPITAL SUPPLEMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,432,700	- \$5,432,700	\$0
FED	<u>14,567,300</u>	<u>- 14,567,300</u>	<u>0</u>
Total	\$20,000,000	- \$20,000,000	\$0

9. GRADUATE MEDICAL EDUCATION SUPPLEMENT [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,267,700	- \$540,000	\$727,700
FED	<u>2,482,300</u>	<u>- 1,335,000</u>	<u>1,147,300</u>
Total	\$3,750,000	- \$1,875,000	\$1,875,000

Governor: Provide \$1,875,000 (\$627,800 GPR and \$1,247,200 FED) in 2023-24 and \$1,875,000 (\$639,900 GPR and \$1,235,100 FED) in 2024-25 to increase grants paid to hospitals to fund the creation of new accredited graduate medical training programs and the addition of positions to existing programs in hospitals serving a rural or underserved community. Increase a statutory limit on the term of grants provided for new training programs for rural hospitals from three years to five years. Under current law, grants to expand existing residency programs are subject to per-hospital and per-position annual limits. Increase the per-hospital limit from \$225,000 GPR (approximately \$575,000 all funds) to \$450,000 GPR (approximately \$1,150,000 all funds). Increase the per-position limit from \$75,000 GPR (approximately \$191,700 all funds)

to \$150,000 GPR (approximately \$383,400 all funds).

Under current law, residency positions must be in one of the following disciplines to qualify for grant funding: (a) family medicine; (b) pediatrics; (c) psychiatry; (d) general surgery; and (e) internal medicine. Hospitals in the City of Milwaukee are ineligible for grants to establish new residency programs.

The base GPR funding for graduate medical training grants is \$3,313,000, an amount that is generally eligible for federal Medicaid matching funds at the applicable FMAP. The Administration's fiscal estimate for this item (GPR and FED share) is based on the cost of increasing the per-position grant by \$75,000 for 25 positions, for a total of \$1,875,000 annually.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing the specified increases to graduate medical education grants would require \$721,500 GPR and \$1,153,500 FED in 2023-24 and \$733,700 GPR and \$1,141,300 FED in 2024-25.

Joint Finance: Reduce funding by \$937,500 (-\$267,000 GPR and -\$670,500 FED) in 2023-24 and \$937,500 (-\$273,000 GPR and -\$664,500 FED) in 2024-25. In addition to providing a smaller increase in overall funding, this modification includes fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor.

Delete the modification of per-hospital and per-position limits. The Administration indicated that their intent under the Governor's proposal was to increase administratively-set limits that are currently lower than the limits set in statute, instead of modifying the statutory limits. Retain the time limit extension from three years to five years as under the Governor's proposal.

10. PRIMARY CARE REIMBURSEMENT RATE INCREASE [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$64,150,800	-\$11,992,700	\$52,158,100
FED	<u>125,010,300</u>	<u>- 44,518,100</u>	<u>80,492,200</u>
Total	\$189,161,100	-\$56,510,800	\$132,650,300

Governor: Provide \$63,053,700 (\$21,110,400 GPR and \$41,943,300 FED) in 2023-24 and \$126,107,400 (\$43,040,400 GPR and \$83,067,000 FED) in 2024-25 to support reimbursement rate increases for primary care medical services under MA. Require DHS, if the state has adopted full Medicaid expansion, to increase the reimbursement rates paid for primary care services by \$21,110,400 as the state share of payments, in addition to the applicable federal matching funds, in 2023-24, and by \$43,040,400 as the state share of payments, in addition to the applicable federal matching funds, in 2024-25. The funding provided under this item is based on an estimate of the amount needed to increase the reimbursement rates for primary care services to 80% of the amount that Medicare pays for primary care services, with an effective date of January 1, 2024.

The federal matching funds that are associated with the GPR allocations under this item are based on the assumption that the state would adopt full Medicaid expansion, and so would become eligible for a two-year, 5.0 percentage point increase to the state's standard FMAP. To provide the same level of total funding for hospital payments without this incentive would require \$24,263,100 GPR and \$38,790,600 FED in 2023-24 and \$49,345,800 GPR and \$76,761,600 FED in 2024-25.

Joint Finance: Reduce funding by \$18,836,900 (-\$3,715,500 GPR and -\$15,121,400 FED) in 2023-24 and \$37,673,900 (-\$8,277,200 GPR and -\$29,396,700 FED) in 2024-25, reflecting an increase of reimbursement rates for primary care to 70% of Medicare rates instead of 80% as well as fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor. Remove the condition specifying that this rate increase must be implemented if full Medicaid expansion is adopted.

11. EMERGENCY PHYSICIAN REIMBURSEMENT RATE INCREASE [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$11,013,500	- \$5,019,500	\$5,994,000
FED	<u>21,461,900</u>	<u>- 12,099,900</u>	<u>9,362,000</u>
Total	\$32,475,400	- \$17,119,400	\$15,356,000

Governor: Provide \$10,825,200 (\$3,624,300 GPR and \$7,200,900 FED) in 2023-24 and \$21,650,200 (\$7,389,200 GPR and \$14,261,000 FED) in 2024-25 to increase the reimbursement rates for emergency physician services. The funding provided under this item is based on an estimate of the amount needed to increase the reimbursement rates for emergency physician services to 50% of the amount that Medicare pays for emergency physician services, with an effective date of January 1, 2024.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same reimbursement rate increases would require \$4,165,500 GPR and \$6,659,700 FED in 2023-24 and \$8,471,700 GPR and 13,178,500 FED in 2024-25.

Joint Finance: Reduce funding by \$5,706,500 (-\$1,654,600 GPR and -\$4,051,900 FED) in 2023-24 and \$11,412,900 (-\$3,364,900 GPR and -\$8,048,000 FED) in 2024-25, reflecting an increase of reimbursement rates for emergency department physician services to 40% of Medicare rates instead of 50% as well as fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor.

12. OUTPATIENT BEHAVIORAL HEALTH AND DAY TREATMENT REIMBURSEMENT RATE INCREASES [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,765,300	- \$5,765,300	\$0
FED	<u>11,234,800</u>	<u>- 11,234,800</u>	<u>0</u>
Total	\$17,000,100	- \$17,000,100	\$0

Governor: Provide \$5,666,700 (\$1,897,200 GPR and \$3,769,500 FED) in 2023-24 and \$11,333,400 (\$3,868,100 GPR and \$7,465,300 FED) in 2024-25 to support reimbursement rate increases for outpatient mental health and substance abuse services and for child-adolescent day treatment services. The bill does not include statutory or nonstatutory provisions dictating the specific manner in which these rate increases are to be implemented. Instead, the Administration indicates that the intent is that the Department would determine how to utilize the funding provided to increase the reimbursement rates for these services.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same level of total funding for reimbursement rate increases would require \$2,180,500 GPR and \$3,486,200 FED in 2023-24 and \$4,434,700 GPR and 6,898,700 FED in 2024-25.

Joint Finance: Provision not included.

13. AUTISM SERVICES REIMBURSEMENT RATE INCREASE [LFB Paper 407]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,146,100	- \$4,146,100	\$0
FED	<u>8,079,500</u>	<u>- 8,079,500</u>	<u>0</u>
Total	\$12,225,600	- \$12,225,600	\$0

Governor: Provide \$4,075,200 (\$1,364,400 GPR and \$2,710,800 FED) in 2023-24 and \$8,150,400 (\$2,781,700 GPR and \$5,368,700 FED) in 2024-25 to support an increase to the reimbursement rate for autism treatment services. The funding provided under this item is based on an estimate of the cost to increase the reimbursement rate by 43%. The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same reimbursement rate increase would require \$1,568,100 GPR and \$2,507,100 FED in 2023-24 and \$3,189,300 GPR and 4,961,100 FED in 2024-25.

Joint Finance: Provision not included.

14. LEAD INVESTIGATION SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$624,600	- \$624,600	\$0
FED	<u>1,223,200</u>	<u>- 1,223,200</u>	<u>0</u>
Total	\$1,847,800	- \$1,847,800	\$0

15. COMMUNITY SUPPORT PROGRAM [LFB Paper 408]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$40,755,600	- \$40,755,600	\$0

Governor: Provide \$19,239,100 in 2023-24 and \$21,516,500 in 2024-25 for MA services provided under the community support program (CSP), reflecting a shift from counties to the state for the responsibility of paying the nonfederal share of CSP services. Require DHS to provide reimbursement payments to counties for CSP services for both the federal and nonfederal share of the payment, instead of, under current law, only the federal share. Delete CSP services from a list of county services for which counties may submit a cost report to DHS for a partial cost reconciliation payment.

The community support program is a county-based psychosocial rehabilitation program under MA, commonly used for persons with schizophrenia, bipolar disorder, schizoaffective disorder, or recurrent major depression. Approximately 4,000 individuals receive CSP services per year. Specific treatment services include individual, family, and group psychotherapy, medications, and crisis intervention. Services are delivered using a treatment team approach, with each individual having a case manager who maintains a clinical treatment relationship with the client on a continuing basis. Currently, the MA reimbursement payment to counties consists of only the federal matching funds, meaning that counties are responsible for the nonfederal share. This item would shift the responsibility for the nonfederal share to the state, paid with GPR budgeted in the MA program. The fiscal effect this item is based on the average nonfederal share of CSP reimbursement payments in 2020-21 and 2021-22, with a growth rate of 5% in 2023-24 and an additional 10% in 2024-25, based on the assumption that CSP services would be more consistently offered across all counties if the state is responsible for the nonfederal share of payments.

Joint Finance: Provision not included.

16. RESIDENTIAL SUBSTANCE USE DISORDER ROOM AND BOARD FUNDING
[LFB Paper 409]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$16,619,000	-\$16,619,000	\$0

Governor: Provide \$8,309,500 annually in the GPR appropriation for Medical Assistance to support the room and board costs of MA enrollees receiving residential substance use disorder treatment. Specify that room and board costs for residential substance use disorder treatment is a reimbursable service category under MA.

MA provides coverage of residential substance abuse disorder treatment for individuals who need a 24-hour, structured environment that is removed from their normal social routine. While the program reimburses residential treatment providers for services, the costs of room and board are not reimbursable, as federal Medicaid law does not provide coverage of room and board costs in a residential treatment facility. Consequently, room and board costs must be covered through other sources, such as the individual's county social services department. This item would provide funding for a GPR-only reimbursement of room and board costs under MA.

The funding for this item is based on the assumption that current utilization of residential substance use treatment would increase by 10% as the result of providing coverage of room and board costs. However, the Administration also estimates that utilization of inpatient hospital substance use treatment would decrease by 25%, partially offsetting the additional cost. The cost of room and board is covered under the reimbursement of inpatient hospital services.

Joint Finance: Provision not included.

17. INTEGRATED STABILIZATION, INTOXICATION MONITORING, AND DETOXIFICATION FACILITY SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

18. COMMUNITY HEALTH SERVICES COVERAGE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,179,300	-\$9,179,300	\$0
FED	<u>16,320,700</u>	<u>- 16,320,700</u>	<u>0</u>
Total	\$25,500,000	-\$25,500,000	\$0

19. COMMUNITY HEALTH WORKER SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,562,000	- \$6,562,000	\$0
FED	<u>12,664,600</u>	<u>- 12,664,600</u>	<u>0</u>
Total	\$19,226,600	- \$19,226,600	\$0

20. COVERAGE OF CONTINUOUS GLUCOSE MONITORING AND INSULIN PUMP DEVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,641,700	- \$4,641,700	\$0
FED	8,958,300	- 8,958,300	0
PR	<u>9,600,000</u>	<u>- 9,600,000</u>	<u>0</u>
Total	\$23,200,000	- \$23,200,000	\$0

21. HEALTH INFORMATION EXCHANGE INCENTIVE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,981,400	- \$6,981,400	\$0
FED	<u>13,706,600</u>	<u>- 13,706,600</u>	<u>0</u>
Total	\$20,688,000	- \$20,688,000	\$0

22. SCHOOL-BASED SERVICES FEDERAL FUNDING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	- \$112,428,000	\$112,428,000	\$0

23. COVERAGE OF SCHOOLS AS TELEHEALTH ORIGINATING SITES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,719,300	-\$3,719,300	\$0
FED	<u>7,247,600</u>	<u>- 7,247,600</u>	<u>0</u>
Total	\$10,966,900	-\$10,966,900	\$0

24. CERTIFIED PEER SPECIALIST SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,268,100	-\$1,268,100	\$0
FED	<u>2,447,400</u>	<u>- 2,447,400</u>	<u>0</u>
Total	\$3,715,500	-\$3,715,500	\$0

25. COVERAGE OF ACUPUNCTURE SERVICES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,092,200	-\$1,092,200	\$0
FED	<u>2,107,800</u>	<u>- 2,107,800</u>	<u>0</u>
Total	\$3,200,000	-\$3,200,000	\$0

Governor: Provide \$3,200,000 (\$1,092,200 GPR and \$2,107,800 FED) in 2024-25 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. The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the funding for acupuncture coverage would be \$1,252,200 GPR and \$1,947,800 FED.

Joint Finance: Provision not included.

26. PSYCHOSOCIAL REHABILITATION SERVICES BY NON-COUNTY PROVIDERS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$691,900	- \$691,900	\$0
FED	<u>1,335,300</u>	<u>- 1,335,300</u>	<u>0</u>
Total	\$2,027,200	- \$2,027,200	\$0

27. COVERAGE OF DOULA SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$449,300	- \$449,300	\$0
FED	<u>867,100</u>	<u>- 867,100</u>	<u>0</u>
Total	\$1,316,400	- \$1,316,400	\$0

28. DENTAL HEALTH COORDINATOR GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$900,000	- \$900,000	\$0
FED	<u>900,000</u>	<u>- 900,000</u>	<u>0</u>
Total	\$1,800,000	- \$1,800,000	\$0

29. JOINT COMMITTEE ON FINANCE REVIEW PROCESS FOR FEDERAL WAIVERS AND MA PROGRAM CHANGES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

30. SENIORCARE REESTIMATE [LFB Paper 410]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,310,200	\$9,772,700	\$12,082,900
FED	8,775,000	- 2,779,000	5,996,000
PR	<u>15,675,600</u>	<u>- 11,306,200</u>	<u>4,369,400</u>
Total	\$26,760,800	- \$4,312,500	\$22,448,300

Governor: Provide \$7,491,800 (\$375,200 GPR, \$3,626,200 FED, and \$3,490,400 PR) in

2023-24 and \$19,269,000 (\$1,935,000 GPR, \$5,148,800 FED, and \$12,185,200 PR) in 2024-25 to fully fund benefits under the SeniorCare program. SeniorCare provides pharmacy benefits for Wisconsin residents over the age of 65 who are not eligible for full Medicaid benefits.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, fully funding benefits under the SeniorCare program would require \$4,096,600 GPR, -\$95,200 FED and \$3,490,400 PR in 2023-24 and \$3,845,200 GPR, \$3,238,600 FED, and \$12,185,200 PR in 2024-25, as shown in the table below.

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 line. Based on recent trends, manufacturer rebates (PR) are expected to cover 73% of costs for this group. With the temporary increase in federal matching rates related to full Medicaid expansion, federal funds would cover approximately 17% of costs for this group and the GPR portion would be 10%. If full expansion is not adopted, federal funds would cover 15% and the GPR portion would be 12%. Due to temporary changes to the federal matching rate made in response to the COVID-19 pandemic and lag in the receipt of rebates, if full expansion is not adopted the federal share will be approximately one percentage point lower in 2023-24. 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) 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 approximately constant over the biennium, the enrollment in each group is expected to change, as are the per-member average costs. The Administration forecasts that enrollment will continue to increase for each group at the same annual rates as in fiscal year 2021-22: 1.2% for the group with income under 160% of FPL, 2.5% for 160–200%, 5.6% for 200–240%, and 10.2% for over 240%. Based on historical drug price inflation and Federal Reserve inflation forecasts, the Administration forecasts that per-member costs will increase for the first three enrollment groups by 9.0% per year in 2022-23, 6.4% in 2023-24, and 5.9% in 2024-25. Per-member costs in the spend-down enrollment group are forecasted to remain flat.

The base funding for SeniorCare is \$133,343,400 (\$17,971,900 GPR, \$17,738,300 FED, and \$97,633,200 PR). Under the Administration's forecast, FED expenditures in 2022-23 are expected to be above the base level, while PR expenditures are expected to be lower. This has the

effect of increasing the FED change to base relative to the forecasted growth described above, and partially offsetting the PR change to base. In addition, the expiration of the COVID-19 matching rate noted above increases the required GPR and decreases the required FED, particularly in 2023-24. These amounts are shown in the table below.

SeniorCare Funding by Fund Source - Governor's Budget

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2022-23 Base Funding	\$17,971,900	\$17,738,300	\$97,633,200	\$133,343,400
2023-24 Cost-to-Continue	4,096,600	-95,200	3,490,400	7,491,800
2023-24 Two-Year MA Expansion FMAP	<u>-3,721,400</u>	<u>3,721,400</u>	<u>0</u>	<u>0</u>
2023-24 Total Funding	\$18,347,100	\$21,364,500	\$101,123,600	\$140,835,200
2024-25 Cost-to-Continue	3,845,200	3,238,600	12,185,200	19,269,000
2024-25 Two-Year MA Expansion FMAP	<u>-1,910,200</u>	<u>1,910,200</u>	<u>0</u>	<u>0</u>
2024-25 Total Funding	\$19,906,900	\$22,887,100	\$109,818,400	\$152,612,400

Joint Finance: Reduce funding by \$2,002,300 (\$6,229,900 GPR, -\$1,797,400 FED, and -\$6,434,800 PR) in 2023-24 and by \$2,310,200 (\$3,542,800 GPR, -\$981,600 FED, and -\$4,871,400 PR) to reflect an updated estimate of the cost to fully fund benefits under the program and the removal of the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor.

Relative to base funding, the updated estimate provides \$5,489,500 (\$6,605,100 GPR, \$1,828,800 FED, and -\$2,944,400 PR) in 2023-24 and \$16,958,800 (\$5,477,800 GPR, \$4,167,200 FED, and \$7,313,800 PR). This reflects updated enrollment, per-member costs, and rebate rates through April, 2022. Enrollment is slightly higher than projected under the Governor's budget, but per-member costs are lower, creating a net reduction in total funding. The share of costs covered by rebates (PR) is slightly lower than previously projected, increasing GPR and FED costs. The tables below show the total amount that would be provided in each year and the updated enrollment estimates in each income group for the current year and each year of the 2023-25 biennium.

SeniorCare Total Funding – Joint Finance

	<u>Base</u>	<u>2023-24</u>	<u>2024-25</u>
GPR	\$17,971,900	\$24,576,986	\$23,449,705
FED	17,738,300	19,567,103	21,905,482
PR	<u>97,633,200</u>	<u>94,688,846</u>	<u>104,946,976</u>
Total	\$133,343,400	\$138,832,935	\$150,302,162

SeniorCare Enrollment Estimates

<u>Income Category</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Less than 160% of FPL	27,300	27,800	28,100
160% of FPL to 200% of FPL	17,100	17,600	18,100
200% of FPL to 240% of FPL	12,100	13,000	13,700
Greater than 240% of FPL	<u>58,600</u>	<u>64,700</u>	<u>71,200</u>
Total Enrollment	115,100	123,100	131,100

31. WISCONSIN CHRONIC DISEASE PROGRAM RE-ESTIMATE

GPR	-\$1,331,700
PR	<u>- 793,600</u>
Total	-\$2,125,300

Governor/Joint Finance: Decrease funding by \$1,035,800 (-\$643,600 GPR and -\$392,200 PR) in 2023-24 and \$1,089,500 (-\$688,100 GPR and -\$401,400 PR) in 2024-25 to reflect estimates of the amounts needed to fully fund the Wisconsin chronic disease program (WCDP) in the 2023-25 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 manufacturers for medications dispensed through WCDP, which is budgeted as program revenue.

Base funding for the program is \$4,626,000 (\$3,700,800 GPR and \$925,200 PR), but expenditures in recent years have been below this level. DHS estimates total program costs will be \$3,590,200 (\$3,057,200 GPR and \$533,000 PR) in 2023-24 and \$3,536,500 (\$3,012,700 GPR and \$523,800 PR) in 2024-25. This estimate includes \$500,000 GPR above trend levels in both years as a contingency that would be available if costs exceed the Department's forecasts.

32. DISPROPORTIONATE SHARE HOSPITAL PAYMENTS

GPR	\$48,200,000
FED	<u>75,738,000</u>
Total	\$123,938,000

Joint Finance: Provide \$62,630,000 (\$24,100,000 GPR and \$38,530,000 FED) in 2023-24 and \$61,308,000 (\$24,100,000 GPR and \$37,208,000 FED) in 2024-25 to increase payments under the disproportionate share hospital (DSH) program. Increase the amount that DHS must distribute as the state share of payments from \$47,500,000 GPR to \$71,600,000 GPR per year.

DSH payments are provided to hospitals for which more than 6% of inpatient days are attributable to MA patients. For each qualifying hospital, payments are calculated in proportion to the hospital's base inpatient payment for MA services. A hospital's add-on percentage is generally proportional to its MA patient days percentage, such that those hospitals with a higher proportion of MA patients have a higher percentage. However, the maximum payment that a hospital may receive in a year is capped at 6.77% of the all-funds total amount available for DSH payments in each fiscal year.

The increase under Joint Finance is estimated to bring the total DSH payments up to the maximum amount eligible for federal matching funds. The all funds amount distributed will be \$182.2 million per year under forecasted federal matching rates for 2024-25, increased from \$139.7 million distributed in 2022-23.

33. HOSPITAL BEHAVIORAL HEALTH REIMBURSEMENT

GPR	\$12,000,000
FED	<u>18,519,000</u>
Total	\$30,519,000

Joint Finance: Provide \$10,168,000 (\$4,000,000 GPR and \$6,168,000 FED) in 2023-24 and \$20,351,000 (\$8,000,000 GPR and \$12,351,000 FED) in 2024-25 to provide increased MA reimbursement for hospital services provided in a behavioral health unit of a general medical and surgical hospital, effective January 1, 2024.

34. RURAL CRITICAL CARE HOSPITAL SUPPLEMENT

GPR	\$4,500,000
FED	<u>7,071,000</u>
Total	\$11,571,000

Joint Finance: Provide \$5,847,000 (\$2,250,000 GPR and \$3,597,000 FED) in 2023-24 and \$5,724,000 (\$2,250,000 GPR and \$3,474,000 FED) in 2024-25 to increase supplementary payments to hospitals under the rural critical care access program. Increase the amount that DHS must distribute as the state share of payments from \$2,250,000 GPR to \$4,500,000 GPR.

The rural critical care supplement is paid to general medical and surgical hospitals that do not qualify as disproportionate share hospitals (DSH), but do have MA patients accounting for at least six percent of total charges for services performed. These hospitals typically do not qualify for DSH payments because they do not offer obstetric care. Funding is distributed among qualifying hospitals under a formula similar to the one used for DSH payments, but based on charges for services instead of patient-days.

35. CHIROPRACTIC RATE INCREASE

GPR	\$700,000
FED	<u>1,100,000</u>
Total	\$1,800,000

Joint Finance: Provide \$600,000 (\$200,000 GPR and \$400,000 FED) in 2023-24 and \$1,200,000 (\$500,000 GPR and \$700,000 FED) in 2024-25 to increase reimbursement rates paid under MA for chiropractic services. This increase is estimated to bring rates paid to chiropractors for those procedures such as diagnostics, X-rays, and office visits that physicians can also claim reimbursement for to the same rates currently paid to physicians, effective January 1, 2024. Under current law, the MA program sets different rates for the same procedure performed by different provider types (such as physicians, physician assistants, or psychiatrists) to reflect different levels of medical expertise or when the same procedure serves a different purpose, such as the difference between a patient-evaluation office visit delivered as a primary care check-up or a psychiatric care appointment.

36. DENTAL SERVICES FOR PEOPLE WITH DISABILITIES

Joint Finance: A provision of the 2017-19 budget (Act 59) required DHS to increase reimbursement rates by a factor of two for dental services rendered by facilities that provide at least 90% of their services to people with cognitive and physical disabilities. Funding for this change, as well as a related increase in special-needs dental reimbursement was provided under the 2019-21 budget. As of June, 2023, this increase has not been implemented. The Joint Finance provision would require DHS to implement the reimbursement change by October 1, 2023.

37. GENDER-AFFIRMING CARE EXCLUSION

Joint Finance: Specify that, to the extent permitted by federal law, MA may not provide payment for puberty-blocking drugs used for the purposes of gender dysphoria or gender transition, nor payment for gender reassignment surgery. In 2019, DHS was enjoined from implementing a similar coverage exclusion by a federal court in a case titled *Flack vs. Wisconsin Department of Health Services*.

38. COUNTY AND MUNICIPAL AMBULANCE PROVIDER SUPPLEMENT

GPR	- \$2,000,000
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Joint Finance: Reduce funding for the Medical Assistance program by \$2,000,000 GPR in 2024-25 to reflect the elimination of a supplementary reimbursement program for local government ambulance providers under 2023 Act 12. The program provided supplementary payments totaling \$5,000,000 (\$2,000,000 GPR and \$3,000,000 FED) per year to municipalities and counties for ambulance services delivered to MA patients. Shared revenue payments to these counties and municipalities were reduced under the program by identical amounts, creating no net effect for counties and municipalities but net state savings of \$3,000,000 GPR. The offsetting reductions in shared revenue payments would also be eliminated under the Joint Finance recommendation, as described under "Shared Revenue and Tax Relief."

2021 Wisconsin Act 228 created a supplementary reimbursement program for public ambulance providers known as a certified public expenditures (CPE) program that will allow these providers to claim federal matching funds for certain expenditures in excess of base MA reimbursement. Hence, the federal matching funds that were claimed under the previous supplement will now be available to be claimed under the CPE supplement, and no change in federal funding levels is required.

Medical Assistance -- Long-Term Care

1. HOME AND COMMUNITY-BASED SERVICES RATE INCREASE COST-TO-CONTINUE [LFB Paper 420]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$80,976,500	\$7,743,000	\$88,719,500
FED	<u>145,954,500</u>	<u>- 9,014,900</u>	<u>136,939,600</u>
Total	\$226,931,000	- \$1,271,900	\$225,659,100

Governor: Provide \$43,115,000 (\$15,405,600 GPR and \$27,709,400 FED) in 2023-24 and \$183,816,000 (\$65,570,900 GPR and \$118,245,100 FED) in 2024-25 to fund costs associated with the American Rescue Plan Act (ARPA) home and community-based services (HCBS) 5% rate increase from April 1, 2024, through June 30, 2025.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the Administration estimates that maintaining the 5% rate increase after March 31, 2024, would require \$43,115,000 (\$16,961,400 GPR and \$26,153,600 FED) in 2023-24 and \$183,816,000 (\$71,925,800 GPR and \$111,890,200 FED) in 2024-25.

Under ARPA, states could claim an additional 10% on their federal medical assistance percentage (FMAP) for eligible HCBS expenditures between April, 2021 and March, 2022. ARPA required states to use these additional funds to supplement, not supplant existing state funds, and used on CMS-approved activities that enhance, expand, or strengthen HCBS under the Medicaid program.

The Department's CMS-approved plan included a 5% rate increase for certain HCBS, effective January 1, 2022. This portion of the Department's plan was approved by the Joint Committee on Finance, with the condition that the rate increases are funded with ARPA HCBS reinvestment funding through March 31, 2024. In approving the rate increases, the Committee indicated that it would consider whether these rate increases would be maintained after March 31, 2024, as part of its 2023-25 budget deliberations.

The 5% rate increase applies to 42 service categories across Family Care, Family Care Partnership, IRIS (Include, Respect, I Self-Direct), PACE (Program of All-Inclusive Care for the Elderly), Children's Long-Term Supports (CLTS) Waiver, SSI Managed Care, BadgerCare Plus Managed Care, and Medicaid fee-for-service state plan services, as shown in the following table.

Adult day care service	Nursing (in-home)
Alcohol and other drug abuse (AODA)	Occupational therapy (in-home)
AODA day treatment	Personal care
Assistive technology/communication aid	Physical therapy (in-home)
Behavioral treatment services	Prenatal care coordination
Care management for Care4Kids	Prevocational services
Care management for children with medical complexities	Residential care
Care management in fee-for-service	Residential substance use disorder treatment
Consultative clinical and therapeutic services for caregivers	Respiratory care
Consumer-directed supports (self-directed supports) broker	Respite
Consumer education and training	Self-directed personal care
Counseling and therapeutic	Skilled nursing services (RN/LPN)
Environmental accessibility adaptations (home modifications)	Speech and language pathology services (in-home)
Financial management services	Supported employment - individual employment support
Habilitation services (daily living skills training and day habilitation resources)	Supported employment - small group employment support
Home delivered meals	Supportive home care (SHC)
Home health services	Training services for unpaid caregivers
Housing counseling	Transportation (specialized transportation) - community transportation
Medication therapy management	Transportation (specialized transportation) - other transportation
Mental health day treatment	Transportation services under DHS 107.23
Mental health services	Vocational futures planning and support

Joint Finance: Increase funding by \$592,300 (\$1,788,900 GPR and -\$1,196,600 FED) in 2023-24 and reduce funding by \$1,864,200 (\$5,954,100 GPR and -\$7,818,300 FED) in 2024-25 to reflect updated assumptions regarding utilization and fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor.

2. FAMILY CARE DIRECT CARE REIMBURSEMENT [LFB Paper 420]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$30,000,000	-\$15,000,000	\$15,000,000
FED	<u>58,752,500</u>	<u>- 35,319,900</u>	<u>23,432,600</u>
Total	\$88,752,500	-\$50,319,900	\$38,432,600

Governor: Provide \$44,802,900 (\$15,000,000 GPR and \$29,802,900 FED) in 2023-24 and \$43,949,600 (\$15,000,000 GPR and \$28,949,600 FED) in 2024-25 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.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the

federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, if the intent is still provide \$15,000,000 GPR annually, total funding would be \$38,981,300 (\$15,000,000 GPR and \$23,981,300 FED) in 2023-24 and \$38,333,800 (\$15,000,000 GPR and \$23,333,800 FED) in 2024-25.

In prior biennia, the Department has distributed additional funding for this purpose 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.

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 2023-25 biennium, which is included as part of the Medicaid cost-to-continue item.

Joint Finance: Reduce funding by \$31,809,100 (-\$10,000,000 GPR and -\$21,809,100 FED) in 2023-24 and \$18,510,800 (-\$5,000,000 GPR and -\$13,510,800 FED) in 2024-25.

As modified, including fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor, this provision would provide \$12,993,800 (\$5,000,000 GPR and \$7,993,800 FED) in 2023-24 and \$25,438,800 (\$10,000,000 GPR and \$15,438,800 FED) in 2024-25.

3. PERSONAL CARE REIMBURSEMENT RATE [LFB Paper 420]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$30,000,000	- \$15,000,000	\$15,000,000
FED	<u>58,752,500</u>	<u>- 35,319,900</u>	<u>23,432,600</u>
Total	\$88,752,500	- \$50,319,900	\$38,432,600

Governor: Provide \$44,802,900 (\$15,000,000 GPR and \$29,802,900 FED) in 2023-24 and \$43,949,600 (\$15,000,000 GPR and \$28,949,600 FED) in 2024-25 to increase MA personal care reimbursement rates.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, if the intent is still provide \$15,000,000 GPR annually, total funding would be \$38,981,300 (\$15,000,000 GPR and \$23,981,300 FED) in 2023-24 and \$38,333,800 (\$15,000,000 GPR and \$23,333,800 FED) in 2024-25.

As of January 1, 2023, the hourly MA personal care reimbursement rate is \$23.44. The funding increase provided in the bill is not intended to provide a specific percentage or dollar increase to the MA personal care reimbursement rates, as such distribution of the funds would be

determined by the Department upon enactment of the budget.

Joint Finance: Reduce funding by \$31,809,100 (-\$10,000,000 GPR and -\$21,809,100 FED) in 2023-24 and \$18,510,800 (-\$5,000,000 GPR and -\$13,510,800 FED) in 2024-25.

As modified, including fund source adjustments to reflect the standard federal Medicaid matching rate, rather than the two-year enhanced matching rate that would have applied with adoption of full Medicaid expansion under the Governor, this provision would provide \$12,993,800 (\$5,000,000 GPR and \$7,993,800 FED) in 2023-24 and \$25,438,800 (\$10,000,000 GPR and \$15,438,800 FED) in 2024-25.

4. HOME AND COMMUNITY-BASED SERVICES [LFB Paper 421]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$24,845,500	- \$24,845,500	\$0
FED	<u>29,337,200</u>	<u>- 29,337,200</u>	<u>0</u>
Total	\$54,182,700	- \$54,182,700	\$0

Governor: Provide \$54,182,700 (\$24,845,500 GPR and \$29,337,200 FED) in 2024-25 to continue, through the end of the 2023-25 biennium, a number of projects started with one-time GPR savings and federal funds the state realized under provisions of the American Rescue Plan Act.

Although not specified in the bill, the Administration indicates it intends to budget the funding under this item as follows.

(a) \$44,490,800 (\$15,153,600 GPR and \$29,337,200 FED) to fund, for the three-month period from April 1 through June 30, 2025, implementation of a minimum fee schedule for certain home and community based services (residential care and supportive home care services) the state provides through its long-term care waiver programs. The Administration estimates the annualized cost of implementing minimum rates for these services will be approximately \$178.0 million (all funds).

(b) \$627,600 GPR to fund the Wisconsin Personal Caregiver Workforce Careers Program to continue enrolling an additional 5,000 caregivers into the professional certificate program.

(c) \$101,500 GPR to provide ongoing funding for the WisCaregiver Career IT platform to remain up-to-date with available resources for caregivers and maintain the technical quality of the website.

(d) \$5,500,000 GPR to provide grants to the 11 federally recognized Native American Tribes to make improvements to tribal community facilities and tribal member housing.

(e) \$1,702,800 GPR to support the ongoing costs of the tribal aging and disability resources specialists to serve as liaisons between the tribes and the aging and disability resource

centers.

(f) \$1,060,000 GPR to build a centralized aging and disability resource center website and database that is accessible to Wisconsinites statewide, providing access to information about long-term care supports and services from the comfort of their home while also providing aging and disability resource centers with a database that centers on the individual, rather than the facility.

(g) \$100,000 GPR to fund continued licensure and maintenance of a system to coordinate certification status work between the department and managed care organizations.

(h) \$100,000 GPR to fund licensure and maintenance of a system devised as a technical solution to improve data entry, review and report generation to comply with a federal rule requiring states to define the qualities of settings eligible for Medicaid home- and community-based services.

[As the funding increase in the bill exceeds the sum of these funding allocations by \$500,000 GPR, the funding in the bill should be reduced to meet the Administration's intent.]

Require that the Department allocate not more than \$5,500,000 annually to federally-recognized American Indian tribes and bands located in Wisconsin for capital improvements to tribal facilities serving tribal members with long-term care needs and for improvements and repairs to homes of tribal members with long-term care needs to enable tribal members to receive long-term care services at home.

Modify the existing community aids and Medical Assistance payments appropriation to allow for grant payments for tribal long-term care system development activities as previously described.

Joint Finance: Items a and b removed from budget consideration pursuant to Joint Finance Motion #10. Items c thru h provisions not included.

5. CHILDREN'S LONG-TERM SUPPORT WAIVER PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. NURSING HOME PERSONAL NEEDS ALLOWANCE [LFB Paper 422]

GPR	\$806,100
FED	<u>1,253,900</u>
Total	\$2,060,000

Joint Finance: Increase the monthly MA personal needs allowance by \$10, from \$45 to \$55, effective July 1, 2024. Increase MA benefits funding by \$2,060,000 (\$806,100 GPR and \$1,253,900 FED) in 2024-25.

Most elderly, blind, and disabled Medicaid beneficiaries may retain a personal needs allowance from the amount that would otherwise be retained by a nursing home as the individuals' patient liability. The personal needs allowance is intended to allow Medicaid beneficiaries to purchase items and services not provided by the nursing homes in which they live.

7. NURSING HOME SUPPORT SERVICES

GPR	\$56,942,300
FED	<u>89,457,700</u>
Total	\$146,400,000

Joint Finance: Provide \$73,200,000 (\$28,167,400 GPR and \$45,032,600 FED) in 2023-24 and \$73,200,000 (\$28,774,900 GPR and \$44,425,100 FED) in 2024-25 to increase the support services portion of Medical Assistance program reimbursement for nursing homes. Require the Department to establish and implement a priced rate for nursing home support services based on median facility costs plus 25 percent.

8. NURSING HOME INCENTIVES

GPR	\$12,135,300
FED	<u>19,064,700</u>
Total	\$31,200,000

Joint Finance: Provide \$15,600,000 (\$6,002,900 GPR and \$9,597,100 FED) in 2023-24 and \$15,600,000 (\$6,132,400 GPR and \$9,467,600 FED) in 2024-25 to exclude provider incentives from the profit limitation in support services so they are paid separately. Require DHS to exclude provider incentives when determining the total rate adjustment to allowable costs.

9. NURSING HOME VENTILATOR DEPENDENT RATE

GPR	\$3,889,500
FED	<u>6,110,500</u>
Total	\$10,000,000

Joint Finance: Provide \$5,000,000 (\$1,924,000 GPR and \$3,076,000 FED) in 2023-24 and \$5,000,000 (\$1,965,500 GPR and \$3,034,500 FED) in 2024-25 to increase the all-encompassing ventilator-dependent resident reimbursement rate for nursing home care. Require the Department, effective July 1, 2023, to increase the reimbursement rate under the Medical Assistance program for an authorized facility treating a resident of the facility who has received prior authorization for ventilator-dependent care reimbursed under the all-encompassing ventilator-dependent resident reimbursement rate by \$200 per patient day.

10. DHS AND MANAGED CARE ORGANIZATION REPORTING REQUIREMENTS

Joint Finance: Require DHS to include information regarding managed care organization (MCO): (a) executive leadership salaries; and (b) amounts retrieved by the state under the contractual risk corridors, in the publicly available financial summaries for Family Care, Family Care Partnership, and PACE MCOs.

Require DHS and Family Care, Family Care Partnership, and PACE MCOs to track and annually report to the Joint Committee on Finance total authorized and total provided care plan hours by service category and MCO by April 1 of each year.

Services for the Elderly and People with Disabilities

1. AGING AND DISABILITY RESOURCE CENTERS [LFB Paper 425]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$16,962,900	-\$9,421,800	\$7,541,100

Governor: Provide \$5,654,300 in 2023-24 and \$11,308,600 in 2024-25 to increase base allocations and fund expanded caregiver support services at the aging and disability resource centers (ADRCs).

Of these amounts, the Administration indicates that \$2,513,700 in 2023-24 and \$5,027,400 in 2024-25 would be budgeted to increase ADRC base allocations to account for the anticipated increase in the number of older residents in the state and \$3,140,600 in 2023-24 and \$6,281,200 in 2024-25 would be provided to expand caregiver support and programs.

ADRCs provide a variety of services as part of their core contract with DHS. Services include: (a) providing information and assistance to individuals in need of long-term care services; (b) benefits counseling; (c) short-term service coordination; (d) conducting functional screens; and (e) enrollment counseling and processing. ADRCs serve older adults and people with disabilities, as well as the families and caregivers who work with and care for them. Services provided at ADRCs are free to Wisconsin residents.

Joint Finance: Reduce funding by \$3,140,600 in 2023-24 and \$6,281,200 in 2024-25. As modified, this provision would provide \$2,513,700 in 2023-24 and \$5,027,400 in 2024-25 to increase ADRC base allocations.

2. COMPLEX PATIENT PILOT PROGRAM [LFB Paper 426]

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

Governor: Provide \$15,000,000 in 2023-24 on a one-time basis to fund a complex patient pilot program to help facilitate the transfer of complex patients from acute care settings, such as hospitals, to post-acute care facilities, in the 2023-25 biennium.

Program Funding. Create a biennial appropriation from which to fund the complex patient pilot. Require DHS to provide payments to partnership groups designated as participating sites for care provided during the course of the pilot program under this program. Specify that any fee associated with contracting with an independent organization to evaluate the complex patient pilot

program may be paid from this appropriation. Repeal the appropriation on July 1, 2025.

Advisory Group Membership and Duties. Direct DHS to form an advisory group to assist with development and implementation of a complex patient pilot program. Require that the DHS Secretary or designee, chair the advisory group, and members of the advisory group have clinical, financial, or administrative expertise in government programs, acute care, or post-acute care.

Direct DHS to use its request-for-proposal procedure to select partnership groups that would be designated as participating sites for the complex patient pilot program. Direct the advisory group to develop a request for proposal for the complex patient pilot program that includes eligibility requirements.

Require that the complex patient pilot advisory group: (a) determine and recommend to DHS an amount of the funding budgeted for the complex patient pilot program to be reserved for reconciliation to ensure that participants in the pilot program are held harmless from unanticipated financial loss; (b) develop a methodology to evaluate the complex patient pilot program, including a recommendation on whether DHS should contract with an independent organization to evaluate the complex patient pilot program; and (c) make recommendations to the DHS Secretary regarding which partnership groups should receive designation as a participating site for the complex patient pilot program.

Application Requirements. Specify that only partnerships of at least one hospital and at least one post-acute facility are eligible to submit proposals.

Require that each partnership group that applies to DHS to be designated as a site for the complex patient pilot program address all of the following issues: (1) the number of beds that would be set aside in the post-acute facility; (2) the goals of the partnership during the pilot program and after the pilot program; (3) the types of complex patients for whom care would be provided; (4) the per diem rate requested to adequately compensate the hospital or hospitals and the post-acute facility or facilities; (5) a post-acute bed reserve rate; and (6) anticipated impediments to successful implementation and how the applicant partnership group intends to overcome the anticipated impediments.

In addition, require each partnership group to address its expertise to successfully implement the proposal, including a discussion of at least all of the following issues: (a) experience of the partners working together; (b) plan for staffing the unit; (c) ability to electronically exchange health information; (d) clinical expertise; (e) hospital and post-acute facility survey history over the past three years; (f) acute care partner readmissions history over the past three years; (g) discharge planning and patient intake resources; and (h) stability of finances to support the proposal, including matching funds that could be dedicated to the pilot program. Clarify that while no applicant is required to provide matching funds or a contribution, the advisory group and DHS may take into consideration the availability of matching funds or a contribution in evaluating an application.

Timelines. Specify that no later than 90 days after the effective date of the bill, the advisory group must complete development of the request for proposal for partnership groups to be designated as participating sites in the complex patient pilot program and provide its

recommendations to the DHS Secretary.

Specify that no later than 150 days after the bill's effective date, the advisory group must review all applications submitted in response to the request for proposal and select up to four partnership groups to recommend to the DHS Secretary for designation as participating sites for the complex patient pilot program.

Specify that between six and 18 months after the effective date of the bill, the partnership groups designated by DHS as participating sites in the complex patient pilot program must implement the pilot program and meet quarterly with both DHS and the advisory group or any independent organization hired by DHS for the purpose of evaluating the pilot program to discuss experiences relating to the pilot program.

Specify that no later than June 30, 2025, the advisory group or any independent organization hired by DHS for evaluating the complex patient pilot program must complete and submit to the DHS Secretary an evaluation of the complex patient pilot program, including a written report and recommendations.

Joint Finance: Provision not included.

On a one-time basis, provide \$5,000,000 GPR in 2023-24 for the complex patient pilot program in the JFC program supplements appropriation. Create a GPR appropriation in DHS for this purpose. The fiscal effect of this change is reflected in "Program Supplements."

3. ADULT PROTECTIVE SERVICES SYSTEM [LFB Paper 427]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$13,637,500	- \$11,637,500	\$2,000,000

Governor: Provide \$4,138,300 in 2023-24 and \$9,499,200 in 2024-25 to increase funding for adult protective services training, needs assessments for tribal adult protective services, guardian support and elder justice training grants, and other adult protective services. The following table shows funding provided under the bill for the various adult protective services projects.

**Adult Protective Services Funding Summary
Governor's Recommendation**

	Base GPR Funding	Governor		Ongoing Annual Total Under Governor's Recommendation
		2023-24	2024-25	
Items Currently Funded with Ongoing State GPR				
Adult Protective Services	\$4,900,600	\$2,500,200	\$5,000,200	\$9,900,800
Elder Abuse Prevention	2,029,500	1,500,200	3,000,200	5,029,700
Domestic Violence Prevention	74,300	\$37,900	75,700	150,000
Guardianship Training	100,000	100,000	200,000	300,000
Items Currently Funded with One-Time ARPA Funds*				
Data Reporting and Case Management	0	0	407,000	407,000
Adult Protective Services Online Training System	0	0	195,900	195,900
Adult Protective Services Contract Team	0	0	600,200	600,200
Tribal Demonstration Projects	0	0	20,000	20,000
Total	\$7,104,400	\$4,138,300	\$9,499,200	\$16,603,600

*These items are currently funded with one time ARPA funds totaling \$3,180,800 over three years.

Joint Finance: Reduce funding by \$3,138,300 in 2023-24 and \$8,499,200 in 2024-25. As modified, this provision would provide \$1,000,000 annually to increase funding for adult protective services.

4. EXPAND ELIGIBILITY FOR BIRTH TO 3 *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,259,600	-\$9,259,600	\$0

5. WISCAREGIVER CAREERS [LFB Paper 428]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,000,000	-\$6,000,000	\$2,000,000

Governor: Provide \$8,000,000 in 2024-25 to increase funding for WisCaregiver Career program. This program is a workforce development program that provides free nurse aide training and certification testing, as well as a retention bonus after six months of employment as a nurse aide.

Currently the program is funded from a \$6,000,000 one-time grant DHS received under the Centers for Disease Control and Prevention (CDC) Nursing Home & Long-term Care Facility Strike Team program. The federal grant funding must be used by May, 2024.

Joint Finance: Reduce funding by \$6,000,000 in 2024-25. As modified, this provision would provide \$2,000,000 in 2024-25, on a one-time basis, to fund the WisCaregiver Careers program.

6. SSI SUPPLEMENTS REESTIMATE [LFB Papers 106 and 256]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,914,400	\$0	\$6,914,400
PR	<u>- 9,407,300</u>	<u>-6,192,400</u>	<u>- 15,599,700</u>
Total	- \$2,492,900	- \$6,192,400	- \$8,685,300

Governor: Decrease funding by \$1,925,400 (\$3,457,200 GPR and -\$5,382,600 PR) in 2023-24 and by \$567,500 (\$3,457,200 GPR and -\$4,024,700 PR) in 2024-25 to reflect DHS's estimates of the cost of funding supplemental security income (SSI) state supplements payments in the 2023-25 biennium.

The SSI program provides cash benefits to low-income residents who are elderly, blind, or disabled to supplement SSI payments they receive from the federal program. As of May, 2022, the state made basic supplemental payments (set at \$83.78 per month for single individuals and \$132.05 for couples) to 115,400 Wisconsinites. 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, primarily supported by federal temporary assistance for needy families (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.

DHS complies with a federal requirement to "pass along" annual federal benefit cost-of-living increases by demonstrating that total GPR expenditures for state supplements do not decrease from one calendar year to the next. Due to retroactive corrective payments paid in calendar years 2020 and 2021, total GPR expenditures increased to \$160,398,200. To maintain this level of GPR expenditures, beginning in fiscal year 2021-22, DHS paid a portion of caretaker supplement payments using GPR, in lieu of TANF funding.

Joint Finance: Adopt a revised reestimate reducing funding by a further \$4,896,400 PR in 2023-24 and \$4,945,400 PR in 2024-25. This reestimate reflects updated caseloads showing a reduction in basic supplemental and exceptional expense payments. To maintain total GPR expenditures, this reduction is made to TANF funding transferred as PR from DCF.

Further, provide \$1,833,900 PR in 2023-24 and \$1,815,500 PR in 2024-25 to increase

payments under the caretaker supplement by 10% (\$25 per month for the first child and \$15 per month for each additional child), bringing total caretaker supplement payments to \$275 for the first child and \$165 for each additional, effective July 1, 2023.

The net effect of this revised reestimate and increased monthly caretaker supplement payment amount is a reduction of \$3,062,500 PR in 2023-24 and \$3,129,900 PR in 2024-25 relative to the Governor's budget. The corresponding decreases in TANF (FED) expenditures are shown under a separate item in the "Children and Families -- TANF and Economic Support" section of this summary. The table below summarizes the total funding that would be provided and the changes to the DHS budget.

SSI Supplemental Payments Under Joint Finance

	Base	Total Funding		Change to Base		
		2023-24	2024-25	2023-24	2024-25	2023-25
SSI State Supplements						
GPR	\$153,824,100	\$149,233,200	\$150,725,500	-\$4,590,900	-\$3,098,600	-\$7,689,500
Caretaker Supplement						
GPR	\$3,116,900	\$11,165,000	\$9,672,700	\$8,048,100	\$6,555,800	\$14,603,900
PR	<u>17,452,900</u>	<u>9,007,800</u>	<u>10,298,300</u>	<u>-8,445,100</u>	<u>-7,154,600</u>	<u>-15,599,700</u>
All Funds	\$20,569,800	\$20,172,800	\$19,971,000	-\$397,000	-\$598,800	-\$995,800
Total SSI-Related Payments						
GPR	\$156,941,000	\$160,398,200	\$160,398,200	\$3,457,200	\$3,457,200	\$6,914,400
PR	<u>17,452,900</u>	<u>9,007,800</u>	<u>10,298,300</u>	<u>-8,445,100</u>	<u>-7,154,600</u>	<u>-15,599,700</u>
All Funds	\$174,393,900	\$169,406,000	\$170,696,500	-\$4,987,900	-\$3,697,400	-\$8,685,300
Caretaker Supplement Administration (PR)	\$692,100	\$692,100	\$692,100	\$0	\$0	\$0

7. OFFICE FOR THE PROMOTION OF INDEPENDENT LIVING PROGRAMS [LFB Paper 429]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$1,683,600	1.00	-\$1,683,600	- 1.00	\$0	0.00

Governor: Provide \$833,000 in 2023-24 and \$850,600 in 2024-25 and 1.0 position, beginning in 2023-24, to support programs within the DHS Office for the Promotion of Independent Living.

The Administration indicates that the funding would: (a) fund and provide one rehabilitation specialist for the blind position within the Office for the Blind and Visually Impaired (\$59,000 in

2023-24 and \$76,600 in 2024-25); (b) increase funding available for the Telecommunications Assistance Program (TAP) by \$50,000 annually; (c) increase funding for the interpretation services by \$100,000 annually; and (d) increase funding for WisTech Grants for the Independent Living Centers by \$624,000 annually.

Joint Finance: Provision not included.

8. HEALTHY AGING GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

9. ALZHEIMER'S FAMILY AND CAREGIVER SUPPORT PROGRAM [LFB Paper 430]

	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 \$2,808,900 to \$3,308,900 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 disease and that person's spouse, if any, is \$60,000 per year or less, unless the Department sets a higher limitation on income eligibility by rule.

Under current law, the income limit for program eligibility 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 \$2,808,900 to \$3,058,900 annually. In addition, delete the provision that would modify the financial eligibility limits for the program.

10. RESPITE CARE GRANT [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$400,000	-\$400,000	\$0

Governor: Provide \$200,000 annually to increase funding available for the respite care grant.

Currently, \$350,000 GPR is available annually to fund the life-span respite care program operating under a contract between a nonprofit agency, Respite Care Association of Wisconsin (RCAW), and DHS. As part of the life-span respite care program, RCAW administers the Caregiver Respite Grant Program and the Supplemental Respite Grant Program, as well as a third grant program for recruitment, outreach, and education events. RCAW is also responsible for delivery of caregiver training, maintenance of the respite care provider registry, and other activities included in the contract with DHS.

Joint Finance: Provision not included.

11. ALZHEIMER'S DISEASE GRANT [LFB Paper 430]

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

Governor: Provide \$100,000 annually to increase funding for the Alzheimer's disease training and information grants.

Currently, DHS contracts with the Wisconsin Alzheimer's Institute at the University of Wisconsin to provide these services. All base funding for the Alzheimer's disease training and information grants, \$131,400 annually, is currently used to support this award.

Joint Finance: Provision not included.

12. GUARDIANSHIP TRAINING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$127,000	-\$127,000	\$0

Governor: Provide \$63,500 annually to manage training modules for guardians.

As of January 1, 2023, 2021 Wisconsin Act 97 requires individuals nominated or seeking appointment as guardian of an estate to complete training on the duties and required

responsibilities of a guardian under the law, limits of a guardian's decision-making authority, and inventory and accounting requirements. The Department has used one-time ARPA funding of \$125,000 to contract with the University of Wisconsin (UW)-Green Bay to develop the training modules. DHS indicates that UW-Green Bay estimates an ongoing need for \$63,500 annually to manage the modules and provide necessary updates, for which ARPA funding is not available.

Joint Finance: Provision not included.

13. HOME DELIVERED MEALS

GPR	\$450,000
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Joint Finance: Provide \$225,000 annually to increase funding available for home delivered meals.

Public Health

1. EMERGENCY MEDICAL SERVICES GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

2. PERSONAL PROTECTIVE EQUIPMENT STOCKPILE [LFB Paper 435]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$17,195,300	- \$17,195,300	\$0

Governor: Provide \$1,346,300 in 2023-24 and \$15,849,000 in 2024-25 to maintain a state stockpile of personal protective equipment (PPE). Create a biennial appropriation in the Division of Public Health for this purpose. Authorize DHS to establish and maintain the stockpile and fund storage and warehousing costs.

Currently, DHS maintains a stockpile of medical supplies and equipment that includes personal protective equipment, cots, and other items that may be needed in an emergency. PPE in the medical stockpile includes surgical face masks, respirators, eye shield, gloves, and gowns. In the event of an emergency or supply chain interruption, items from the stockpile are available at no charge to hospitals, clinics and other healthcare providers that are not able to acquire necessary

supplies through other means. During the COVID-19 pandemic, DHS received over one million pieces of PPE from the federal Strategic National Stockpile, and acquired millions of pieces of PPE from other sources using one-time federal funds provided in response to the COVID-19 pandemic.

The funding under this item reflects \$1,346,300 per year for the rent, staffing, and operations of a warehouse and \$14,502,700 in 2024-25 for the purchase of PPE. DHS estimates that that all items currently in the inventory will be used or will need to be replaced during the 2023-25 biennium. The proposed funding reflects the Administration's estimates of the cost of replenishing a stockpile sufficient to meet the state's needs for 60 days.

Joint Finance: Provision not included.

3. LEAD POISONING INVESTIGATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$15,286,200	16.50	-\$15,286,200	- 16.50	\$0	0.00

4. MATERNAL AND INFANT MORTALITY PREVENTION PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$5,677,900	2.00	-\$5,677,900	- 2.00	\$0	0.00

5. NEWBORN SCREENING PROGRAM [LFB Paper 436]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,225,900	-\$5,225,900	\$0

Governor: Provide \$3,556,300 in 2023-24 and \$1,669,600 in 2024-25 to increase funding for services provided under a program that screens newborns for congenital disorders. Create an annual GPR appropriation for this purpose.

Currently, the program funds costs of special dietary treatments, other treatments, follow-up counseling, and program evaluation and administration. These services are supported solely by program revenue from a fee assessed for each screening performed. The current fee for a collection

card, established by rule, is \$109. The fee revenue is divided between DHS and the University of Wisconsin (UW) State Laboratory of Hygiene, which analyzes the blood samples collected from newborns.

DHS indicates that, for at least the past six years, program costs have exceeded revenue collections, and program revenue balances have been used to fund the deficit. That balance has now been exhausted, and the program ended 2021-22 with an unsupported overdraft of \$535,000. DHS forecasts that the program will end 2022-23 with a negative balance of \$2,064,800. The proposed funding would provide this amount in 2023-24 to address the projected shortfall. The remaining \$1,491,500 in 2023-24 and \$1,669,600 in 2024-25 reflects the Department's estimate of the ongoing difference between projected program costs and fee revenue.

A separate item, summarized under "University of Wisconsin System," would provide GPR funding to support the UW State Laboratory of Hygiene's costs of analyzing tests.

Joint Finance: Provision not included.

6. ELECTROCARDIOGRAM SCREENING FOR SCHOOL ATHLETICS PILOT
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,172,000	- \$4,172,000	\$0

7. CHILD WELLNESS GRANT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,360,000	- \$3,360,000	\$0

8. SPINAL CORD INJURY RESEARCH GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

9. MIKE JOHNSON LIFE CARE HIV/AIDS SERVICES [LFB Paper 437]

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

Governor: Provide \$1,000,000 annually to increase, from \$4,000,000 to \$5,000,000, annual funding for HIV/AIDS-related services under the Mike Johnson Life Care and Early Intervention Services grant. The current statutory annual limit on grants under the program would need to be amended to meet the Governor's intent.

Under current law, DHS awards the Mike Johnson grant to an HIV/AIDS service organization to fund certain harm reduction services for people living with HIV. These services include early intervention services to connect people to medical care and other supports following an HIV diagnosis. The grant also supports needs assessments and ongoing case management for anyone living with HIV and their family and caregivers. Grant funds may be used to provide counseling, therapy, and homecare services and supplies, and to refer people to other services that support the health of those living with HIV, including medical care, housing assistance, food assistance, and legal and social services. 2021 Act 226 expanded the Mike Johnson program to allow grant funds to be used to provide certain preventative services as well, including testing and consultation to partners of people living with HIV and others at risk of infection so that they can receive recently-developed pre-exposure prophylactic drugs (PrEP).

Joint Finance: Provision not included.

10. STATE HEALTH CARE VALUE ANALYSIS GRANT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,800,000	- \$1,800,000	\$0

11. STOCKING AMBULANCES WITH EPINEPHRINE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,440,000	- \$1,440,000	\$0

12. NATIVE AMERICAN QUITLINE FOR TOBACCO AND VAPING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,005,000	-\$1,005,000	\$0

13. UPSTREAM PREVENTIVE HEALTHCARE AND RESILIENCE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

14. SUICIDE PREVENTION GRANT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

15. SUICIDE PREVENTION COORDINATOR [LFB Paper 438]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$154,100	1.00	-\$154,100	- 1.00	\$0	0.00

Governor: Provide \$66,800 in 2023-24 and \$87,300 in 2024-25 and 1.0 position, beginning in 2023-24, for the Injury and Violence Prevention Program. The program conducts statewide surveillance of injuries and violence, provides education, promotes interventions to reduce injuries and violence, and works with local and tribal public health departments to implement related programs. DHS would use this position to create a suicide and self-harm prevention coordinator within the program. The coordinator would create new partnerships to support suicide and self-harm prevention efforts, organize current programs, provide training and technical assistance, and develop a communications plan, among other duties.

Joint Finance: Provision not included.

16. GRANTS TO FREE AND CHARITABLE CLINICS [LFB Paper 439]

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

Governor: Provide \$500,000 annually to increase, from \$1,500,000 to \$2,000,000, annual funding for grants DHS distributes to free and charitable clinics. Modify the statutory requirement to distribute these grants to reflect the increased amount.

Currently, DHS distributes grants to free and charitable clinics that meet certain statutory qualifications, including operating as a nonprofit and providing medical or dental care, or prescription drugs, to people who are uninsured, underinsured, or have limited or no access to primary, specialty, or prescription care. Federally qualified health centers (FQHCs) are ineligible to receive these grants, but receive state support under a separate grant program.

Joint Finance: Provide an additional \$250,000 per year, for a total funding increase of \$750,000 GPR annually. Under Joint Finance, total grant funding would be \$2,250,000 per year.

17. AMYOTROPHIC LATERAL SCLEROSIS (ALS) SUPPORTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

18. CERTIFICATION OF EMERGENCY MEDICAL RESPONDERS AND STATE EMS DATA SYSTEMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$505,000	2.00	-\$505,000	- 2.00	\$0	0.00

19. AMBULANCE INSPECTION PROGRAM

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

Governor: Provide \$65,500 in 2023-24 and \$87,300 in 2024-25 and 1.0 position, beginning in 2023-24, to perform inspections of medical equipment on ambulances. Currently, the Department of Transportation (DOT) conducts vehicle safety inspections of ambulances as well as inspections of medical equipment such as stretchers, suction aspirators, and oxygen equipment. However, under recent changes to DOT administrative rules, DOT will cease inspections of medical equipment on July 15, 2023, with the intent to transfer this responsibility to DHS. DHS currently provides other oversight of emergency medical services (EMS) programs, including approving operational plans and licensing EMS professionals.

Additionally, make statutory changes to delete the requirement that DOT inspect ambulance medical equipment, require DHS to do so prior to DOT issuing or renewing an ambulance's registration, and authorize DHS to establish administrative rules relating to the inspections.

Joint Finance: Provision not included.

20. PFAS OUTREACH AND AWARENESS

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

Governor: Provide \$100,000 annually for the Division of Public Health to distribute as grants to increase awareness and conduct outreach related to per- and polyfluoroalkyl substances (PFAS). These substances have potential negative health impacts and can contaminate soil and drinking water and become biologically concentrated in fish and other wildlife. PFAS were used in firefighting foams and as protective coatings in many consumer products.

Joint Finance: Provision not included.

21. BUREAU OF COMMUNICABLE DISEASES POSITION CONVERSION

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$170,800	1.00	-\$170,800	- 1.00	\$0	0.00
FED	<u>- 170,800</u>	<u>- 1.00</u>	<u>170,800</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Provide \$73,900 GPR in 2023-24 and \$96,900 GPR in 2024-25 and reduce FED funding by identical amounts to convert 1.0 FED current epidemiologist position in the Division of Public Health from FED to GPR, beginning in 2023-24. The position is in the Bureau of Communicable Diseases, which is responsible for the prevention, surveillance, and control of communicable diseases and provides education, outreach and assistance to local and tribal health departments, health care providers, and the general public. The Bureau comprises 133.0 positions

(3.55 GPR, 127.95 FED, and 1.50 PR) in the base. Many of the federal positions are supported by one-time funding the state received to respond to the COVID-19 pandemic, and many would be removed under the standard budget adjustments.

Joint Finance: Provision not included.

22. REACH OUT AND READ [LFB Paper 657]

GPR	\$500,000
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Joint Finance: Provide \$500,000 in 2023-24 in a biennial appropriation for DHS to distribute as grants to Reach Out and Read, Inc., for the early literacy program known as Reach Out and Read Wisconsin. The program provides books and early literacy guidance integrated into regular pediatric primary care appointments. The Governor's budget provided \$250,000 GPR annually under the Department of Public Instruction to support this program, but the Committee did not include that provision. See "Public Instruction -- Administrative and Other Funding."

23. DENTISTRY RESIDENCY

Joint Finance: Provide \$5,000,000 GPR in 2023-24 in the Joint Committee on Finance program supplements appropriation for the establishment of a general dentistry residency program at the Marquette Dental School. A general practice residency program typically provides one year of postgraduate training to dentists to develop skills and experience with medically complex and special-needs patients in a variety of practice settings. The fiscal effect of this change is shown under "Program Supplements."

24. ALLIED HEALTH PROFESSIONAL TRAINING

GPR	\$5,000,000
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Joint Finance: Provide one-time funding of \$2,500,000 in 2023-24 and 2024-25 to increase funding for allied health professional education and training grants. Expand eligibility for the program to include registered nurses. Under current law, the program provides grants to hospitals, health systems, and educational entities for expenses related to training health care providers other than physicians, registered nurses, dentists, pharmacists, chiropractors, or podiatrists. This item would increase the annual amount appropriated for these grants from \$500,000 to \$3,000,000 in the 2023-25 biennium only.

25. SURGICAL COLLABORATIVE OF WISCONSIN

GPR	\$300,000
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Joint Finance: Provide one-time funding of \$150,000 in 2023-24 and 2024-25 for DHS to award as grants to the Surgical Collaborative of Wisconsin. Create an appropriation for this purpose, and repeal that appropriation effective July 1, 2025. The collaborative is a partnership of health care and insurance organizations and practitioners that seeks to improve the quality of surgical care.

26. GENERAL PROGRAM OPERATIONS FUNDING

GPR	- \$153,400
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Joint Finance: Reduce funding for the Division of Public Health's general program operations by \$76,700 annually. With base funding of \$9,724,300 GPR per year, this appropriation supports staff costs, rent, data processing, and other supplies and services for the operation of the Division of Public Health.

27. EMERGENCY MEDICAL SERVICES FUNDING ASSISTANCE PROGRAM

GPR	- \$2,200,000
SEG	<u>25,000,000</u>
Total	\$22,800,000

Joint Finance: Modify the existing appropriation for emergency medical services funding assistance program grants, funding it from the local government fund (SEG) instead of the general fund (GPR), beginning in 2024-25. Provide \$25,000,000 SEG in 2024-25 and eliminate base GPR funding of \$2,200,000, beginning in 2024-25, for a net increase of \$22,800,000. The program provides grants to ambulance service providers to support operations and improvements and to offset costs of training and professional examinations.

Under current law, DHS provides annual grants to every ambulance service provider that actively transports patients, providing a uniform base amount for each grantee and an amount based on the population of each grantee's primary service area. In addition to the funding increase and fund source modification, the Joint Finance amendment would expand eligibility for grants under the program to include emergency medical responder departments, which are agencies that respond to 9-1-1 calls to provide medical treatment but do not transport patients. The amendment would direct the Emergency Medical Services Board to adjust the formula for distribution of grants to include emergency medical responder departments on the same terms as ambulance service providers, providing a uniform base amount for each recipient plus an amount based on the population of their primary service area.

Finally, specify that grant funds may be used for disposable medical supplies or equipment and medications, in addition to the current eligible uses. Limit expenditures for medications and disposable medical supplies and equipment to 15% of an agency's total grant amount.

Behavioral Health

1. CRISIS URGENT CARE AND OBSERVATION FACILITIES [LFB Paper 445]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$10,103,200	1.00	-\$10,103,200	- 1.00	\$0	0.00

Governor: Provide \$64,700 in 2023-24 and \$10,038,500 in 2024-25 and 1.0 position, beginning in 2023-24, for making grants for crisis urgent care and observation facilities and for the administration of the grant program. Create an annual GPR appropriation for the grant program and require DHS to award grants to individuals and entities to develop and support crisis urgent care and observation facilities.

Specify that a crisis urgent care and observation facility shall do all of the following: (a) accept referrals for crisis services for both youths and adults, including involuntary patients under emergency detention, voluntary patients, walk-ins, and individuals brought by law enforcement, emergency medical responders, and other emergency medical services practitioners; (b) abstain from having a requirement for medical clearance before admission assessment; (c) provide assessments for physical health, substance use disorder, and mental health; (d) provide screens for suicide and violence risk; (e) provide medication management and therapeutic counseling; (f) provide coordination of services for basic needs; (g) have adequate staffing 24 hours a day, seven days a week, with a multidisciplinary team including, as needed, psychiatrists or psychiatric nurse practitioners, nurses, licensed clinicians capable of completing assessments and providing necessary treatment, peers with lived experience, and other appropriate staff; and (h) allow for voluntary and involuntary treatment of individuals in crisis as a means to avoid unnecessary placement of those individuals in hospital inpatient beds and allow for an effective conversion to voluntary stabilization when warranted in the same setting.

Specify that a crisis urgent care and observation facility may accept individuals for emergency detention under Chapter 51 of the statutes if the facility agrees to accept the individual, but specify that a county crisis assessment is required prior to acceptance of an individual for purposes of emergency detention at a crisis urgent care and observation facility. Specify that medical clearance is not required before admission, but that the facility must provide necessary medical services on site.

Specify that a crisis urgent care and observation facility may accept individuals for voluntary stabilization, observation, and treatment, including for assessments for mental health or substance use disorder, screening for suicide and violence risk, and medication management and therapeutic counseling.

Specify that no person may operate a crisis urgent care and observation facility without a certification for such a facility issued by the Department. Require the Department to establish a certification process for crisis urgent care and observation facilities, and specify that the Department may establish, by rule, criteria for the certification of such a facility. Specify that the Department may limit the number of certifications it grants to operate crisis urgent care and observation facilities. Require DHS to establish, by rule, a process for crisis urgent care and observation facilities to apply for provider certification under the Medical Assistance program.

Specify that a crisis urgent care and observation facility is not considered a hospital under statutory provisions pertaining to hospital regulation and specify that a crisis urgent care and observation facility is not subject to facility regulation applicable to hospitals, unless otherwise required due to the facility's licensure or certification for other services or purposes.

Specify that services provided by a crisis urgent care and observation facility that is certified

by the Department are considered crisis intervention services for the purposes of eligibility for reimbursement under the Medical Assistance program. Require DHS to request any necessary federal approval required to provide reimbursement to crisis urgent care and observation facilities for crisis intervention services. Require DHS to provide reimbursement for such services if federal approval is granted or no federal approval is required. Specify that if federal approval is necessary but is not granted, the Department may not provide reimbursement for crisis intervention services provided by crisis urgent care and observation facilities.

For these purposes, define "crisis" as a situation caused by an individual's apparent mental or substance use disorder that results in a high level of stress or anxiety for the individual, persons providing care for the individual, or the public and that is not resolved by the available coping methods of the individual or by the efforts of those providing ordinary care or support for the individual. Define "crisis urgent care and observation facility" as a treatment facility that admits an individual to prevent, de-escalate, or treat the individual's mental health or substance use disorder and includes the necessary structure and staff to support the individual's needs relating to the mental health or substance use disorder.

Authorize the Department to promulgate rules to implement provisions related to crisis urgent care and observation facilities, including requirements for admitting and holding individuals for the purposes of emergency detention. Authorize the Department to promulgate an emergency rule that may remain in effect for not more than 24 months, without meeting prerequisites that otherwise apply to emergency rulemaking authority.

The funding provided under this item reflects the Administration's estimate of the cost to support two 16-bed crisis urgent care centers.

Joint Finance: Reduce funding by \$64,700 in 2023-24 and \$10,038,500 in 2024-25 and delete the 1.0 position, to eliminate all funding for DHS under this item as well as the position to administer the program. Delete the statutory language associated with establishing the crisis urgent care and observation facility and the grant program. Create a biennial appropriation (rather than annual appropriation) for making grants for crisis urgent care and observation facilities, but with no funding provided. Provide \$10,000,000 GPR in 2023-24 in the Joint Committee on Finance program supplements appropriation, for regional crisis urgent care and observation facilities. The fiscal effect of this provision is reflected in "Program Supplements."

2. SUICIDE AND CRISIS LIFELINE GRANTS [LFB Paper 446]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,004,400	- \$3,004,400	\$0

Governor: Provide \$898,700 in 2023-24 and \$2,105,700 in 2024-25 in a new appropriation for suicide and crisis lifeline grants. Require the Department to award grants to organizations that provide crisis intervention services and crisis care coordination to individuals who contact the national crisis hotline from anywhere in the state. Specify that the national crisis hotline refers to

the 988 telephone or text access number, or its successor.

Currently, the Department contracts with Family Services of Northeast Wisconsin to operate the state's 988 suicide and crisis lifeline, which accepts calls, texts, and chats from Wisconsin residents who are experiencing crisis or are having suicidal thoughts. The lifeline operates 24 hours a day, seven days a week and is staffed by mental health professionals and trained volunteers to help callers manage crisis episodes and connect them with local, follow-up services as needed. Wisconsin's 988 lifeline is a member organization of the national 988 suicide and crisis lifeline. The Department allocates \$2,000,000 annually from the state's federal mental health block grant funds to support this service. In addition, the state has received one-time grants for 988 implementation. This item would provide the difference between the federal grant funds and the Administration's estimate of the full cost of supporting the service in the 2023-25 biennium.

Joint Finance: Provision not included.

3. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY CERTIFICATION AND GRANT PROGRAM [LFB Paper 447]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,790,000	-\$1,790,000	\$0

Governor: Provide \$1,790,000 in 2024-25 in the Department's grants for community programs appropriation, and authorize DHS to distribute not more than that amount annually to support psychiatric residential treatment facilities.

Define a psychiatric residential treatment facility (PRTF) as a non-hospital facility that provides inpatient comprehensive mental health treatment services to individuals under the age of 21 who, due to mental illness, substance use, or severe emotional disturbance, need treatment that can most effectively be provided in a residential treatment facility. Specify that no person may operate a PRTF without a certification from the Department. Specify that a PRTF that is certified by the Department is not subject to facility regulations currently applicable to children's facilities licensed by the Department of Children and Families, such as foster homes, group homes, and child care centers. Specify that the Department may limit the number of certifications it grants to operate a PRTF.

Specify that services provided by a PRTF that is certified by the Department are eligible for reimbursement under the Medical Assistance program. Require DHS to submit to the federal Department of Health and Human Services any request for a state plan amendment, waiver, or other federal approval necessary to provide reimbursement under the program. Require DHS to provide reimbursement for such services if federal approval is granted or if no federal approval is required. Specify that if federal approval is not granted, the Department may not provide reimbursement for services provided by PRTFs.

Authorize the Department to promulgate rules to implement provisions related to PRTFs.

Authorize the Department to promulgate an emergency rule implementing these provisions, including the development of a new provider type and a reimbursement model for PRTFs under MA, without meeting prerequisites that otherwise apply to emergency rulemaking authority. Specify that any such emergency rules would remain in effect until July 1, 2025, or the date that permanent rules take effect, whichever is sooner.

The Administration indicates that the creation of a psychiatric residential treatment facility type is intended to provide a treatment option for youths with complex needs in out-of-home care who are currently placed in out-of-state facilities. These facilities are expected to bill MA to support most of their operational costs. However, this item would provide funding for "bed hold" grants to help support the facility's costs, with the expectation that it would not always be fully occupied with MA-eligible youth.

Joint Finance: Provision not included.

4. MENTAL HEALTH CONSULTATION PROGRAM [LFB Paper 448]

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

Governor: Provide \$2,000,000 annually to expand consultation services the Medical College of Wisconsin provides to assist primary care physicians and clinics in providing care to their patients by creating a mental health consultation program and retaining a separate consultation program for addiction medicine.

Mental Health Consultation Program. Provide a total of \$4,000,000 GPR annually to fund a mental health consultation program by: (a) reallocating \$2,000,000 of \$2,500,000 in base funding budgeted for the child psychiatry and addiction medicine consultation program; and (b) providing an additional \$2,000,000 annually to support the new program.

Require DHS to contract with the organization that provided consultation services through the child psychiatry consultation program, as of January 1, 2023 (the Medical College of Wisconsin) to administer the mental health consultation program and specify that in subsequent fiscal years the Department must contract with that organization or another organization to administer the mental health consultation program. Specify that the contracting organization must administer a mental health consultation program that incorporates a comprehensive set of mental health consultation services, which may include perinatal, child, adult, geriatric, pain, veteran, and general mental health consultation services. Specify that the organization may contract with any other entity to perform any operations and satisfy any requirements under the program. Specify that consultation through the program may be provided by teleconference, video conference, voice over Internet protocol, email, pager, in-person conference, or any other telecommunication or electronic means.

In addition, require the contracting organization to do all of the following:

- Ensure that all mental health care providers who are providing services through the program have the applicable credential from the state, and that any psychiatric professional providing consultation services is eligible for certification or is certified by the American Board of Psychiatry and Neurology for adult psychiatry, child and adolescent psychiatry, or both, and that any psychologist providing consultation services is registered in a professional organization, including the American Psychological Association, National Register of Health Service Psychologists, Association for Psychological Science, or the National Alliance of Professional Psychology Providers;

- Maintain the infrastructure necessary to provide the program's services statewide;
- Operate the program on weekdays during normal business hours of 8 a.m. to 5 p.m.;
- Provide consultation services under the program as promptly as is practicable;
- Have the capability to provide consultation services by, at a minimum, telephone and email;

- Provide all of the following services through the program: (i) support for participating clinicians to assist in the management of mental health concerns; (ii) triage-level assessments to determine the most appropriate response to each request, including appropriate referrals to any community providers and health systems; (iii) when medically appropriate, diagnostics and therapeutic feedback; and (iv) recruitment of other clinicians into the program as participating clinicians when possible;

- Report to DHS any information requested by the Department; and
- Conduct annual surveys of participating clinicians who use the program to assess the quality of care provided, self-perceived levels of confidence in providing mental health services, and satisfaction with the consultations and other services provided through the program.

Specify that immediately after participating clinicians begin using the program and again six to 12 months later, the contracting organization may conduct assessments of participating clinicians to assess the barriers to and benefits of participation in the program to make future improvements and to determine the participating clinicians' treatment abilities, confidence, and awareness of relevant resources before and after beginning to use the program.

Specify that, in addition to the consultation services, the contracting organization may provide any of the following services eligible for funding from the Department: (a) second opinion diagnostic and medication management evaluations and community resource referrals conducted by either a psychiatrist or allied health professionals; (b) in-person or web-based educational seminars and refresher courses on a medically appropriate topic within mental or behavioral health care provided to any participating clinician who uses the program; and (c) data evaluation and assessment of the program.

Define "participating clinicians," for the purposes of the program, to include physicians, nurse practitioners, physician assistants, and medically appropriate members of the care teams of physicians, nurse practitioners, and physician assistants.

Repeal provisions enacted as part of 2019 Act 9 that direct DHS to develop a comprehensive mental health consultation program.

Child Psychiatry and Addiction Medicine Consultation Program. Repeal all provisions relating to the child psychiatry consultation program to reflect the availability of these services under the new mental health consultation program. Retitle the appropriation and purpose for this program to reflect the creation of the mental health consultation program. However, retain provisions relating to the addiction medicine consultation program, and create a biennial appropriation, budgeted at \$500,000 GPR annually, to continue to support the addiction medicine consultation program.

Joint Finance: Provision not included.

5. DEAF, HARD OF HEARING, AND DEAF-BLIND BEHAVIORAL TREATMENT PROGRAM

	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 2024-25 in the Department's appropriation for grants for community programs, to provide behavioral health treatment services for individuals who are deaf, hard of hearing, or deaf-blind. Authorize DHS to distribute not more than that amount in each fiscal year, beginning in 2024-25, 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.

6. YOUTH CRISIS STABILIZATION FACILITY GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,992,800	-\$1,992,800	\$0
PR	<u>-1,992,800</u>	<u>1,992,800</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Provide \$996,400 GPR annually and reduce PR funding by corresponding amounts to fund youth crisis stabilization grants with GPR, rather than program revenue received by the state mental health institutes. Create an annual GPR appropriation for that purpose, and require DHS to make youth stabilization grants from this appropriation.

The Department currently makes grants to support two youth crisis stabilization facilities, which provide short-term residential stabilization for youth age 17 or younger who are experiencing a mental health crisis. (The two facilities are located in Marathon County and Milwaukee County.) The 2017-19 budget act established the grant program, and funded it with annual PR transfers to the Department's "center" program revenue appropriation. The "center" appropriation authorizes DHS to transfer and expend any amount of funding from the DHS PR appropriation that supports DHS facilities operations to "make payments to an organization that establishes a center that provides services." Currently, the grants are funded from PR the mental health institutes receive from charges to counties for the admission of their residents under emergency detention or civil commitment procedures. The Administration indicates that, while there had been surplus revenue in that appropriation to support the cost of the youth crisis stabilization facility grants when the program was created, there is no longer an account balance sufficient to continue funding the grants. Under this item, the grants would instead be funded through a new GPR appropriation.

Joint Finance: Provision not included.

7. PEER-RUN RESPITE CENTER FUNDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$900,000	-\$900,000	\$0
PR	<u>-900,000</u>	<u>900,000</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Provide \$450,000 GPR annually and reduce PR funding by corresponding amounts to fund a peer-run respite center grant for veterans with GPR, rather than program revenue received by the state mental health institutes. Modify statutory provisions related to peer-run respite center grants to specify that all such grants would be made from the community programs appropriation and to eliminate the \$1,200,000 statutory annual limit on grants, to reflect that the Department would make the grant to the veterans peer-run respite center from that appropriation, along with the current grants made to the other peer-run respite centers.

Peer-run respite centers provide short-term residential stays for persons experiencing mental health or substance abuse issues, staffed by persons have had experience living with those conditions. DHS currently provides grants of approximately \$450,000 each to support four peer-run respite centers, one of which is a grant to Mental Health of America to operate a peer-run respite center for veterans in the Milwaukee area.

The 2017-19 budget established the grant for the peer-run respite center for veterans, and funded it with annual PR transfers to the Department's "center" program revenue appropriation. The "center" appropriation authorizes DHS to transfer and expend any amount of funding from the DHS PR appropriation that supports DHS facilities operations to "make payments to an organization that establishes a center that provides services." Currently, the grant is funded from revenue the mental health institutes receive from charges to counties for the admission of their residents under emergency detention or civil commitment procedures. The Administration

indicates that, while there had been surplus revenue in that appropriation to support the cost of the veterans peer-run respite facility grant when the program was created, there is no longer an account balance sufficient to continue funding that grant. Under this item, the grant for the veterans peer-run respite center would be made from the same GPR appropriation that is used to support the grants for the other three peer-run respite centers.

Joint Finance: Provision not included.

8. PEER RECOVERY CENTER GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$520,000	- \$520,000	\$0

Governor: Provide \$260,000 annually in the Department's grants for community programs appropriation and specify that DHS may make grants of not more than that amount for regional peer recovery centers for individuals experiencing mental health and substance abuse issues. A peer recovery center is a place where adults who have experienced mental health or substance use issues may meet with others who have had similar experiences to help sustain their recovery. The Administration indicates that the grant funds would be used to support existing peer recovery centers that have received grants from the Department using federal block grant funds, as well as to support two other peer recovery centers in other parts of the state. In 2021, DHS awarded \$30,000 grants for 11 peer recovery centers using federal mental health and substance abuse block grant funds.

Joint Finance: Provision not included.

9. OPIOID ANTAGONIST PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

10. STIMULANT PREVENTION AND TREATMENT RESPONSE PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,288,000	- \$3,288,000	\$0

11. QUALIFIED TREATMENT TRAINEE GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,576,600	-\$1,576,600	\$0

Governor: Provide \$1,576,600 in 2024-25 for qualified treatment trainee (QTT) grants. A QTT is a person who has earned or is working toward a graduate degree in one of several mental health fields, such as psychology, social work, marriage and family therapy, or nursing, but who has not yet completed supervised practice requirements necessary for professional licensure. DHS makes grants to mental health and substance abuse providers to help support the employment of QTTs during their period of supervised practice. The base funding for making grants is \$750,000 GPR, but in 2022 the Department allocated \$7,600,000 in ARPA funds for additional QTT grants, to be distributed over a 29-month period that ends in December 2024. With this supplemental funding, the Department is currently providing a total of \$3,153,100 on an annualized basis for QTT grants. This item would increase GPR funding for QTT grants in 2024-25, bringing the GPR total to \$2,326,600. This increase would provide sufficient state funding to replace the expiring federal funding in the final six months of that fiscal year. To continue this level of support with GPR, an additional increase of \$826,500 would be needed in 2025-26.

Joint Finance: Provision not included.

12. HEALTH CARE AND PUBLIC HEALTH WORKFORCE MENTAL HEALTH PILOT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$621,000	-\$621,000	\$0

13. OPENING AVENUES TO REENTRY SUCCESS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$384,200	2.00	-\$384,200	- 2.00	\$0	0.00

Governor: Provide \$167,500 in 2023-24 and \$216,700 in 2024-25 and 2.0 positions, beginning in 2023-24, to support administrative functions associated with an expansion of the opening avenues to reentry success program (OARS). OARS is administered jointly by DHS and the Department of Corrections (DOC) to provide behavioral health services to persons who are released from prison with identified mental health needs and who are assessed to have a moderate

to high risk of reoffending. A separate item, summarized under Corrections--Community Corrections, would provide \$3,449,600 GPR in 2023-24 and \$5,346,900 GPR in 2024-25 to allow the program to enroll additional individuals and to provide state funding to replace a portion of the funding that is currently provided by a federal grant, which will expire in 2023-24.

This item would provide two positions in DHS to perform the administrative functions of the program, including oversight of the contracts with the providers who render services to clients.

Joint Finance: Provision not included.

14. SERVICE DOGS TRAINING GRANT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

15. SCHOOL-BASED MENTAL HEALTH CONSULTATION PILOT PROGRAM

GPR	-\$350,000
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Governor/Joint Finance: Delete the appropriation and associated program language for the school-based mental health consultation pilot program, and reduce funding by \$175,000 annually to eliminate base funding for the program. The school-based mental health consultation program was created by 2019 Act 117 to provide consultation services to school personnel in Outagamie County. The Department contracted with the Medical College of Wisconsin to provide consultation services under the program. The Administration indicates that the program should be eliminated to reflect the conclusion of the pilot program.

16. OFFICE OF CHILDREN'S MENTAL HEALTH

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$142,300	1.00	-\$142,300	- 1.00	\$0	0.00

Governor: Provide \$63,800 in 2023-24 and \$78,500 in 2024-25 and 1.0 position, beginning in 2023-24, for the Wisconsin Office of Children's Mental Health. The Administration indicates that the position, which would be a program and policy analyst-advanced, would support carrying out the duties of the Office. The Office of Children's Mental Health is charged with improving integration across state agencies that provide mental health services to children and monitoring the performance of state programs that provide these services. The Office is independent of DHS, but is attached to the Department for administrative purposes. It currently has 4.0 positions and a base budget of \$572,500 GPR.

Joint Finance: Provision not included.

17. SUBSTANCE USE DISORDER TREATMENT PLATFORM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$60,000	- \$60,000	\$0

Governor: Provide \$30,000 annually for the cost to maintain a substance use disorder treatment platform, which is an online resource listing available treatment providers, including information on the type of services each provider offers and their location. The Joint Committee on Finance approved one-time funding of \$300,000 GPR, under s. 13.10 of the statutes, for the development of the platform in February of 2022. The Department contracted with a vendor, which is developing the platform. This item would provide ongoing funding for the continuing maintenance of the platform.

Joint Finance: Provision not included.

18. MARIJUANA REVENUE -- PAYMENTS FOR COUNTY BEHAVIORAL HEALTH SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$44,400,000	- \$44,400,000	\$0

19. 2015 ACT 153 MENTAL HEALTH PILOT PROJECTS [LFB Paper 448]

GPR	- \$533,400
GPR-Lapse	\$1,958,600

Joint Finance: Reduce funding by \$266,700 annually for mental health pilot projects and repeal the mental health pilot projects appropriation. Repeal statutory provisions for two pilot projects, established by 2015 Act 153, for a behavioral health care coordination program and a psychiatric consultation program. Increase estimated GPR lapses by \$1,958,600 in 2023-24 to reflect the lapse of uncommitted continuing balance in the appropriation. The pilot projects that would be eliminated under this item have not been implemented.

20. TELEMEDICINE CRISIS RESPONSE PILOT PROGRAM

Joint Finance: Provide \$2,000,000 in 2023-24 in the Joint Committee on Finance program supplements appropriation for as telemedicine crisis response pilot program. The fiscal effect of this item is reflected in "Program Supplements."

Care and Treatment Facilities

1. NONFOOD SUPPLIES AND SERVICES [LFB Paper 455]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$40,025,600	-\$16,355,100	\$23,670,500
PR	<u>93,294,200</u>	<u>-4,341,700</u>	<u>88,952,500</u>
Total	\$133,319,800	-\$20,696,800	\$112,623,000

Governor: Provide \$62,089,200 (\$17,500,400 GPR and \$44,588,800 PR) in 2023-24 and \$71,230,600 (\$22,525,200 GPR and \$48,705,400 PR) in 2024-25 to fund projected increases in nonfood supplies and services costs for the Department's care and treatment facilities. Base funding for nonfood supplies and services for the Department's facilities is \$59,134,500 (\$32,025,000 GPR and \$27,109,500 PR).

Nonfood supplies and services includes medical services, medical supplies, prescription drugs, clothing, laundry and cleaning supplies. For medical services and prescription drugs, the Administration's estimate calculates the average per person costs by facility, inflates the per person cost by the average growth rate over the past three years (with certain exceptions for extreme values) and multiplies the results by the projected average population for each facility. For other supplies and services, the estimate uses a 5.9% annual inflationary growth rate, which was the 12-month change in the consumer price index (excluding food and energy) in June of 2022.

For the 2023-25 biennium, the nonfood supplies and services adjustment includes funding for contract staffing, electronic health records implementation costs, and COVID-19 testing, based on monthly average expenditures for these items in 2021-22. Collectively these three expenditure categories account for 89% of the biennial increase.

For all nonfood supplies and services, the funding is allocated between GPR and PR sources based on the mix of patients and residents. Generally, services for forensic patients at the mental health institutes and patients at the secure treatment facilities are funded with GPR, while services for civil mental health patients and residents of the state centers are funded with program revenue collected from counties or Medical Assistance reimbursement.

Joint Finance: Reduce funding by \$9,878,200 (-\$7,399,400 GPR and -\$2,478,800 PR) in 2023-24 and \$10,818,600 (-\$8,955,700 GPR and -\$1,862,900 PR) in 2024-25 for variable nonfood supplies and services. These amounts reflect the net effect of the following changes: (a) a reestimate of variable nonfood supplies and services based on updated expenditure data, and revised projections for facility populations and cost inflation, resulting in reductions totaling \$1,492,500 (-\$2,874,800 GPR and \$1,382,300 PR) in 2023-24 and \$2,385,500 (-\$4,405,600 GPR and \$2,020,100 PR) in 2024-25; and (b) a reestimate of the anticipated increases in the costs for maintaining electronic health records systems, relative to current base funding available for that purpose, resulting in reductions totaling \$8,385,700 (-\$4,524,600 GPR and -\$3,861,100 PR) in

2023-24 and \$8,433,100 (-\$4,550,100 GPR and -\$3,883,000 PR) in 2024-25.

The following table shows the resulting budget for variable nonfood supplies and services by facility and fund source, amounts that do not include the budget established for electronic health records costs.

Budget for Variable Nonfood Supplies and Services under Joint Finance

	2023-24			2024-25		
	GPR	PR	Total	GPR	PR	Total
Mendota MHI	\$16,016,400	\$1,073,100	17,089,500	\$17,537,000	\$1,174,900	\$18,711,900
Winnebago MHI	6,814,500	34,981,300	41,795,800	7,126,500	36,582,400	43,708,900
Sand Ridge STC	8,385,000	0	8,385,000	9,158,000	0	9,158,000
Wis. Resource Center	6,391,000	0	6,391,000	6,979,200	0	6,979,200
Central Wis. Center	0	21,533,500	21,533,500	0	23,615,500	23,615,500
Northern Wis. Center	0	1,615,500	1,615,500	0	1,768,900	1,768,900
Southern Wis. Center	0	6,159,300	6,159,300	0	6,719,000	6,719,000
Total	\$37,606,900	\$65,362,700	\$102,969,600	\$40,800,700	\$69,860,700	\$110,661,400

The following tables shows the facility population projections that are the basis for the variable nonfood supplies and services estimates, as well as the resident food budget estimates (summarized separately in the next item). For the Sand Ridge and Wisconsin Resource Center projections, the totals include the number of forensic patients that the Department expects to place in these facilities in order to allow the Mendota Mental Health Institute to admit more patients from the forensic waiting list.

Average Daily Population Projections, by Facility

	2023-24	2024-25
Mendota Mental Health		
Adult Forensic/Civil	300	300
Mendota Juvenile Treatment Center	29	29
Mendota Total	329	329
Winnebago Mental Health Institute	184	188
Sand Ridge Secure Treatment Center		
Chapter 980 Civil	210	210
Forensic Patients	60	60
Sand Ridge Total	270	270
Wisconsin Resource Center		
Corrections Inmates	385	385
Forensic Patients	20	20
WRC Total	405	405
Central Wisconsin Center	171	171
Southern Wisconsin Center	106	106
Northern Wisconsin Center	11	11

As modified by Joint Finance, the supplies and services budget for costs related to establishing and maintaining the facilities' electronic health records system would be \$14,386,900 (\$7,762,400 GPR and \$6,624,500 PR) in 2023-24 and \$14,896,100 (\$8,037,100 GPR and \$6,859,000 PR) in 2024-25.

2. RESIDENT FOOD REESTIMATE [LFB Paper 455]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,852,200	- \$1,336,300	\$1,515,900
PR	<u>1,630,100</u>	<u>- 639,600</u>	<u>990,500</u>
Total	\$4,482,300	-\$1,975,900	\$2,506,400

Governor: Provide \$1,849,400 (\$1,172,300 GPR and \$677,100 PR) in 2023-24 and \$2,632,900 (\$1,679,900 GPR and \$953,000 PR) in 2024-25 to fund projected increases in food costs at the Department's seven care and treatment facilities. The Administration developed estimates of food costs for residents by inflating actual 2021-22 per person food expenditures at each of the facilities, using an inflation index for food, as reported by the U.S. Bureau of Labor Statistics, for the 12-month period ending July of 2022. This rate, which was 10.9%, is first used to project 2022-23 food costs, and then applied again to the two years of the 2023-25 biennium. The resulting per person averages are multiplied by the Department's projections of the average daily occupancy at each facility to estimate total food costs. Base funding for food costs is \$5,163,400 (\$3,498,000 GPR and \$1,665,400 PR).

Joint Finance: Reduce funding by \$661,500 (-\$451,700 GPR and -\$209,800 PR) in 2023-24 and \$1,314,400 (-\$884,600 GPR and -\$429,800 PR) in 2024-25 to reflect a reestimate of resident food costs in the 2023-25 biennium. The funding reductions are due to revised facility population and food inflation projections. The following table shows the resulting budget for resident food by facility and fund source.

Budget for Resident Food under Joint Finance

	2023-24			2024-25		
	<u>GPR</u>	<u>PR</u>	<u>Total</u>	<u>GPR</u>	<u>PR</u>	<u>Total</u>
Mendota MHI	\$1,327,400	\$88,900	\$1,416,300	\$1,351,300	\$90,500	\$1,441,800
Winnebago MHI	179,200	920,000	1,099,200	181,200	954,100	1,135,300
Sand Ridge STC	634,600	0	634,600	646,000	0	646,000
Wis. Resource Center	2,077,400	0	2,077,400	2,114,800	0	2,114,800
Central Wis. Center	0	388,500	388,500	0	395,500	395,500
Northern Wis. Center	0	112,900	112,900	0	114,900	114,900
Southern Wis. Center	<u>0</u>	<u>622,400</u>	<u>622,400</u>	<u>0</u>	<u>633,600</u>	<u>633,600</u>
Total	\$4,218,600	\$2,132,700	\$6,351,300	\$4,293,300	\$2,188,600	\$6,481,900

3. SALARY ADD-ON FOR SELECTED POSITIONS [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,740,700	- \$3,740,700	\$0
FED	4,367,100	- 4,367,100	0
PR	<u>14,331,800</u>	<u>- 14,331,800</u>	<u>0</u>
Total	\$22,439,600	- \$22,439,600	\$0

Governor: Provide \$11,557,700 (\$1,903,500 GPR, \$2,347,000 FED, and \$7,307,200 PR) in 2023-24 and \$10,881,900 (\$1,837,200 GPR, \$2,020,100 FED, and \$7,024,600 PR) in 2024-25 to provide hourly wage increases for certain nursing and therapy staff positions at the Department's facilities and disability determination and income maintenance positions in the Division of Medicaid Services. The permanent hourly wage increases would replace temporary pilot add-ons provided for these positions, which the Department of Administration's Division of Personnel Management implemented under terms of the 2021-23 compensation plan. The pilot wage adjustments, which are scheduled to expire at the end of the 2021-23 biennium, provide hourly increases for nurse clinicians, licensed practical nurses, nursing assistants, residential care technicians, respiratory therapists, disability determination associates, and income maintenance specialists.

Joint Finance: Modify provision to instead provide funding to compensation reserves in the amounts included in AB 43/SB 70, less a 5% reduction associated with a higher than usual level of position vacancies, to continue supplemental pilot add-on pay to address severe recruitment and retention issues. [See "Budget Management and Compensation Reserves."]

4. OVERTIME SUPPLEMENT [LFB Paper 456]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$10,679,800	\$1,625,800	\$12,305,600
PR	<u>4,338,000</u>	<u>- 2,783,000</u>	<u>1,555,000</u>
Total	\$15,017,800	- \$1,157,200	\$13,860,600

Governor: Provide \$7,508,900 (\$5,339,900 GPR and \$2,169,000 PR) annually to fund anticipated overtime costs at the Department's care and treatment residential facilities. The funding under this item reflects the difference between the actual overtime costs in 2021-22 at each facility and the amount that is provided by the bill under the overtime standard budget adjustment. The overtime funding provided in the standard budget adjustment item is based on the amount of funding provided for overtime by the 2021-23 budget. Since actual overtime costs in 2021-22 exceeded the funding provided by the budget, the funding in this item is intended to make up the difference.

The following table shows, by facility and fund source, the annual overtime increase that would be provided under the standard budget adjustment item, the funding increase under this

item, and the total funding that would be available annually to support overtime costs under the bill.

Facility	Standard Budget Adjustments			Overtime Supplement (This Item)			Total Annual Overtime Budget		
	GPR	PR	Total	GPR	PR	Total	GPR	PR	Total
Mendota MHI	\$5,208,400	\$1,196,300	\$6,404,700	\$3,326,200	\$763,900	\$4,090,100	\$8,534,600	\$1,960,200	\$10,494,800
Winnebago MHI	879,600	2,769,000	3,648,600	452,700	1,424,800	1,877,500	1,332,300	4,193,800	5,526,100
Sand Ridge STC	1,415,700	0	1,415,700	541,100	0	541,100	1,956,800	0	1,956,800
WI Resource Center	1,893,100	0	1,893,100	1,019,900	0	1,019,900	2,913,000	0	2,913,000
Central WI Center	0	3,787,100	3,787,100	0	106,800	106,800	0	3,893,900	3,893,900
Northern WI Center	0	419,300	419,300	0	114,400	114,400	0	533,700	533,700
Southern WI Center	0	2,263,000	2,263,000	0	-240,900	-240,900	0	2,022,100	2,022,100
Total	\$9,396,800	\$10,434,700	\$19,831,500	\$5,339,900	\$2,169,000	\$7,508,900	\$14,736,700	\$12,603,700	\$27,340,400

Joint Finance: Reduce funding for the overtime supplement by \$578,600 annually, which is the net effect of annual increases of \$812,900 GPR and decreases of \$1,391,500 PR annually. The reestimate is based on updated data on overtime hours and costs, which indicate higher overtime use at the Mendota Mental Health Institute, and somewhat lower use at the other facilities, compared to 2021-22. The following table shows the resulting overtime supplement by facility and fund source, and the total overtime budget including the standard budget adjustment overtime decision item.

Facility	Standard Budget Adjustments			Overtime Supplement			Total Annual Overtime Budget		
	GPR	PR	Total	GPR	PR	Total	GPR	PR	Total
Mendota MHI	\$5,208,400	\$1,196,300	\$6,404,700	\$4,733,600	\$1,087,400	\$5,821,000	\$9,942,000	\$2,283,700	\$12,225,700
Winnebago MHI	879,600	2,769,000	3,648,600	124,600	392,300	516,900	1,004,200	3,161,300	4,165,500
Sand Ridge STC	1,415,700	0	1,415,700	15,100	0	15,100	1,430,800	\$0	1,430,800
WI Resource Center	1,893,100	0	1,893,100	1,279,500	0	1,279,500	3,172,600	\$0	3,172,600
Central WI Center	0	3,787,100	3,787,100	0	-197,500	-197,500	0	3,589,600	3,589,600
Northern WI Center	0	419,300	419,300	0	92,600	92,600	0	511,900	511,900
Southern WI Center	0	2,263,000	2,263,000	0	-597,300	-597,300	0	1,665,700	1,665,700
Total	\$9,396,800	\$10,434,700	\$19,831,500	\$6,152,800	\$777,500	\$6,930,300	\$15,549,600	\$11,212,200	\$26,761,800

5. MENDOTA JUVENILE TREATMENT CENTER -- STAFFING AND FUNDING FOR EXPANSION

	Governor (Chg. to Base) Funding Positions	Jt. Finance (Chg. to Gov) Funding Positions	Net Change Funding Positions
PR	\$24,691,800 174.00	-\$24,691,800 - 174.00	\$0 0.00

Governor: Provide \$9,075,800 and 114.5 positions in 2023-24 and \$15,616,000 and 174.0 positions in 2024-25 to provide position and expenditure authority to expand the capacity of the Mendota Juvenile Treatment Center (MJTC).

MJTC, which is on the campus of the Mendota Mental Health Institute (MMHI) in Madison, is a juvenile correctional facility that provides psychiatric evaluation and treatment for juveniles transferred from the juvenile correctional system whose behavior is highly disruptive and who have not responded to standard services and treatment at the Department of Corrections' (DOC) secure correctional facility at Lincoln Hills. MJTC treatment and programming includes therapy for anger management, treatment to address substance abuse, sexual offense, or mental illness, and academic support. MJTC has 29 staffed beds for male juveniles, in addition to a 14-bed unit that is currently being used for adult forensic patients at MMHI. MJTC has a 93.0 authorized PR positions and base expenditure authority of \$9,859,400. The Department charges a daily rate to DOC for juveniles placed at MJTC, so actual staffing and expenditures generally reflects the census.

An expansion project, which will add 30 beds for males juveniles and 20 beds for female juveniles, is expected to be completed in October of 2023. Upon completion, the existing MJTC units will undergo renovation, which is expected to be completed in January of 2025. This item would provide PR position and expenditure authority in two phases, aligning with the completion of the new construction and renovation. When fully complete, MJTC will have physical space for 93 beds, including 20 females and 73 males. Although this item would provide position and expenditure authority based on fully using this space, actual expenditures would be constrained by daily rate charges collected from DOC.

Joint Finance: Provision not included.

6. EXPAND NORTHERN WISCONSIN CENTER'S INTENSIVE TREATMENT PROGRAM [LFB Paper 458]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$15,508,600	92.00	-\$15,508,600	- 92.00	\$0	0.00
GPR-REV	\$0		\$5,900,000		\$5,900,000	

Governor: Provide \$6,751,000 annually in 2023-24 and \$8,757,600 in 2024-25 to fund 92.0 positions, beginning in 2023-24, to expand the intensive treatment program (ITP) at Northern Wisconsin Center (NWC).

NWC currently provides ITP services to people ages 14 and older with an intellectual disability and co-occurring mental health or behavioral disorder. ITP services include behavioral and psychiatric evaluation and treatment, medical services, and vocational programming. Patients in NWC's program reside at NWC while participating in the ITP. In 2021-22, the ITP served an average daily population of 11 patients.

DHS currently has 25 licensed beds at NWC and does not plan to add additional licensed beds. Rather, the bill would provide staff to expand services for up to 12 additional residents. The Administration estimates that of the \$15,508,600 for the biennium, \$3,560,100 would fund resident

costs (such as food) and the remaining \$11,948,500 would fund staff costs (such as salary, fringe benefits, and supplies and services) of the additional 92.0 positions.

Joint Finance: Provision not included.

In its action on the Department of Health Services, the Committee adopted a motion to authorize DHS to retain \$2,000,000 GPR-earned annually, as reflected in estimates of GPR-REV for the bill as a whole. As modified, DHS would be authorized to retain \$3,000,000 annually for purposes of reducing the unsupported overdraft at Northern Wisconsin Center. Increase estimates of GPR-REV by \$2,900,000 in 2023-24 and \$3,000,000 in 2024-25.

7. WISCONSIN RESOURCE CENTER -- TRANSFER DEPARTMENT OF CORRECTIONS POSITIONS TO DHS [LFB Paper 296]

	Governor (Chg. to Base) Funding Positions	Jt. Finance (Chg. to Gov) Funding Positions	Net Change Funding Positions
GPR	\$18,641,200 110.00	-\$827,400 0.00	\$17,813,800 110.00

Governor: Provide \$9,320,600 annually and 110.0 positions, beginning in 2023-24, to reflect the transfer of security positions currently budgeted under the Department of Corrections (DOC) to the Wisconsin Resource Center (WRC). Repeal a statutory provision that specifies that security staff at the WRC shall be employees of the Department of Corrections and modify the appropriation authority for WRC to reflect this change. An item summarized under Corrections--Adult Institutions reflects the reduction in position authority and funding in that agency.

Specify that 110.0 FTE GPR positions, and the incumbent employees holding those positions in the Department of Corrections who are responsible for the performance of security operations at WRC, as determined by the DOA Secretary, would be transferred to DHS. Specify that the transferred employees have all the rights and the same status DHS that they enjoyed in DOC immediately before the transfer and that no transferred employee who has attained permanent status would be required to serve a probationary period.

Specify that all assets and liabilities of the Department of Corrections that are primarily related to security operations at WRC, as determined by the DOA Secretary would be become the assets and liabilities of DHS. Specify that all tangible personal property, including records, of DOC that are primarily related to security operations at WRC would be transferred to DHS.

Specify that any matter pending with DOC on the effective date of the bill that is primarily related to security operations is transferred to DHS and that all materials submitted to or actions taken by DOC with respect to the pending matter are considered as having been submitted to or taken by DHS.

Specify that all contracts entered into by DOC primarily related to security operations at WRC in effect on the effective date of the bill remain in effect and would be transferred DHS. Require DHS to carry out any obligations under those contracts unless modified or rescinded to

the extent allowed under the contract.

The Wisconsin Resource Center, in Oshkosh, is a secure treatment facility operated by the Department of Health Services that provides mental health and substance abuse treatment for inmates transferred from DOC prisons. DHS operates the facility and provides the treatment services, but security functions are performed by the Department of Corrections personnel under the direction of the Oshkosh Correctional Institution. This item would transfer 71 correctional officer positions, 31 correctional sergeant positions, and eight supervising officer positions from DOC to DHS so that all personnel at WRC would be under the direction of DHS.

Joint Finance: Reduce funding by \$413,700 annually so that the funding increase provided for supplies and services for the transferred positions in DHS is \$59,300 annually, the same amount by which the supplies and services budget in the Department of Corrections would be reduced.

8. CONTRACTED COMMUNITY SERVICES [LFB Paper 459]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$10,999,800	-\$2,155,600	\$8,844,200

Governor: Provide \$3,910,700 in 2023-24 and \$7,089,100 in 2024-25 for projected costs of the Division of Care and Treatment Services contracts for community-based mental health services for the treatment and monitoring for its forensic and sexually violent persons programs.

The funding in this item pertains to six contracted programs: (a) supervised release services; (b) conditional release services; (c) competency restoration services; (d) outpatient competency examination; (e) Department of Correction community supervision services; and (f) court liaison services. Each of these services, which are funded from a single GPR appropriation, are described below. For the first five of these services, the Administration's estimates generally use a caseload growth factor, based on recent trends, and an annual inflationary adjustment to the per-client costs. For the inflationary adjustment, the estimate uses 5.9% annual rate, which was the 12-month change in the consumer price index (excluding food and energy) in June of 2022. For the sixth contract, for court liaison services, the estimate adjusts the contract total by the inflationary rate, rather than calculating the cost on a per-client basis.

The final cost estimates for each contract are summed and the total for each year is subtracted from the total appropriation base, to determine the Governor's recommended funding increases. In addition to the estimated contract costs, this item includes limited-term employee (LTE) salary funding to provide supportive living needs for individuals on supervised release. Unlike the other funding in this item, the funding for LTE salaries would be provided in the DCTS general operations appropriation.

The following table shows the estimated totals for each of the six contracted services, and the difference between the totals and the appropriation base. The LTE salary component is shown in a separate row above the total.

	<u>2023-24</u>	<u>2024-25</u>
Appropriation Base*	\$20,389,500	\$20,389,500
Estimated Contract Costs		
Supervised Release	7,492,900	8,708,900
Conditional Release	6,213,100	6,675,200
Competency Restoration**	4,180,000	5,057,800
Outpatient Competency Exams	4,068,700	4,489,700
DOC Community Supervision	1,966,600	2,150,400
Court Liaison Services	<u>270,100</u>	<u>286,000</u>
Total Estimated Contract Cost	\$24,191,400	\$27,368,000
Total Estimate Minus Base	\$3,801,900	\$6,978,500
LTE Salary for Supervised Release	\$108,800	\$110,600
Total Increase in Bill	\$3,910,700	\$7,089,100

* This is the base used for the Administration's calculation. The actual base is \$20,560,800.

** Includes standard, community-based competency restoration services and jail-based competency restoration.

In developing the estimate, the Administration excluded the current funding for court liaison services, which is \$171,300, from the appropriation base. Excluding this amount from the base has the effect of overstating the amount needed to fully fund the contract estimates by \$171,300 in each year. The table above shows the appropriation base that was the basis of the estimate, in order to match the amount of funding provided by the bill.

Description of Contracted Services

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 treatment 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. The supervised release program provides intensive monitoring, continued treatment, and supportive services for transition back into the community.

Conditional Release Services. The conditional release program provides monitoring and 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.

Competency Restoration 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.

Department of Corrections Community Supervision. DHS contracts with the Department of Corrections for the supervision of clients in the supervised release and conditional release programs. The contract includes supervision, transportation escort, and global positioning system (GPS) monitoring.

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.

Components of the Estimates

The following table shows the Administration's caseload and annualized, per person costs projections for the contracted services for which budget estimates are calculated on a per person basis. Estimates are shown for 2022-23, in addition to the two years of the 2023-25 biennium.

<u>Contracted Service</u>	<u>Caseload Estimates</u>			<u>Annualized Per Person Cost</u>		
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Supervised Release	84	92	101	\$76,684	\$81,209	\$86,000
Conditional Release	321	332	337	17,671	18,714	19,818
Competency Restoration						
Community-based	163	201	238	\$13,406	\$14,197	\$15,034
Jail-based	464	489	513	2,576	2,728	2,889
Outpatient Competency Exams	2,144	2,571	2,679	\$1,494	\$1,583	\$1,676
DOC Community Supervision	405	424	438	4,377	4,635	4,909

Joint Finance: Reduce funding by \$498,800 in 2023-24 and \$1,656,800 in 2024-25 to reflect a reestimate of the cost of contracted services related to the treatment and monitoring of forensic and sexually violent persons programs. With these reductions, the resulting funding increases would be \$3,411,900 in 2023-24 and \$5,432,300 in 2024-25. Of these amounts, \$3,410,100 in 2023-24 and \$5,428,700 would be provided in the appropriation for the contracts and \$1,800 in 2023-24 and \$3,600 would be related to increased salary costs for limited-term

employees in the supervised release program. The table shows the total funding levels by program component in the contracts appropriations (excluding the LTE salaries).

Total Estimated Contract Cost by Program Component

	<u>2023-24</u>	<u>2024-25</u>
Supervised Release	\$7,810,300	\$8,532,200
Conditional Release	5,609,100	5,832,800
Competency Restoration	4,548,000	5,256,900
Outpatient Competency Exams	4,009,400	4,279,800
DOC Community Supervision	1,731,600	1,818,700
Court Liaison Services	<u>262,500</u>	<u>269,100</u>
Total Estimated Contract Cost	\$23,970,900	\$25,989,500

The following table shows the revised caseload and per person costs estimates that are the basis for the contract reestimate.

Caseload and Per Person Costs Estimates under Joint Finance

<u>Contracted Service</u>	<u>Caseload Estimates</u>			<u>Annualized Per Person Cost</u>		
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Supervised Release	71	76	81	\$87,341	\$102,767	\$105,336
Conditional Release	304	308	313	17,555	18,187	18,641
Competency Restoration						
Community-based	184	221	259	\$13,317	\$13,797	\$14,142
Jail-based	539	564	589	2,559	2,651	2,717
Outpatient Competency Exams	2,180	2,607	2,715	\$1,484	\$1,538	\$1,576
DOC Community Supervision	375	384	394	4,348	4,505	4,617

9. FORENSIC ASSERTIVE COMMUNITY TREATMENT TEAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,898,400	- \$9,898,400	\$0
FED	<u>3,105,800</u>	<u>- 3,105,800</u>	<u>0</u>
Total	\$13,004,200	- \$13,004,200	\$0

10. MENTAL HEALTH INSTITUTES FUND SOURCE REALLOCATION

	Funding	Positions
GPR	- \$12,482,000	- 59.10
PR	<u>12,482,000</u>	<u>59.10</u>
Total	\$0	0.00

Governor/Joint Finance: Reduce funding by \$6,116,600 GPR in 2023-24 and \$6,365,400 GPR in 2024-25, reduce positions by 56.77 GPR in 2023-24 and 59.10 GPR in 2024-25, and provide corresponding PR funding and position increases to reallocate the funding source for services provided at the state mental health institutes. The funding and position adjustments reflect the Administration's estimated changes in the percentage of patients whose care will be funded with GPR and PR, respectively, in the 2023-25 biennium. The state is responsible for the cost of caring for forensic patients, funded with GPR, while the Department collects PR assessments from counties or health insurance for the cost of the care of civil patients, including emergency detention. For the 2023-25 biennium, the Administration anticipates that a higher share of the total patient population will be civil patients, resulting in a funding reallocation from GPR to PR sources.

11. DEBT SERVICE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,193,300	\$17,132,100	\$20,325,400

Governor: Provide \$942,600 in 2023-24 and \$2,250,700 in 2024-25 to reflect estimates of debt service payments on bonds issued for capital projects at DHS care and treatment facilities. Base debt service funding is \$16,583,400. With the adjustments under this item, total debt service payments are estimated at \$17,526,000 in 2023-24 and \$18,834,100 in 2024-25.

Joint Finance: Increase funding by \$4,203,300 in 2023-24 and \$12,928,800 in 2024-25 to reflect a reestimate of debt service payments on bonds issued for DHS facilities. With these adjustments, total debt service payments would be estimated at \$21,729,300 in 2023-24 and \$31,762,900 in 2024-25.

12. FUEL AND UTILITIES

GPR	\$97,000
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Governor/Joint Finance: Provide \$10,100 in 2023-24 and \$86,900 in 2024-25 to reflect an estimate of GPR-funded fuel and utilities costs at the care and treatment facilities. Base funding for fuel and utilities costs is \$5,707,000 GPR and \$6,927,800 PR. With the adjustments under this item, the GPR appropriation for fuel and utilities would be \$5,717,100 in 2023-24 and \$5,793,900 in 2024-25. The bill would not adjust the PR appropriation for fuel and utilities.

Quality Assurance

1. HEALTH CARE PROVIDER INNOVATION GRANTS [LFB Paper 460]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$22,500,000	- \$22,500,000	\$0

Governor: Provide \$7,500,000 in 2023-24 and \$15,000,000 in 2024-25 to fund health care provider innovation grants.

Authorize DHS to distribute not more than \$15,000,000 in each fiscal year as grants to health care and long-term care providers to implement best practices and innovative solutions to increase worker recruitment and retention.

Joint Finance: Provision not included.

2. BUREAU OF ASSISTED LIVING STAFF [LFB Paper 461]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,535,000	19.68	-\$2,535,000	- 19.68	\$0	0.00
FED	<u>1,592,200</u>	<u>12.32</u>	<u>- 1,592,200</u>	<u>- 12.32</u>	<u>0</u>	<u>0.00</u>
Total	\$4,127,200	32.00	-\$4,127,200	- 32.00	\$0	0.00

Governor: Provide \$1,814,500 (\$1,114,500 GPR and \$700,000 FED) in 2023-24 and \$2,312,700 (\$1,420,500 GPR and \$892,200 FED) in 2024-25 to fund 32.0 positions (19.68 GPR and 12.32 FED), beginning in 2023-24, to address a backlog of surveys the Bureau of Assisted Living (BAL) conducts in response to complaints, to license new facilities, and to meet its standard of conducting a licensing survey for every facility at least once every two years. Of the additional positions, 31.0 would be assigned to BAL and 1.0 would be an attorney assigned to the Office of Legal Counsel to meet the increased workload resulting from these additional surveys.

BAL is responsible for licensing and surveying community-based residential facilities, some adult family homes, and residential care apartment complexes and certifying substance abuse and mental health treatment programs. The Bureau is currently authorized 75.0 positions, including 49.0 surveyors.

Joint Finance: Provision not included. Instead, direct DHS to submit a plan to the Joint Committee on Finance, within six months of passage of the 2023-25 biennial budget act, to increase licensing fees for assisted living facilities and outpatient mental health clinics to cover the cost of staffing within BAL necessary to ensure adequate protection of the health and well-being of vulnerable individuals, as determined by DHS.

3. OFFICE OF CAREGIVER QUALITY [LFB Paper 462]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$592,700	4.00	-\$592,700	- 4.00	\$0	0.00
FED	423,600	2.80	-302,100	- 2.00	121,500	0.80
PR	<u>635,500</u>	<u>4.20</u>	<u>-453,200</u>	<u>- 3.00</u>	<u>182,300</u>	<u>1.20</u>
Total	\$1,651,800	11.00	-\$1,348,000	- 9.00	\$303,800	2.00

Governor: Provide \$739,700 (\$266,000 GPR, \$189,500 FED, and \$284,200 PR) in 2023-24 and \$912,100 (\$326,700 GPR, \$234,100 FED, and \$351,300 PR) in 2024-25, to fund 11.0 positions (4.0 GPR, 2.8 FED, and 4.2 PR) beginning in 2023-24 in the Office of Caregiver Quality (OCQ). According to the Administration, these positions would enable the Department to increase investigations into allegations of misconduct in long-term care facilities and expand the background check program.

Joint Finance: Reduce funding by \$603,900 (-\$266,000 GPR, -\$135,200 FED, and -\$202,700 PR) in 2023-24 and \$744,100 (-\$326,700 GPR, -\$166,900 FED, and -\$250,500 PR) in 2024-25, and 9.00 positions (-4.0 GPR, -2.0 FED, and -3.0 PR), beginning in 2023-24.

As modified, this provision would provide \$135,800 (\$54,300 FED and \$81,500 PR) in 2023-24 and \$168,000 (\$67,200 FED and \$100,800 PR) in 2024-25, to fund 2.0 (0.8 FED and 1.2 PR) four-year project positions in OCQ, beginning in 2023-24.

4. ASSISTED LIVING REVENUE SUPPLEMENT

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

Governor: Provide \$750,000 annually to supplement the revenue collected from assisted living facilities and program certification fees for outpatient mental health facilities. The Administration indicates that this funding is necessary to avoid a fee increase for these providers.

Joint Finance: Provision not included.

5. HEALTH CARE PROVIDER LICENSING, CERTIFICATION, AND INCIDENT REPORTING SYSTEM UPGRADE

	<u>Governor</u> <u>(Chg. To Base)</u>		<u>Jt. Finance</u> <u>(Chg. To Gov)</u>		<u>Net Change</u>	
	Funding Positions		Funding	Positions	Funding	Positions
GPR	\$738,300	0.30	-\$738,300	- 0.30	\$0	0.00
FED	<u>89,200</u>	<u>0.70</u>	<u>- 89,200</u>	<u>- 0.70</u>	<u>0</u>	<u>0.00</u>
Total	\$827,500	1.00	-\$827,500	- 1.00	\$0	0.00

Governor: Provide \$56,100 (\$16,900 GPR and \$39,200 FED) in 2023-24 and \$771,400 (\$721,400 GPR and \$50,000 FED) in 2024-25, and 1.0 position (0.30 GPR and 0.70 FED), beginning in 2023-24, to modernize the health care provider licensing, certification, and health care staff misconduct incident reporting computer systems. The position would provide data analysis and support services for DHS staff using data from the new system.

Joint Finance: Provision not included.

6. NURSING HOME GRANT PROGRAM

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding Positions		Funding	Positions	Funding	Positions
PR	\$156,900	1.00	-\$156,900	- 1.00	\$0	0.00

Governor: Provide \$70,000 in 2023-24 and \$86,900 in 2024-25 to fund 1.0 grant specialist position, beginning in 2023-24, 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. The federal Centers for Medicare and Medicaid Services collects civil money penalties 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.

Joint Finance: Provision not included.

7. STAFFING REQUIREMENT FOR HOSPITAL EMERGENCY SERVICES
(Removed from budget consideration pursuant to Joint Finance Motion #10)

FoodShare and Public Assistance Administration

1. FOODSHARE EMPLOYMENT AND TRAINING PROGRAM [LFB Paper 465]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,091,200	-\$143,200	\$8,948,000
FED	<u>3,773,200</u>	<u>-254,800</u>	<u>3,518,400</u>
Total	\$12,864,400	-\$398,000	\$12,466,400

Governor: Provide \$7,444,000 (\$4,067,500 GPR and \$3,376,500 FED) in 2023-24 and \$5,420,400 (\$5,023,700 GPR and \$396,700 FED) in 2024-25 to fund costs of projected increases in the number of individuals who will participate in the FoodShare employment and training (FSET) program upon the resumption of the federal ABAWD (able-bodied adult without dependents) policy.

ABAWD Work Requirement. Under federal law, able-bodied adults who are able to work, are 18 to 49 years of age, are not pregnant, and do not reside with any children under the age of 18, are required to meet a work requirement of at least 20 hours per week as a condition of receiving supplemental nutrition assistance program (SNAP) benefits. This work requirement can be met through paid work, volunteer work, in-kind work, or participation in FSET or a similar job training program. Individuals who do not meet this work requirement are limited to three months of FoodShare benefits in a 36-month period. In addition to individuals participating in FSET to meet the ABAWD work requirement, FSET participation is open to all FoodShare members ages 16 and older.

Temporary Suspension of the ABAWD Work Requirement. Under the federal Families First Coronavirus Response Act, the ABAWD policy has been suspended since March, 2020. This suspension is currently in effect and will remain so until the end of the month subsequent to the month that the U.S. Secretary of Health and Human Services declares that the SARS-CoV-2 public health emergency has ended. With the federal public health emergency ending in May, 2023, the ABAWD policy will be re-implemented statewide beginning in July, 2023. Due to the length of time that the ABAWD policy has been suspended, the Food and Nutrition Services is requiring states to restart the 36-month clock for all ABAWDs.

Enrollment. With the resetting of the 36-month clock for all ABAWDs, the Administration assumes that the percentage of total FoodShare participants who will enroll in FSET under the reinstated ABAWD policy will largely mirror the percentage of total FoodShare participants who

enrolled in FSET during the initial implementation of the ABAWD policy statewide beginning in April, 2015. As such, the Administration estimates that average monthly FSET enrollment will be 7,079 in 2022-23, 10,292 in 2023-24, and 8,796 in 2024-25.

Enrollee Expenditures. The Administration estimates that total per enrollee per month expenses will be \$410.72 in 2022-23 and decrease to \$394.88 in 2023-24 and subsequently increase to \$400.84 in 2024-25. These total expenses are primarily based on payments to the FSET program's vendors, but also include \$1,371,800 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 \$383.77 in 2023-24 and \$387.84 in 2024-25.

Carry Over Funding. The Administration estimates that FSET funding for 2023-25 will be offset by unspent carry over funding from 2022-23 resulting from a decrease in average monthly FSET enrollment, in part due to the temporary suspension of the ABAWD work requirement.

Joint Finance: Reduce funding by \$397,800 (-\$143,100 GPR and -\$254,700 FED) in 2023-24 and \$200 (-\$100 GPR and -\$100 FED) in 2024-25 to reflect current estimates of FSET program participation in the 2023-25 biennium.

The following table shows estimated enrollment, costs, and total GPR funding necessary for the 2023-25 biennium, under Joint Finance.

**2023-25 FSET Expenses and Funding
Joint Finance**

	<u>2023-24</u>	<u>2024-25</u>
Total Annual Administrative Expenses	\$1,371,800	\$1,371,800
Total Annual Vendor Expenses	\$46,887,800	\$40,937,600
Average Monthly Enrollment	10,174	8,796
Per Enrollee per Month Vendor Expenses	<u>\$384.05</u>	<u>\$387.84</u>
Total Program Expenses (Total Annual Vendor + Administrative Expenses)	\$48,259,600	\$42,309,400
100% Federal Funding Offset	\$3,014,400	\$3,014,400
Total Program Expenses After FED Offset	\$45,245,200	\$39,295,000
50% GPR Expenses	\$22,622,600	\$19,647,400
50% FED Expenses	\$22,622,600	\$19,647,600
Existing GPR Funding		
GPR Base Funding	\$14,623,800	\$14,623,800
Projected GPR Carry Over	\$4,074,400	-\$3,924,400
GPR Surplus/Deficit (Base GPR - 50% GPR Expenses)	-\$3,924,400	-\$8,948,000

2. **PAYMENT PROCESSING EQUIPMENT FOR FARMERS MARKETS AND DIRECT MARKETING FARMERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,470,000	-\$1,470,000	\$0

3. **DOUBLE UP FOOD BUCKS PILOT PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$536,600	0.50	-\$536,600	- 0.50	\$0	0.00
FED	<u>536,600</u>	<u>0.50</u>	<u>- 536,600</u>	<u>- 0.50</u>	<u>0</u>	<u>0.00</u>
Total	\$1,073,200	1.00	-\$1,073,200	- 1.00	\$0	0.00

4. **REPEAL FOODSHARE WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITH DEPENDENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **REPEAL FSET DRUG SCREENING, TESTING, AND TREATMENT REQUIREMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **REPEAL PAY-FOR-PERFORMANCE PAYMENT SYSTEM FOR FSET VENDORS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. **MA AND FOODSHARE ADMINISTRATION -- CONTRACTS** [LFB Paper 466]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$49,239,100	-\$3,242,600	\$45,996,500
FED	<u>89,178,000</u>	<u>- 6,890,600</u>	<u>82,287,400</u>
Total	\$138,417,100	-\$10,133,200	\$128,283,900

Governor: Provide \$65,486,800 (\$23,069,500 GPR and \$42,417,300 FED) in 2023-24 and \$72,930,300 (\$26,169,600 GPR and \$46,760,700 FED) in 2024-25 to increase funding for contractual services and systems costs for the administration of the MA and FoodShare programs.

This item includes increases in GPR funding for programming services DHS purchases from Deloitte for the Client Assistance for Re-employment and Economic Support (CARES) system. The CARES system is used by county and state staff for eligibility determinations and managing cases for the state's public assistance programs. Under the bill, GPR funding for these programming services would increase from \$11.5 million budgeted in 2022-23 to \$26.5 million in 2023-24 and \$28.1 million in 2024-25, largely due to the discontinuation of enhanced federal funding that was available to support these costs through September, 2022, and scheduled rate increases for programming services under the current contract.

This item also includes additional funding to support projects not funded in the current biennium, including: (a) replacing the current system used for administering the Birth to 3 program; (b) the development and implementation of a business operations support system for the Bureau of Fiscal Accountability and Management; (c) the creation of training modules to support professional development as part of the prenatal care coordination redesign project; (d) the development of a business tool to assist in the administration of the Wisconsin funeral and cemetery aids program to replace a payment tracking tool that is no longer functional; and (e) several enhancements to CARES.

Further, this item includes additional funding to support projected cost increases for several contracts, including the contract with Gainwell Technologies, the state's MA fiscal agent and contract vendor for the state's Medicaid management information system (MMIS) and contracts for telecommunications services used by MA recipients.

Finally, this item includes transferring expenditure authority for the costs associated with the Wisconsin Shares childcare statewide administration on the web (CSAW) system to the Department of Children and Families.

Joint Finance: Reduce funding by \$4,914,100 (-\$1,572,500 GPR and -\$3,341,600 FED) in 2023-24 and by \$5,219,100 (-\$1,670,100 GPR and -\$3,549,000 FED) in 2024-25 to fund administrative contracts.

The following table summarizes the GPR and FED funding amounts that would be budgeted for contracted services and systems costs for MA and FoodShare under Joint Finance.

**Summary of MA and FoodShare Administrative Contracts Funding -- GPR and FED
Joint Finance**

	2023-24			2024-25		
	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
MMIS	37,230,900	82,913,400	120,144,300	40,091,200	91,316,800	131,408,000
MMIS Modules and Related Contracts	5,669,800	25,742,700	31,412,600	4,930,400	19,057,500	23,988,000
CARES Maintenance and Programming	37,700,900	70,576,300	108,277,200	39,287,600	73,946,700	113,234,300
Other Major and Minor Contracts	19,129,400	25,901,000	45,030,400	18,386,000	24,901,600	43,287,600
Telecommunications	2,781,300	3,399,400	6,180,800	2,819,600	3,446,200	6,265,800
Hearings and Appeals and Disability Determinations	<u>2,106,100</u>	<u>2,087,100</u>	<u>4,193,200</u>	<u>2,106,100</u>	<u>2,087,100</u>	<u>4,193,200</u>
Subtotal	\$105,840,000	\$211,841,500	\$317,681,700	\$108,842,500	\$215,977,500	\$324,820,100
Costs Funded from Other Approps.	-\$3,500,000	\$0	-\$3,500,000	-\$3,500,000	\$0	-\$3,500,000
Net Expenditures	\$102,340,000	\$211,841,500	\$314,181,700	\$105,342,500	\$215,977,500	\$321,320,100
2022-23 Base Funding	\$80,843,000	\$172,765,800	\$253,608,800	\$80,843,000	\$172,765,800	\$253,608,800
Difference (JFC Change to Base)	\$21,497,000	\$39,075,700	\$60,572,900	\$24,499,500	\$43,211,700	\$67,711,300

8. COVERING WISCONSIN *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,000,000	-\$2,000,000	\$0
FED	<u>2,000,000</u>	<u>- 2,000,000</u>	<u>0</u>
Total	\$4,000,000	-\$4,000,000	\$0

9. SUPPLEMENTAL AMBULANCE REIMBURSEMENTS

GPR	\$632,800
FED	<u>632,800</u>
Total	\$1,265,600

Governor: Provide \$632,800 (\$316,400 GPR and \$316,400 FED) annually to contract for the administration of a certified public expenditure (CPE) program to increase MA reimbursement to ambulance service providers owned by local governments. 2021 Act 228 requires the Department to create such a program, subject to federal regulatory approval, which will allow the state to claim federal matching funds on eligible ambulance service expenditures made by local governments and to make a supplemental payment for ambulance services using that revenue.

Additionally, make statutory changes related to a separate supplemental reimbursement created under Act 228, to be paid to private ambulance service providers using revenue generated from a new assessment on those providers and matching federal funds. Create a new appropriation to expend the assessment revenue on supplemental payments to ambulance service providers. Direct the DOA Secretary to transfer an amount equal to the cost of administering the assessment and supplemental payments from the new segregated ambulance trust fund to an existing PR

appropriation for MA administration.

Joint Finance: Delete the statutory changes. Substantially similar provisions are included in 2023 Senate Bill 157, which was passed by the Senate on June 7, 2023, and concurred in and messaged by the Assembly on June 21, 2023.

10. INCOME MAINTENANCE -- LOCAL ASSISTANCE [LFB Paper 467]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,664,100	\$250,000	\$1,914,100
FED	<u>2,121,200</u>	<u>250,000</u>	<u>2,371,200</u>
Total	\$3,785,300	\$500,000	\$4,285,300

Governor: Provide \$1,506,800 (\$677,700 GPR and \$829,100 FED) in 2023-24 and \$2,278,500 (\$986,400 GPR and \$1,292,100 FED) in 2024-25 to: (a) increase base contracts for income maintenance (IM) consortia and tribal IM agencies by 2% in 2023-24 and an additional 2% in 2024-25 (\$302,700 GPR and \$454,100 FED in 2023-24 and \$611,400 GPR and \$917,100 FED in 2024-25); and (b) increase funding to support fraud prevention investigations by \$750,000 (\$375,000 GPR and \$375,000 FED) annually.

Eligibility and caseload management functions related to MA, FoodShare, Wisconsin Shares, and other public assistance programs are performed by county employees in all counties (except Milwaukee County) by 10 regional, multi-county IM consortia. State employees in Milwaukee Enrollment Services (MiES) perform these functions in Milwaukee County. In nine tribal jurisdictions, tribal agency staff provide these services. IM services are funded from a combination of state, federal, and local funds. Base GPR funding for IM eligibility and caseload management functions is \$15,132,500 and \$1,000,000 for fraud prevention investigations.

Joint Finance: Provide an additional \$250,000 (\$125,000 GPR and \$125,000 FED) annually to support local fraud prevention investigations so that the total increase for local fraud prevention investigations would be \$1,000,000 (\$500,000 GPR and \$500,000 FED) annually.

11. FUNERAL AND CEMETERY AIDS

GPR	- \$549,600
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Governor/Joint Finance: Reduce funding by \$396,800 in 2023-24 and by \$152,800 in 2024-25 to reflect reestimates of the cost of 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 MA or Wisconsin Works benefits at the time of their death. DHS is required to pay up to \$1,000 for cemetery and crematory expenses and up to \$1,500 for funeral and burial expenses that are 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 \$8,476,700. The Administration estimates that reimbursement payments will total \$7,843,000 in 2022-23, \$8,079,900 in 2023-24 and \$8,323,900 in 2024-25.

12. USE OF INDIVIDUAL INCOME TAX FORMS TO INITIATE HEALTH CARE ELIGIBILITY DETERMINATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$529,200	-\$529,200	\$0

13. TRIBAL REIMBURSEMENT STAFF *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$154,100	1.00	-\$154,100	- 1.00	\$0	0.00
FED	<u>154,100</u>	<u>1.00</u>	<u>- 154,100</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$308,200	2.00	-\$308,200	- 2.00	\$0	0.00

14. MEDICAL ASSISTANCE RECOVERIES -- QUI TAM CLAIMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,644,800	0.00	-\$1,658,200	0.00	\$986,600	0.00
FED	18,616,700	- 139.00	- 2,820,000	0.00	15,796,700	- 139.00
PR	11,445,900	0.00	- 625,400	0.00	10,820,500	0.00
SEG	<u>16,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>16,000</u>	<u>0.00</u>
Total	\$32,723,400	- 139.00	-\$5,103,600	0.00	\$27,619,800	- 139.00

Governor: Provide \$20,660,900 (\$1,320,600 GPR, \$13,613,000 FED, \$5,719,300 PR, and \$8,000 SEG) in 2023-24 and \$12,062,500 (\$1,324,200 GPR, \$5,003,700 FED, \$5,726,600 PR and \$8,000 SEG) and a reduction of 139.00 FED positions in 2024-25 to reflect the net effect of the following standard budget adjustments: (a) turnover (-\$4,058,800 GPR, -\$2,115,000 FED, and -\$3,065,300 PR annually); (b) removal of noncontinuing elements from the base (-\$10,683,300 FED in 2023-24 and -\$19,352,100 FED and -139.0 FED positions in 2024-25); (c) full funding of continuing positions (-\$5,714,200 GPR, \$25,968,400 FED, -\$4,069,800 PR, and \$1,800 SEG annually); (d) overtime (\$9,396,800 GPR and \$10,434,700 PR annually); (e) night and weekend differential pay (\$2,281,500 GPR, \$101,100 FED, and \$2,256,100 PR annually); and (f) full funding of lease and directed moves costs (-\$584,700 GPR, \$341,800 FED, \$163,600 PR, and \$6,200 SEG in 2023-24 and -\$581,100 GPR, \$401,300 FED, \$170,900 PR, and \$6,200 SEG in 2024-25).

Joint Finance: Reduce funding by \$2,551,800 (-\$829,100 GPR, -\$1,410,000 FED, and -\$312,700 PR) annually to increase, from 3% to 5%, the turnover rates in the bill.

2. STATE OPERATIONS -- SUPPLIES AND SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,108,800	- \$4,108,800	\$0
SEG	<u>3,200</u>	<u>- 3,200</u>	<u>0</u>
Total	\$4,112,000	- \$4,112,000	\$0

3. TRANSLATE WEBSITE AND FORMS INTO MULTIPLE LANGUAGES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,194,400	- \$1,194,400	\$0
FED	<u>634,400</u>	<u>- 634,400</u>	<u>0</u>
Total	\$1,828,800	- \$1,828,800	\$0

Governor: Provide \$851,900 (\$556,400 GPR and \$295,500 FED) in 2023-24 and \$976,900 (\$638,000 GPR and \$338,900 FED) in 2024-25 to translate the Department's website and forms into multiple languages.

Currently, the Department's website is only available in English. However, the Department is using one-time federal funds to translate the website into Spanish. The Administration indicates that funding (\$625,000 all funds in 2023-24 and \$750,000 all funds in 2024-25) in the bill would be used to translate the website into Hmong and one other language. Additionally, the Department is currently translating its 13,400 active forms and publications into other languages. Funding in the bill (\$226,900 all funds, annually) would double the funding available to pay the contractor to translate additional forms.

Joint Finance: Provision not included.

4. AGENCY EQUITY OFFICER (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$170,900	1.00	-\$170,900	- 1.00	\$0	0.00

5. FEDERAL REVENUE REESTIMATES

FED	\$120,631,000
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Governor/Joint Finance: Provide \$60,315,500 annually to reflect the net effect of funding adjustments to certain appropriations funded from federal revenue.

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 for these appropriations under Joint Finance.

Federal Revenue Reestimates

	Base	2023-24			2024-25		
		Reestimate	Other Items	Total	Reestimate	Other Items	Total
Public Health							
MA State Administration	\$2,127,600	\$6,600,200	-\$51,300	\$8,676,500	\$6,600,200	-\$51,300	\$8,676,500
Federal Program Operations -- Aging	1,463,000	41,800	49,300	1,554,100	41,800	49,300	1,554,100
Prev. Health Block Grant -- Aids	907,200	86,800	0	994,000	86,800	0	994,000
MCH Block Grant -- Aids	7,000,000	450,000	0	7,450,000	450,000	0	7,450,000
Programs for the Elderly	29,934,900	6,282,300	0	36,217,200	6,282,300	0	36,217,200
					0		0
Care and Treatment Services							
Federal Project Aids	15,886,400	403,300	0	16,289,700	403,300	0	16,289,700
Substance Abuse Block Grant Aid to Counties	9,756,800	19,644,000	0	29,400,800	19,644,000	0	29,400,800
Federal Block Grants -- Local Assistance	7,185,200	23,688,000	0	30,873,200	23,688,000	0	30,873,200
Substance Abuse Block Grant -- Operations	2,532,900	1,161,100	496,300	4,190,300	1,161,100	487,800	4,181,800
Community Mental Health Block Grant -- Operations	1,384,900	1,625,900	240,900	3,251,700	1,625,900	218,200	3,229,000
Community Mental Health Block Grant -- Local Assistance	2,513,400	200	0	2,513,600	200	0	2,513,600
Disability and Elder Services							
Social Services Block Grant -- Local Assistance	21,106,800	48,400	0	21,155,200	48,400	0	21,155,200
General Administration							
Federal WIC Program Operations	746,900	133,500	5,600	886,000	133,500	5,600	886,000
Office of the Inspector General -- Local Assistance	1,350,000	150,000	375,000	1,875,000	150,000	375,000	1,875,000
Total		\$60,315,500			\$60,315,500		

6. PROGRAM REVENUE REESTIMATES

PR	\$62,314,900
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Governor/Joint Finance: Provide \$31,115,500 in 2023-24 and \$31,199,400 in 2024-25 to reflect the net effect of funding adjustments to certain appropriations funded from program

revenue.

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 for these appropriations under Joint Finance.

Program Revenue Funding Reestimates

	Base	2023-24			2024-25		
		Reestimate	Other Items	Total	Reestimate	Other Items	Total
Public Health							
Fees for Administrative Services	\$112,500	\$6,000	\$0	\$118,500	\$6,000	\$0	\$118,500
Interagency and Intra-Agency Aids	5,466,500	2,922,500	-13,000	8,376,000	2,922,500	-13,000	8,376,000
Mental Health and Developmental Disabilities Facilities							
Repair and Maintenance	965,100	246,500	0	1,211,600	246,500	0	1,211,600
State Centers Operations	135,770,600	4,949,100	28,909,500	169,629,200	4,949,100	31,304,700	172,024,400
Medicaid Services							
Interagency and Intra-Agency Aids	23,192,000	4,808,000	3,758,700	31,758,700	4,808,000	2,500,500	30,500,500
Care and Treatment Services							
Gifts and Grants	94,300	98,300	0	192,600	98,300	0	192,600
Quality Assurance							
Licensing and Support Services	3,336,000	801,200	-695,100	3,442,100	885,100	-695,100	3,526,000
General Administration							
Bureau of Information Technology Services	19,951,700	<u>17,283,900</u>	-367,200	36,868,400	<u>17,283,900</u>	-367,200	36,868,400
Total		\$31,115,500			\$31,199,400		

7. ADMINISTRATIVE TRANSFERS

Governor/Joint Finance: Reduce PR funding by \$193,000 annually and increase FED funding by corresponding amounts, and convert 1.50 PR positions to FED positions, beginning in 2023-24, to reflect the net effect of position transfers that occurred within the Department in the 2021-23 biennium. These transfers are intended to more accurately align base staff costs with funding sources that reflect the positions' current responsibilities.

	Funding	Positions
FED	\$386,000	1.50
PR	<u>- 386,000</u>	<u>- 1.50</u>
Total	\$0	0.00

8. DELETE VACANT POSITIONS

Joint Finance: Delete 33.48 positions (3.31 GPR, 18.05 FED, and 12.12 PR), beginning in 2023-24, that have been vacant for more than 18 months.

	Positions
GPR	- 3.31
FED	- 18.05
PR	<u>- 12.12</u>
Total	- 33.48

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$297,243,000	\$326,429,100	\$298,642,300	- \$27,786,800	- 8.5%	\$1,399,300	0.5%
FED	300,000	300,000	300,000	0	0.0	0	0.0
PR	<u>3,334,800</u>	<u>3,408,300</u>	<u>3,334,800</u>	<u>- 73,500</u>	- 2.2	<u>0</u>	0.0
TOTAL	\$300,877,800	\$330,137,400	\$302,277,100	- \$27,860,300	- 8.4%	\$1,399,300	0.5%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	10.00	14.00	11.50	- 2.50	1.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$21,000
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Governor/Joint Finance: Provide adjustments to the base budget of \$12,900 annually for full funding of continuing salaries and fringe benefits and -\$2,400 annually for full funding of lease and directed moves costs.

2. NURSE EDUCATORS [LFB Paper 480]

	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 for the nurse educators program above base level funding of \$5,000,000.

2021 Act 58 provided \$5,000,000 GPR in 2022-23 in the Joint Committee on Finance

supplemental appropriation for release to HEAB upon request and approval by the Committee for a Nurse Educators program. The Act also created a new, continuing appropriation under HEAB for the program, to which funding was transferred upon release by the Committee. The Act specified that the nurse educator program applies to students and graduates of institutions of higher education, defined as private, non-profit colleges located in Wisconsin, colleges within the Wisconsin Technical College System (WTCS), and UW System institutions or campuses. The program is required to 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. Individuals who receive fellowships or loan repayment assistance are required to teach for three consecutive years in a nursing program at an institution of higher education.

Joint Finance: Provision not included.

3. INFORMATION TECHNOLOGY MODERNIZATION PROJECT [LFB Paper 481]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$1,465,000	2.00	-\$170,100	- 1.00	\$1,294,900	1.00

Governor: Provide \$712,900 and 2.00 positions in 2023-24 and \$752,100 in 2024-25 to support ongoing costs of HEAB's informational technology (IT) modernization project. HEAB's current mainframe system was built in 1968 and utilizes outdated computer programming and database language. The current system also does not interface well with cloud-based technologies. The modernization project includes implementation of a new system using the Microsoft.net platform for all of the programs HEAB administers. The new system will address changes in the calculation of financial need required under the federal Free Application of Federal Student Aid (FAFSA) Simplification Act of 2019, as well as improve the Board's ability to interface with the federal government and higher educational institutions. HEAB utilized \$3.1 million in federal ARPA funds for the upfront development costs of the new system. Funding provided under the bill would support ongoing costs including 2.0 business analysts to support the new system, perform data analysis, manage communications with external parties and conduct testing. Remaining funding would be utilized for hosting and vendor maintenance changes.

Joint Finance: Provide \$640,000 GPR in 2023-24 and \$654,900 GPR in 2024-25 and 1.0 GPR position for information technology modernization.

4. INFORMATION TECHNOLOGY PERSONNEL [LFB Paper 481]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$340,500	1.50	-\$257,100	- 1.00	\$83,400	0.50

Governor: Provide \$209,900 and 1.50 positions (1.0 project position and 0.50 FTE) in 2023-24 and \$130,600 in 2024-25 for HEAB informational technology (IT) personnel. State budget staff indicate the project position is intended to allow current IT staff to train new staff prior to a retirement. The additional 0.50 FTE position would bring a 0.50 IT position to full-time.

Joint Finance: Provide \$41,600 GPR in 2023-24 and \$41,800 GPR in 2024-25 and 0.5 GPR position for information technology personnel.

5. JOHN R. JUSTICE STUDENT LOAN REPAYMENT PROGRAM

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$70,100	0.50	-\$70,100	- 0.50	\$0	0.00

Governor: Provide \$28,300 in 2023-24 and \$41,800 in 2024-25 with 0.50 positions beginning in 2023-24 to administer the John R. Justice loan repayment program.

The John R. Justice program provides loan repayment assistance for state and federal public defenders and state prosecutors who agree to remain employed as public defenders and prosecutors for at least three years. In Wisconsin, HEAB is the designated administrative agency for the program.

Joint Finance: Provision not included.

6. WISCONSIN GRANTS -- UW SYSTEM [LFB Paper 482]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,439,100	-\$9,439,100	\$0

Governor: Increase funding for Wisconsin Grants for UW System students by \$3,094,800 in 2023-24 and \$6,344,300 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23, and an increase of 9.8% in 2024-25 over 2023-24. Annual base level funding for this program is \$61,894,100.

Joint Finance: Provision not included.

7. WISCONSIN GRANTS -- TECHNICAL COLLEGES [LFB Paper 482]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,503,300	- \$3,503,300	\$0

Governor: Increase funding for Wisconsin Grants for technical college students by \$1,148,600 in 2023-24 and \$2,354,700 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23, and an increase of 9.8% in 2024-25 over 2023-24. Annual base level funding for the program is \$22,971,700.

Joint Finance: Provision not included.

8. WISCONSIN GRANTS -- PRIVATE, NONPROFIT COLLEGES [LFB Paper 482]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,347,100	- \$4,347,100	\$0

Governor: Increase funding for Wisconsin Grants for private, nonprofit college students by \$1,425,300 in 2023-24, and \$2,921,800 in 2024-25. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23 and 9.8% in 2023-25 over 2023-24. Annual base funding for this program is \$28,504,600.

Joint Finance: Provision not included.

9. WISCONSIN GRANTS -- TRIBAL COLLEGES [LFB Paper 482]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$73,500	- \$73,500	\$0

Governor: Provide an increase of \$24,100 in 2023-24 and \$49,400 in 2024-25 for Wisconsin Grants for tribal college students. When calculated as a change to the prior year, there would be an increase of 5% in 2023-24 over 2022-23 and an increase of 9.8% in 2024-25 over 2023-24. Annual base funding for the program is \$481,800. Wisconsin Grants for tribal college students are funded with tribal gaming revenue.

Joint Finance: Provision not included.

10. **WISCONSIN GRANTS TO UW SYSTEM, TECHNICAL COLLEGES, AND TRIBAL COLLEGES PROGRAM CHANGES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
11. **WISCONSIN GRANTS TO PRIVATE NONPROFIT COLLEGES PROGRAM CHANGES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
12. **TALENT INCENTIVE AND HEARING AND VISUALLY IMPAIRED GRANT PROGRAMS TECHNICAL CHANGES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
13. **CALCULATION OF STUDENT FINANCIAL AID TERMINOLOGY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
14. **DOA ADMINISTRATIVE SUPPORT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

HISTORICAL SOCIETY

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$44,154,000	\$53,846,800	\$52,364,900	-\$1,481,900	- 2.8%	\$8,210,900	18.6%
FED	2,967,800	5,320,600	5,320,600	0	0.0	2,352,800	79.3
PR	7,103,600	11,382,900	11,382,900	0	0.0	4,279,300	60.2
SEG	<u>8,407,000</u>	<u>12,449,700</u>	<u>12,449,500</u>	<u>- 200</u>	0.0	<u>4,042,500</u>	48.1
TOTAL	\$62,632,400	\$83,000,000	\$81,517,900	-\$1,482,100	- 1.8%	\$18,885,500	30.2%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	112.65	116.65	112.65	- 4.00	0.00
FED	8.86	8.86	8.86	0.00	0.00
PR	23.35	24.35	21.95	- 2.40	- 1.40
SEG	<u>32.84</u>	<u>32.84</u>	<u>32.09</u>	<u>- 0.75</u>	<u>- 0.75</u>
TOTAL	177.70	182.70	175.55	- 7.15	- 2.15

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$544,800	-\$308,600	-\$853,400
FED	- 60,200	0	- 60,200
PR	- 516,500	0	- 516,500
SEG	<u>1,191,000</u>	<u>0</u>	<u>1,191,000</u>
Total	\$69,500	-\$308,600	-\$239,100

Governor: Adjust the base budget by -\$272,400 GPR, -\$30,200 FED, -\$259,000 PR, and \$595,500 SEG in 2023-24 and -\$272,400 GPR, -\$30,000 FED, -\$257,500 PR, and \$595,500 SEG

in 2024-25 for: (a) turnover reduction (-\$231,500 GPR annually); (b) full funding of continuing position salaries and fringe benefits (\$124,000 GPR, -\$29,700 FED, -\$259,200 PR, and \$595,500 SEG annually); (c) overtime (\$7,300 GPR annually); (d) night and weekend differential pay (\$12,400 GPR annually); and (e) lease and directed move costs (-\$184,600 GPR, -\$500 FED, and \$200 PR in 2023-24 and (-\$184,600 GPR, -\$300 FED, and \$1,700 PR in 2024-25).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$154,300 GPR annually.

2. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$1,267,000	\$3,021,800	\$1,754,800
PR	<u>- 15,200</u>	<u>0</u>	<u>- 15,200</u>
Total	-\$1,282,200	\$3,021,800	\$1,739,600

Governor: Reduce funding by \$614,000 GPR and \$7,800 PR in 2023-24 and \$653,000 GPR and \$7,400 PR in 2024-25 as a reestimate of debt service payments. Base level funding is \$4,613,500 GPR and \$9,800 PR annually.

Joint Finance: Increase funding by \$621,700 GPR in 2023-24 and \$2,400,100 GPR in 2024-25 for a net funding increase of \$7,700 GPR in 2023-24 and \$1,747,100 GPR in 2024-25 as a reestimate of debt service payments.

3. FUEL AND UTILITIES REESTIMATE

GPR	\$818,000
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Governor/Joint Finance: Increase funding by \$396,800 in 2023-24 and \$421,200 in 2024-25 to reflect estimated costs for fuel and utilities at Historical Society facilities. Base level funding is \$812,100 annually.

4. INFORMATION TECHNOLOGY SERVICES [LFB Paper 485]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$4,945,000	4.00	-\$453,500	- 4.00	\$4,491,500	0.00

Governor: Provide \$2,574,900 in 2023-24 and \$2,370,100 in 2024-25 and 4.0 positions annually for the transition of the Historical Society's information technology services and support from the University of Wisconsin-Madison Division of Information Technology to the Department of Administration's Division of Enterprise Technology.

The funding and position authority is to ensure that the Historical Society IT program can maintain the current level of services, implement initiatives included in the IT Strategic Plan, and provide additional resources to support the new Wisconsin History Center.

Joint Finance: Reduce funding by \$80,100 and 4.0 positions in 2023-24, and \$373,400 and 4.0 positions in 2024-25 for a net funding increase of \$2,494,800 in 2023-24 and \$1,996,700 in 2024-25 in one-time funding for the transition of the Historical Society's information technology services and support.

5. WISCONSIN HISTORY CENTER [LFB Paper 486]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,000,000	- \$1,000,000	\$2,000,000

Governor: Provide \$2,500,000 in 2023-24 and \$500,000 in 2024-25 in the Society's general program operations appropriation to support the conservation, preservation, and preparation of historical artifacts as well as digital infrastructure for the planning and operation of the Wisconsin History Center, which is an enumerated state project scheduled to open in fiscal year 2026-27 and expected to serve 250,000 visitors annually.

Joint Finance: Reduce funding by \$500,000 annually to provide one-time funding of \$2,000,000 GPR in 2023-24 in a new biennial appropriation for the History Center.

6. BLACK HISTORICAL SOCIETY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

7. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$501,600	- \$501,600	\$0
SEG	<u>200</u>	<u>- 200</u>	<u>0</u>
Total	\$501,800	- \$501,800	\$0

8. HISTORICAL AND FINE ARTS COLLECTION INVENTORY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$240,000	-\$240,000	\$0

9. RECORDS MANAGEMENT

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	1.00	- 1.00	0.00

Governor: Convert 1.0 LTE position to an FTE permanent position to support the state historical records management program.

Joint Finance: Provision not included.

10. REVENUE REESTIMATES

FED	\$2,413,000
PR	4,811,000
SEG	<u>2,851,500</u>
Total	\$10,075,500

Governor/Joint Finance: Provide \$4,474,200 (\$1,149,700 FED, \$2,395,500 PR, and \$929,000 SEG) in 2023-24 and \$5,601,300 (\$1,263,300 FED, \$2,415,500 PR, and \$1,922,500 SEG) in 2024-25 to reflect current revenue and expenditure projections for the following continuing FED, PR, and SEG appropriations:

- a. \$971,900 FED in 2023-24 and \$1,065,500 FED in 2024-25 for the general program operations -- federal funds appropriation.
- b. \$177,800 FED in 2023-24 and \$197,800 FED in 2024-25 for indirect cost reimbursements for the federal aids appropriation.
- c. \$2,000,000 PR annually for foundation contributed income for the gifts, grants, and membership sales appropriation.
- d. \$365,500 PR annually for the general program operations -- service funds appropriation.
- e. \$30,000 PR in 2023-24 and \$50,000 PR in 2024-25 for general donations for the gifts, grants, and membership sales appropriation.
- f. \$825,000 SEG in 2023-24 and \$1,775,000 SEG in 2024-25 for the history

preservation partnership trust fund appropriation.

g. \$104,000 SEG in 2023-24 and \$147,500 SEG in 2024-25 for the general program operations for the endowment appropriation.

The reestimates reflect the resumption of full operations after the COVID-19 pandemic, progress on the Wisconsin History Center project, growth of certain revenue-generating functions, endowment performance, and new federal grant funding.

11. DELETE VACANT POSITIONS

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
PR	0.00	- 1.40	- 1.40
SEG	<u>0.00</u>	<u>- 0.75</u>	<u>- 0.75</u>
Total	0.00	- 2.15	- 2.15

Joint Finance: Delete 1.4 PR positions from the Society's appropriation for gifts, grants, and membership sales, and 0.75 SEG positions from the Society's appropriation for endowment, which have been vacant for more than 24 months.

INSURANCE

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$68,466,400	\$83,180,800	\$38,268,500	-\$44,912,300	- 54.0%	-\$30,197,900	- 44.1%
FED	331,533,600	380,066,500	421,731,500	41,665,000	11.0	90,197,900	27.2
PR	41,027,800	52,230,500	42,910,200	- 9,320,300	- 17.8	1,882,400	4.6
SEG	<u>125,994,800</u>	<u>126,096,400</u>	<u>126,096,400</u>	<u>0</u>	0.0	<u>101,600</u>	0.1
TOTAL	\$567,022,600	\$641,574,200	\$629,006,600	-\$12,567,600	- 2.0%	\$61,984,000	10.9%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	0.00	10.00	0.00	- 10.00	0.00
PR	124.15	151.65	129.15	- 22.50	5.00
SEG	<u>10.68</u>	<u>10.68</u>	<u>10.68</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	134.83	172.33	139.83	- 32.50	5.00

Budget Change Items

Agency Operations and Current Programs

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	-\$169,600	-\$370,000	-\$539,600
SEG	<u>101,600</u>	<u>0</u>	<u>101,600</u>
Total	-\$68,000	-\$370,000	-\$438,000

Governor: Reduce funding by \$34,000 (-\$84,800 PR and \$50,800 SEG) annually to reflect the following standard budget adjustments: (a) -\$277,500 PR annually for turnover reduction; (b)

\$259,300 PR and \$53,500 SEG annually for full funding of continuing position salaries and fringe benefits; and (c) -\$66,600 PR and -\$2,700 SEG annually for full funding of lease and directed move costs.

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by \$185,000 PR annually.

2. FINANCIAL AND MARKET REGULATION POSITIONS [LFB Paper 490]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,631,900	10.00	-\$952,800	- 6.00	\$679,100	4.00

Governor: Provide \$699,400 in 2023-24 and \$932,500 in 2024-25 and 10.0 positions, beginning in 2023-24, to address increased workload and responsibilities relating to OCI's supervision of the insurance industry. Of the funding and positions that would be provided, 5.0 positions would be assigned to the Division of Market Regulation, which regulates the market conduct of insurance companies and agents to ensure compliance with insurance laws and rules. This includes investigating consumer complaints, providing consumer information, issuing agent licenses, and reviewing company underwriting and rating practices. The other 5.0 positions would be assigned to the Division of Financial Regulation, which oversees company licensing, financial analysis and examinations, and the solvency of insurers licensed to do business in Wisconsin. This includes conducting regular financial examinations of companies and issuing company licenses.

Joint Finance: Reduce funding by \$408,300 in 2023-24 and \$544,500 in 2024-25 and 6.0 positions, to provide a net increase of \$291,100 in 2023-24 and \$388,000 in 2024-25 and 4.0 insurance examiner positions. The resulting funding and positions increases would be distributed as follows: (a) \$214,800 in 2023-24 and \$286,400 in 2024-25, and 3.0 positions for the Division of Financial Regulation; (b) \$76,300 in 2023-24 and \$101,600 in 2024-25, and 1.0 position for the Division of Market Regulation.

3. RESTORE FUNDING FOR AGENCY OPERATIONS

PR	\$1,404,600
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Governor/Joint Finance: Provide \$702,300 for OCI administrative functions, reflecting the net effect of the following two changes: (a) provide an increase of \$2,222,600 annually in OCI's general program operations appropriation; and (b) delete the interagency and intra-agency operations appropriation, along with base funding in that appropriation of \$1,520,300 annually.

The 2021-23 budget (Act 58) created an interagency and intra-agency PR appropriation in OCI for general program operations and made a non-recurring transfer of \$1,520,300 in each year of the biennium to that appropriation from the unencumbered revenue balance in OCI's PR appropriation for general program operations. In addition, Act 58 reduced funding in the general

program operations appropriation by \$2,222,600 annually. The result of these changes was a net reduction in program operations funding, in both appropriations combined, of \$702,300. This item would delete the interagency and intra-agency appropriation created by Act 58 and reverse the net funding reduction that resulted from that act.

4. WISCONSIN HEALTHCARE STABILITY PLAN [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$11,467,100	-\$41,665,000	-\$30,197,900
FED	<u>48,532,900</u>	<u>41,665,000</u>	<u>90,197,900</u>
Total	\$60,000,000	\$0	\$60,000,000

Governor: Provide \$30,000,000 (-\$12,499,700 GPR and \$42,499,700 FED) in 2023-24 and \$30,000,000 (\$23,966,800 GPR and \$6,033,200 FED) in 2024-25 to reflect estimated increases in total reinsurance payments under the Wisconsin healthcare stability plan (WHSP), from the base of \$200,000,000 annually to \$230,000,000 annually.

The following table shows the appropriation base and estimated funding for reinsurance payments in the 2023-25 biennium with these adjustments.

	<u>Base</u>	<u>Change to Base</u>		<u>Total Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
GPR	\$34,233,200	-\$12,499,700	\$23,966,800	\$21,733,500	\$58,200,000
FED	<u>165,766,800</u>	<u>42,499,700</u>	<u>6,033,200</u>	<u>208,266,500</u>	<u>171,800,000</u>
Total	\$200,000,000	\$30,000,000	\$30,000,000	\$230,000,000	\$230,000,000

WHSP is a state-operated reinsurance program, supported with state and federal funding, that is intended to reduce premiums for health insurance policies sold in the individual market. Reinsurance payments reimburse insurers for a portion of the total annual claims for individuals with high costs. Each year, OCI establishes reinsurance payment parameters based on a total expenditure target. The 2021-23 budget act increased the statutory target from \$200,000,000 to \$230,000,000, beginning for the 2022 insurance plan year. Since the 2022 plan year reinsurance payments will be made in state fiscal year 2023-24, this item adjusts the GPR and FED appropriations to equal anticipated expenditures.

The reinsurance payments for the 2022 plan year will be made in 2023-24 with a combination of federal funds received for that plan year (\$181,902,400) and federal funds received for the 2021 plan year, but not needed for 2021 reinsurance payments (\$26,364,100). Since the federal funding for 2021 exceeded the total amount of reinsurance payments, the excess funding will be carried over to offset the state cost of making the 2022 payments. The Administration estimates that federal funds for the 2023 plan year will total \$171,800,000, so the bill would increase GPR funding in 2024-25 to equal the difference between the available federal funding and the anticipated reinsurance payment total.

Joint Finance: Decrease GPR funding by \$41,665,000 in 2024-25 and provide a corresponding increase in the FED appropriation for WHSP, to reflect the most recent estimate of federal pass-through funding that will be available for reinsurance payments for calendar year 2023 plans. On March 30, 2023, the federal Center for Consumer Information and Insurance Oversight provided notice that the state would receive \$213,464,988 for 2023, an increase of \$41,665,000 from the level assumed under the Governor's bill. The following table shows the revised estimate of state and federal shares of reinsurance payments under Joint Finance.

Estimated Reinsurance Program Funding under Joint Finance

	<u>Change to Governor</u>		<u>Total Funding</u>	
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
GPR	\$0	-\$41,665,000	\$21,733,500	\$16,535,000
FED	<u>0</u>	<u>41,665,000</u>	<u>208,266,500</u>	<u>213,465,000</u>
Total	\$0	\$0	\$230,000,000	\$230,000,000

5. WISCONSIN HEALTHCARE STABILITY PLAN -- PROGRAM MANAGER POSITION

	<u>Governor</u>		<u>Jt. Finance</u>		<u>Net Change</u>	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>		<u>Funding Positions</u>	
<u>Funding Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$249,400	1.00	-\$249,400	- 1.00	\$0	0.00

Governor: Provide \$106,900 in 2023-24 and \$142,500 in 2024-25 and 1.0 position, beginning in 2023-24, to establish a designated program manager for the Wisconsin healthcare stability plan program. According to the Administration, the program manager would oversee contract management, data analysis, and strategy development for the program.

Joint Finance: Provision not included.

6. WISCONSIN HEALTH CARE STABILITY PLAN -- ADJUSTMENT OF TOTAL ANNUAL REINSURANCE PAYMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. BOARD ON AGING AND LONG-TERM CARE HELPLINE FUNDING TRANSFER [LFB Paper 491]

	<u>Governor</u>		<u>Jt. Finance</u>		<u>Net Change</u>	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>		<u>Funding Positions</u>	
<u>Funding Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$148,700		-\$56,500		\$92,200	

Governor: Provide \$71,800 in 2023-24 and \$76,900 in 2024-25 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. The BOALTC budget request includes funding to increase administrative support for the Helpline. OCI's request would provide the expenditure authority for making the Helpline transfer in an amount that equals BOALTC's proposed funding increase for the Helpline.

Joint Finance: Reduce funding by \$24,900 in 2023-24 and \$31,600 in 2024-25 to reflect a reestimate of the amount of funding needed to support OCI's share of the helpline.

8. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$83,600	- \$83,600	\$0

9. FRAUDULENT INSURANCE ACTS

	Funding	Positions
PR	\$246,100	1.00

Joint Finance: Provide 1.0 position for investigation of fraudulent insurance acts, beginning in 2023-24, and provide \$107,400 in 2023-24 and \$138,700 in 2024-25 to support the position. Establish a prohibition against fraudulent insurance acts, within current law statutory section related to OCI's general powers and duties. Specify, for the purposes of this provision, that a fraudulent insurance act includes knowingly presenting a false or fraudulent claim for payment of a loss or benefit or knowingly presenting false information in an application for insurance. Specify that, if based on an investigation, it has a reasonable basis to believe that a violation of laws involving theft, forgery, fraudulent writings, fraudulent data alteration, fraudulent insurance and employee benefit program claims, fraudulent destruction of certain writings, or any other criminal law has occurred, OCI may refer the results of an investigation to the Department of Justice or to the district attorney of the county in which the alleged violation occurred for prosecution.

Drug Costs and Pricing

1. **OFFICE OF PRESCRIPTION DRUG AFFORDABILITY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	3,854,100	16.0	-\$3,854,100	-16.00	\$0	0.00

2. **PRESCRIPTION DRUG AFFORDABILITY BOARD** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
3. **GENERIC PRESCRIPTION DRUG IMPORTATION PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
4. **INSULIN SAFETY NET PROGRAMS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
5. **INSULIN COPAYMENT CAP** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
6. **VALUE-BASED DIABETES MEDICATION PILOT PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
7. **APPLICABILITY OF MANUFACTURER BRAND NAME DRUG REBATES TO DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
8. **DRUG REIMBURSEMENT FOR CERTAIN ENTITIES UNDER FEDERAL 340B DRUG DISCOUNT PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. **LICENSURE OF PHARMACEUTICAL REPRESENTATIVES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. **LICENSURE OF PHARMACY BENEFIT MANAGEMENT BROKERS AND CONSULTANTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

11. **LICENSURE OF PHARMACY SERVICES ADMINISTRATIVE ORGANIZATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. **FIDUCIARY DUTY AND DISCLOSURE REQUIREMENTS OF PHARMACY BENEFIT MANAGERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

13. **PRESCRIPTION DRUG PURCHASING ENTITY STUDY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Health Insurance

1. **STATE-BASED HEALTH INSURANCE EXCHANGE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$2,247,300	10.00	-\$2,247,300	- 10.00	\$0	0.00
PR	<u>3,000,000</u>	<u>0.00</u>	<u>- 3,000,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Total	\$5,247,300	10.00	-\$5,247,300	- 10.00	\$0	0.00

2. **PUBLIC OPTION HEALTH INSURANCE PLAN** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,000,000	-\$1,000,000	\$0
PR	<u>1,000,000</u>	<u>- 1,000,000</u>	<u>0</u>
Total	\$2,000,000	-\$2,000,000	\$0

3. **HEALTH INSURANCE AND COVERAGE REQUIREMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
4. **SHORT-TERM, LIMITED DURATION HEALTH INSURANCE PLANS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
5. **INSURER NETWORK ADEQUACY STANDARDS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
6. **LIMITATIONS ON BALANCE BILLING AND COVERAGE RESTRICTIONS FOR CERTAIN OUT-OF-NETWORK MEDICAL SERVICES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
7. **TELEHEALTH COVERAGE PARITY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
8. **COVERAGE OF INFERTILITY SERVICES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
9. **COVERAGE OF SUBSTANCE ABUSE COUNSELOR SERVICES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
10. **COVERAGE OF BEHAVIORAL HEALTH SERVICES PROVIDED BY A QUALIFIED TREATMENT TRAINEE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

INVESTMENT BOARD

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
PR	\$205,462,200	\$205,462,200	\$205,462,200	\$0	0.0%	\$0	0.0%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
PR	290.00	290.00	290.00	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 2021-22 for the Board were \$84,072,800 with 261.0 positions approved in June, 2021. In June, 2022, the Board approved an operating budget for 2022-23 of \$102,731,100 (an increase of 22.2% over 2021-22 expenditures) and 290.0 positions. In the table above, this amount is indicated for the adjusted base in 2022-23. The SWIB budget recommendation also utilizes this amount for 2023-24 and 2024-25. The actual 2023-24 budget is expected to be finalized by the Board in June, 2023, and the 2024-25 budget one year later.

JUDICIAL COMMISSION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$705,600	\$704,100	\$704,100	\$0	0.0%	-\$1,500	- 0.2%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	2.00	2.00	2.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	-\$1,500
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Governor/Joint Finance: Provide adjustments to the base totaling -\$1,100 in 2023-24 and -\$400 in 2024-25 associated with: (a) full funding of continuing position salaries and fringe benefits (-\$1,800 annually); and (b) full funding of lease and directed moves costs (\$700 in 2023-24 and \$1,400 in 2024-25).

JUSTICE

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$158,032,200	\$242,128,300	\$164,184,600	-\$77,943,700	- 32.2%	\$6,152,400	3.9%
FED	47,259,600	50,373,500	51,863,800	1,490,300	3.0	4,604,200	9.7
PR	111,207,000	116,327,300	109,166,600	-7,160,700	-6.2	-2,040,400	- 1.8
SEG	<u>940,200</u>	<u>830,800</u>	<u>9,630,800</u>	<u>8,800,000</u>	1,059.2	<u>8,690,600</u>	924.3
TOTAL	\$317,439,000	\$409,659,900	\$334,845,800	-\$74,814,100	-18.3%	\$17,406,800	5.5%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	405.58	453.28	412.28	- 41.00	6.70
FED	81.43	51.23	55.93	4.70	- 25.50
PR	258.08	258.08	257.68	- 0.40	- 0.40
SEG	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	747.84	765.34	728.64	- 36.70	- 19.20

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
Funding Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$995,500	- 0.50	-\$1,214,600	0.00	-\$2,210,100	- 0.50
FED	3,883,600	- 25.00	0	0.00	3,883,600	- 25.00
PR	- 696,200	0.00	- 212,600	0.00	- 908,800	0.00
SEG	<u>- 109,400</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>- 109,400</u>	<u>0.00</u>
Total	\$2,082,500	- 25.50	-\$1,427,200	0.00	\$655,300	- 25.50

Governor: Adjustments to the base totaling -\$497,200 GPR, \$2,389,000 FED, -\$348,100 PR, -\$54,700 SEG, -0.5 GPR and -12.0 FED positions in 2023-24; and -\$498,300 GPR, \$1,494,600 FED, -\$348,100 PR, -\$54,700 SEG, -0.5 GPR positions, and -25.0 FED positions in 2024-25. Adjustments are for: (a) turnover reduction (-\$911,000 GPR and -\$159,500 PR annually); (b) removal of non-continuing elements from the base (-\$138,900 GPR, -\$455,000 FED, and -1.0 GPR, and -12.0 FED positions in 2023-24; and -\$140,000 GPR, -\$1,349,400 FED, and -1.0 GPR and -25.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-\$118,300 GPR, \$2,799,500 FED, -\$394,900 PR, and -\$67,500 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); (f) full funding of ongoing s. 13.10 items (\$27,800 GPR and 0.5 GPR positions annually); and (g) full funding of lease and directed moves costs (-\$77,100 GPR, \$44,500 FED, -\$328,500 PR, and \$1,800 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$607,300 GPR and -\$106,300 PR annually.

2. STANDARD BUDGET ADJUSTMENTS -- TECHNICAL TRANSFERS WITHIN THE SAME APPROPRIATION [LFB Paper 105]

Governor/Joint Finance: Transfer funding and positions annually within appropriations in DOJ between different subprograms, as identified in the table below, in order to align budgeted funding and position authorization with assigned programmatic duties.

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram</u>	<u>Funding</u>	<u>Positions</u>
GPR			
<i>Legal services</i>			
General program operations	Legal services	-\$33,500	-0.45
	Computing services	0	-0.50
	Crime laboratories	-24,800	-1.00
	Crime information bureau	0	-3.84
	Training and standards bureau	0	-1.00
	Criminal investigation	440,100	-0.55
	Administrative services	66,600	1.20
	Narcotics Enforcement	-197,400	0.00
	Internet Crimes Against Children Task Force	-367,900	-1.60
	DNA Analysis Resources	24,700	0.00
	Office of Victim Services	55,700	1.00
	Criminal Justice Programs	36,500	3.94
	Office of School Safety	0	2.80
<i>Administrative services</i>			
General program operations	Legal services	-\$451,700	-3.60
	Computing services	0	0.50
	Training and standards bureau	-83,900	0.00
	Criminal investigation	-49,300	0.00
	Administrative services	584,900	3.10

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram</u>	<u>Funding</u>	<u>Positions</u>
<i>Victims and witnesses</i>			
General program operations	Administrative services	\$0	0.20
	Office of Victim Services	<u>0</u>	<u>-0.20</u>
Total		\$0	0.00
PR			
<i>Law enforcement services</i>			
Criminal history searches; fingerprint identification	Crime laboratories	\$0	1.00
	Crime information bureau	0	-0.66
	Criminal Justice Programs	0	-0.34
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	Crime information bureau	\$0	0.50
	Training and standards bureau	41,900	0.50
	Administrative services	-41,900	-1.00
Law enforcement training fund, state operations	Crime information bureau	\$700	4.00
	Training and standards bureau	335,000	2.40
	Criminal investigation	-88,300	-1.00
	Administrative services	-247,400	-0.50
	Criminal Justice Programs	0	-2.10
	Office of School Safety	0	-2.80
Interagency and intra- agency assistance	Training and standards bureau	\$24,800	0.20
	Administrative services	-24,800	0.00
	Criminal Justice Programs	0	-0.20
Drug law enforcement, crime laboratories, and genetic evidence activities	Legal services	\$0	-0.25
	Crime laboratories	-500,000	0.00
	Criminal investigation	-39,900	0.00
	Narcotics Enforcement	539,900	0.25
Drug enforcement intelligence operations	Criminal investigation	-\$184,000	5.50
	Narcotics Enforcement	184,000	-5.50
Wisconsin justice information sharing program	Administrative services	-\$101,100	0.00
	Internet Crimes Against Children Task Force	-79,100	0.00
	Criminal Justice Programs	180,200	0.00
County-tribal programs, state operations	Administrative services	\$0	-0.60
	Criminal Justice Programs	<u>0</u>	<u>0.60</u>
Total		\$0	0.00
FED			
<i>Law enforcement services</i>			
Federal aid, state operations	Crime laboratories	\$2,700	0.00
	Crime information bureau	-2,700	0.00
	Training and standards bureau	-72,500	-0.10
	Criminal investigation	-47,800	0.00
	Administrative services	-73,000	0.00
	Narcotics Enforcement	47,800	0.00
	Office of Victim Services	1,900	0.00
	Criminal Justice Programs	143,600	0.10
<i>Victims and witnesses</i>			
Federal aid; state operations relating to crime victim services	Internet Crimes Against Children Task Force	-\$3,700	0.00
	Office of Victim Services	-8,500	0.00
	Criminal Justice Programs	<u>12,200</u>	<u>0.00</u>
Total		\$0	0.00

3. PROGRAM REVENUE REESTIMATES

PR	\$5,606,800
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Governor/Joint Finance: Provide \$2,803,400 annually to reflect current revenue projections and estimated program needs for the following program revenue appropriations:

a. -\$300,000 annually for the terminal charges annual appropriation. Expenditures are estimated to reflect revenue available for the TIME (transaction information for the management of enforcement) system. Base funding for the appropriation is \$2,695,200.

b. -\$7,500 annually for the grants for substance abuse treatment programs for criminal offenders continuing appropriation. Expenditures are estimated to address an estimated \$1,491,400 deficit in the appropriation at the end of 2022-23. Base funding for the appropriation is \$7,500.

c. \$15,000 annually for the legal services delinquent obligation collection annual appropriation. Expenditures are estimated to reflect estimated expenditures in the 2023-25 biennium. Base funding for the appropriation is \$10,000.

d. \$45,900 annually for the crime laboratory equipment and supplies annual appropriation. Expenditures are estimated to reflect an increased transfer from the DNA surcharge. Base funding for the appropriation is \$854,100.

e. \$75,000 annually for the law enforcement training fund, local assistance annual appropriation. Estimated 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 \$4,425,000.

f. \$80,000 annually for the legal services environment litigation project continuing appropriation. Expenditures are estimated to reflect an updated memorandum of understanding with the Department of Natural Resources. Base funding for the appropriation is \$617,600.

g. \$100,000 annually for the law enforcement services gifts, and grants annual appropriation. Expenditures are estimated to reflect anticipated revenue. Base funding for the appropriation is \$0.

h. \$320,000 annually for the handgun purchaser record check; checks for licenses or certifications to carry concealed weapons continuing appropriation. Expenditures are estimated to reflect anticipated revenue. Base funding for the appropriation is \$2,948,800.

i. \$350,000 annually for the law enforcement training fund, state operations annual appropriation. Expenditures are estimated to maintain expenditure authority for law enforcement trainings, due to reductions taken in the position realignment item. Base funding for the appropriation is \$3,482,400.

j. \$525,000 annually for the administrative services gifts, grants, and proceeds annual appropriation. Expenditures are estimated 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.

k. \$600,000 annually for the legal services interagency and intra-agency assistance continuing appropriation. Expenditures are estimated to reflect an updated memoranda of

understanding with other state agencies. Base funding for the appropriation is \$2,041,300.

1. \$1,000,000 annually for the legal services restitution continuing appropriation. Expenditures are estimated to reflect anticipated revenues. Base funding for the appropriation is \$0.

4. POSITION REALIGNMENT

Governor/Joint Finance: Provide \$360,300 FED and -\$360,300 PR annually to reflect the duties and funding sources of existing positions as identified below.

	Funding	Positions
FED	\$720,600	0.00
PR	<u>- 720,600</u>	<u>0.00</u>
Total	\$0	0.00

<u>Appropriation Title</u>	<u>Fund</u>	<u>Positions</u>	<u>Funding</u>
Law enforcement services			
<i>Crime information bureau</i>			
Transaction information management of enforcement system	PR	5.00	\$443,700
Terminal charges	PR	-1.00	-123,500
Law enforcement training fund, state	PR	-4.00	-320,200
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	PR	-1.00	-147,300
Criminal history searches; fingerprint identification	PR	1.00	147,300
<i>Training and standards bureau</i>			
Transaction information management of enforcement system	PR	4.00	363,600
Law enforcement training fund, state	PR	-4.00	-363,600
<i>Narcotics Enforcement</i>			
Drug law enforcement, crime laboratories, and genetic evidence activities	PR	0.50	72,700
Federal aid, state operations	FED	-0.50	-72,700
<i>Criminal Justice Programs</i>			
Federal aid, state operations	FED	-2.50	-207,500
Alternatives to prosecution and incarceration for persons who use alcohol or other drugs; justice information fee	PR	1.55	134,100
WI justice information sharing program	PR	0.90	68,500
Law enforcement programs and youth diversion – administration	PR	0.05	4,900
Victims and witnesses			
<i>Office of Victim Services</i>			
Interagency and intra-agency assistance; reimbursement to counties	PR	-3.00	-640,500
Federal aid; victim assistance	FED	<u>3.00</u>	<u>640,500</u>
All Funds Total		0.00	\$0
	FED	0.00	\$360,300
	PR	0.00	-\$360,300

5. **AGENCY SUPPLIES AND SERVICES FUNDING INCREASE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$825,600	-\$825,600	\$0

6. **EQUITY OFFICER POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$166,400	1.00	-\$166,400	-1.00	\$0	0.00

7. **TRIBAL LIAISON POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$144,300	1.00	-\$144,300	-1.00	\$0	0.00

8. **REMOVE VACANT POSITIONS**

Joint Finance: Beginning in 2023-24, remove 0.3 GPR, 0.5 FED, and 0.4 PR positions associated with positions that have been vacant 18 months or more.

	Positions
GPR	- 0.30
FED	- 0.50
PR	<u>- 0.40</u>
Total	- 1.20

Law Enforcement Services

1. **LAW ENFORCEMENT RECRUITMENT, RETENTION AND WELLNESS GRANT PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

2. **COMMUNITY POLICING AND COMMUNITY PROSECUTION GRANT PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

3. **OFFICE OF MISSING AND MURDERED INDIGENOUS WOMEN** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$7,408,700	3.00	-\$7,408,700	- 3.00	\$0	0.00

4. **LAW ENFORCEMENT AND CRIMINAL INVESTIGATION SUPPORT** [LFB Paper 510 and 511]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,735,000	10.00	-\$1,483,900	- 8.50	\$251,100	1.50
PR	<u>500,000</u>	<u>0.00</u>	<u>- 250,000</u>	<u>0.00</u>	<u>250,000</u>	<u>0.00</u>
Total	\$2,235,000	10.00	-\$1,733,900	- 8.50	\$501,100	1.50

Governor: Provide \$773,500 GPR and \$250,000 PR in 2023-24 and \$961,500 GPR and \$250,000 PR in 2024-25 and 10.0 GPR positions annually to provide criminal investigative support and technical assistance for local law enforcement agencies, including; increased identification of cybercrimes and trafficking targeting children; opiate and child abuse death prevention; forensic

genetic genealogy case review and evidence identification; crimes against the elderly; and assistance to local and federal law enforcement regarding violent crimes in southeast Wisconsin. Program revenue funding (\$250,000 PR annually) is provided for additional supplies and services for Internet crimes against children (ICAC) task forces. Funding would be provided as follows: (a) \$550,500 GPR in 2023-24 and \$682,400 GPR in 2024-25 and 7.0 GPR positions annually for criminal investigations; and (b) \$223,000 GPR in 2023-24 and \$279,100 GPR in 2024-25 and \$250,000 PR and 3.0 GPR positions annually for the ICAC task force. Program revenue funding for ICAC is provided for local assistance.

Joint Finance: Reduce funding by \$662,000 GPR and \$125,000 PR in 2023-24 and \$821,900 GPR and \$125,000 PR in 2024-25 and 8.5 GPR positions annually, in order to provide \$111,500 GPR in 2023-24 and \$139,600 GPR in 2024-25 and 1.5 GPR positions annually for the ICAC task force and \$125,000 PR annually for ICAC local assistance.

5. SCHOOL SAFETY OPERATIONS [LFB Paper 512]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$996,100	7.20	-\$996,100	- 7.20	\$0	0.00
FED	<u>- 7,300</u>	<u>- 0.20</u>	<u>7,300</u>	<u>0.20</u>	<u>0</u>	<u>0.00</u>
Total	\$988,800	7.00	-\$988,800	- 7.00	\$0	0.00

Governor: Provide \$387,800 GPR and 6.0 GPR positions in 2023-24 and \$608,300 GPR, -\$7,300 FED and 7.2 GPR, and -0.2 FED positions in 2024-25 related to the Office of School Safety (OSS). The table below shows the funding associated with the OSS after the removal of non-continuing elements and other standard budget adjustments, the Governor's recommendation, and the resulting total of funding and positions associated with OSS.

	<u>2023-24</u>				<u>2024-25</u>			
	<u>GPR</u>		<u>FED</u>		<u>GPR</u>		<u>FED</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
Base and Standard								
Budget Adjustments	\$566,500	3.80	\$306,600	1.20	\$566,500	3.80	\$42,400	0.20
Governor's Recommendations	<u>387,800</u>	<u>6.00</u>	<u>0</u>	<u>0.00</u>	<u>608,300</u>	<u>7.20</u>	<u>-7,300</u>	<u>-0.20</u>
Total	\$954,300	9.80	\$306,600	1.20	\$1,174,800	11.00	\$35,100	0.00
Total (All Funds)			\$1,260,900	11.00			\$1,209,900	11.00

Joint Finance: Provision not included.

6. VIOLENT CRIME PROSECUTORS [LFB Paper 513]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$428,600	3.00	-\$428,600	- 3.00	\$0	0.00

Governor: Provide \$185,800 in 2023-24 and \$242,800 in 2024-25 and 3.0 positions to provide prosecutorial assistance to county district attorneys related to violent crimes cases.

Joint Finance: Provision not included.

7. PROGRAM ADMINISTRATION SUPPORT [LFB Paper 514 and 541]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$323,600	2.00	-\$323,600	- 2.00	\$0	0.00

Governor: Provide \$143,600 in 2023-24 and \$180,000 in 2024-25 and 2.0 positions annually related to administration of: (a) the Office of Victim Services (\$79,300 in 2023-24 and \$97,500 in 2024-25 and 1.0 position annually); and (b) criminal investigation (\$64,300 in 2023-24 and \$82,500 in 2024-25 and 1.0 position annually).

Joint Finance: Provision not included.

8. REGIONAL DRUG PROSECUTORS [LFB Paper 105]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$272,700	2.00	\$38,900	0.00	\$311,600	2.00

Governor: Provide \$116,900 in 2023-24 and \$155,800 in 2024-25 and 2.0 positions for assistant attorneys general to serve as regional drug prosecutors based at the Division of Criminal Investigation's field offices in Wausau and Appleton and assist district attorneys with prosecuting drug-related offenses. The positions would continue the work of project field drug prosecutor positions that were created in 2017 Wisconsin Act 261. [Note that at a 13.10 meeting on February 15, 2023, the Joint Committee on Finance approved creation of 2.0 field prosecutor positions.]

Joint Finance: Provide an additional \$38,900 in 2023-24 to reflect a full year of funding for the positions approved under s. 13.10 of the statutes on February 15, 2023.

9. **REGIONAL DRUG PROSECUTORS REPORT** *Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. **CONTINUATION OF SEXUAL ASSAULT RESOURCE PROSECUTOR** [LFB Paper 513]

	Funding	Positions
GPR	\$136,400	1.00

Governor/Joint Finance: Provide \$58,400 in 2023-24 and \$78,000 in 2024-25 and 1.0 position for an assistant attorney general to continue providing training and resources for prosecutors on sexual assault cases. This position would continue the responsibilities of a project position created under 2019 Act 9 that ends in July, 2023.

11. **BEAT PATROL PROGRAMS UNENCUMBERED BALANCES** [LFB Paper 515]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$190,800	- \$190,800	\$0
GPR-REV	\$0	\$190,800	\$190,800

Governor: Provide \$190,800 in increased expenditure authority in 2023-24 for beat patrol overtime grants. This is an annual appropriation for police overtime grants with an unencumbered revenue balance. Current base funding is \$0. The appropriation was originally funded with a one-time transfer specified in 2017 Act 59. [Note that under current law, the appropriation is to be used for police overtime grants, rather than the beat patrol program.]

Joint Finance: Provision not included. Further, lapse \$190,800 to the general fund from the beat patrol overtime grants appropriation and repeal the appropriation.

12. **TRIBAL LAW ENFORCEMENT ASSISTANCE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$1,390,000	- \$1,390,000	\$0

13. **CONTINUATION OF ELDER ABUSE HOTLINE AND ELDER JUSTICE PROGRAM** [LFB Paper 516]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$250,000	- \$115,000	\$135,000

Governor: Provide \$250,000 in 2024-25 to support the operation of the elder abuse reporting hotline and grants to organizations to promote protection of elders. Create a continuing appropriation to provide support for both the hotline and grants. The Department indicates that three federal implementation grants were used to establish a state-wide taskforce on elder abuse, to provide a hotline for centralized reporting of crimes targeting the elderly, and for public outreach efforts. The federal grants end September 30, 2023.

Joint Finance: Modify funding by -\$115,000 in 2024-25 and create an annual instead of continuing appropriation. Funding for the hotline would be \$135,000 in 2024-25.

14. HATE CRIME HOTLINE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

15. UNIVERSAL BACKGROUND CHECK *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

16. CITIZENSHIP REQUIREMENT FOR POLICE OFFICERS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

17. RENAME SHOT SPOTTER GRANT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

18. CRITICAL INCIDENT MAPPING

GPR	\$2,500,000
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Joint Finance: Provide \$2,500,000 in 2023-24 for critical incident mapping on a one-time basis. Create non-statutory language specifying that DOJ may not award a grant to a school board or governing body if the school board or governing body has already received a grant.

19. COMMUNITY ORIENTED POLICING (COP) HOUSE

GPR	\$500,000
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Joint Finance: Provide \$500,000 in 2023-24 and extend the COPs program through the 2023-25 biennium then repeal the appropriation. Further, convert the COP House appropriation from annual to biennial.

20. LAW ENFORCEMENT TRAINING -- LOCAL GOVERNMENT FUND

GPR	- \$2,000,000
PR	- 4,500,000
SEG	<u>8,800,000</u>
Total	\$2,300,000

Joint Finance: Provide \$8,800,000 SEG in 2024-25 funded from the local government fund for DOJ law enforcement training grants. In 2024-25, eliminate the current GPR appropriation for officer training reimbursement (-\$2,000,000 GPR in 2024-25) and repeal the existing PR appropriation for distribution of local assistance for law enforcement

training (-\$4,500,000 PR in 2024-25). Modify current law to specify that the law enforcement training fund to consist of the accounts for law enforcement training state operations, and the new law enforcement training grants SEG appropriation.

Legal Services

1. SALARY ADJUSTMENT AND PAY PROGRESSION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,621,300	- \$2,621,300	\$0
FED	151,000	- 151,000	0
PR	<u>617,300</u>	<u>- 617,300</u>	<u>0</u>
Total	\$3,389,600	- \$3,389,600	\$0

2. TOBACCO SETTLEMENT AGREEMENT LEGAL EXPENSES [LFB Paper 525]

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

Governor: Provide \$250,000 annually in a new, continuing appropriation in DOJ for legal expenses related to participation in arbitration on the state's behalf arising from payments under the Master Tobacco Settlement Agreement. Specify that, no later than September 1, DOJ submit an annual report to the Legislature and the Governor on the Department's legal expenses for arbitration or other alternative dispute resolution processes related to payments under the agreement.

Joint Finance: Provision not included.

3. OPEN RECORDS LOCATION COST THRESHOLD *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

4. **SETTLEMENT REVENUES AND APPROPRIATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **SETTLEMENT POWERS OF THE ATTORNEY GENERAL** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Treatment Alternatives and Diversions

1. TREATMENT AND DIVERSION PROGRAMS EXPANSION [LFB Paper 530]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$12,500,000	-\$11,500,000	\$1,000,000

Governor: Provide \$12,500,000 in 2024-25 to expand the Treatment Alternatives and Diversion (TAD) program. The TAD program provides grants to counties to establish and operate programs, including suspended and deferred prosecution programs and programs based on principles of restorative justice, which provide alternatives to prosecution and incarceration for criminal offenders who abuse alcohol or other drugs. Under current law, six appropriations provide support for TAD grants (two GPR appropriations and four PR appropriations). Total funding for the program is \$9,235,900 (\$8,150,000 GPR and \$1,085,900 PR). Under the bill, as a result of this item and others summarized below, total TAD funding would be \$9,594,700 in 2023-24 (\$9,150,000 GPR and \$444,700 PR) and \$21,862,500 in 2024-25 (\$21,650,000 GPR and \$212,500 PR).

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 2026-27, 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.

j. Provide that the appropriation that was formerly limited to providing a TAD grant to a county that had not received one as of September 23, 2017, may be used to provide a TAD grant to a county that is not a recipient of a TAD grant on the effective date of the bill.

Joint Finance: Statutory provisions not included. Modify funding for TAD grants by -\$11,500,000 in 2024-25 to provide \$1,000,000 in 2024-25 for additional grants.

2. TREATMENT AND DIVERSION PROGRAMS APPROPRIATION CONSOLIDATION [LFB Paper 530]

PR	\$106,200
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Governor/Joint Finance: Repeal two TAD appropriations: the GPR appropriation for "Alternatives to incarceration grant program" (base funding \$500,000); and the continuing PR appropriation "Alternatives to prosecution and incarceration for persons who use alcohol or other drugs; grants" (base funding \$0, with a revenue balance of \$106,200). Transfer balances in these appropriations to other TAD appropriations: the GPR appropriation to the main TAD appropriation (\$500,000 GPR annually); and the PR revenue balance to the PR "Alternatives to prosecution and incarceration grant program" (identified above in j.). Provide \$106,200 PR in 2023-24 in increased expenditure authority.

3. TREATMENT AND DIVERSION PROGRAMS FUNDING ADJUSTMENT [LFB Paper 530]

GPR	\$2,000,000
PR	<u>-2,000,000</u>
Total	\$0

Governor/Joint Finance: Provide \$1,000,000 GPR and -\$1,000,000 PR annually to substitute GPR for penalty surcharge revenue as PR funding source for the TAD program. [Note: At the June 10, 2021, executive session regarding the 2021-23 biennial budget, the Joint Committee on Finance approved the conversion of \$1,000,000 PR annually in justice information system fee-funded TAD grants to \$1,000,000 GPR annually. This item was inadvertently excluded from the Committee's substitute amendment. As a result, the approved funding conversion was not included in the Act 58.]

4. TREATMENT AND DIVERSION PROGRAMS ADMINISTRATION [LFB Paper 530]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$530,300	3.00	-\$530,300	- 3.00	\$0	0.00

Governor: Provide \$238,000 in 2023-24 and \$292,300 in 2024-25 and 3.0 positions to provide program development and technical assistance services and administer grants issued to local agencies for criminal justice diversion and treatment programs, including the provision of additional online resources and data.

Joint Finance: Provision not included.

5. TREATMENT AND DIVERSION UNENCUMBERED BALANCE [LFB Paper 530]

PR	\$126,000
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Governor/Joint Finance: Provide \$126,000 in increased expenditure authority in 2023-24 for the TAD program. This is an annual appropriation for TAD grants with an unencumbered revenue balance. Current base funding is \$0. The appropriation was originally funded with a one-time transfer specified in 2017 Act 59.

Forensic Science

1. CRIME LABORATORY DNA TESTING [LFB Paper 525]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding	Positions
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$547,000	4.00	-\$547,000	4.00	\$0	0.00

Governor: Provide \$237,300 in 2023-24 and \$309,700 in 2024-25 and 4.0 positions annually to address workload issues for forensic DNA testing performed by the State Crime Laboratories resulting from new technologies, including probabilistic genotyping and forensic investigative genetic genealogy. Funding would support: (a) personnel costs \$217,300 in 2023-24 and \$289,700 in 2024-25 and (b) supplies and services, \$20,000 annually.

Joint Finance: Provision not included.

2. CRIME LABORATORY TOXICOLOGY TESTING [LFB Paper 525]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding	Positions
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$154,800	4.00	-\$31,200	- 1.00	\$123,600	3.00

Governor: Provide \$154,800 in 2024-25 and 4.0 positions to address the demand for forensic toxicology testing performed by the state crime laboratories.

Joint Finance: Reduce funding by \$31,200 in 2024-25 and 1.0 position in order to provide funding of \$123,600 in 2024-25 and 3.0 positions to address the demand for forensic toxicology testing performed by the state crime laboratories.

3. FORENSIC SCIENCE CRIME SCENE RESPONSE [LFB Paper 525]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding	Positions
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$48,700	1.00	-\$48,700	- 1.00	\$0	0.00

Governor: Provide \$48,700 in 2024-25 and 1.0 positions related to crime scene response services requested by local law enforcement agencies.

Joint Finance: Provision not included.

Victim and Witness Services

1. COUNTY VICTIM WITNESS PROGRAM FUNDING [LFB Paper 540]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$11,728,900	-\$8,324,100	\$3,404,800

Governor: Provide \$5,724,700 in 2023-24 and \$6,004,200 in 2024-25 to increase the reimbursement provided to county victim witness offices to an estimated 90 percent of county costs (the current statutory maximum). The reimbursement rate in fiscal year 2021-22 was 49% of costs. Base funding for the program totals \$6,457,900 (\$839,000 GPR, \$4,870,000 PR from the crime victim witness surcharge and the delinquency crime victim witness surcharge, and \$748,900 PR from the penalty surcharge).

Joint Finance: Reduce funding by \$4,221,300 in 2023-24 and \$4,102,800 in 2024-25. Total increased funding would be \$1,503,400 in 2023-24 and \$1,901,400 in 2024-25 for county victim witness programs.

2. SEXUAL ASSAULT VICTIM SERVICES GRANTS [LFB Paper 541]

	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 grants to providers of services to victims of sexual assault. Of this amount, specify that \$343,000 annually be provided to the Wisconsin Coalition Against Sexual Assault and that the Coalition may also apply for additional grants under the program. Base funding for grants is \$2,236,600.

Joint Finance: Provision not included.

3. CRIME VICTIM SERVICES GRANTS [LFB Paper 542]

	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 provide grants to organizations that support victims of crime in a newly-created continuing appropriation.

Joint Finance: Provision not included.

4. VICTIMS OF CRIME ACT FUNDING MODIFICATIONS [LFB Paper 542]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding Positions	
GPR	\$1,634,000	5.00	-\$1,634,000	- 5.00	\$0	0.00
FED	<u>-1,634,000</u>	<u>- 5.00</u>	<u>1,634,000</u>	<u>5.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Provide \$817,000 GPR, -\$817,000 FED and 5.0 GPR, and -5.0 FED positions annually to provide state funding and positions for crime victim services. The costs of state services to victims of crime which are currently funded from the federal Victims of Crime Act (VOCA) grant would, instead, be supported by the state. The Department indicates that state funding is intended to address a reduction in federal funding. Federal VOCA grant awards decreased from \$39.6 million in federal fiscal year (FFY) 2019 to \$25.2 million in FFY 2022.

Joint Finance: Provision not included.

5. CRIME VICTIM COMPENSATION STAFFING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding Positions	
GPR	\$137,200	1.00	-\$137,200	- 1.00	\$0	0.00

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
PR	\$504,400	\$509,800	\$509,800	\$0	0.0%	\$5,400	1.1%
SEG	<u>1,585,200</u>	<u>1,553,600</u>	<u>1,778,200</u>	<u>224,600</u>	14.5	<u>193,000</u>	12.2
TOTAL	\$2,089,600	\$2,063,400	\$2,288,000	\$224,600	10.9%	\$198,400	9.5%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
PR	1.25	1.25	1.25	0.00	0.00
SEG	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	4.00	4.00	4.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

PR	\$5,400
SEG	<u>- 47,000</u>
Total	- \$41,600

Governor/Joint Finance: Provide adjustments to the base budget of -\$20,800 annually, including (a) -\$23,800 (\$2,000 PR and -\$25,800 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. STATE OPERATIONS ADJUSTMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$15,400	- \$15,400	\$0

3. **AIDS IN LIEU OF TAXES REESTIMATE** [LFB Paper 106]

SEG	\$240,000
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Joint Finance: Reestimate aids in lieu of tax payments by \$120,000 annually. Because state property is exempt from property taxes, the state makes payments in lieu of property taxes each January to several affected municipalities and school districts that contain tax-exempt Kickapoo Valley Reserve land. Payments are adjusted annually to reflect changes in equalized assessed values of unimproved land and the property tax rates in each taxation district. Payments are made from a sum-sufficient appropriation of the forestry account of the segregated conservation fund. Under current law, payments are estimated at \$280,000 annually. This would reestimate payments at \$400,000 annually.

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$305,200	\$331,600	\$325,000	-\$6,600	- 2.0%	\$19,800	6.5%
PR	4,075,400	4,343,400	4,343,400	0	0.0	268,000	6.6
SEG	<u>1,370,600</u>	<u>1,429,600</u>	<u>1,429,600</u>	<u>0</u>	<u>0.0</u>	<u>59,000</u>	<u>4.3</u>
TOTAL	\$5,751,200	\$6,104,600	\$6,098,000	-\$6,600	- 0.1%	\$346,800	6.0%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	0.80	0.80	0.80	0.00	0.00
PR	13.70	13.70	13.70	0.00	0.00
SEG	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	18.70	18.70	18.70	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Joint Finance: Adjust the base budget by \$173,400 annually. The adjustments are for: (a) full funding of continuing position salaries and fringe benefits (\$6,000 GPR, \$145,300 PR, and \$30,700 SEG annually); and (b) full funding of lease and directed move costs (\$3,900 GPR, -\$11,300 PR, and -\$1,200 SEG annually).

GPR	\$19,800
PR	268,000
SEG	<u>59,000</u>
Total	\$346,800

2. SUPPLIES AND SERVICES FUNDING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,600	-\$6,600	\$0

LEGISLATURE

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$179,703,600	\$180,858,400	\$179,293,900	-\$1,564,500	- 0.9%	-\$409,700	- 0.2%
PR	<u>4,893,000</u>	<u>5,241,800</u>	<u>5,241,800</u>	<u>0</u>	0.0	<u>348,800</u>	7.1
TOTAL	\$184,596,600	\$186,100,200	\$184,535,700	-\$1,564,500	- 0.8%	-\$60,900	0.0%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	758.17	761.17	763.17	2.00	5.00
PR	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	777.97	780.97	782.97	2.00	5.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$894,700	-\$1,345,800	-\$451,100
PR	<u>110,800</u>	<u>0</u>	<u>110,800</u>
Total	\$1,005,500	-\$1,345,800	-\$340,800

Governor: Adjust base funding by \$429,300 GPR and \$52,900 PR in 2023-24 and \$465,400 GPR and \$57,900 PR in 2024-25. Adjustments are for: (a) turnover reduction (-\$1,009,300 GPR annually); (b) full funding of continuing position salaries and fringe benefits (\$1,100,600 GPR and \$57,800 PR annually); (c) reclassification and semiautomatic pay progression (\$6,900 PR in 2023-24 and \$9,700 PR in 2024-25); and (d) full funding of lease and directed moves costs (\$338,000 GPR and -\$11,800 PR in 2023-24 and \$374,100 GPR and -\$9,600 PR in 2024-25).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all

appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard adjustment by -\$672,900 annually. Reallocate the GPR funding provided for full funding of lease and directed moves cost as shown in the following table.

	<u>Change to Base</u>		<u>Change to Bill</u>	
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
Legislative Reference Bureau	\$103,600	\$114,600	\$103,600	\$114,600
Legislative Audit Bureau	75,400	83,500	75,400	83,500
Legislative Fiscal Bureau	59,700	66,000	59,700	66,000
Legislative Council	47,700	52,800	47,700	52,800
Legislative Technology Services Bureau	38,400	42,500	-299,600	-331,600
Legislative Human Resources Office	<u>13,200</u>	<u>14,700</u>	<u>13,200</u>	<u>14,700</u>
Totals	\$338,000	\$374,100	\$0	\$0

2. LEGISLATIVE RECORDS RETENTION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$218,700	1.00	-\$218,700	-1.00	\$0	0.00

3. MEMBERSHIP DUES IN NATIONAL ASSOCIATIONS [LFB

GPR	\$26,400
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 Paper 106]

Governor/Joint Finance: Provide \$8,700 in 2023-24 and \$17,700 in 2024-25 for dues to national associations. Funding is for dues to the National Conference of State Legislatures, National Conference of Commissioners on Uniform State Laws, and National Conference of Insurance Legislatures. Funding for membership dues is supported by a sum sufficient appropriation with base funding totaling \$294,500 annually.

4. ACTUARIAL STUDIES

GPR	\$15,000
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Governor/Joint Finance: Provide \$15,000 in 2023-24 for the Joint Legislative Council contractual studies biennial appropriation to conduct actuarial studies approved by the Joint Survey Committee on Retirement Systems, the Joint Committee on Finance, or the presiding officer of either house of the Legislature. The appropriation has no base funding.

5. ACTUARIAL AUDIT SERVICES

PR	\$223,000
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Governor/Joint Finance: Provide the Legislative Audit Bureau \$25,000 in 2023-24 and \$198,000 in 2024-25 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. In general, program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services. Under the bill, funding to procure these services would be provided to the Department of Employee Trust Funds.

6. PEER REVIEW OF FINANCIAL AUDITS

PR	\$15,000
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Governor/Joint Finance: Provide \$15,000 in 2024-25 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, 2021, with the next such review scheduled for September, 2024. Program revenue is generated from audits of state or federal agencies that the Audit Bureau is authorized to charge for such services.

7. LEGISLATIVE HUMAN RESOURCES OFFICE POSITIONS

	<u>Governor</u> <u>(Chg. to Base)</u> Positions	<u>Jt. Finance</u> <u>(Chg. to Gov)</u> Positions	<u>Net Change</u> Positions
GPR	2.00	3.00	5.00

Governor: Provide 2.0 positions for the Legislative Human Resources Office (LHRO) to be funded by the Office's existing appropriation, which has base funding of \$1,404,400 GPR. Create statutory language that would codify the Office as a nonpartisan service agency. Duties of the Office would include: (a) providing human resources services to the legislative branch, as directed by the Joint Committee on Legislative Organization (JCLO); and (b) establishing a formal complaint process to review and investigate allegations of harassment, discrimination, retaliation, violence, or bullying by legislators, legislative employees, and legislative service agency employees. Require the Office to investigate all such allegations, unless the Director designates another person or entity to review and investigate any specific allegation.

Create a Director of the Office with the following duties: (a) report to JCLO; (b) direct the operations of the staff; (c) employ, train, and supervise the personnel assigned to the Director; (d) supervise all expenditures of the Office; (e) manage reviews and investigations of the formal complaint process and upon completion of an investigation, report the findings to the appropriate legislative leader or employee supervisor; and (f) on a periodic basis, recommend to JCLO improvements to human resources services and programs. Further, include statutory language assigning the Director of the Office to executive salary group six, which effective January 1, 2023, has an annual pay range of \$100,069 to \$165,131. Specify that the Director would set the salaries of the other employees, and that the Director and staff would be part of the unclassified service.

The LHRO and its duties and those of the agency's Director were created by unanimous vote of JCLO on February 25, 2020. This provision codifies the LHRO into Chapter 13 of the statutes.

Joint Finance: Include provision, authorize 5.0 positions rather than 2.0 positions and

specify that the LHRO would have all the rights and privileges pertaining to human resources records as are enjoyed by executive branch agencies, including under current employment relations law governing closed records for the civil service and state law pertaining to public records.

8. **JOINT COMMITTEE ON FINANCE PASSIVE REVIEW OBJECTIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
9. **JOINT REVIEW COMMITTEE ON CRIMINAL PENALTIES REPORTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
10. **SENATE CONFIRMED PUBLIC OFFICE FIXED TERM VACANCIES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
11. **REPEAL JCLO REVIEW OF PROPOSED CAPITOL SECURITY CHANGES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
12. **ADVICE AND CONSENT OF THE SENATE FOR APPOINTMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
13. **LEGISLATIVE INTERVENTION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
14. **RETENTION OF LEGAL REPRESENTATION FOR LEGISLATORS, LEGISLATIVE STAFF AND THE LEGISLATURE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
15. **ADMINISTRATIVE RULES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

LIEUTENANT GOVERNOR

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$970,200	\$996,400	\$996,400	\$0	0.0%	\$26,200	2.7%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	5.00	5.00	5.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$26,200
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Governor/Joint Finance: Provide adjustments to the base budget totaling \$13,100 annually in the 2023-25 biennium associated with full funding of continuing position salaries and fringe benefits.

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
SEG	\$526,000	\$532,000	\$532,000	\$0	0.0%	\$6,000	1.1%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
SEG	2.00	2.00	2.00	0.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

SEG	\$6,000
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Governor/Joint Finance: Provide adjustments of \$3,000 annually to the agency base budget for full funding of salaries and fringe benefits for continuing positions. 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

1. **MODIFICATION OF UNIFORM CONTROLLED SUBSTANCES ACT PROVISIONS AND OTHER CRIMINAL JUSTICE-RELATED PROVISIONS AND DEFINITIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

2. **MARIJUANA REGULATIONS -- CRIMINAL AND CIVIL PROVISIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

3. **LICENSING OF PRODUCERS, PROCESSORS, AND TESTING LABORATORIES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. **MEDICAL MARIJUANA REGISTRY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **MARIJUANA TAX AND REGULATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	\$44,400,000	-\$44,400,000	\$0

6. **DHS GRANTS TO SUPPORT COUNTY BEHAVIORAL HEALTH SERVICES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. **ANATOMICAL GIFTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. **UNEMPLOYMENT INSURANCE -- DISCHARGE FOR USE OF MARIJUANA** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. **MARIJUANA TAX IMPLEMENTATION STUDY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

MEDICAL COLLEGE OF WISCONSIN

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$21,736,800	\$42,927,300	\$27,896,600	-\$15,030,700	- 35.0%	\$6,159,800	28.3%
PR	<u>495,000</u>	<u>495,000</u>	<u>495,000</u>	<u>0</u>	0.0	<u>0</u>	0.0
TOTAL	\$22,231,800	\$43,422,300	\$28,391,600	-\$15,030,700	- 34.6%	\$6,159,800	27.7%

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 Items

1. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$809,500	- \$30,700	- \$840,200

Governor: Reestimate debt service by -\$133,900 in 2023-24 and -\$675,600 in 2024-25. Base level funding for the two debt service appropriations under MCW totals \$3,330,400 annually.

Joint Finance: Reestimate debt service by -\$19,000 GPR in 2023-24 and -\$11,700 GPR in 2024-25.

2. VIOLENCE PREVENTION GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

3. PSYCHIATRY AND BEHAVIORAL HEALTH RESIDENCY PROGRAM [LFB Paper 545]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$7,000,000	\$0	\$7,000,000

Governor: Provide \$3,500,000 annually in a new, annual appropriation, for a psychiatry and behavioral health residency program to support the recruitment and training of psychiatry and behavioral health residents.

In their agency supplemental budget request, MCW pointed to research indicating a significant shortage of psychiatrists in Wisconsin. The provided funding would, according to MCW's request, allow MCW to support at least 10 psychiatrist residents per year, including at least four in central Wisconsin and six in northeastern Wisconsin.

Joint Finance: Adopt the Governor's recommendation. In addition, require MCW to include the following in the report required, under section 13.106(3) of the statutes, to be submitted by October 15 of each even-numbered year to the Governor and the Joint Committee on Finance and the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees:

- (a) The financial status of the psychiatry and behavioral health practice residency sites;
- (b) The number of psychiatry and behavioral health residents choosing to practice in medically underserved areas of Wisconsin upon graduation; and
- (c) The number of graduates entering psychiatry and behavioral health practice as a career.

Under current law, MCW and the UW-Madison Medical School are required to submit a report to the Governor, the Joint Committee on Finance and the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees, by October 15 of each even-numbered year, that provides information on all of the following: (a) minority student recruitment policies and programs of each medical school, and the number of minority students enrolled; (b) number and percentages of Wisconsin residents enrolled; (c) average faculty salaries compared to national averages; (d) development of cooperative educational programs with other institutions throughout Wisconsin; (e) placement of graduates of doctor of medicine and residency training programs; (f) the financial status of the family practice residency sites; (g) the number of family practice residents choosing to practice in medically underserved areas of the state upon graduation; and (h) the number of graduates entering family practice as a career.

MILITARY AFFAIRS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$67,803,000	\$129,399,100	\$118,523,800	-\$10,875,300	- 8.4%	\$50,720,800	74.8%
FED	163,372,800	223,971,800	222,112,800	- 1,859,000	- 0.8	58,740,000	36.0
PR	18,708,600	18,952,000	19,256,200	304,200	1.6	547,600	2.9
SEG	<u>40,827,200</u>	<u>53,125,400</u>	<u>57,624,400</u>	<u>4,499,000</u>	8.5	<u>16,797,200</u>	41.1
TOTAL	\$290,711,600	\$425,448,300	\$417,517,200	-\$7,931,100	- 1.9%	\$126,805,600	43.6%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	82.08	104.48	82.48	- 22.00	0.40
FED	462.80	449.90	448.40	- 1.50	- 14.40
PR	54.12	54.12	54.12	0.00	0.00
SEG	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	604.00	613.50	590.00	- 23.50	- 14.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
Funding Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$311,400	0.00	-\$201,200	0.00	\$110,200	0.00
FED	8,594,000	- 16.00	- 638,800	0.00	7,955,200	- 16.00
PR	240,000	0.00	0	0.00	240,000	0.00
SEG	<u>297,200</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>297,200</u>	<u>0.00</u>
Total	\$9,442,600	- 16.00	-\$840,000	0.00	\$8,602,600	- 16.00

Governor: Provide adjustments to the base totaling \$155,700 GPR, \$4,294,900 FED, \$120,000 PR, \$148,600 SEG, and -1.0 FED position in 2023-24, and \$155,700 GPR, \$4,299,100 FED, \$120,000 PR, \$148,600 SEG, and -16.0 FED positions in 2024-25. Adjustments are for: (a)

turnover reduction (-\$151,000 GPR and -\$492,600 FED annually); (b) removal of non-continuing elements from the base (-1.0 FED position in 2023-24 and -16.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (\$271,500 GPR, \$4,327,700 FED, \$119,800 PR, and \$148,600 SEG annually); (d) reclassifications and semiautomatic pay progression (\$51,000 FED annually); (e) overtime (\$35,200 GPR, \$383,900 FED, and \$9,700 PR annually); (f) full funding of lease and directed moves costs (\$24,900 FED and -\$9,500 PR in 2023-24, and \$29,100 FED and -\$9,500 PR in 2024-25); and (g) minor transfers within the same alpha appropriation. Regarding the transfer within the same alpha appropriation, separate budgetary units for the emergency radio network and interoperability would be created in three separate GPR appropriations and in one SEG appropriation. In total, \$675,200 GPR and \$711,200 SEG annually would be internally transferred. In addition, \$2,259,700 (\$268,200 GPR and \$1,991,500 PR) and 29.42 positions (1.67 GPR and 27.75 PR) would be realigned within the Army National Guard functions and reallocated from Army National Guard to Air National Guard in order to reflect current budgetary operations.

Joint Finance: Modify standard budget adjustments by \$9,000 FED annually related to an error. Increase the rate used to calculate turnover reduction from 3% to 5% 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 -\$100,600 GPR annually and -\$328,400 FED annually.

2. FEDERAL AND PROGRAM REVENUE REESTIMATES [LFB Paper 550]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$50,784,800	\$0	\$50,784,800
PR	<u>3,400</u>	<u>304,200</u>	<u>307,600</u>
Total	\$50,788,200	\$304,200	\$51,092,400

Governor: Provide \$25,392,400 FED and \$1,700 PR annually to reflect current revenue projections and estimated program needs for the federal appropriations identified below. The reestimates are based on five years of past expenditure data.

a. Provide \$6,891,900 FED annually for the National Guard federal aid for improvement, repair, maintenance, or operation of armories or other military property. Base funding for the appropriation is \$39,787,700.

b. Provide \$2,981,900 FED annually for the emergency management services federal aid to individuals and organizations appropriation. Expenditures support aid to not-for-profit organizations for public assistance and hazard mitigation. Base funding for the appropriation is \$1,926,400.

c. Provide \$26,900 FED annually for the emergency management services federal aid for state operations appropriation. The appropriation provides the state with 50% of the federal Emergency Management Performance Grant (EMPG) funds. Expenditures typically support staff funding, aids to other state agencies for public assistance grants, hazard mitigation grants, and

hazmat training. Base funding for the appropriation is \$5,331,700.

d. Provide \$15,491,700 FED annually for the emergency management services federal aid for local assistance appropriation. Expenditures are federal aid payments to local units of government, including public assistance, EMPG, hazard mitigation, and the Hazardous Materials Emergency Preparedness (HMEP) grant. Base funding for the appropriation is \$12,800,000.

e. Provide \$1,700 PR annually for the National Guard youth programs gifts and grants appropriation. Expenditures support the Wisconsin National Guard Challenge Academy. Base funding for the appropriation is \$0.

Joint Finance: Modify the reestimates to include \$152,100 PR annually for the National Guard military property annual PR appropriation [s. 20.465(1)(g)] used for military property repair and maintenance due to increased costs for snow plowing and other repairs.

3. STATEWIDE INTEROPERABLE RADIO NETWORK REPLACEMENT [LFB Paper 551]

GPR	\$45,000,000
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Governor/Joint Finance: Create a continuing appropriation and provide \$45,000,000 in 2023-24 for the development and operation of a replacement statewide public safety interoperable communication system.

The current Wisconsin Interoperability System for Communications (WISCOM) 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. The Department released a request for proposals on November 30, 2021. On August 22, 2022, the Department sent a notice of intent letter to the selected vendor, L3Harris Technologies, Inc. The RFP received a protest to the intent to award; in January, 2023, DMA's award decision was administratively upheld by the Department of Administration. The Department intends to begin contract negotiations in March, 2023.

4. NG911: PUBLIC SAFETY ANSWERING POINT GRANTS [LFB Paper 552]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$12,000,000	\$4,500,000	\$16,500,000

Governor: Provide \$6,000,000 annually in 2023-24 and 2024-25 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. Funding in the agency's base budget of \$6,000,000 annually is associated with PSAP grants.

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. In the 2021-23 biennium, \$6,000,000 SEG in 2022-23 was provided for PSAP grants. Additionally, the Department received \$2.9 million in federal grant funds to assist PSAPs with equipment upgrades. In June, 2020, DMA awarded 24 federally-funded grants totaling \$2.2 million. A second round of grants were distributed in February, 2021. As of September, 2022 (the latest information available), 35 PSAPs were able to complete either partial upgrades or full replacements of their answering equipment using federal grants.

Joint Finance: Provision not included. Instead, rename the current law police and fire protection fund as the 911 fund; update references to the police and fire protection fee to instead refer to the 911 fee; and repeal the current law county and municipal aid SEG appropriation, funded from the police and fire protection fund, which offsets the amounts paid from the existing sum sufficient GPR appropriation. Additionally, specify that DMA provide \$18,000,000 SEG annually for PSAP grants and \$6,000,000 SEG annually for geographic information systems grants from its Next Generation 911 appropriation. As a result, increase funding for DMA's Next Generation 911 appropriation by \$12,000,000 SEG in 2024-25 for PSAP grants and \$4,500,000 SEG in 2024-25 for GIS grants to fund the specified amounts.

The table below provides a fund condition for the Police and Fire Protection Fund/911 Fund for the 2023-25 biennium.

**Police and Fire Protection/911-Fund
Fund Condition**

	<u>2023-24</u>	<u>2024-25</u>
Opening Balance	\$0	\$0
Estimated Revenues	\$53,972,700	\$53,972,700
County and Municipal Aid	\$34,424,800	\$0
Military Affairs Interoperability Council	300,300	300,300
Military Affairs Next Generation 911	19,081,000	35,581,000
Public Service Commission Administration	<u>166,600</u>	<u>166,600</u>
Total Expenditures	\$53,972,700	\$36,047,900
Balance	\$0	\$17,924,800

5. NG911: COST RECOVERY [LFB Paper 552]

Governor: Require that emergency services IP network (ESInet) contract providers for Next Generation 911 reimburse the originating or 3rd-party providers used to connect an ESInet for all costs incurred by the originating or 3rd party provider.

To create an interoperable 911 system that is compatible with current and emerging digital technologies, emergency response agencies nationwide are upgrading to the "Next Generation 911" system. Under current law, DMA is responsible for supporting the development of NG911

in Wisconsin. The first step to implement NG911 is to create the ESInet, an internet-based network that will connect Public Safety Answering Points (PSAPs) across the state. The ESInet is intended to provide for broadband speed transmissions and facilitate the delivery of messages and data that public safety agencies use for field operations. The Department solicited bids for the ESInet through a request for proposal (RFP) in March, 2020. The ESInet contract was executed with AT&T in June, 2021.

Joint Finance: Provision not included.

6. URBAN SEARCH AND RESCUE TEAMS (WISCONSIN TASK FORCE 1) [LFB Paper 553]

GPR	\$1,012,800
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Governor: Provide \$506,400 annually in 2023-24 and 2024-25 for training and equipment for an urban search and rescue task force. Funding is intended to create a Type 1 urban search and rescue (USR) task force capable of 24-hour operations.

On December 6, 2021, 2021 Act 104 was signed into law. The act changed the designation of a regional collapse support team to an urban search and rescue task force and expanded the scope of emergencies with which these teams assist. Under the act, an urban search and rescue task force designated by DMA must assist in an emergency response "involving search, rescue, and recovery in the technical rescue disciplines to include structural collapse, rope rescue, vehicle extrication, machinery extrication, confined space, trench excavation, and water operations in an urban search rescue environment."

Under federal law, 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. A Type 1 urban search and rescue task force is capable of 24-hour operations split into 12-hour operation periods.

Base funding in the continuing GPR appropriation under DMA for training, equipment, and administration for urban search and rescue teams is \$0. On May 31, 2022, the Joint Finance Committee approved the transfer of \$500,000 from its supplemental appropriation to the Department's urban search and rescue task force appropriation in 2021-22.

Joint Finance: Modify the provision to provide \$1,012,800 in 2023-24 for urban search and rescue task force training, administration, and equipment.

7. FUNDING TO SUPPORT CONTINUATION OF PAY INCREASES [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$821,000	- \$821,000	\$0

Governor: Provide \$418,200 in 2023-24 and \$402,800 in 2024-25 to support ongoing

funding for a \$3 per hour add-on for Military Security Officer positions. There are currently 53 authorized Military Security Officer positions. The current \$3 add-on pay was authorized by the DOA Division of Personnel Management using its compensation plan authority to create pilot add-ons "for specific classifications or locations when severe recruitment, retention, or other issues necessitate implementation of such an add-on before a meeting of the Joint Committee on Employment Relations (JCOER) can be convened." The current add-on is, and the recommended extension of the add-on would be, supported from federal funds DMA receives under master cooperative agreements with the federal government.

Joint Finance: Modify provision to instead provide funding to compensation reserves in the amounts included in AB 43/SB 70, less a 5% reduction associated with a higher than usual level of position vacancies, to continue supplemental pilot add-on pay to address severe recruitment and retention issues. [See "Budget Management and Compensation Reserves."]

8. TUITION GRANT PROGRAM AUTOMATION

GPR	\$225,000
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Governor/Joint Finance: Provide \$225,000 in 2023-24 to update the application system for the Wisconsin National Guard Tuition Grant program. According to the Administration, the current application system requires National Guard members to complete a paper application form, submit it to the educational institution, which, in turn, submits the application to DMA for review and approval. The tuition grant program allows service members to receive reimbursement grants equal to 100% of tuition for up to eight semesters of full-time study or 120 credits of part-time study. Reimbursement may be obtained by members who were enrolled at any accredited institution of higher education in Wisconsin or an out-of-state institution with a reciprocity agreement.

9. FUEL AND UTILITIES REESTIMATE

GPR	\$2,024,100
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Governor/Joint Finance: Provide increased funding of \$990,900 in 2023-24 and \$1,033,200 in 2024-25 associated with fuel and utility cost estimates at Army and Air National Guard facilities. Base funding for agency energy costs is \$2,003,200.

10. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$994,800	\$1,856,900	\$862,100

Governor: Reduce funding by -\$524,600 in 2023-24 and -\$470,200 in 2024-25 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 \$6,487,900 annually.

Joint Finance: Modify the provision to provide increased funding of \$420,200 in 2023-24 and \$1,436,700 in 2024-25 to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial debt issued for National Guard facilities by DMA.

11. BUILDINGS AND GROUNDS STAFF [LFB Paper 554]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$375,800	2.90	-\$375,800	- 2.50	\$0	0.40
FED	<u>399,200</u>	<u>3.10</u>	<u>- 399,200</u>	<u>- 1.50</u>	<u>0</u>	<u>1.60</u>
Total	\$775,000	6.00	-\$775,000	- 4.00	\$0	2.00

Governor: Provide \$177,700 GPR and \$192,100 FED in 2023-24, \$198,100 GPR and \$207,100 FED in 2024-25, and 2.9 GPR positions and 3.1 FED positions annually to maintain facilities under management by the Department. The Department is currently responsible for overseeing facility operations, development, and maintenance for the state’s Army National Guard facilities, which includes 280 buildings on 85 sites in 47 counties. In addition, DMA has the same responsibilities for the Wisconsin Air National Guard facilities at Truax Field (Madison). The recommended positions would include: (a) state project manager (1.0 GPR); (b) heavy equipment operators at Truax Field (2.0 positions, each 0.2 GPR and 0.8 FED); (c) painter (1.0 position, 0.5 GPR and 0.5 FED); and (d) facility repair worker in northern and northeastern Wisconsin (2.0 positions, each 0.5 GPR and 0.5 FED).

Joint Finance: Modify the provision to provide only 0.4 GPR position and 1.6 FED positions annually for the heavy equipment operators at Truax Field, under (b) above. Specify the positions to be two-year project positions for two heavy equipment operators at Truax Field. Reduce funding by \$177,700 GPR and \$192,100 FED in 2023-24 and \$198,100 GPR and \$207,100 FED in 2024-25.

12. WIRELESS NETWORK ADMINISTRATOR [LFB Paper 555]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$300,100	1.00	-\$205,500	- 1.00	\$94,600	0.00

Governor: Provide \$143,200 in 2023-24, \$156,900 in 2024-25, and 1.0 position annually to manage the Department's wireless network throughout the state. The position would manage the installation and maintenance of a wireless network for 67 armories located throughout the state. The wireless network is intended to provide wireless communication services in DMA armories where state employees and National Guard service members are located.

Joint Finance: Reduce funding by \$95,900 in 2023-24 and \$109,600 in 2024-25 in order to

provide funding of \$47,300 annually to support a secured-network connection for the wireless network at DMA armories.

13. COUNTER-DRUG AIRPLANE [LFB Paper 556]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$8,301,000	3.00	-\$8,301,000	- 3.00	\$0	0.00

Governor: Provide \$4,963,900 in 2023-24, \$3,337,100 in 2024-25, and 3.0 positions annually to purchase a new aircraft for counter-drug activities, search and rescue efforts, or disasters. Create statutory language specifying that DMA may provide aerial assistance for incident awareness and assessment, drug interdiction and counter-drug activities, search and rescue efforts, or disasters, and may also seek reimbursement for the cost of any assistance. Funding would be provided as follows: (a) \$283,400 in 2023-24 and \$308,600 in 2024-25 for staff positions (2.0 aircraft pilots and 1.0 program and policy analyst); (b) \$1,672,000 in 2023-24 in one-time costs for aircraft equipment (for example, specialized communications and operating systems, and cameras); (c) \$787,600 in 2023-24 and \$807,600 in 2024-25 for on-going aircraft supplies and services (fuel, parts, hangar space, maintenance of specialized equipment, and fleet services charges); (d) \$1,950,000 annually for depreciation; and (e) \$270,900 annually master lease interest costs. [See "Administration--General Agency Provisions."]

Joint Finance: Provision not included.

14. DRUG HOUSE DEMOLITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

15. CYBERSECURITY GRANT MATCHING FUNDS [LFB Paper 557]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,093,600	-\$1,870,600	\$223,000

Governor: Provide \$975,100 in 2023-24 and \$1,118,500 in 2024-25 for state matching funds for the federal Department of Homeland Security's State and Local Cybersecurity Grant Program. According to the Administration, the grant program would be used to: (a) develop and establish an appropriate governance structure, including developing, implementing or revising cybersecurity plans to improve capabilities to respond to cybersecurity incidents and ensure continuity of operations; (b) provide testing evaluation, and structures cybersecurity assessments; (c) implement security protections; and (d) train personnel in cybersecurity. The grant program requires that 80% of the total grant be passed through to local entities and 25% of the total grant to go to rural communities.

Joint Finance: Reduce funding by \$874,100 in 2023-24 and \$996,500 in 2024-25 in order to provide \$101,000 in 2023-24 and \$122,000 in 2024-25 to the Department's National Guard general program operations appropriation to fund DMA's management and administration matching funds for the State and Local Cybersecurity Grant Program.

16. TOWN OF SILVER CLIFF PUBLIC SAFETY BUILDING [LFB Paper 558]

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

Governor: Provide \$1,000,000 in 2023-24 to the Town of Silver Cliff in Marinette County to rebuild a public safety building destroyed by a tornado. Funding would be provided to the Department's GPR appropriation for state disaster assistance. Base funding is \$0. Specify that the current law requirements to receive assistance would not apply to the payment to the Town of Silver Cliff.

Under current law, the Department may make payments from the state disaster assistance appropriation account to local governmental units for the damages and costs incurred as the result of a disaster if federal funding is not available because: (a) the Governor's request that the President declare the disaster a major disaster under the federal definition has been denied; or (b) the Department determines the disaster does not meet the per capita impact indicator under the public assistance program issued by the federal emergency management agency (FEMA). Additionally, the entity receiving the grant is required to pay for 30 percent of the amount of damages and costs resulting from the disaster.

Joint Finance: Modify the provision to provide \$1,000,000 GPR in 2023-24 to the Joint Committee on Finance's supplemental GPR appropriation for potential release for state disaster assistance for the Town of Silver Cliff. Exempt the Town from meeting program requirements in order to receive the grant. Funding is shown under "Program Supplements."

17. EXPANSION OF THE WELLNESS PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$821,400	11.00	-\$821,400	- 11.00	\$0	0.00

18. HOMELAND SECURITY OFFICE [LFB Paper 559]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$557,700	4.00	-\$557,700	- 4.00	\$0	0.00

Governor: Create an Office of Homeland Security within the Department of Military Affairs and provide \$244,700 in 2023-24, \$313,000 in 2024-25, and 4.0 classified positions annually. Specify that the director of the office would be appointed by the Adjutant General. Further, specify that the office would coordinate with the federal Department of Homeland Security and state and local law enforcement agencies to identify, investigate, assess, report, and share tips and leads linked to emergency homeland security threats.

Joint Finance: Provision not included.

19. AIR REFUELING WING CONSULTANT [LFB Paper 557]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$200,000	-\$100,000	\$100,000

Governor: Provide \$100,000 annually in 2023-24 and 2024-25 for a consultant to assist DMA to compete as a potential location for the United States Air Force to place new refueling aircraft. Currently, the Wisconsin Air National Guard, 128th Air Refueling Wing at General Mitchell Field (Milwaukee) uses older aircraft which the Air Force has determined will be phased-out. The newer refueling aircraft will be phased-in by 2029.

Joint Finance: Modify the provision to provide \$50,000 annually, on a one-time basis, rather than \$100,000 annually, for a consultant to assist DMA in competing as a potential location for the Air Force to place new refueling aircraft.

20. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$281,400	-\$281,400	\$0
SEG	<u>1,000</u>	<u>- 1,000</u>	<u>0</u>
Total	\$282,400	-\$282,400	\$0

21. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u> Funding Positions		<u>Jt. Finance</u> <u>(Chg. to Gov)</u> Funding Positions		<u>Net Change</u> Funding Positions	
GPR	\$86,600	0.50	-\$86,600	- 0.50	\$0	0.00

22. WISCONSIN NATIONAL GUARD DUTIES RELATED TO SEXUAL ASSAULT AND HARASSMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

23. GRANTS FOR WISCOM UPGRADES

Joint Finance: Create an annual GPR appropriation to provide grants for public safety interoperable communication system upgrades in DMA. Place \$2,000,000 to the Joint Committee on Finance's supplemental GPR appropriation in 2024-25.

24. PRE-DISASTER FLOOD MITIGATION

Joint Finance: Create a biennial GPR appropriation to provide pre-disaster flood resilience grants in DMA. Place \$2,000,000 in the Joint Finance Committee's supplemental GPR appropriation in 2023-24 for potential release to DMA. Funding is shown under "Program Supplements."

25. WISCONSIN HAZARDOUS MATERIALS RESPONSE TEAM

GPR	\$1,000,000
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Joint Finance: Provide \$500,000 annually, on a one-time basis, to the regional emergency response grants appropriation for the replacement of equipment used in emergency responses to releases of hazardous substances.

26. CONSERVATION OF WISCONSIN CIVIL WAR MEMORIALS AT VICKSBURG NATIONAL MILITARY PARK

GPR	\$69,000
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Joint Finance: Create an annual GPR appropriation under DMA, funded at \$69,000 in 2023-24 to provide a grant to the Friends of Vicksburg National Military Park and Campaign for the conservation of memorials and markers related to Wisconsin at or near the Vicksburg National Military Park, in Vicksburg, Mississippi. Repeal the appropriation on June 30, 2025.

MISCELLANEOUS APPROPRIATIONS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$325,882,400	\$378,999,900	\$362,523,200	-\$16,476,700	- 4.3%	\$36,640,800	11.2%
SEG	<u>64,586,000</u>	<u>64,586,000</u>	<u>64,359,300</u>	<u>- 226,700</u>	- 0.4	<u>- 226,700</u>	- 0.4
TOTAL	\$390,468,400	\$443,585,900	\$426,882,500	-\$16,703,400	- 3.8%	\$36,414,100	9.3%

FTE Position Summary
There are no authorized positions for Miscellaneous Appropriations.

Budget Change Items

1. GENERAL FUND SUPPLEMENT TO THE VETERANS TRUST FUND [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,697,600	-\$5,309,600	\$388,000

Governor: Provide \$2,973,800 in 2023-24 and \$2,723,800 in 2024-25 to reflect the Administration's estimate of the GPR funding that would be transferred to the veterans trust fund (VTF) to maintain a positive balance in that fund through the 2023-25 biennium under the bill. The total transfer is estimated at \$18,250,000 in 2023-24 and \$18,000,000 in 2024-25. See the item under "Veterans Affairs" for a complete summary of the projected veterans trust fund revenues and expenditures.

Joint Finance: Reduce funding by \$2,394,800 in 2023-24 and \$2,914,800 in 2024-25 to reflect a reestimate of the transfers in the 2023-25 biennium, based on anticipated VTF expenditures under Joint Finance. Total transfers are estimated at \$15,855,200 in 2023-24 and \$15,085,200 in 2024-25.

2. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$384,100	- \$700	- \$384,800

Governor: Reestimate funding by -\$210,000 in 2023-24 and -\$174,100 in 2024-25 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 Marquette Dental School are \$702,700 in 2023-24 and \$738,600 in 2024-25.

Joint Finance: Reestimate debt service by an additional -\$600 in 2023-24 and -\$100 in 2024-25. Budgeted debt service costs associated with the Marquette Dental School are \$702,100 in 2023-24 and \$738,500 in 2024-25.

3. TRANSFERS TO THE CONSERVATION FUND -- RECREATIONAL VEHICLES [LFB Paper 106]

GPR	\$37,800
SEG	- 514,700
Total	- \$476,900

Governor: Maintain base funding for transfers to the conservation fund from the transportation fund and the general fund for motorized recreational vehicles. Transfers are deposited in the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, off-highway motorcycle, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. By statute, the snowmobile, motorboat, and ATV and UTV transfers are based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year. The OHM transfer is based on the number of off-highway motorcycles registered in the preceding fiscal year multiplied by the registration fee.

Joint Finance: Reestimate transfers to the conservation fund from the transportation fund for motorized recreational vehicles by -\$448,700 in 2023-24 and -\$66,000 in 2024-25. Reestimate the general fund transfer for off-highway motorcycles by \$18,900 in each year, as shown in the following table.

Recreational Vehicle Transfers -- Comparative

Source	Base (Governor)	2023-24		2024-25	
		Change to Base	Reestimate	Change to Base	Reestimate
GPR					
Off-Highway Motorcycles	\$61,100	\$18,900	\$80,000	\$18,900	\$80,000
Transportation SEG					
Motorboats	\$13,499,400	-\$540,200	\$12,959,200	-\$308,900	\$13,190,500
Snowmobiles	5,331,900	-25,100	5,306,800	-12,400	5,319,500
ATVs & UTVs	<u>2,842,400</u>	<u>116,600</u>	<u>2,959,000</u>	<u>255,300</u>	<u>3,097,700</u>
Subtotal	\$21,673,700	-\$448,700	\$21,225,000	-\$66,000	\$21,607,700
Total	\$21,734,800	-\$429,800	\$21,305,000	-\$47,100	\$21,687,700

4. TRANSFERS TO THE CONSERVATION FUND -- LAND ACQUISITION DEBT SERVICE [LFB Paper 106]

GPR	- \$200
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Governor/Joint Finance: Reestimate the transfer to the conservation fund for land acquisition debt service by -\$100 annually. 1987 Act 298 provided \$2.5 million in SEG-supported bonding authority and reallocated \$4.5 million in existing bonding authority to DNR to acquire land around the Chippewa Flowage in Sawyer County. 1989 Act 31 appropriated GPR to reimburse the conservation fund for the debt service related to the acquisition. The bonds issued to finance the purchase are expected to be retired in May, 2023. The bill would estimate SEG debt service and GPR reimbursement funding at \$0 for the biennium. [See "Natural Resources -- Departmentwide."]

5. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND

GPR	- \$1,000,000
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Governor/Joint Finance: Reestimate the disaster damage aids appropriation transfer to the transportation fund by -\$1,000,000 in 2023-24.

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. The current base level is \$1,000,000. The Governor's recommendation would remove the 2022-23 base funding.

6. WISCONSIN EYE ENDOWMENT

Joint Finance: Create a biennial GPR appropriation entitled the "Endowment Fund for Wisconsin Eye" under Miscellaneous Appropriations. Place \$10,000,000 GPR in 2023-24 in the Joint Committee on Finance's GPR supplemental appropriation for potential release to Wisconsin Eye. Specify that money may be released if the Committee approves a request for funding made jointly by DOA and Wisconsin Eye. Specify that DOA is prohibited from providing a grant to Wisconsin Eye unless, prior to June 1, 2025, Wisconsin Eye has raised for the endowment fund from nonstate funding sources total amounts that at least equal the amount of the payment, up to \$10,000,000. Require that: (a) in perpetuity, if Wisconsin Eye ever ceases operations and divests assets, the state amount granted to Wisconsin Eye, up to \$10,000,000, would be returned to the state for deposit to the general fund; and; (b) as a condition of receiving any payment, Wisconsin Eye is prohibited from charging any fee for access to recorded content of public meetings.

7. TERMINAL TAX DISTRIBUTION [LFB Paper 106]

SEG	\$588,000
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Joint Finance: Reestimate the terminal tax distribution by \$294,000 in each year. All taxes paid by any railroad company derived from, or apportionable to, repair facilities, docks, ore yards, piers, wharves, grain elevators, and their approaches are distributed annually from the transportation fund to the towns, villages, and cities in which they are located. Distributions are estimated at \$2,200,000 each year in the 2023-25 biennium.

8. PETROLEUM ALLOWANCE [LFB Paper 106]

SEG	-\$300,000
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Joint Finance: Reestimate the petroleum allowance by -\$150,000 in each year. The allowance is paid to any person who purchases general aviation fuel from a supplier, at 2 cents for each gallon of general aviation fuel purchased in excess of 1,000,000 gallons per month. A person who purchases general aviation fuel for resale is not eligible for the allowance. The payments would be estimated at \$150,000 each year in the 2023-25 biennium.

Other Miscellaneous Appropriation Changes

The description and biennial fiscal effect of miscellaneous appropriation changes relating to Illinois-Wisconsin income tax reciprocity (\$33,400,000) and oil pipeline terminal tax distribution (\$4,200,000) are summarized under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

MISCELLANEOUS PROVISIONS

Budget Change Items

1. **EXTREME RISK PROTECTION TEMPORARY RESTRAINING ORDERS AND INJUNCTIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
2. **GENDER-NEUTRAL STATUTORY REFERENCES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
3. **QUARRY HOURS OF OPERATION** *(Included in 2023 Wisconsin Act 12)*

NATURAL RESOURCES

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$189,000,200	\$287,623,700	\$222,457,800	-\$65,165,900	- 22.7%	\$33,457,600	17.7%
FED	180,461,600	188,825,500	188,027,700	- 797,800	- 0.4	7,566,100	4.2
PR	70,258,200	65,166,300	67,941,500	2,775,200	4.3	-2,316,700	- 3.3
SEG	<u>695,131,800</u>	<u>793,402,400</u>	<u>742,930,800</u>	<u>- 50,471,600</u>	<u>- 6.4</u>	<u>47,799,000</u>	<u>6.9</u>
TOTAL	\$1,134,851,800	\$1,335,017,900	\$1,221,357,800	-\$113,660,100	- 8.5%	\$86,506,000	7.6%
BR		\$46,000,000	\$0				

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	222.52	225.52	219.77	- 5.75	- 2.75
FED	531.34	526.34	509.78	- 16.56	- 21.56
PR	241.89	222.14	230.89	8.75	- 11.00
SEG	<u>1,557.68</u>	<u>1,595.43</u>	<u>1,540.28</u>	<u>- 55.15</u>	<u>- 17.40</u>
TOTAL	2,553.43	2,569.43	2,500.72	- 68.71	- 52.71

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding Positions	Funding Positions	Funding Positions	Funding Positions	Funding Positions	Funding Positions
GPR	-\$51,200	0.00	-\$584,000	0.00	-\$635,200	0.00
FED	8,363,900	- 5.00	- 797,800	0.00	7,566,100	- 5.00
PR	- 1,022,900	- 2.00	- 166,800	0.00	- 1,189,700	- 2.00
SEG	<u>7,544,200</u>	<u>- 2.00</u>	<u>- 3,724,200</u>	<u>0.00</u>	<u>3,820,000</u>	<u>- 2.00</u>
Total	\$14,834,000	- 9.00	-\$5,272,800	0.00	\$9,561,200	- 9.00

Governor: Provide adjustments to the base budget as follows: (a) -\$3,864,300 annually for

reductions due to staff turnover (-\$437,700 GPR, -\$598,200 FED, -\$125,300 PR, and -\$2,703,100 SEG); (b) -\$584,700 and -8.0 positions in 2023-24 (-\$270,800 and -4.0 FED positions, -\$158,300 and -2.0 PR positions, and -\$155,600 and -2.0 SEG positions) and -\$790,900 and -9.0 positions in 2024-25 (-\$452,700 and -5.0 FED positions, -\$182,600 and -2.0 PR positions, and -\$155,600 and -2.0 SEG positions) for removal of non-continuing elements from the base; (c) \$8,786,900 annually for full funding of continuing position salaries and fringe benefits (\$847,900 GPR, \$5,222,300 FED, -\$233,000 PR, and \$2,949,700 SEG); (d) \$31,900 annually for reclassification and semi-automatic pay increases (\$8,200 GPR, \$5,400 FED, \$9,300 PR, and \$9,000 SEG); (e) \$3,180,000 annually for overtime (\$8,000 PR and \$3,172,000 SEG); (f) \$224,000 SEG annually for night and weekend differential pay; and (g) -\$253,700 annually for full funding of leases and directed moves (-\$444,000 GPR, -\$85,800 FED, and \$276,100 SEG).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$2,601,000 (-\$292,000 GPR, -\$398,900 FED, -\$83,400 PR, and -\$1,826,700 SEG) annually. Additionally, delete \$35,400 SEG annually to reconcile the calculation for full funding of continuing positions in the DNR appropriation for environmental repair and spills cleanup administration.

2. LIMITED-TERM EMPLOYEE COMPENSATION [LFB Paper 570]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$118,000	- \$115,200	\$2,800
SEG	<u>2,903,200</u>	<u>- 888,600</u>	<u>2,014,600</u>
Total	\$3,201,200	- \$1,003,800	\$2,017,400

Governor: Provide \$1,510,600 (\$59,000 GPR, \$34,300 environmental SEG, and \$1,417,300 conservation SEG) annually to fully fund limited-term employee (LTE) wages and fringe benefits. The provision would increase base level funding for LTE salaries by \$1,205,000 (\$47,100 GPR, \$27,300 environmental SEG, and \$1,130,600 conservation SEG), and base level fringe benefit allotments by \$305,600 (\$11,900 GPR, \$7,000 environmental SEG, and \$286,700 conservation SEG).

Limited-Term Employee Compensation -- Comparison

	<u>Governor</u>	Joint Finance Change to <u>Governor</u>	<u>Net</u>
GPR			
<i>Environmental Management</i>			
Water Quality	\$59,000	-\$57,600	\$1,400
SEG			
<i>Fish, Wildlife and Parks</i>			
Wildlife Management	\$312,900	- \$95,800	\$217,100
Southern Forests	87,200	- 26,600	60,600
Parks	226,500	- 69,300	157,200
Natural Heritage Conservation	103,000	- 31,500	71,500
Fisheries Management	393,900	- 120,400	273,500
Property and Recreation Management	83,500	- 25,600	57,900
 <i>Forestry</i>	 \$146,600	 - \$44,900	 \$101,700
 <i>Public Safety and Resource Protection</i>	 \$10,200	 - \$3,200	 \$7,000
 <i>Environmental Management</i>			
Remediation and Redevelopment	\$34,300	- \$10,600	\$23,700
 <i>External Services</i>			
Customer Service	<u>\$53,500</u>	<u>- \$16,400</u>	<u>\$37,100</u>
 SEG Subtotal	 \$1,451,600	 -\$444,300	 \$1,007,300
 Total	 \$1,510,600	 -\$501,900	 \$1,008,700

Joint Finance: Provide \$1,008,700 (\$1,400 GPR and \$1,007,300 SEG) annually for LTE compensation, including \$804,500 (\$1,100 GPR and \$803,400 SEG) for LTE salaries and \$204,200 (\$300 GPR and \$203,900 SEG) for fringe benefits. The table compares annual funding provided by the Governor and Joint Finance by subprogram and fund source.

3. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,552,300	\$2,278,700	\$6,831,000
SEG	<u>118,800</u>	<u>- 192,600</u>	<u>- 73,800</u>
Total	\$4,671,100	\$2,086,100	\$6,757,200

Governor: Provide \$3,048,200 (\$4,355,000 GPR and -\$1,306,800 SEG) in 2023-24 and \$1,622,900 (\$197,300 GPR and \$1,425,600 SEG) in 2024-25 to reestimate debt service payments on bonds issued for various DNR programs, as shown in the following table:

DNR Debt Service Reestimates -- Governor

	<u>Base</u>	<u>2023-24</u>		<u>2024-25</u>	
		<u>Change to Base</u>	<u>Reestimate</u>	<u>Change to Base</u>	<u>Reestimate</u>
GPR					
Stewardship and predecessors	\$52,670,000	\$4,564,900	\$57,234,900	\$517,800	\$53,187,800
Combined sewer overflow	278,500	-79,700	198,800	-237,600	40,900
Municipal clean drinking water grants	2,300	-800	1,500	-2,000	300
Administrative facilities	<u>537,200</u>	<u>-129,400</u>	<u>407,800</u>	<u>-80,900</u>	<u>456,300</u>
GPR Subtotal	\$53,488,000	\$4,355,000	\$57,843,000	\$197,300	\$53,685,300
SEG					
<i>Conservation Fund</i>					
Dam repair and removal	\$135,100	-\$72,600	\$62,500	-\$66,700	\$68,400
Administrative facilities	6,511,400	-89,700	6,421,700	631,300	7,142,700
Land acquisition	100	-100	0	-100	0
Recreation development	<u>0</u>	<u>81,100</u>	<u>81,100</u>	<u>115,100</u>	<u>115,100</u>
Conservation Fund SEG Subtotal	\$6,646,600	-\$81,300	\$6,565,300	\$679,600	\$7,326,200
<i>Environmental Fund</i>					
Remedial action	\$1,346,900	\$86,800	\$1,433,700	\$416,600	\$1,763,500
Contaminated sediment cleanup	1,955,200	-20,500	1,934,700	54,200	2,009,400
Rural nonpoint source grants - priority watershed program	3,473,300	-787,300	2,686,000	-1,359,200	2,114,100
Rural nonpoint source grants - targeted runoff management	2,676,600	318,600	2,995,200	2,193,200	4,869,800
Urban nonpoint source	3,219,800	-150,900	3,068,900	707,300	3,927,100
Water pollution abatement	1,504,100	-605,100	899,000	-1,260,300	243,800
Administrative facilities	<u>1,199,800</u>	<u>-67,100</u>	<u>1,132,700</u>	<u>-5,800</u>	<u>1,194,000</u>
Environmental Fund SEG Subtotal	\$15,375,700	-\$1,225,500	\$14,150,200	\$746,000	\$16,121,700
SEG Total	\$22,022,300	-\$1,306,800	\$20,715,500	\$1,425,600	\$23,447,900
All Funds Total	\$75,510,300	\$3,048,200	\$78,558,800	\$1,622,900	\$77,133,200

Joint Finance: Reestimate debt service by an additional -\$236,900 (-\$100,300 GPR and -\$136,600 SEG) in 2023-24 and \$2,323,000 (\$2,379,000 GPR and -\$56,000 SEG) in 2024-25, as shown in the following table.

DNR Debt Service Reestimates -- Joint Finance

	Base	2023-24			2024-25		
		Change to Base	Change to Bill	Total	Change to Base	Change to Bill	Total
GPR							
Stewardship and predecessors	\$52,670,000	\$4,463,500	-\$101,400	\$57,133,500	\$2,881,000	\$2,363,200	\$55,551,000
Combined sewer overflow	278,500	-79,700	-	198,800	-237,600	-	40,900
Municipal clean drinking water grants	2,300	-800	-	1,500	-2,000	-	300
Administrative facilities	537,200	-128,300	1,100	408,900	-65,100	15,800	472,100
GPR Subtotal	\$53,488,000	\$4,254,700	-\$100,300	\$57,742,700	\$2,576,300	\$2,379,000	\$56,064,300
SEG							
<i>Conservation Fund</i>							
Dam repair and removal	\$135,100	-\$72,600	-	\$62,500	-\$66,800	-\$100	\$68,300
Administrative facilities	6,511,400	-127,600	-\$37,900	6,383,800	632,200	900	7,143,600
Land acquisition	100	-100	-	-	-100	-	-
Recreation development	-	51,100	-\$30,000	51,100	87,800	-\$27,300	87,800
Conservation Fund SEG Subtotal	\$6,646,600	-\$149,200	-\$67,900	\$6,497,400	\$653,100	-\$26,500	\$7,299,700
<i>Environmental Fund</i>							
Remedial action	\$1,346,900	\$80,800	-\$6,000	\$1,427,700	\$410,700	-\$5,900	\$1,757,600
Contaminated sediment cleanup	1,955,200	-24,500	-4,000	1,930,700	51,600	-2,600	2,006,800
Rural nonpoint source grants - priority watershed program	3,473,300	-812,400	-25,100	2,660,900	-1,365,900	-6,700	2,107,400
Rural nonpoint source grants - targeted runoff management	2,676,600	313,800	-4,800	2,990,400	2,190,500	-2,700	4,867,100
Urban nonpoint source	3,219,800	-171,400	-20,500	3,048,400	696,200	-11,100	3,916,000
Water pollution abatement	1,504,100	-606,200	-1,100	897,900	-1,260,300	-	243,800
Administrative facilities	1,199,800	-74,300	-7,200	1,125,500	-6,300	-500	1,193,500
Environmental Fund SEG Subtotal	\$15,375,700	-\$1,294,200	-\$68,700	\$14,081,500	\$716,500	-\$29,500	\$16,092,200
SEG Total	\$22,022,300	-\$1,443,400	-\$136,600	\$20,578,900	\$1,369,600	-\$56,000	\$23,391,900
All Funds Total	\$75,510,300	\$2,811,300	-\$236,900	\$78,321,600	\$3,945,900	\$2,323,000	\$79,456,200

4. DOCUMENT DIGITIZING [LFB Paper 571]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,575,600	-\$1,575,600	\$0

Governor: Provide one-time funding of \$723,700 in 2023-24 and \$851,900 in 2024-25 to convert DNR paper records into digital format. The Administration indicates that funding would be utilized to lease scanner machines and hire LTEs to scan and organize records.

Joint Finance: Provision not included.

5. **AGENCY SUPPLIES AND SERVICES FUNDING INCREASE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$215,800	- \$215,800	\$0
SEG	<u>4,255,800</u>	<u>- 4,255,800</u>	<u>0</u>
Total	\$4,471,600	- \$4,471,600	\$0

6. **EQUITY OFFICER POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
SEG	\$177,100	1.00	- \$177,100	- 1.00	\$0	0.00

7. **SNOWMOBILE AUTOMATED REPORTING SYSTEM MAINTENANCE**

SEG	\$20,000
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Governor/Joint Finance: Provide \$10,000 conservation SEG annually to fund routine maintenance to the Snowmobile Automated Reporting System (SNARS). SNARS provides publicly accessible, real-time data on the conditions and grooming status of the state's network of snowmobile trails. DNR relies on counties to report trail conditions and grooming activity and to provide geographic information systems (GIS) data on county trails to SNARS. Additionally, SNARS provides an interface for counties to report volunteer hours, grant expenses, and to seek reimbursement for trail maintenance and grooming. The bill would increase base level for snowmobile aids administration to fund estimated contract expenses to maintain the system and provide technical support.

8. **OFF-HIGHWAY MOTORCYCLE REESTIMATE**

SEG	\$39,800
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Governor/Joint Finance: Reestimate off-highway motorcycle (OHM) revenues by \$19,900 annually. All OHM registration revenues are deposited in the state transportation fund. An annual transfer equal to the total amount of OHM registration fees received by the Department of Transportation (DOT) in the previous fiscal year is made from a sum sufficient GPR appropriation to the OHM account of the SEG conservation fund. The OHM transfer and other OHM revenues, such as nonresident trail passes, may be used to acquire, develop, and maintain OHM trails and recreations facilities. The bill would estimate the transfer at \$80,000 in each year of the biennium.

9. SOLAR ENERGY REVIEW STAFFING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
PR	\$145,100	1.00	-\$145,100	- 1.00	\$0	0.00

10. TRANSPORTATION PROJECT REVIEW STAFFING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
PR	\$145,100	1.00	-\$145,100	- 1.00	\$0	0.00

11. TRANSPORTATION PERMIT DATABASE

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

Governor: Provide \$150,000 in 2023-24 and \$50,000 in 2024-25 from the environmental management account of the environmental fund to contract information technology (IT) services to develop and maintain a transportation permit database. The Administration indicates that the database would support the DNR-DOT cooperative agreement that has been in effect since 1976, by tracking and reporting project milestones and program metrics, and by centralizing records for improved staff access.

Joint Finance: Provision not included.

12. TRIBAL RELATIONS PILOT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$25,000	-\$25,000	\$0

13. EXTERNAL SERVICES REALLOCATION [LFB Paper 572]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$128,600	0.00	-\$128,600	0.00	\$0	0.00
PR	- 348,000	- 2.00	348,000	2.00	0	0.00
SEG	<u>219,400</u>	<u>2.00</u>	<u>- 219,400</u>	<u>- 2.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Convert 2.0 PR waterways positions and \$174,000 PR annually to GPR. Additionally, convert 2.0 GPR customer service positions to conservation SEG. The difference in salary and fringe benefits for the positions result in net increase in GPR funding of \$64,300 annually. DNR indicates that funding for the 2.0 PR waterways positions transferred by DOA from the federal Coastal Zone Management program has decreased and cannot support the positions.

Joint Finance: Provision not included.

14. INFORMATION TECHNOLOGY POSITIONS TRANSFER

Governor: Transfer 13.0 information and technology services positions and funding from various programs, shown in the following table, to the technology services program in the Division of Internal Services. While some positions would be transferred between appropriations rather than reallocated within appropriations, no positions would be transferred between fund sources. All amounts are on an annual basis.

Information Technology Positions Transfer -- Governor's Recommendation

<u>Program</u>	<u>Positions</u>	<u>Fund Source</u>	<u>Amount</u>
Forestry	3.00	SEG	\$460,100
Air Management	2.00	PR	192,600
External Services Division Management	1.00	SEG	156,400
Customer Outreach	1.00	SEG	156,400
Environmental Management Division Management	1.00	PR	155,200
Fish, Wildlife, & Parks Division Management	1.00	SEG	155,200
Finance	0.50	SEG	51,700
	0.50	FED	51,600
Southern Forests	1.00	SEG	89,200
Waterways and Wetlands	1.00	GPR	89,200
Remediation and Redevelopment	<u>1.00</u>	GPR	<u>82,300</u>
Total	13.00		\$1,639,900

Joint Finance: Provision not included.

15. 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 0.46 petroleum inspection fund SEG position from drinking and groundwater to remediation and redevelopment to correct a discrepancy between the state human resources management and budget systems.

External Services. Move 1.0 GPR section leader position from waterways to external services leaders to align the position within division leadership. Transfer 1.0 PR position from waterways and wetlands to environmental analysis and sustainability.

16. RECREATIONAL VEHICLE REESTIMATES [LFB Papers 106 and 573]

SEG	\$752,100
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Joint Finance: Reestimate DNR continuing appropriations for the ATV and snowmobile accounts of the SEG conservation fund under the recreational vehicle fuel tax formulas as shown in the table. By statute, transfers are made from the transportation fund based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year.

Recreational Vehicle Motor Fuel Tax Transfer Reestimates

	Base	Change to Base		Reestimate	
	2022-23	2023-24	2024-25	2023-24	2024-25
Recreation aids - snowmobile trail areas	\$5,331,900	-\$25,100	-\$12,400	\$5,306,800	\$5,319,500
Recreation aids - all-terrain and utility terrain vehicle project aids	\$2,842,400	\$116,600	\$255,300	\$2,959,000	\$3,097,700

Additionally, reestimate the DNR supplemental snowmobile trail aids appropriation by \$249,300 in 2023-24 and by \$135,200 in 2024-25. Snowmobile supplemental trail aids are based on the number of nonresident annual trail passes sold in the prior fiscal year, multiplied by \$47.

Reestimate the ATV/UTV trail safety grant by \$9,400 in 2023-24 and \$23,800 in 2024-25. The value of the trail safety grant is set each year based on the greater of either \$297,000 or 80¢ multiplied by the ATVs and UTVs registered in the state on the last day of February in the prior fiscal year. In 2023-24, the trail safety grant will total \$306,400. It is estimated to be \$320,800 in 2024-25.

17. ATV AND UTV PROJECT AIDS

SEG	\$871,800
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Joint Finance: Increase the per-mile reimbursement rate for local UTV trail aids from \$200 to \$400. Provide \$432,800 conservation SEG in 2023-24 and \$439,000 in 2024-25 to fund the increased reimbursement rate. Funding is available from the ATV account of the SEG conservation

fund annually for ATV trail and project aids. For trail maintenance projects, DNR pays municipalities up to \$600 per mile for summer ATV trail maintenance and \$100 or \$200 per mile for winter ATV trail maintenance. If a trail supports both ATVs and UTVs, DNR reimburses municipalities an additional \$200 per mile for summer-use trails. The bill would increase this to \$400. Therefore, summer-use trails that are open to both ATVs and UTVs would be eligible to receive \$1,000 per mile. Including estimated revenues from gas tax transfers described in the preceding item, funding available for these aids will increase from \$5,474,600 to \$5,907,400 in 2023-24 and from \$5,613,300 to \$6,052,300 in 2024-25.

18. DELETE VACANT POSITIONS

Joint Finance: Delete 36.71 positions vacant 18 months or greater. The bill does not delete funding associated with the positions in the 2023-25 biennium, but associated funding would be removed under standard budget adjustments for the 2025-27 biennial budget. The following table shows the number of positions by DNR program area and fund source.

	Positions
GPR	- 2.75
FED	- 16.56
PR	- 2.00
SEG	<u>- 15.40</u>
Total	- 36.71

DNR Long-Term Vacancy Deletions

Program/Subprogram	<u>Fund Source</u>				<u>Total</u>
	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	
Fish, Wildlife and Parks					
Fish, Wildlife and Parks Program Management				2.00	2.00
Fisheries Management		1.00		4.00	5.00
Property Management				1.00	1.00
Forestry					
Forestry Regional				1.00	1.00
Forestry Field Operations		1.00		1.00	2.00
Applied Forestry				1.00	1.00
Forestry Administration				1.00	1.00
Environmental Management					
Water Quality		2.00			2.00
Air Management		6.00			6.00
Environmental Leaders		2.00			2.00
Internal Services					
Facilities and Lands		0.50	1.00	2.00	3.50
Finance		0.25		0.10	0.35
Division Management	0.75				0.75
Technology Services	1.00		1.00	1.00	3.00
External Services					
Community Financial Assistance		2.00		0.30	2.30
Watershed Management	1.00	1.81			2.81
Waterways and Wetlands	<u> </u>	<u> </u>	<u> </u>	<u>1.00</u>	<u>1.00</u>
Total	2.75	16.56	2.00	15.40	36.71

19. OPERATIONS APPROPRIATIONS REDUCTION

SEG	- \$3,608,800
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Joint Finance: Delete annual funding for supplies and services from conservation fund SEG general program operations appropriations as follows: \$675,200 from forestry, \$780,500 from internal services, and \$348,700 from external services.

Parks

1. PARK AND FOREST DEVELOPMENT AND MAINTENANCE [LFB Paper 575]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,613,400	- \$3,613,400	\$0
SEG	<u>18,191,800</u>	<u>8,768,800</u>	<u>26,960,600</u>
Total	\$21,805,200	- \$5,155,400	\$26,690,600

Governor: Provide \$11,402,600 (\$1,806,700 GPR and \$9,595,900 conservation SEG) in 2023-24 and \$10,402,600 (\$1,806,700 GPR and \$8,595,900 SEG) in 2024-25 for state park, forest, and recreation area maintenance and development. The \$10.4 million in 2024-25 would be added to the agency base in continuing appropriations. \$1,500,000 SEG would be provided as one-time funding in a continuing appropriation in 2023-24. The bill would fund projects on the parks and forest maintenance backlog.

Joint Finance: Modify funding to provide \$11,271,600 SEG on a one-time basis in 2023-24 in continuing appropriations as follows: (a) \$3,950,400 for forest property development; (b) \$4,960,400 for parks property development; and (c) \$2,360,800 for general DNR facility and property development. Also, provide \$5,689,000 in 2023-24 as one-time funding for forest, park, and riverway road maintenance in the continuing appropriation for forest development.

Additionally, provide \$10,000,000 SEG as one-time funding in 2023-24 to the parks development and maintenance appropriation to fund projects in DNR's all agency capital budget request. [See "Building Program."]

2. CAMPSITE ELECTRIFICATION [LFB Paper 576]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$2,925,000	- \$1,425,000	\$1,500,000
SEG-REV	\$0	\$210,000	\$210,000

Governor: Increase the statutory cap on the percent of state park campsites that may be

electrified from 35% to 40%. Provide \$2,925,000 conservation SEG as one-time funding in 2024-25, including \$1,316,300 from the parks account and \$1,608,700 from the forestry account, to provide electrical service to sites. DNR estimates that it costs \$8,500 to electrify each site. However, this amount is projected to rise to \$14,400 per site by the end of the 2023-25 biennium under the current inflationary environment. Therefore, the bill would fund electrification for approximately 200 additional sites.

Under current law, no more than 35% of campsites in state parks may have electrical outlets. There are 3,956 campsites in state parks; 34.8%, 1,378, are electrified. Under current law, DNR may electrify an additional seven sites before the cap is met. The bill would allow an additional 198 sites to be electrified. Campsite reservations for electrified sites cost between \$10 and \$15 more than for non-electrified sites.

Joint Finance: Repeal the 35% cap on electrified sites, and estimate additional parks account revenues of \$210,000 in 2024-25. Modify funding to provide \$1,500,000 SEG in 2024-25 on a one-time basis from the parks account of the conservation fund for campsite electrification.

Retain the statutory provision that DNR may electrify no more than 50% of the campsites in any given state park campground. Additionally, DNR would continue to be required to maintain at least 25% of state park campsites as rustic campsites, which lack modern amenities like flush toilets.

3. PARKS LIMITED-TERM EMPLOYEE STAFFING [LFB Paper 577]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$2,191,000	-\$1,361,000	\$830,000

Governor: Increase general operations funding for state parks and recreational areas by \$1,095,500 annually. The bill would provide an additional \$1,000,700 annually for LTE salaries and fringe benefits in property and recreation management. The Administration reports that these funds would be used to hire additional LTEs and custodial contractors to work on education initiatives, maintenance and operations, and customer service. DNR has experienced recruitment and retention issues in recent years as LTE funding and compensation have risen slower than market wage rates. Since 2020, state parks and recreation areas have seen rapid growth in attendance, putting stresses on existing staff and facilities. The bill would also provide \$94,800 annually for LTE salaries and fringe benefits for parks interpretive staff.

Joint Finance: Provide \$415,000 conservation SEG annually, including \$309,700 for LTE salaries and \$105,300 for fringe benefits, a difference of \$680,500 annually to the bill. Funding would be provided to the subprogram for property and recreation management.

4. PARKS UTILITY FUNDING [LFB Paper 577]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$872,500	-\$568,100	\$304,400

Governor: Provide \$431,900 in 2023-24 and \$440,600 in 2024-25 for parks and southern forests general program operations to reflect increased utility costs. DNR reports that rising costs for water, gas, electricity, and cellular service 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: Provide \$152,200 conservation SEG annually for utilities costs in state parks, a difference to the bill of \$279,700 in 2023-24 and \$288,400 in 2024-25.

5. PARKS MAINTENANCE EQUIPMENT [LFB Paper 577]

SEG	\$700,000
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Governor: Provide \$350,000 conservation SEG annually, including \$100,000 from the forestry account and \$250,000 from the parks account, to provide funding for a multi-year maintenance equipment replacement effort. Funding would be used to replace outdated lawnmowers, tractors, skid loaders, and ATVs used by parks personnel. The bill would increase base level funding to allow DNR to replace outdated equipment as needed.

Joint Finance: Provide \$700,000 SEG, including \$500,000 from the parks account and \$200,000 from the forestry account as one-time funding in 2023-24 for parks maintenance equipment.

6. PARKS TECHNOLOGY UPGRADES

SEG	\$363,800
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Governor/Joint Finance: Provide \$181,900 conservation SEG annually, including \$43,700 from the forestry account and \$138,200 from the parks account, to upgrade technology in parks and southern forests. The bill would provide \$152,500 as one-time funding in each year, including \$36,600 from the forestry account and \$115,900 from the parks account, to acquire new credit card readers. The bill would also increase the supplies and services allotment by \$29,400 annually, including \$7,100 from the forestry account and \$22,300 from the parks account, to fund security software licenses for the new credit card readers.

7. PROPERTY-SPECIFIC FUNDING [LFB Paper 577]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$292,700	-\$102,100	\$190,600

Governor: Increase SEG general operations funding for state parks and recreational areas,

southern forests, and wildlife management areas by \$148,200 in 2023-24 and \$144,500 in 2024-25 to provide additional funding for specific properties. The funds would increase LTE salary, fringe benefits, and supplies and services allotments for six properties and would provide one-time financing to construct an entrance sign at Lizard Mound State Park. The following table shows how funding would be allocated to each property under the bill.

Joint Finance: Provide funding to Lizard Mound State Park, Mazomanie Bottoms State Natural Area, Brule River State Forest, and the Ice Age Trail properties. The table compares funding under the Governor and Joint Finance.

Property-Specific Funding -- Comparative (Change to Base)

	<u>Governor</u>		<u>Joint Finance</u>	
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
Lizard Mound State Park	\$21,300	\$17,800	\$21,300	\$17,800
Menominee River State Recreation Area	12,000	12,000		
Sauk Prairie State Recreation Area	39,000	39,100		
Mazomanie Bottoms State Natural Area	28,000	28,000	28,000	28,000
Brule River State Forest	17,800	17,800	17,800	17,800
Ice Age Trail	<u>30,100</u>	<u>29,800</u>	<u>30,100</u>	<u>29,800</u>
Total	\$148,200	\$144,500	\$97,200	\$93,400

8. FREE FOURTH-GRADE ADMISSION TO STATE PARKS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$487,200	- \$487,200	\$0
SEG	<u>- 487,200</u>	<u>487,200</u>	<u>0</u>
Total	\$0	\$0	\$0

9. OPEN THE OUTDOORS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$330,000	- \$330,000	\$0

10. ONLINE VEHICLE ADMISSION FEES [LFB Paper 578]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$676,000	- \$186,000	\$490,000

Governor: Create a continuing appropriation from which DNR may pay the costs associated with online sales of parks and forests vehicle admission stickers. Provide \$338,000 conservation SEG annually, including \$94,600 from the forestry account and \$243,400 from the parks account, to the appropriation.

Beginning in May, 2020, DNR began offering annual state park admission stickers online through a website called Your Pass Now. Your Pass Now offers resident annual admission stickers, nonresident annual admission stickers, senior citizen annual admission stickers, and reduced-rate admission stickers to persons who also purchase a full-priced admission sticker in the same transaction. Your Pass Now was developed by NIC Wisconsin at no upfront cost to the state. Rather, NIC Wisconsin receives \$1.50 for each transaction processed by the Your Pass Now System. These fees must be paid by DNR through its general operations appropriations. Under current law, the Department does not receive dedicated revenues, such as from statutory issuing fees, for this purpose. In addition to transaction costs, DNR must pay fulfillment fees to DOA for printing and mailing stickers to purchasers.

Joint Finance: Authorize DNR to collect a transaction fee on online parks admission sticker and trail pass sales. Deposit fees into the existing appropriation for campsite reservation fees and modify the appropriation to allow DNR to pay contractual transaction costs for online admission sticker and trail pass sales. Reestimate the campsite reservation fee appropriation by \$245,000 annually.

11. EMINENT DOMAIN FOR STATE TRAILS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. NONRESIDENT CAMPING FEE

SEG	\$690,000
SEG-REV	\$690,000

Joint Finance: Increase the cap on nonresident overnight camping fees by \$10, from \$35 to \$45. Reestimate the increase in revenue to the parks account of the SEG conservation fund by \$690,000, beginning in 2024-25. Provide \$690,000 SEG as base-level funding to the parks property development and maintenance appropriation in 2024-25.

Under current law, DNR may set camping fees within statutory limits based on local market conditions, the types of conveniences offered at the campground, and the level of use. Base fees for a campsite in Wisconsin must be not less than \$15 but not more than \$30 per night for residents and not less than \$19 but not more than \$35 per night for nonresidents; fees are determined by the DNR Secretary. Further, DNR charges an additional \$15 nightly camping fee for sites with electric

access in five high-demand parks: Devil's Lake, High Cliff, Kohler-Andrae, Peninsula, and Willow River.

13. MIRROR LAKE DREDGING

SEG	\$449,200
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Joint Finance: Provide a one-time grant of \$449,200 conservation SEG in 2023-24 from the parks account to the Mirror Lake Management District for a project to dredge Mirror Lake and rehabilitate a gully near Mirror Lake State Park.

14. AMNICON FALLS AND PATTISON STATE PARKS IMPROVEMENTS

SEG	\$2,161,300
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Joint Finance: Provide \$2,161,300 conservation SEG in 2023-24 as one-time funding for development projects in Amnicon Falls and Pattison State Parks. Specify that the funding is to be used for the following projects in Pattison State Park: (a) playground construction; (b) campsite electrification; (c) landscaping; (d) building an accessible trail to the beach on Interfalls Lake; and (e) repairing the stairway on the Big Manitou Falls. Amnicon Falls State Park projects would include: (a) playground construction; (b) campsite electrification; (c) guardrail replacement and trail improvements; and (d) construction of new trails, roads, and a bridge over Now and Then Creek.

Forestry and Stewardship

1. PUBLIC FOREST REGENERATION GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$1,335,000	-\$1,335,000	\$0

2. TREE PLANTING ON STATE-OWNED LAND *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$790,000	-\$790,000	\$0

3. **STATE NURSERY OPERATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
SEG	\$627,800	2.00	-\$627,800	- 2.00	\$0	0.00

4. **FISH, WILDLIFE AND FORESTRY RECREATION AIDS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$256,600	-\$256,600	\$0

5. **URBAN FORESTRY GRANTS** [LFB Paper 581]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$950,000	-\$600,000	\$350,000

Governor: Increase funding for urban forestry grants by \$475,000 forestry SEG in each year of the biennium, from \$524,600 to \$999,600. Under the urban forestry grant program, the Department awards grants to cities, villages, towns, counties, tribal governments and nonprofit organizations for up to 50% of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. DNR may also award grants under the urban forestry grant program to counties, cities, villages, towns, nonprofit organizations, and tribal governments for the costs of removing, saving, and replacing trees that have been damaged by catastrophic storm events in urban areas.

Joint Finance: Increase base funding for urban forestry grants by \$175,000 forestry SEG each year. Funding of \$699,600 SEG would be available for urban forestry grants each year.

6. **PRIVATE FOREST LANDOWNER GRANT** [LFB Paper 582]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$620,000	-\$620,000	\$0

Governor: Provide \$310,000 forestry SEG annually to increase funding for private forest

landowner grants. Of this amount \$250,000 would be allocated to private forest landowner grants and \$60,000 would be allocated to weed management area grants, a subprogram of the private forest land owner grant.

The private forest landowner grant 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. Additionally, the program funds weed management area grants, which may be awarded to weed management groups for projects that would respond to and control terrestrial invasive species. DNR administers the programs 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 programs have base funding of \$1,147,900 in each year of the 2021-23 biennium. The bill would increase this to \$1,457,900 each year.

Joint Finance: Provision not included.

7. **COUNTY SUSTAINABLE FORESTRY AND COUNTY FOREST ADMINISTRATOR GRANTS [LFB Paper 583]**

SEG	\$500,000
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Governor: Create a new appropriation for county forest administrator grants. County forest administrator grants provide aids to counties for up to 50% of the salary and fringe benefit costs of a county forest administrator or assistant administrator. Under current law, these aids are funded through the same appropriation as county sustainable forestry grants. County sustainable forestry grants provide counties with funding to implement sustainable forestry projects on county forestland. The bill would separate these two grants into dedicated appropriations.

Additionally, provide \$50,000 in each year of the biennium for county forest sustainability grants and \$200,000 in each year for county forest administrator grants. Base funding for administrator grants is \$1,285,900. As introduced, the bill would not transfer base funding to the new appropriation. Rather, the bill would set funding for administrator grants under the new appropriation at \$200,000 each year. Base funding for county sustainable forestry grants is \$328,000. The bill would increase the amount available for these grants to \$1,663,900 each year.

Joint Finance: Accept the Governor's recommended funding levels, increasing the allotted funding for county sustainable forestry grants by \$50,000 annually and for county forest administrator grants by \$200,000. Maintain a single, combined appropriation for county forest administrator grants and county sustainable forestry grants. The bill would increase funding to the county forest grant appropriation by a total of \$250,000 each year.

8. FORESTRY OUTREACH *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
SEG	\$195,000	1.00	-\$195,000	- 1.00	\$0	0.00

9. FORESTRY PUBLIC SAFETY

SEG	\$957,600
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Governor/Joint Finance: Provide \$807,600 forestry SEG in 2023-24 and \$150,000 in 2024-25 to acquire and upgrade fire suppression equipment. The bill would increase the forestry general operations base budget allotment for supplies and services by \$150,000 annually, as well as provide \$657,600 in one-time funding in 2023-24 to purchase public safety equipment for DNR forestry division employees. Funding would be used to acquire fire shelters, boots, hard hats, automated external defibrillators (AEDs), and other safety equipment.

10. FORESTRY INDUSTRYWIDE STRATEGIC PLAN

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$775,000	-\$775,000	\$0

Governor: Provide \$775,000 as one-time funding in 2023-24 in a new continuing appropriation to conduct a forestry industry strategic plan, including a "road map" to accomplish strategic objectives established by the plan. Funding would support the development of a report, conducted by outside consultants under the guidance of the Council on Forestry, that would identify methods of improving coordination, partnerships, and collaboration in the state's forest products industry. The report would also identify new markets for the state's forest products. The report would be due to the Council on Forestry by September 16, 2024.

Joint Finance: Provision not included.

11. FORESTRY MILL RATE REESTIMATE [LFB Paper 106 and 580]

Governor/Joint Finance: Reestimate the transfer from the general fund to the forestry account of the conservation fund by \$25,958,700 in 2023-24 and by \$19,958,700 in 2024-25. 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 \$141,500,000 in 2023-24 and at \$135,500,000 in 2024-25. [See "Shared Revenue and Tax Relief -- Forestry Mill Rate."]

12. **STEWARDSHIP ANNUAL TRANSFER FROM THE FORESTRY ACCOUNT**
(Removed from budget consideration pursuant to Joint Finance Motion #10)

13. **STEWARDSHIP REVIEWS BY JOINT COMMITTEE ON FINANCE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

14. **STEWARDSHIP PUBLIC ACCESS DIRECTORY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

15. **LAPHAM PEAK LODGE GRANT**

SEG	\$250,000
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Joint Finance: Provide a grant of \$250,000 conservation SEG in 2023-24 to the Friends of Lapham Peak to build a ski lodge in the Lapham Peak Unit of the Kettle Moraine State Forest. Specify that any grant funds remaining after construction of the lodge may be used by the Friends of Lapham Peak to furnish the lodge and purchase snowmaking equipment.

16. **MANAGED FOREST LAND AND COUNTY FOREST AIDS REESTIMATE** [LFB Paper 106]

SEG	\$59,400
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Joint Finance: Reestimate aids paid to towns with lands enrolled in the forest croplands (FCL), managed forest land (MFL) and county forest programs by \$29,700 forestry SEG annually. DNR pays aids to local governments each year to partially offset the loss in property tax revenue from properties enrolled in each program. DNR pays municipalities 20¢ per acre of land enrolled in MFL and FCL, and 63¢ per acre of county forest land located in the town. In each year of the 2023-25 biennium, these aids are estimated at \$2,230,000.

17. **NURSERY SEEDLING SURCHARGE**

SEG-REV	-\$150,000
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Joint Finance: Repeal the 3¢ surcharge applied to each seedling sold by the state tree nursery. DNR operates three tree nurseries, which produce and distribute seedlings (trees and wildlife shrubs) used for reforestation and conservation purposes. Nursery stock is sold to the public at prices that reflect costs to administer the forest nursery program. It is estimated that the provision would reduce SEG revenue by \$75,000 annually.

Fish, Wildlife, and Natural Heritage Conservation

1. INLAND WATERS TROUT STAMP AND TROUT HABITAT DEVELOPMENT [LFB Paper 591]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$424,800	- \$424,800	\$0
SEG-REV	\$795,000	- \$795,000	\$0

Governor: Raise the fee for the inland waters trout stamp by \$5, from \$10 to \$15 (including the 25¢ issuing fee), effective April 1, 2024. The inland waters trout stamp is required of anyone fishing for trout in inland waters. Revenues raised by the inland trout stamp are used to improve and maintain trout habitat and conduct trout surveys in inland trout waters. In 2021-22, sales of the inland trout stamp raised \$1,872,800 in revenue. DOA estimates that the increased fee would raise revenues to the stamp appropriation by \$795,000 annually once in effect.

Additionally, provide \$227,700 in 2023-24 and \$197,100 in 2024-25 from the stamp appropriation for trout habitat development. This would include \$39,500 in 2023-24 and \$52,700 in 2024-25 to the inland waters trout stamp-funded appropriation to fund 1.0 position that would work on trout stream conservation planning. While funding for the trout development position would be provided to the appropriation, the bill would need to be amended to move 1.0 position from the fish, wildlife and parks general program operations appropriation to the inland water trout stamp-funded appropriation.

Funding would also include \$59,700 annually for LTE salaries and \$44,500 for supplies and services. DOA reports that this funding would be used to hire three LTEs to assist locally-led streambank protection efforts. Provide \$50,000 in 2023-24 as one-time funding to upgrade the Department's streambank protection database.

Joint Finance: Provision not included.

2. GREAT LAKES RESEARCH VESSEL MAINTENANCE

SEG	\$196,000
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Governor/Joint Finance: Provide one-time funding of \$196,000 fish and wildlife SEG in 2023-24 for maintenance of DNR's great lakes research vessels. The Department owns three research vessels, located in Lake Michigan, Lake Winnebago, and Lake Superior. The vessels were built in 2010, 1975, and 1946, respectively. They are used to collect data on Great Lakes fish populations that informs DNR's fish stocking efforts. The funding would be used to upgrade electronics, rebuild engines, and perform other maintenance and reconstruction on the ships' bodies. DNR estimates that the funding would extend the useable lives of the ships by between 25 and 40 years.

3. DEER CARCASS DISPOSAL GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$1,100,000	-\$1,100,000	\$0

4. NONRESIDENT DEER HUNTING LICENSE [LFB Paper 590]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	\$643,800	\$31,304,200	\$31,948,000
GPR-Tribal	0	-2,000,000	-2,000,000

Governor: Raise the fee for the nonresident deer hunting license by \$25.00 from \$157.25 to \$182.25, effective April 1, 2024. In addition to the license fee, nonresident deer hunters are assessed the \$2 wildlife damage surcharge and a \$0.75 issuing fee. Under the bill, the total fee for nonresident deer hunting licenses would rise from \$160 to \$185. The Administration estimates that the increased fee would raise an additional \$643,800 for the fish and wildlife account of the SEG conservation fund each year once in effect. In 2021-22, sales of nonresident deer hunting licenses raised \$4,279,000.

Deer hunting licenses are a primary source of revenue to the fish and wildlife account. Resident, nonresident, and reduced rate (such as senior and first-time buyer) deer hunting licenses are deposited in the balance of the fish and wildlife account and fund general account expenditures, such as wildlife program operations and county conservation aids.

Joint Finance: Raise the fee for the nonresident deer hunting license by \$40, from \$160 to \$200, including fees, beginning on the effective date of the bill. Additionally, increase nonresident hunting and fishing license fees by \$5 and nonresident combination licenses by \$20, as shown in the table.

Fish and Wildlife Fee Increases under Joint Finance

	<u>Current Fee</u>	<u>Joint Finance Fee Increase</u>	<u>Proposed Fee</u>	<u>Estimated Annual Revenue Increase</u>
Nonresident Hunting				
Annual Small Game	\$85.00	\$5.00	\$90.00	\$33,000
Five-Day Small Game	55.00	5.00	60.00	8,000
Deer	160.00	40.00	200.00	1,010,000
Archery and Crossbow	160.00	5.00	165.00	54,000
Turkey	60.00	5.00	65.00	21,000
Furbearing Animal	160.00	5.00	165.00	Minimal
Nonresident Fishing				
<i>Individual</i>				
One-Day	10.00	5.00	15.00	305,000
Annual	50.00	5.00	55.00	427,000
Fifteen-Day	28.00	5.00	33.00	121,000
Four-Day	24.00	5.00	29.00	251,000
<i>Family</i>				
Annual	65.00	5.00	70.00	162,000
Fifteen-Day	40.00	5.00	45.00	60,000
Nonresident Combination Licenses				
Conservation Patron	600.00	20.00	620.00	6,000
Sports License	275.00	20.00	295.00	<u>16,000</u>
Total				\$2,474,000

Further, increase the tribal gaming transfer to the fish and wildlife account of the conservation fund by \$1 million annually, from \$3 million to \$4 million. Make a one-time transfer of \$25 million from the forestry account of the conservation fund to the fish and wildlife account in 2023-24. In total, revenue to the fish and wildlife account is expected to increase by \$28,474,000 in 2023-24 and by \$3,474,000 in 2024-25, relative to current law.

5. SPORTING LEAD-FREE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

6. RESIDENCY VERIFICATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. LAC DU FLAMBEAU APPROVAL FEES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. TERRESTRIAL INVASIVE SPECIES GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$1,179,000	-\$1,179,000	\$0

9. ENDANGERED RESOURCES MATCH *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$900,000	-\$900,000	\$0

10. WILD RICE RESTORATION AND PUBLIC EDUCATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$400,000	-\$400,000	\$0

11. FISH HATCHERY IMPROVEMENTS

Joint Finance: Provide \$2,500,000 in unobligated bonding authority from the stewardship program for improvements to the Les Voigt Fish Hatchery and the Brule State Fish Hatchery, including drilling new wells, facility maintenance, upgrades, and renovations, and the construction of new buildings.

Law Enforcement

1. WARDEN SAFETY EQUIPMENT AND BODY-WORN CAMERAS [LFB Paper 595]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$9,000	\$0	\$9,000
SEG	<u>795,800</u>	<u>- 411,600</u>	<u>384,200</u>
Total	\$804,800	- \$411,600	\$393,200

Governor: Provide \$402,400 (\$4,500 GPR, \$15,900 environmental SEG, and \$382,000 conservation SEG) annually to purchase and operate body-worn cameras and other safety equipment for DNR law enforcement wardens. The provision would increase base funding to acquire electroshock stun guns (Tasers), automated external defibrillator (AED) units, and other supplies for the Division of Public Safety and Resource Protection (PSRP).

Of the funding provided, \$76,500 (\$4,500 GPR, \$4,100 environmental SEG, and \$67,900 conservation SEG) annually would be used to acquire AEDs. DNR anticipates acquiring 220 AED units over a six-year period. The units have an expected useable life of six years.

Additionally, \$205,800 annually (\$11,800 environmental SEG and \$194,000 conservation SEG) would be used to acquire body-worn cameras. DNR estimates that the cameras cost \$1,900 per year, including hardware, licensing, and data storage costs. The bill, and additional base-level funding, would be used to acquire and operate 176 body-worn cameras.

Thirdly, \$120,100 conservation SEG annually would be used to replace obsolete electroshock stun guns. The following table shows law enforcement equipment funding by between funding sources and PSRP functions.

Annual Warden Safety Equipment and Body-Worn Camera Funding Summary

<u>Fund Source/ Resource Area</u>	<u>AEDs</u>	<u>Body-Worn Cameras</u>	<u>Tasers</u>	<u>Subtotal</u>
GPR	\$4,500			\$4,500
SEG				
Environmental Fund	\$4,100	\$11,800		\$15,900
<i>Conservation Fund</i>				
Boat Enforcement	\$9,900	\$19,800		\$29,700
Fish and Wildlife	45,300	136,300	\$100,100	281,700
ATV/UTV	3,000	8,500		11,500
Water Resources	700	2,100		2,800
Parks	6,100	18,400	13,500	38,000
Forestry	<u>2,900</u>	<u>8,900</u>	<u>6,500</u>	<u>18,300</u>
<i>Conservation Subtotal</i>	\$67,900	\$194,000	\$120,100	\$382,000
SEG Total	\$72,000	\$205,800	\$120,100	\$397,900
All Funds Total	\$76,500	\$205,800	\$120,100	\$402,400

Joint Finance: Modify the provision to authorize \$76,500 (\$4,500 GPR, \$4,100 environmental SEG and \$67,900 conservation SEG) as one-time funding in each year of the 2023-25 biennium to acquire AEDs. Additionally, provide \$120,100 conservation SEG as one-time funding in each year of the biennium to acquire tasers.

In total, the bill would provide \$196,600 in each year, including \$4,500 GPR, \$4,100 environmental SEG, and \$188,000 conservation SEG, for warden equipment upgrades. The bill would not provide additional funding for body-worn cameras beyond base-level funding.

2. WARDEN OVERTIME

SEG	\$207,600
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Governor/Joint Finance: Provide \$68,700 (\$6,700 environmental SEG and \$62,000 conservation SEG) in 2023-24 and \$138,900 (\$13,500 environmental SEG and \$125,400 conservation SEG) for overtime costs for DNR wardens. 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. The bill would provide sufficient funding for 42,100 hours of warden overtime, paid at wage rates that will be earned by DNR wardens in the 2023-25 biennium.

3. LAW ENFORCEMENT OFF-ROAD VEHICLE MODERNIZATION [LFB Paper 595]

SEG	\$388,600
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Governor: Provide \$194,300 conservation SEG annually to acquire and upgrade off-road vehicles for DNR wardens. \$112,700 annually would be appropriated for snowmobile acquisition and \$81,600 would be appropriated for ATV acquisition. DNR reports that these amounts would fund the purchase of seven snowmobile and eight ATVs each year, based on 2023 prices. DNR

wardens share responsibility for enforcing snowmobile and ATV laws with local snowmobile and ATV patrols.

PSRP owns 102 snowmobiles and 88 ATVs. Of these, 44 snowmobiles and 42 ATVs were acquired before 2015. DNR allots \$130,000 annually from law enforcement base budgets to replace outdated off-road vehicles. DNR reports that the cost of replacing these vehicles has grown significantly in recent years.

Joint Finance: Modify the provision to authorize funding from the forestry account of the SEG conservation fund. Appropriate \$194,300 SEG annually from the forestry general program operations appropriation for law enforcement off-road vehicle acquisition.

4. TRANSFER SNOWMOBILE ENFORCEMENT FROM TRIBAL GAMING REVENUES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
PR	-\$2,619,000	- 9.00	\$2,619,000	9.00	\$0	0.00
SEG	<u>2,619,000</u>	<u>9.00</u>	<u>- 2,619,000</u>	<u>- 9.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

5. ATV AND UTV ENFORCEMENT

SEG	\$1,100,000
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Joint Finance: Direct DNR to reallocate 3.0 positions and funding from existing vacancies within DNR to the ATV law enforcement appropriation. DNR would be required to report the positions reallocated under the provision for inclusion in the final appropriation schedule for the 2023-25 biennium. Under current law, DNR has 9.0 full-time warden positions funded from the ATV/UTV account of the SEG conservation fund. Increase this to 12.0 wardens.

Additionally, increase funding for county ATV enforcement aids by \$550,000 annually, from \$750,000 to \$1,300,000. Funding from the ATV account of the SEG conservation fund is provided for aids to counties for up to 100% of the eligible costs of ATV/UTV enforcement activities. Aids are prorated if eligible claims exceed the appropriation level.

6. SNOWMOBILE COUNTY ENFORCEMENT AIDS

SEG	\$400,000
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Joint Finance: Increase funding for county snowmobile enforcement aids by \$200,000 annually, from \$396,000 to \$596,000. Funding from the snowmobile account of the conservation fund is available annually for aids to counties for up to 100% of eligible costs of enforcing snowmobile laws. Aid payments are prorated if claims exceed the appropriation level.

Waste, Remediation, and Air

1. PFAS MUNICIPAL GRANT PROGRAM [LFB Papers 600 and 601]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$85,000,000	- \$85,000,000	\$0
SEG	<u>15,000,000</u>	<u>- 15,000,000</u>	<u>0</u>
Total	\$100,000,000	- \$100,000,000	\$0

Governor: Provide \$85 million GPR in 2023-24 and \$15 million environmental management SEG in 2024-25 in continuing appropriations for the creation of a grant program for municipalities to investigate and respond to per- and polyfluoroalkyl substances (PFAS) contamination statewide. PFAS are synthetic chemicals commonly found in nonstick surfaces and cookware, paint, and firefighting foam. Research and studies indicate that PFAS are toxic to humans. PFAS do not easily degrade and tend to accumulate in humans and the environment. Since 2013, numerous sites have shown to have PFAS contamination in groundwater, drinking water, surface water, sediment, or soil as a result of various private and governmental uses of the chemicals.

Municipality Eligibility. Specify that eligible municipalities include any city, village, town, county, tribal government, 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 area controlled by 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; and (g) sampling and testing in schools and daycares.

Evaluation Criteria. DNR would be required to consider the following: (a) a municipality's demonstrated 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.

2. PFAS MANAGEMENT STAFFING [LFB Paper 602]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$1,663,600	11.00	-\$1,663,600	- 11.00	\$0	0.00

Governor: Provide \$729,400 in 2023-24 and \$934,200 in 2024-25 with 11.0 positions to remediate and manage PFAS.

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 Management Positions and Funding

<u>DNR Program / Positions</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Positions</u>
Drinking and Groundwater			
Water Supply Specialists	\$176,900	\$226,200	3.00
Water Quality			
Wastewater Specialists	125,600	164,400	2.00
Air Management			
Air Management Engineer / Air Management Specialist	175,700	214,600	2.00*
Remediation and Redevelopment			
Hydrogeologist Program Coordinator / Hydrogeologist	125,600	164,400	2.00
Waste and Materials Management			
Hydrogeologist	62,800	82,300	1.00
Wildlife Management			
Toxicologist	<u>62,800</u>	<u>82,300</u>	<u>1.00</u>
Total	\$729,400	\$934,200	11.00

* Includes 1.0 four-year project position.

The Administration indicates that the 11.0 staff would have the following responsibilities: (a) 3.00 drinking and groundwater staff would sample and address contaminants in drinking water and develop and implement federally-compliant administrative rules relating to PFAS regulation; (b) 2.00 water quality staff would develop water quality standards for PFAS based on Department of Health Services recommendations and assist in PFAS effluent monitoring; (c) 2.00 air management staff would identify sources of PFAS air emissions and operate the state's ambient air deposition monitoring network to monitor for PFAS; (d) 2.00 remediation and redevelopment staff would develop guidelines for PFAS sampling and establish standard procedures related to sampling, lab analysis, site screening, and cleanup standards; (e) 1.00 waste and materials management position would develop safe disposal and treatment methods for PFAS-containing wastes and evaluate landfills for potential waste disposal; and (f) 1.00 wildlife management position would develop PFAS sampling methodologies for wildlife, educate local communities impacted by PFAS in wildlife, and coordinate with DHS to establish health advisories for consumption of PFAS-impacted wildlife.

Joint Finance: Provision not included.

3. STATEWIDE PFAS SAMPLING AND TESTING [LFB Paper 603]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$2,210,000	- \$2,210,000	\$0

Governor: Provide \$1,480,000 in 2023-24 and \$730,000 in 2024-25 for statewide PFAS sampling and testing. The Administration indicates the following intended uses of the funds: (a) \$600,000 each year for investigation, mitigation, and testing for PFAS and other emerging contaminants on properties where responsible parties cannot be identified, refuse to take timely

action, or where contaminants pose an active threat to human health; (b) \$750,000 in 2023-24 for well sampling and testing; (c) \$55,000 each year to survey and analyze 44 large rivers across the state and their watersheds for PFAS; (d) \$50,000 in each year to collaborate with the University of Wisconsin-Madison and nearby states to identify sources of PFAS, impacted waterways, and possible fish consumption concerns for vulnerable populations; and (e) \$25,000 each year to sample wastewater where PFAS is suspected.

Joint Finance: Provision not included.

4. PFAS SUBSTANCE EMERGENCY MEASURES [LFB Paper 603]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$1,800,000	- \$1,800,000	\$0

Governor: Provide \$900,000 annually to support PFAS emergency measures. The Administration indicates that funding would be used to distribute bottled water or other alternative water supplies to communities impacted by PFAS contamination in drinking water.

Joint Finance: Provision not included.

5. PFAS-CONTAINING FIREFIGHTING FOAM DISPOSAL [LFB Paper 604]

	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 one-time funding in 2023-24 for the second phase of disposal and cleanup of PFAS-containing firefighting foam. 2021 Act 58 created a continuing appropriation and provided \$1 million for phase one, which involved contracting with a vendor to collect and dispose of foams from fire departments throughout the state. The Administration indicates that phase two would involve DNR establishing an up-to-date registry of PFAS-containing firefighting foam inventory. Additionally, the bill would direct a portion of the funds to support local fire departments in purchasing non-PFAS-containing foams.

Joint Finance: Provision not included.

6. PFAS STANDARDS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. **CERTIFIED PFAS TESTING LABORATORIES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
8. **FINANCIAL RESPONSIBILITY FOR PFAS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
9. **HAZARDOUS SUBSTANCE DISCHARGE INVESTIGATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
10. **BAN ON COAL TAR-BASED SEALANTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
11. **CREATE REVITALIZE WISCONSIN PROGRAM AND ELIMINATE DRY CLEANER ENVIRONMENTAL RESPONSE PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
SEG	\$8,180,500	1.00	-\$8,180,500	-1.00	\$0	0.00

12. **BONDING FOR GREAT LAKES CONTAMINATED SEDIMENT REMOVAL** [LFB Paper 605]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$15,000,000	-\$15,000,000	\$0
GPR	0	7,500,000	7,500,000

Governor: Increase bonding authority by \$15,000,000 for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries. Since 2007, DNR has been authorized \$40 million in contaminated sediment bonding authority, including \$4 million provided by 2021 Act 58. Of these amounts, DNR has committed \$36.3 million as of February, 2023. Funding under the provision would support a portion of approximately \$40.3 million in additional priority state funding obligations identified for remediation in the Portage Canal, Milwaukee Estuary, Sheboygan River, St. Louis River, and Lake Superior.

Debt service for contaminated sediment bonding is supported by environmental management SEG. The bill estimates this debt service at \$1.9 million in 2023-24 and \$2.0 million in 2024-25.

Joint Finance: Delete \$15.0 million in bonding and instead, provide \$7,500,000 GPR in 2023-24 in a new, continuing appropriation for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries.

13. NON-METALLIC MINING APPROPRIATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$400,000	- \$400,000	\$0
SEG-REV	- 400,000	400,000	0

14. AIR MANAGEMENT PROGRAM POSITION TRANSFERS [LFB Paper 606]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$1,792,200	- 8.75	\$665,200	1.75	-\$1,127,000	- 7.00
SEG	<u>1,792,200</u>	<u>8.75</u>	<u>- 1,792,200</u>	<u>- 8.75</u>	<u>0</u>	<u>0.00</u>
PR	\$0	0.00	-\$1,127,000	- 7.00	-\$1,127,000	- 7.00

Governor: Transfer 8.75 positions and \$896,100 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 Position Transfers

<u>DNR Program</u>	<u>Funding</u>	<u>Positions</u>
Environmental Management Administration	\$249,200	2.00
Enforcement	117,300	1.00
External Services		
Customer Services	226,700	3.25
Environmental Analysis and Sustainability	300,400	2.50
Communications	<u>2,500</u>	<u>0.00</u>
Total	\$896,100	8.75

In addition, transfer 3.0 PR vacant air management positions and \$228,900 PR from the

appropriation for federally-regulated sources to the appropriation for state-regulated sources. Additionally, transfer 1.0 PR vacant air management position and \$77,800 PR from the appropriation for federally-regulated sources to the PR appropriation for asbestos management. Finally, transfer 1.0 FED vacant position and \$77,800 FED from air management to the safe drinking water loan program. The provision is intended to reallocate positions according to current staffing needs and available funding sources.

Joint Finance: Delete 7.0 vacant positions and \$563,500 PR annually in associated funding. Deleted positions would include: 4.0 classified positions from air management and 2.0 classified positions from customer services. Additionally, 1.0 vacant division administrator position, which has been vacated as a result of past agency reorganization activities, would be deleted. The bill would reduce from 10 to 9 the number of DNR unclassified division administrator positions authorized under s. 230.08(2)(e) of the statutes. The provision would not include any transfers of positions or funding.

15. WASTE MANAGEMENT POSITIONS TRANSFER

Governor/Joint Finance: Transfer 3.0 waste management positions and \$360,500 SEG from recycling administration to general operations to better align position funding with assigned duties.

16. LANDFILL FOOD WASTE STUDY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

17. PFAS TRUST FUND

GPR-Transfer	\$110,000,000
SEG-Transfer	<u>15,000,000</u>
Total	\$125,000,000

Joint Finance: Create a segregated PFAS trust fund. Create from the fund a continuing appropriation as the amounts in the schedule for addressing and preventing perfluoroalkyl and polyfluoroalkyl substances contamination in this state. Transfer \$110,000,000 GPR and \$15,000,000 environmental management SEG in 2023-24 to the fund. Specify that fund revenues include: (a) transfers to the PFAS trust fund under the bill or other acts; (b) all monies, other than fines and forfeitures, received under settlement agreements or orders in settlement of actions or proposed actions for violations of Chapters 280 to 299 that relate to per- and polyfluoroalkyl substances; (c) all donations, gifts, and bequests; and (d) all income and interest earned by the fund. Specify that the unencumbered balance of the PFAS-containing firefighting foam cleanup appropriation, s. 20.370 (4)(ps), be transferred to the fund.

Under the provision, the PFAS fund would have no amounts appropriated in the 2023-25 biennium. Transfers and other revenues would be available for DNR to request for release by the Joint Committee on Finance, or the fund balance could be further directed or appropriated in separate legislation.

18. REAUTHORIZE FUNDING FOR CLEANUP OF ELECTRONIC WASTE [LFB Paper 607] SEG \$3,450,000

Joint Finance: Modify the statutory language of s. 20.370 (4)(hs), the annual appropriation for electronic waste cleanup related to 5R Processors, to be continuing. Reauthorize the unencumbered, unexpended balance of the appropriation (\$1,450,000) to allow continued funding for the intended cleanup initiatives in the 2023-25 biennium, and authorize an additional \$2,000,000 for increased cleanup costs in the 2023-25 biennium.

5R Processors, now defunct, operated as an electronics and appliance recycling firm with several sites in Wisconsin, including Ladysmith (Rusk County), Glen Flora (Rusk County), Catawba (Price County) and West Bend (Washington County). 2021 Wisconsin Act 234 intended to create a continuing appropriation for state-funded cleanup of company sites containing toxic or hazardous wastes. Monies in continuing appropriations do not lapse to the balance of the source fund, and Act 234 intended to allow DNR to expend all monies appropriated for the cleanup purposes until exhausted. The provision would conform the appropriation to the intent of Act 234 and provide additional funding based on updated cost estimates. Total funding under the appropriation would be \$3,450,000 in 2023-24.

Water Quality

1. WELL COMPENSATION GRANT PROGRAM [LFB Paper 610]

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

Governor: Provide \$1,000,000 in 2024-25 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; (b) allow an owner or renter of a transient non-community water supply to apply for a grant; (c) specify that a well producing water containing levels of a per- or polyfluoroalkyl substance in excess of the maximum level set by federal or state law; and (d) 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. A transient non-community water supply is defined as a water system that serves at least 25 persons at least 60 days of the year

but that does not regularly serve at least 25 of the same persons over six months per year.

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 \$67,100 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.

Under current law, DNR is appropriated \$200,000 environmental management SEG each year in a continuing appropriation for well compensation grants, although \$1,000,000 in additional funding was provided in the 2021-23 biennium on a one-time basis. In 2022, the Governor also allocated federal funding of \$10 million. Well compensation grants would be appropriated a total of \$200,000 in 2023-24 and \$1,200,000 in base funding beginning in 2024-25 under this provision.

Joint Finance: Maintain current law regarding well compensation program eligibility and grant awards. Create a new GPR continuing appropriation under DNR for well compensation and well abandonment grants under s. 281.75 of the statutes. Specify that funding of \$1,000,000 be placed in the Committee's supplemental appropriation in 2023-24. [See "Program Supplements."]

2. WELL CONSTRUCTION NOTIFICATION FEE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	\$320,000	- \$320,000	\$0

3. **WELL CONSTRUCTION VARIANCES APPLICATION FEE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

4. **BALLAST WATER AND COMMERCIAL VESSEL FEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	\$400,000	-\$400,000	\$0

5. **WASTEWATER GENERAL PERMIT STAFFING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$113,700	1.00	-\$113,700	-1.00	\$0	0.00

6. **WATER E-PERMITTING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$641,100	1.00	-\$641,400	-1.00	\$0	0.00

7. **WISCONSIN POLLUTANT DISCHARGE ELIMINATION SYSTEM (WPDES) VIOLATION NOTICES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$96,000	-\$96,000	\$0

8. WINNEBAGO LAKE SYSTEM STAFFING [LFB Paper 611]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$256,400	2.00	-\$256,400	- 2.00	\$0	0.00

Governor: Provide \$109,900 in 2023-24 and \$146,500 in 2024-25 with 2.0 positions to increase staffing for Lake Winnebago local lake protection and restoration efforts, including water quality and habitat improvement projects. Duties of the positions would include oversight of breakwall projects, water level management, and bird and waterfowl management.

Joint Finance: Provision not included.

9. CONCENTRATED ANIMAL FEEDING OPERATION FEES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	\$138,000	-\$138,000	\$0

10. WATER RESOURCES ACCOUNT LAPSE

Governor/Joint Finance: Lapse \$350,000 from the DNR river management appropriation to the balance of the water resources account of the conservation fund in 2023-24. The river management appropriation supports management activities for habitat and recreational projects and environmental and resource management studies on the Mississippi and Lower St. Croix Rivers. The continuing appropriation had an available balance of \$902,000 as of June 30, 2022. The provision is intended to increase the available balance of the water resources account, which had an available balance of approximately \$1 million on June 30, 2022.

11. DAM SAFETY BONDING [LFB Paper 612]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$10,000,000	-\$10,000,000	\$0
GPR	\$0	\$4,000,000	\$4,000,000

Governor: Provide \$10,000,000 in GPR-supported general obligation bonding authority for dam safety grants. No specific estimate of debt service payments is made for the program during

the biennium. However, principal and interest on \$10 million in general obligation bonds could be expected to total approximately \$800,000 annually, assuming all bonds were issued for 20 years.

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 \$46.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including \$4 million in each biennium since 2009-11 and \$10 million in 2021-23.

Joint Finance: Modify provision to provide \$4,000,000 GPR in 2023-24 in a biennial appropriation for the municipal dam safety program rather than from bond revenue.

12. SHEBOYGAN MARSH DAM

Governor: Require \$500,000 in GPR-supported general obligation bonds for dam repair be awarded to Sheboygan County for removal and reconstruction of the dam on the Sheboygan River at Sheboygan Marsh. 2021 Act 58 directed DNR to award a \$1 million dam safety grant to Sheboygan County for the project. DNR reports that those funds have been encumbered, and Sheboygan County has submitted plans to the DNR, which DNR is currently reviewing.

Sheboygan County estimated total project costs of \$2.7 million in 2021, but is anticipating a \$300,000 increase would be necessary to fulfill original project goals. An additional \$200,000 would provide improvements to fishing and water access. Total anticipated project costs are currently \$3.2 million.

Joint Finance: Modify provision to allocate \$500,000 GPR in 2023-24 to Sheboygan County for removal and reconstruction of the dam on the Sheboygan River at Sheboygan Marsh. Further discussion, and the provision's fiscal effect, is under a subsequent item entitled "Dam Project Earmarks."

13. DAM LICENSING FEES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR-REV	\$340,000	- \$340,000	\$0

14. URBAN NONPOINT SOURCE BONDING [LFB Paper 614]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$11,000,000	- \$11,000,000	\$0
GPR	0	4,000,000	4,000,000

Governor: Provide \$11,000,000 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. Of this amount, DNR intends for \$7.5 million 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 \$3.5 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 \$3.0 million in 2023-24 and \$3.9 million in 2024-25.

Joint Finance: Modify provision to provide \$4,000,000 GPR in 2023-24 for UNPS and MFC programs in a biennial appropriation rather than from bond revenue.

15. FLOOD MAPPING AND FLOOD INSURANCE STUDIES [LFB Papers 613 and 614]

	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 2023-25 biennium in one-time funding for preparation of flood insurance studies and other flood mapping projects. The DNR Floodplain Mapping Program is currently funded by grants received from the Federal Emergency Management Agency (FEMA). The Department reports that additional funding could assist counties in pursuing flood mapping projects outside of federal grants.

Joint Finance: Provision not included.

16. GREAT LAKES AND MISSISSIPPI RIVER EROSION CONTROL LOANS
(Removed from budget consideration pursuant to Joint Finance Motion #10)

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

17. RURAL NONPOINT SOURCE BONDING [LFB Paper 615]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$10,000,000	- \$10,000,000	\$0
GPR	\$0	\$6,500,000	\$6,500,000

Governor: Provide \$10,000,000 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 \$3.0 million SEG in 2023-24 and \$4.9 million SEG in 2024-25.

Joint Finance: Modify provision to provide \$6,500,000 GPR in 2023-24 for rural nonpoint source water pollution abatement grants in a biennial appropriation rather than from bond revenue.

18. TARGETED RUNOFF MANAGEMENT [LFB Paper 615]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$800,000	- \$400,000	\$400,000

Governor: Provide \$400,000 nonpoint SEG each year for additional funding for primarily nonstructural practices or staff costs under targeted runoff management (TRM) grants. TRM grants provide financial assistance to projects addressing water quality concerns or impairments, primarily in rural and agricultural settings and support the implementation of total maximum daily load (TMDLs) in Wisconsin. Funds come from general obligation bonding, nonpoint SEG, and federal funding under Section 319 of the Clean Water Act. Since the 2017-19 biennium, the TRM program has been provided \$100,000 nonpoint SEG each year on an ongoing basis. DNR awarded TRM grants to 16 projects for \$3,859,700 in 2022 and 11 projects for \$3,429,300 in 2023.

Joint Finance: Modify provision to provide an additional \$200,000 nonpoint SEG on an ongoing basis for nonpoint source grants. Total funding for nonpoint source grants to support nonstructural practices required of TRM projects would be \$300,000 annually.

19. MANURE TREATMENT COORDINATOR *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding Positions		Funding Positions		Funding Positions	
SEG	\$145,100	1.00	-\$145,000	- 1.00	\$0	0.00

20. TOTAL MAXIMUM DAILY LOAD STAFFING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$390,100	2.00	-\$390,100	- 2.00	\$0	0.00

21. PERMIT PRIMER UPDATE

SEG	\$80,000
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Governor/Joint Finance: Provide \$80,000 in 2023-24 from environmental management SEG in the Division of External Services' general program operations appropriation for updating the Department's interactive environmental permitting platform, Permit Primer. The goal of the platform is to assist small business owners, local governments, or others in determining permits they may need and how to acquire them to comply with state environmental laws. Funding would be provided on a one-time basis in 2023-24 and would fund approximately 1,000 hours of IT development work.

The Permit Primer was developed by DNR in 2002 and has lost functionality and interoperability with the Department's current web design protocols, causing webpage traffic to decrease. The Department intends for modernization of the Permit Primer to increase use of the platform, improve permit compliance, and reduce permitting staff workload.

22. OFFICE OF AGRICULTURE AND WATER QUALITY TRANSFERS

Governor: Transfer 1.0 conservation SEG policy analyst position from the Division of Internal Services and 1.0 program director position from communications in the Division of External Services' to watershed management in the Division of External Services, for the creation of the Office of Agriculture and Water Quality. The Office, created in 2022, consolidates some responsibilities from existing DNR programs and offices, such as watershed management, drinking and groundwater, water quality, and the Office of Great Waters, into one office focused on non-regulatory aspects of agriculture and water quality policy, research, programs, funding, and outreach.

Primary responsibilities include: (a) promoting analysis of major policies addressing

agricultural impacts on water; (b) serving as a liaison between other Department offices to help with prioritization and coordination of research, policy, and funding initiatives; (c) serving on the Land and Water Conservation Board; (d) serving as an advisor to the UW Discovery Farms Steering Committee; and (e) serving as the Department's single point of contact for stakeholders engaging in agriculture and water quality issues. The creation of the office, and the provision, requires no change to existing funding levels or position authority within the Department.

Joint Finance: Provision not included.

23. 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 2020-21 and 2021-22 totaled approximately \$162,000 and \$174,000, respectively.

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.

24. STORM WATER MANAGEMENT APPROPRIATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

25. DAM PROJECT EARMARKS

GPR	\$3,250,000
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Joint Finance: Provide \$3,250,000 in 2023-24 in new continuing appropriations for each of four dam projects. Specify that: (a) \$500,000 is provided to Sheboygan County for removal and reconstruction of the dam on the Sheboygan River at Sheboygan Marsh; (b) \$1,000,000 is provided to the City of Burlington for restoration of the dam on Echo Lake; (c) \$750,000 is provided to Price County for repairs to the dam on Steve Creek; and (d) \$1,000,000 is provided to the City of Plymouth for removal and restoration of the dam on Mill Pond.

26. LAKE MALLALIEU DREDGING

GPR	\$2,000,000
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Joint Finance: Provide \$2,000,000 in 2023-24 in a new, continuing appropriation to the Lake Mallalieu Lake Association for dredging Lake Mallalieu, an impoundment of the Willow River in St. Croix County.

27. LAKE ALTOONA SEDIMENT DREDGING

SEG	\$500,000
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Joint Finance: Provide \$500,000 environmental management SEG in 2023-24 for a grant to the Lake Altoona Rehabilitation and Protection District (Eau Claire County) for costs related to the acquisition and transport of a bed load sediment collector, and for sediment dredging activities.

28. STUDIES ON BUFFALO LAKE

SEG	\$100,000
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Joint Finance: Provide \$100,000 water resources SEG (conservation fund) in 2023-24 to the Buffalo Lake Protection and Rehabilitation District to assist with permitting and study requirements in Buffalo Lake in Marquette County.

29. ARCADIA MUNICIPAL FLOOD CONTROL PROJECT

Joint Finance: Extend the date by which funding for the Arcadia municipal flood control stewardship earmark must be obligated through the 2023-25 biennium. Further, allow funding to be awarded if the project is designed, authorized, approved, or supervised by the U.S. Army Corps of Engineers. 2017 Act 59 provided a matching grant of up to \$14,600,000 to support a municipal flood control project in the City of Arcadia executed by the Army Corps of Engineers under the federal Flood Control Act. DNR and the Joint Committee on Finance have approved state funding for the project under Act 59 provisions. Construction is expected to begin in 2024.

PROFESSIONAL BASEBALL PARK DISTRICT

Budget Change Items

1. **GRANT TO A PROFESSIONAL BASEBALL PARK DISTRICT AND DISTRICT POWERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

2. **EXPAND PROPERTY TAX EXEMPTION TO INCLUDE NON-BASEBALL PARK FACILITIES OF A PROFESSIONAL BASEBALL TEAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

3. **SALES TAX EXEMPTION FOR LOCAL PROFESSIONAL BASEBALL PARK DISTRICTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. **SALES TAX EXEMPTION FOR IMPROVEMENTS TO BASEBALL PARK DISTRICTS AND DEVELOPMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

PROGRAM SUPPLEMENTS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$664,200	\$94,572,400	\$325,920,000	\$231,347,600	244.6%	\$325,255,800	N.A.
FED	0	13,175,400	12,267,100	-908,300	- 6.9	12,267,100	N.A.
PR	0	23,123,500	38,391,900	15,268,400	66.0	38,391,900	N.A.
SEG	<u>0</u>	<u>12,997,800</u>	<u>30,601,700</u>	<u>17,603,900</u>	135.4	<u>30,601,700</u>	N.A.
TOTAL	\$664,200	\$143,869,100	\$407,180,700	\$263,311,600	183.0%	\$406,516,500	N.A.

Note: Base level funding is provided in four GPR appropriations, including \$5,800 for physically handicapped supplements, \$10,200 for executive residence furnishings replacement, \$182,500 for groundwater survey and analysis, and \$133,600 for unreserved moneys available for release by the Joint Committee on Finance.

FTE Position Summary
There are no authorized positions for program supplements.

Budget Change Items

1. FUNDS FOR 27TH BIWEEKLY PAYROLL [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$93,908,200	- \$5,524,800	\$88,383,400
FED	13,175,400	- 908,300	12,267,100
PR	23,123,500	- 1,594,000	21,529,500
SEG	<u>12,997,800</u>	<u>- 896,100</u>	<u>12,101,700</u>
Total	\$143,204,900	- \$8,923,200	\$134,281,700

Governor: Provide \$93,908,200 GPR, \$13,175,400 FED, \$23,123,500 PR, and \$12,997,800 SEG in 2023-24 in the supplemental appropriations established for this purpose under current law for the estimated costs of having to pay for a 27th payroll in 2023-24 for employees paid on a bi-weekly basis. Modify these appropriations to specify that this funding could be used for permanent UW System employees, including permanent project employees, on the biweekly

payroll system of the UW System. In most fiscal years, only 26 biweekly payrolls must be paid; however, every 12 years 27 biweekly payrolls must be paid. A similar adjustment was made in 2011-12, when this last occurred.

Joint Finance: Provide \$88,383,400 GPR, \$12,267,100 FED, \$21,529,500 PR, and \$12,101,700 SEG in 2023-24. Include the modifications to the appropriations relating to UW System employees.

2. JOINT COMMITTEE ON FINANCE APPROPRIATIONS FOR AGENCY SUPPLEMENTS

GPR	\$236,872,400
PR	16,862,400
SEG	<u>18,500,000</u>
Total	\$272,234,800

Joint Finance: Provide the amounts shown in the table below to the Committee's supplemental appropriations.

Joint Committee on Finance Supplemental Appropriations

		<u>2023-24</u>	<u>2024-25</u>	
Building Commission	Transfer to building trust fund	\$32,000,000	\$0	GPR
Children and Families	National reading program	500,000	500,000	GPR
Corrections	Population and inflationary cost increases	5,675,100	5,675,100	GPR
Corrections	Contract bed funding	0	8,790,400	GPR
Corrections	Reentry centers	4,000,000	0	GPR
Health Services	Telemedicine crisis response pilot program	2,000,000	0	GPR
Health Services	Crisis urgent care	10,000,000	0	GPR
Health Services	Dentistry residency	5,000,000	0	GPR
Health Services	Complex patient pilot program	5,000,000	0	GPR
Military Affairs	Town of Silver Public Safety Building	1,000,000	0	GPR
Military Affairs	Pre-disaster flood mitigation	2,000,000	0	GPR
Military Affairs	WISCOM upgrades	0	2,000,000	GPR
Miscellaneous Appropriations	Wisconsin Eye	10,000,000	0	GPR
Natural Resources	Well compensation	1,000,000	0	GPR
Public Instruction	Literacy	50,000,000	0	GPR
Public Instruction	Shared school district services	5,000,000	0	GPR
Public Instruction	Recovery school	500,000	500,000	GPR
UW System	Workforce development	31,881,800	0	GPR
UW System	Washington County campus transition	3,350,000	0	GPR
Veterans Affairs	State veterans homes	2,500,000	2,500,000	GPR
WEDC	Opportunity attraction and promotion fund	10,000,000	0	GPR
WEDC	Childcare revolving loan program	15,000,000	0	GPR
WTCS	Oral healthcare workforce	20,000,000	0	GPR
Workforce Development	Commercial drivers license training grants	<u>250,000</u>	<u>250,000</u>	GPR
Totals		\$216,656,900	\$20,215,500	GPR
Administration	Tribal grants	\$11,000,000	\$0	PR
Administration	Division of Facilities Dev. staffing	964,000	1,285,400	PR
Shared Revenue	County aid payments	<u>3,613,000</u>	<u>0</u>	PR
Totals		\$15,577,000	\$1,285,400	PR
Transportation	Driver education grant	\$0	\$6,000,000	SEG
Transportation	Local bridges and culverts	<u>12,500,000</u>	<u>0</u>	SEG
Totals		\$12,500,000	\$6,000,000	SEG
Grand Total		\$244,733,900	\$27,500,900	All Funds

PUBLIC DEFENDER

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$226,301,800	\$268,942,200	\$263,180,900	-\$5,761,300	- 2.1%	\$36,879,100	16.3%
FED	0	3,200	3,200	0	0.0	3,200	N.A.
PR	<u>3,010,400</u>	<u>2,958,000</u>	<u>2,958,000</u>	<u>0</u>	<u>0.0</u>	<u>-52,400</u>	<u>- 1.7</u>
TOTAL	\$229,312,200	\$271,903,400	\$266,142,100	-\$5,761,300	- 2.1%	\$36,829,900	16.1%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	614.85	664.85	614.85	- 50.00	0.00
FED	63.00	0.00	0.00	0.00	- 63.00
PR	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	682.85	669.85	619.85	- 50.00	- 63.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Joint Finance: Provide adjustments to the base totaling \$447,500 GPR, \$1,600 FED, and -\$26,000 PR in 2023-24 and \$428,400 GPR, \$1,600 FED, and -\$26,400 PR and -63.0 FED

	Funding	Positions
GPR	\$875,900	0.00
FED	3,200	- 63.00
PR	<u>- 52,400</u>	<u>0.00</u>
Total	\$826,700	- 63.00

and positions in 2024-25. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (-\$624,300 GPR and -\$34,700 PR annually); (b) overtime (\$219,300 GPR and \$2,900 PR annually); (c) removal of non-continuing elements from the base (-63.0 FED positions in 2024-25); (d) minor transfers within the same appropriation (\$173,600 GPR and 1.0 GPR position would be reallocated within the program operations appropriation from appellate representation to trial representation); and (e) full funding of lease and directed moves (\$852,500 GPR, \$1,600 FED, and \$5,800 PR in 2023-24 and \$833,400 GPR, \$1,600 FED, and \$5,400 PR). The positions removed under non-continuing elements (30 Assistant State Public Defenders (ASPDs), 3 client service specialists, 3 legal secretaries, 23 paralegals, and 4 investigators) were

supported with federal ARPA funds. Note that the calculated turnover reduction (\$1,354,900 GPR annually) was restored due to constitutional considerations. Under the Constitution and U.S. Supreme Court case law, the SPD is required to provide representation for all financially eligible individuals accused of a crime. The agency provides that representation through both staff and private bar attorneys. Restoration of the turnover reduction is recommended because, if turnover reductions are taken and staff positions not filled, cases will be handled by private bar attorneys. Since staff handle a higher caseload than private attorneys and generally cost less than private bar attorneys paid at \$70 an hour, not filling staff attorney positions may result in higher costs to provide representation.

2. PRIVATE BAR ATTORNEY COMPENSATION [LFB Paper 627]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$21,606,600	- \$4,012,200	\$17,594,400

Governor: Provide \$10,803,300 annually and modify current law to increase the rate at which private bar attorneys are compensated from \$70 per hour to \$100 per hour and from \$25 to \$50 per hour for travel. In addition, grant the SPD authority to modify rules to reflect the changes in the rate. Under current law, private bar attorneys are compensated at a rate of \$70 per hour for time spent related to a case, regardless of the case type. The increase in hourly compensation would apply to cases assigned on or after July 1, 2023.

Joint Finance: Reduce funding by \$2,006,100 annually in order to provide increased funding of \$8,797,200 annually associated with the rate of private bar compensation as specified above.

3. STAFF COMPENSATION [LFB Paper 316]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$16,054,700	\$2,354,100	\$18,408,800

Governor: Provide \$7,033,500 GPR in 2023-24 and \$9,021,200 GPR in 2024-25 to increase staff compensation and address retention, and recruitment issues that contribute to delays in the provision of constitutionally required representation.

a. *Pay Progression.* Provide \$1,987,700 in 2024-25 to support the pay progression plan. The 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 (\$56,659 as of January 3, 2023) and the highest annual salary (\$136,781 as of January 3, 2023). The value of one hourly salary step equals \$4,722 annually. Funding is approximately equal to a step.

b. *Salary Adjustments.* Provide \$7,033,500 annually to increase the starting salary of

assistant state public defenders from \$27.24 to \$35 an hour and provide any hourly increase of \$7.76 (\$16,140 annually) to all ASPDs.

c. *Non-Statutory Provision.* Create non-statutory language specifying that, notwithstanding statutory provisions establishing maximum annual salary increases in correction with pay progression at no more than 10%, salary increases in 2023-24 and 2024-25 may be more than 10% annually.

Joint Finance: Provide an additional \$1,115,100 in 2023-24 and \$1,239,000 in 2024-25 in order to provide increased funding of \$8,148,600 in 2023-24 and \$10,260,200 in 2024-25 to increase the salary adjustment from \$7.76 to \$8.76 an hour. Further, include non-statutory language specifying that, notwithstanding statutory provisions that establish maximum annual salary increases in connection with pay progression, salary increases in 2023-24 may be more than 10% annually. In addition, include non-statutory language specifying that, notwithstanding the current compensation plan, that the agency may provide the new minimum salary upon appointment and provide adjustments and pay progression to those at the maximum salary level. In 2024-25, funding is intended to provide pay progression of one step with higher salaried individuals limited to the maximum of the salary range then in effect.

4. SUPPORT AND ADMINISTRATIVE STAFF [LFB Paper 626]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$6,363,200	50.00	-\$6,363,200	- 50.00	\$0	0.00

Governor: Provide \$2,784,200 in 2023-24 and \$3,579,000 in 2024-25 and 50.0 positions annually to address workload issues for staff assisting State Public Defender attorneys.

a. *Support Staff.* Provide an additional 46.0 support staff positions (18.0 paralegals, 10.0 investigators, 7.0 client services specialists, and 11.0 legal secretaries) in the trial division and 2.0 paralegal support staff positions in the appellate division.

b. *Administrative Staff.* Provide an additional 2.0 administrative office positions to recruit, onboard, and train staff. The positions are intended to lessen turnover rates and assist with administrative duties associated with the additional staff being provided.

Joint Finance: Provision not included.

5. **CHARGING AND SENTENCING ALTERNATIVES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$2,260,000	\$2,260,000	\$0

6. **PILOT CHIPS EXTENSION**

Governor/Joint Finance: Provide an extension of 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, 2023, to June 30, 2025. Modify current law to specify that the Department of Children and Families and the State Public Defender submit a report on the program to the Joint Committee on Finance and the Legislature by January 1, 2025, rather than by January 1, 2023.

7. **TRIAL CASELOAD EXEMPTION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. **PROGRAMMATIC FUNDING REALIGNMENT** [LFB Paper 625]

Governor: Transfer funding annually within SPD's GPR program operations between trial representation (-\$401,600 GPR) and transcripts, discovery, and interpreter costs (\$401,600 GPR).

Joint Finance: Instead, transfer funding annually within SPD's GPR program operations appropriation between private bar and investigator reimbursement (-\$622,800 GPR) and transcripts, discovery, and interpreter costs (\$622,800 GPR) in order to align budgeted funding with programmatic expenditures.

PUBLIC INSTRUCTION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$14,451,763,600	\$17,260,785,200	\$15,455,113,800	- \$1,805,671,400	- 10.5%	\$1,003,350,200	6.9%
FED	1,768,069,200	1,768,075,200	1,767,345,000	- 730,200	0.0	- 724,200	0.0
PR	107,262,000	109,995,700	109,995,700	0	0.0	2,733,700	2.5
SEG	<u>141,328,200</u>	<u>170,115,000</u>	<u>162,115,000</u>	<u>- 8,000,000</u>	- 4.7	<u>20,786,800</u>	14.7
TOTAL	\$16,468,423,000	\$19,308,971,100	\$17,494,569,500	- \$1,814,401,600	- 9.4%	\$1,026,146,500	6.2%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	252.47	258.47	246.29	- 12.18	- 6.18
FED	323.84	323.84	318.99	- 4.85	- 4.85
PR	77.69	76.69	75.99	- 0.70	- 1.70
SEG	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	654.00	659.00	641.27	- 17.73	- 12.73

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 630]

Governor: Provide \$7,576,117,800 in 2023-24 and \$8,392,575,700 in 2024-25 for general and categorical school aids. Compared to the 2022-23 base level funding of \$6,668,498,600, school aids would increase by \$907,619,200 (13.6%) in 2023-24 and \$1,724,077,100 (25.9%) in 2024-25. These proposed funding levels would represent annual changes to the prior year of 13.6% in 2023-24 and 10.8% in 2024-25.

Under the historic 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 \$7,771,373,000 in 2022-23 to \$8,679,817,200 in 2023-24 and \$9,496,275,100 in 2024-25. These proposed funding levels would represent annual changes to the prior year of 11.7% in 2023-24 and 9.4% in 2024-25.

Using the historic definition of partial school revenues (the sum of state school aids and property taxes levied for school districts, less community service levies and a portion of the referenda-approved debt levy), the Administration estimates that state support of partial school revenues would increase from 67.8% in 2022-23 to 70.5% in 2023-24 and 72.6% in 2024-25. These estimates incorporate the state support funding in the bill, which is presented in Table 1.

Joint Finance: Provide \$6,861,602,900 in 2023-24 and \$7,101,505,300 in 2024-25 for general and categorical school aids. Compared to the 2022-23 base year, school aids would increase by \$193,104,300 (2.9%) in 2023-24 and \$433,006,700 (6.5%) in 2024-25. These proposed funding levels would represent annual changes to the prior year of 2.9% in 2023-24 and 3.5% in 2024-25. Compared to the Governor's recommendations, school aids would be reduced by \$714,514,900 in 2023-24 and \$1,291,070,400 in 2024-25.

Using the traditional definition of state support of K-12 education, total funding would increase from \$7,771,373,000 in 2022-23 to \$8,220,261,200 in 2023-24 and \$8,540,163,600 in 2024-25. These funding levels would represent annual changes to the prior year of 5.8% in 2023-24 and 3.9% in 2024-25. With the changes to K-12 school finance adopted by Joint Finance, including 2023 Wisconsin Act 11, it is estimated that state support of partial school revenues would increase to 68.8% in 2023-24 and 69.4% in 2024-25. 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	2022-23 Base Year	Governor		Joint Finance	
		2023-24	2024-25	2023-24	2024-25
General School Aids	\$5,218,420,000	\$5,431,295,000	\$6,011,367,400	\$5,356,290,000	\$5,581,190,000
Categorical Aids	1,450,078,600	2,144,822,800	2,381,208,300	1,505,312,900	1,520,315,300
School Levy Tax Credit	940,000,000	940,000,000	940,000,000	1,195,000,000	1,275,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>12,874,400</u>	<u>13,699,400</u>	<u>13,699,400</u>	<u>13,658,300</u>	<u>13,658,300</u>
Total	\$7,771,373,000	\$8,679,817,200	\$9,496,275,100	\$8,220,261,200	\$8,540,163,600
Change to Prior Year:					
	Amount	\$908,444,200	\$816,457,900	\$448,888,200	\$319,902,400
	Percent	11.7%	9.4%	5.8%	3.9%
Change to Base:					
	Amount	\$908,444,200	\$1,724,902,100	\$448,888,200	\$768,790,600
	Percent	11.7%	22.2%	5.8%	9.9%

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 2022-23 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

	2022-23	Governor		Joint Finance	
	<u>Base Year</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
GPR					
General School Aids	\$5,218,420,000	\$5,431,295,000	\$6,011,367,400	\$5,356,290,000	\$5,581,190,000
Categorical Aids	1,387,586,900	2,080,585,100	2,317,249,400	1,439,522,100	1,454,524,500
School Levy Tax Credit	940,000,000	940,000,000	940,000,000	1,195,000,000	1,275,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>12,874,400</u>	<u>13,699,400</u>	<u>13,699,400</u>	<u>13,658,300</u>	<u>13,658,300</u>
GPR Subtotal	\$7,708,881,300	\$8,615,579,500	\$9,432,316,200	\$8,154,470,400	\$8,474,372,800
PR					
Categorical Aids	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500
SEG					
Categorical Aids	<u>\$60,984,200</u>	<u>\$62,730,200</u>	<u>\$62,451,400</u>	<u>\$64,283,300</u>	<u>\$64,283,300</u>
Total State Support - All Funds	\$7,771,373,000	\$8,679,817,200	\$9,496,275,100	\$8,220,261,200	\$8,540,163,600

TABLE 3

**General and Categorical School Aid by Funding Source
2022-23 Base Year Compared to the Governor's and Joint Finance's Budget**

Agency	Type and Purpose of Aid	2022-23	Governor		Joint Finance	
		Base Year	2023-24	2024-25	2023-24	2024-25
General Aid						
DPI	General School Aids	\$5,201,590,000	\$5,431,295,000	\$6,011,367,400	\$5,356,290,000	\$5,581,190,000
	High Poverty Aid	16,830,000	0	0	0	0
	Total General Aid	\$5,218,420,000	\$5,431,295,000	\$6,011,367,400	\$5,356,290,000	\$5,581,190,000
Categorical Aid--GPR Funded						
DPI	Per Pupil Aid	\$601,400,000	\$608,973,800	\$640,224,200	\$591,003,000	\$587,812,400
	Special Education	517,890,000	1,009,278,600	1,039,556,900	558,036,700	574,777,700
	High-Cost Special Education Aid	11,439,200	13,032,000	17,376,000	13,032,000	14,480,000
	Spec. Ed. Transition 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	1,500,000	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	27,983,800	28,614,000	28,614,000	28,614,000	28,614,000
	Pupil Transportation	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
	High-Cost Transportation Aid	19,856,200	27,360,000	27,360,000	22,800,000	22,800,000
	Aid for Comprehensive Sch. Mental Health Services	0	127,914,300	127,914,300	0	0
	Aid for School Based Mental Health Professionals	0	30,000,000	30,000,000	0	0
	Aid for School Mental Health Programs	12,000,000	0	0	12,000,000	12,000,000
	Mental Health Collaboration Grants	10,000,000	0	0	25,000,000	25,000,000
	Peer-to-Peer Suicide Prevention Grants	250,000	250,000	250,000	250,000	250,000
	Aid for English Language Acquisition	0	25,992,000	25,992,000	0	0
	Bilingual-Bicultural Aid	8,589,800	16,788,900	22,743,000	10,089,800	10,089,800
	Tuition Payments	8,242,900	8,242,900	8,242,900	8,242,900	8,242,900
	Head Start Supplement	6,264,100	6,264,100	6,264,100	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	6,837,300	7,173,500	2,510,500	2,510,500
	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	1,350,000	1,350,000	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	750,000	750,000
	Gifted and Talented	474,400	474,400	474,400	474,400	474,400
	Aid for Transportation--Open Enr./Early College	454,200	454,200	454,200	454,200	454,200
	Supplemental Aid	100,000	100,000	100,000	100,000	100,000
	Lakeland STAR Academy	0	0	0	250,000	500,000
	Supplemental Nutrition Aid	0	0	120,168,500	0	0
	Out-Of-School-Time Program Grants	0	0	20,000,000	0	0
	Mathematics Partnership Grant	0	0	10,000,000	0	0
	Driver Education Aid	0	0	6,500,000	0	0
	Computer Science Education Grants	0	5,000,000	5,000,000	0	0
	Teacher Pipeline Capacity Building	0	0	5,000,000	0	0
	Locally Sourced Food Incentive Payments	0	0	2,750,000	0	0
	Personal Financial Literacy Grants	0	2,500,000	2,500,000	0	0
	Early Literacy and Reading Improvement	0	805,000	805,000	0	0
	Grants for Milk Coolers and Dispensers	0	0	50,000	0	0
DOA	Telecommunications Access for Educ. Agencies	0	1,553,100	1,831,900	0	0
	Debt Service--Tech. Infrastructure Bonding	325,500	344,200	98,200	344,200	98,200
	Total Categorical Aid--GPR Funded	\$1,387,586,900	\$2,080,585,100	\$2,317,249,400	\$1,439,522,100	\$1,454,524,500

Agency	Type and Purpose of Aid	2022-23	Governor		Joint Finance	
		Base Year	2023-24	2024-25	2023-24	2024-25
	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	0	0	0	0
	Total Categorical Aid--PR Funded	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500
	Categorical Aid--SEG Funded					
DPI	School Library Aids	\$45,000,000	\$52,000,000	\$52,000,000	\$52,000,000	\$52,000,000
DOA	Telecommunications Access for Educ. Agencies	15,984,200	10,730,200	10,451,400	12,283,300	12,283,300
	Total Categorical Aid--SEG Funded	\$60,984,200	\$62,730,200	\$62,451,400	\$64,283,300	\$64,283,300
	Total Categorical Aid--All Funds	\$1,450,078,600	\$2,144,822,800	\$2,381,208,300	\$1,505,312,900	\$1,520,315,300
	Total School Aid--All Funds	\$6,668,498,600	\$7,576,117,800	\$8,392,575,700	\$6,861,602,900	\$7,101,505,300

2. GENERAL SCHOOL AIDS [LFB Paper 630]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,039,482,400	-\$505,182,400	\$534,300,000

Governor: Provide \$229,705,000 in 2023-24 and \$809,777,400 in 2024-25 above base level funding of \$5,201,590,000 for general school aids. The general school aids appropriation funds equalization, integration, and special adjustment aid. The bill funding would represent an increase of 4.4% in 2023-24 and 14.9% in 2024-25 compared to the prior year.

Joint Finance: Provide \$154,700,000 in 2023-24 and \$379,600,000 in 2024-25 above base level, which would be reductions of \$75,005,000 in 2023-24 and \$430,177,400 in 2024-25 from the bill. This would represent an increase of 3.0% in 2023-24 and 4.2% in 2024-25 compared to the prior year.

3. HIGH POVERTY AID [LFB Paper 631]

GPR	-\$33,660,000
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Governor/Joint Finance: Delete \$16,830,000 annually and the appropriation and program statutes for high poverty aid.

A district is eligible for high poverty aid if at least 50% of its enrollment on the third Friday of September in the immediately preceding even-numbered year, rounded to the nearest whole percentage point, satisfied the income eligibility criteria for a free or reduced-price lunch in the national school lunch program. Aid per pupil is calculated by dividing the appropriated amount by the total pupil membership of all eligible districts, using the pupil membership data from the equalization aid calculation in the first year of the biennium. A district's total payment is determined by multiplying that amount by each district's pupil membership.

By law, for all districts except the Milwaukee Public School (MPS), this aid is subject to revenue limits. For MPS, high poverty aid must be used to reduce the property tax levied to offset

the aid reduction attributable to the Milwaukee private school choice program. In either case, the effect of this aid is to reduce the property tax levy of the eligible school district.

4. REVENUE LIMIT PER PUPIL ADJUSTMENT [LFB Paper 630]

Governor: Set the per pupil adjustment under revenue limits at \$350 in 2023-24 and \$650 in 2024-25. Specify that, in 2025-26 and each year thereafter, the per pupil adjustment would equal the amount from the previous year 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.

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 2022-23, no 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 subsequent years. 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.

The inflationary adjustment that would begin in 2025-26 under the bill is the same measure used to index per pupil adjustment amount prior to 2009-10.

The following table shows the per pupil adjustment under the bill compared to current law.

Per Pupil Adjustment

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Current Law	\$0	\$0	\$0
Bill	0	350	650

Joint Finance: Set the per pupil adjustment under revenue limits at \$325 in 2023-24 and \$325 in 2024-25.

5. LOW REVENUE ADJUSTMENT [LFB Paper 630]

Governor: Set the low revenue adjustment amount under revenue limits at \$10,450 per pupil in 2023-24 and \$11,200 per pupil in 2024-25. Specify that, in 2025-26 and each year thereafter, the low revenue adjustment amount would equal the amount from the previous year 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. Also, beginning in 2023-24, delete the statutory provisions restricting otherwise-eligible districts from any low revenue adjustment increases for three years after a failed operating referendum. (A technical

correction would be needed to accomplish the Administration's intent.)

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. Under current law, the low revenue adjustment amount in 2022-23 and each year thereafter is \$10,000 per pupil.

Under current law, if the voters in a district reject an operating referendum, the low revenue adjustment amount for that district remains at the amount for the school year during which the referendum was held for the following three school years. If the voters in such a district subsequently approve an operating referendum during the three-year period, however, the district's low revenue adjustment in the school year after the referendum equals the amount for that year.

The following table shows the low revenue adjustment amount under the bill compared to current law.

Low Revenue Adjustment - Per Pupil Amount

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Current Law	\$10,000	\$10,000	\$10,000
Bill	10,000	10,450	11,200

Joint Finance: Pursuant to 2023 Wisconsin Act 11, the low revenue adjustment amount under revenue limits would be set at \$11,000 per pupil in 2023-24 and each year thereafter.

6. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Categorical Aids

1. SPECIAL EDUCATION [LFB Paper 635]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,013,055,500	- \$916,021,100	\$97,034,400

Governor: Provide \$491,388,600 in 2023-24 and \$521,666,900 in 2024-25 for special education categorical aid and modify the appropriation from sum certain to be a sum sufficient appropriation paying 60% of eligible costs beginning in 2023-24 and annually thereafter. Base

level funding is \$517,890,000, which DPI estimates will reimburse approximately 31.5% of eligible costs in 2022-23.

Joint Finance: Provide \$40,146,700 in 2023-24 and \$56,887,700 in 2024-25, a change of -\$451,241,900 in 2023-24 and -\$464,779,200 in 2024-25 relative to the amounts in the bill. It is estimated that this funding would increase the proration rate to 33.3% in 2023-24 and 2024-25.

2. HIGH COST SPECIAL EDUCATION AID [LFB Paper 635]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$7,529,600	-\$2,896,000	\$4,633,600

Governor: Provide \$1,592,800 in 2023-24 and \$5,936,800 in 2024-25 for high cost special education categorical aid. Base level funding is \$11,439,200, which DPI estimates will reimburse approximately 39.5% of eligible costs in 2022-23.

Additionally, request statutory language modifying the appropriation to be sum sufficient, establishing the following reimbursement rates in statute: 45% in 2023-24, and 60% in 2024-25 and each school year thereafter. Also request statutory language to modify the program to define costs eligible for reimbursement to include 100% of eligible prior year costs above the \$30,000 per pupil threshold.

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 the state special education categorical aid, federal Individuals with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient, payments are prorated.

Joint Finance: Provide \$1,592,800 in 2023-24 and \$3,040,800 in 2024-25, which would provide the same amount of funding in 2023-24 and reduce finding by \$2,896,000 in 2024-25 compared to the bill. It is estimated that this funding would increase the proration rate to 40% in 2023-24 and 50% in 2024-25.

3. AID FOR COMPREHENSIVE SCHOOL MENTAL HEALTH SYSTEMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$235,828,600	-\$235,828,600	\$0

4. AID FOR SCHOOL-BASED MENTAL HEALTH PROFESSIONAL STAFF
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$36,000,000	-\$36,000,000	\$0

5. PEER TO PEER SUICIDE PREVENTION GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. SUPPLEMENTAL NUTRITION AID *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$120,168,500	-\$120,168,500	\$0

7. SCHOOL BREAKFAST REIMBURSEMENT [LFB Paper 636]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,989,800	-\$8,989,800	\$0

Governor: Provide \$4,326,800 in 2023-24 and \$4,663,000 in 2024-25 above 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 5.9 cents per meal served in 2022-23. 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 for children and youth 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.

8. LOCALLY-SOURCED FOOD INCENTIVE PAYMENTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,750,000	-\$2,750,000	\$0

9. GRANTS FOR MILK COOLERS AND DISPENSERS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

10. BILINGUAL-BICULTURAL AID [LFB Paper 637]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$22,352,300	-\$19,352,300	\$3,000,000

Governor: Provide \$8,199,100 in 2023-24 and \$14,153,200 in 2024-25 above base level funding of \$8,589,800 for bilingual-bicultural aid. Modify the appropriation from sum certain to be a sum sufficient appropriation paying 15% of eligible costs in 2023-24 and 20% in 2024-25 and annually thereafter.

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 limited-English proficient (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 LEP pupils, including salaries of personnel participating in and attributable to bilingual-bicultural education programs, special books and equipment used in such programs, and other expenses approved by the State Superintendent. Districts in which LEP pupils 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 2021-22, the reimbursement rate under the program was approximately 7.7%.

Joint Finance: Provide \$1,500,000 annually, a change of -\$6,699,100 in 2023-24 and -\$12,653,200 in 2024-25 relative to the amounts in the bill. It is estimated that this funding would increase the proration rate to 8.9% in 2023-24 and 8.7% in 2024-25.

11. AID FOR ENGLISH LANGUAGE ACQUISITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$51,984,000	-\$51,984,000	\$0

12. PER PUPIL AID [LFB Paper 630]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$46,398,000	-\$70,382,600	-\$23,984,600

Governor: Provide \$7,573,800 in 2023-24 and \$38,824,200 in 2024-25 in per pupil aid to increase the payment from \$742 per pupil in 2022-23 to \$766 per pupil in 2023-24 and \$811 per pupil in 2024-25. Base level funding is \$601,400,000.

A sum sufficient per pupil aid appropriation was established in 2013 Act 20. Each school district receives a statutorily-specified, flat per pupil aid payment, outside of revenue limits, from this appropriation. Under current law, each district will receive a \$742 per pupil payment in 2022-23 and each year thereafter. A district's aid payment is based on its current three-year rolling average pupil count under revenue limits. The Administration estimates that per pupil aid enrollment will be 795,000 in 2023-24 and 789,400 in 2024-25.

Joint Finance: Reduce funding by \$10,397,000 in 2023-24 and \$13,587,600 in 2024-25 as the result of a sum sufficient reestimate of estimated per pupil aid payments using the current law \$742 per pupil aid payment amount, which would represent reductions of \$17,970,800 in 2023-24 and \$52,411,800 in 2024-25 compared to the bill.

13. PER PUPIL AID -- CLARIFY CURRENT LAW *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

14. GRANTS FOR OUT-OF-SCHOOL-TIME PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

15. EARLY LITERACY AND READING IMPROVEMENT [LFB Paper 638]

	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 to create two new appropriations, including \$9,195,000 annually to contract with and train literacy coaches to implement a comprehensive program of trainings for educators to improve early literacy and reading outcomes for Wisconsin students, and \$805,000 annually to provide payments to participating school districts and independent charter schools.

Require DPI to establish a program to improve literacy outcomes that includes the following: (a) coaches to support the implementation of evidence-based literacy instructional practices in grades K-12 by collaborating with local educational agencies to establish goals for literacy outcomes for specific grade levels and literacy areas and provide ongoing support to local educational agencies to meet those goals; (b) coaches to focus on early literacy instructional transitions by providing in-person trainings for teachers who teach 4K, kindergarten, or first grade, including in-person trainings to evaluate existing early literacy curricula and goals and to assist local educational agencies to create local, standards-aligned, and developmentally appropriate curricula and instruction for 4K to first grade pupils; and (c) trainings for the coaches on how to identify evidence-based literacy instructional practices and facilitate regional trainings focused on early literacy instructional practices. Require DPI to contract with individuals who demonstrate knowledge of and expertise in evidence-based literacy instructional practices and instructional experience in grades 4K to 12 to serve as literacy coaches under (a), and individuals who demonstrate knowledge and expertise in early literacy instructional practices and instructional experience in grades 4K through one to serve as literacy coaches under (b).

Define urban school districts as those with enrollments in the previous school year of at least 16,000 pupils (Milwaukee, Madison, Green Bay, Kenosha, and Racine), and require each urban school district to participate in the program. Require DPI to contract with one of each type of literacy coach for each urban school district, and between one and four of each type of coach for each cooperative educational service agency (CESA), depending on the number of pupils enrolled in non-urban districts located in the CESA in the previous school year, as follows: (1) for CESAs with fewer than 40,000 pupils, one coach under (a) and one under (b); (2) for CESAs with 40,001 to 80,000 pupils, two literacy coaches under (a) and two under (b); for CESAs with 80,001 to 120,000 pupils, three literacy coaches under (a) and three under (b); and for CESAs with more than 120,000 pupils, four coaches under (a) and four under (b). Specify that other than urban districts, DPI could not require any district to participate in the program.

Require DPI to pay \$7,000 annually to each school district and independent charter school that elects to work with a coach to implement evidence-based literacy instructional practices under (a) and an additional \$6,000 annually to each school district and independent charter school that participates in an early literacy training led by a coach under (b).

Joint Finance: Place \$50,000,000 in the Joint Finance Committee supplemental

appropriation for a literacy program. The funding provided is shown under "Program Supplements."

16. COMPUTER SCIENCE EDUCATION GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$10,302,500	1.00	-\$10,302,500	- 1.00	\$0	0.00

17. MILWAUKEE MATHEMATICS PARTNERSHIP *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

18. GROW YOUR OWN EDUCATOR PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

19. PERSONAL FINANCIAL LITERACY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

20. HIGH COST TRANSPORTATION AID [LFB Paper 639]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$15,007,600	-\$9,120,000	\$5,887,600

Governor: Provide \$7,503,800 annually above base level funding of \$19,856,200 for high

cost transportation aid. It is estimated that this amount would fully fund payments to eligible districts in each year. Additionally, modify statutory language to eliminate the \$200,000 cap for payments for districts that qualified for aid in the previous year, but did not qualify in the current year. As a result, payments to all school districts receiving aid under the program would be prorated at the same rate.

Under current law, school districts qualify for high cost transportation aid if they meet the following eligibility requirements: (a) a transportation cost per member greater than 140% 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 2021-22, 192 districts were eligible for aid under the program, and payments to those districts were prorated at 66.8%. Eleven districts had been eligible in the previous year but did not meet the eligibility requirements in the current year, and received payments equal to 52.8% of the maximum amount for which they were eligible (50% of their prior year payment).

Joint Finance: Provide \$2,943,800 annually for high cost transportation aid, a decrease of -\$4,560,000 annually below the Governor's recommendation. It is estimated that the funding would reimburse 75% of eligible costs. Additionally, modify statutory language to eliminate the \$200,000 cap for payments for districts that qualified for aid in the previous year, but did not qualify in the current year.

21. PUPIL TRANSPORTATION AID

Governor/Joint Finance: Modify statutory language to increase the reimbursement rate for pupils transported over 12 miles to and from school in the regular school year from \$375 to \$400 beginning in the 2023-24 school year. It is estimated that the current funding level (\$24.0 million GPR) would fully fund payments at the increased rate.

<u>Mileage</u>	<u>Current Law</u>		<u>Bill</u>	
	<u>School Year</u>	<u>Summer School</u>	<u>School Year</u>	<u>Summer School</u>
0-2 miles (hazardous area)	\$15	--	\$15	---
2-5 miles	35	\$10	35	\$10
5-8 miles	55	20	55	20
8-12 miles	110	20	110	20
Over 12 miles	375	20	400	20

22. DRIVER EDUCATION AID [LFB Paper 640]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$6,500,000	- \$6,500,000	\$0

Governor: Provide \$6,500,000 beginning in 2024-25 in a new, annual appropriation for driver education aid to reimburse eligible programs for the cost of providing driver education to low income pupils.

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 the fees it would otherwise charge for eligible pupils; and (b) by October 1, 2024, 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 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.

23. SPARSITY AID

GPR	\$1,260,400
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Governor: Provide \$630,200 annually over base level funding of \$27,983,800 for sparsity aid.

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. Districts qualify for \$100 per pupil if, in the prior school year, they had an enrollment between 745 and 1,000 pupils and a population density of fewer than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. In 2022-23, 150 districts qualified for \$400 per pupil aid and 33 districts qualified for \$100 per pupil aid. Payments were prorated at 98%.

Additionally, modify the provision that exists under current law under which 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. Instead, allow a district that loses its eligibility as a result of an increase in its enrollment or its pupil population density to

receive up to 50% of its prior year award. Two districts (Brodhead and Lancaster Community) qualified for aid under this provision in 2022-23. This modification would first apply to sparsity aid in the 2023-24 school year.

Joint Finance: Provide \$630,200 annually over base level funding for sparsity aid, but do not include the statutory language changes proposed by the Governor.

24. GRANTS TO REPLACE CERTAIN RACE-BASED NICKNAMES, LOGOS, MASCOTS, AND TEAM NAMES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

25. SCHOOL LIBRARY AIDS REESTIMATE

SEG	\$14,000,000
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Governor/Joint Finance: Reestimate school library aids by \$7,000,000 annually. Base level funding is \$45,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

26. SCHOOL-BASED MENTAL HEALTH SERVICES GRANT

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$0	\$30,000,000	\$30,000,000

Joint Finance: Provide a one-time increase of \$15,000,000 in each year of the biennium above base level funding of \$10,000,000 for grants for school-based mental health services. Specify that beginning in the 2023-24 school year and in each year thereafter, DPI would be required to award a grant to each school board and independent charter school operator in an amount determined as follows: (a) divide the number of pupils enrolled in the school district or charter school in the current school year by the total number of pupils enrolled statewide in school districts and independent charter schools; and (b) multiply the quotient by the total amount appropriated for the current school year. Modify statutory language to indicate that the grants are for the purpose of collaborating with mental health providers, rather than community mental health agencies as under current law. Delete current law specifying that grants are awarded under a competitive grant program, and school boards and independent charter schools can apply for a grant individually or as a consortium. Delete current law specifying that DPI would establish by rule the criteria used to award grants, and requiring DPI to award at least \$3,250,000 in grants annually beginning in the 2018-19 school year.

27. GRANTS TO LAKELAND STAR ACADEMY

GPR	\$750,000
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Joint Finance: Provide \$250,000 in 2023-24 and \$500,000 in 2024-25 in one-time funding in a new appropriation for grants to the Lakeland STAR Academy. Require DPI to distribute the amount in the appropriation in each fiscal year of the biennium to the Lakeland Union High School

District for distribution to Lakeland STAR Academy. Specify that the appropriation would be repealed on July 1, 2025.

28. ROBOTICS LEAGUE PARTICIPATION GRANTS

GPR	\$500,000
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Joint Finance: Provide \$250,000 annually above base-level funding of \$500,000 for the robotics league participation grants.

Additionally, modify statutory language to specify that the maximum grant award would be \$6,000, rather than \$5,000 as under current law.

29. SHARED SCHOOL DISTRICT SERVICES

Joint Finance: Provide \$5,000,000 GPR in the Joint Finance Committee supplemental appropriation for shared school district services. The fiscal effect of this item is shown under "Program Supplements."

30. RECOVERY SCHOOL GRANTS

Joint Finance: Provide \$500,000 GPR annually in the Joint Finance Committee supplemental appropriation for a grant program for recovery high schools, which are public, private, or tribal high schools specifically designed for pupils in recovery from a substance use disorder. Create a new, annual appropriation under DPI for the grants. The fiscal effect of this item is shown under "Program Supplements."

Choice, Charter, and Open Enrollment

1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM FUNDING [LRB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$39,474,300	\$85,519,200	\$124,993,500
GPR Effect of Aid			
Reductions	<u>22,799,700</u>	<u>- 1,486,900</u>	<u>21,312,800</u>
Net GPR	\$62,274,000	\$84,032,300	\$146,306,300

Governor: Provide \$9,827,900 in 2023-24 and \$29,646,400 in 2024-25 over base year funding of \$244,416,600 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 28,100 pupils in 2022-23 to an estimated 28,300 pupils in 2023-24 and 2024-25. 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, 2023-24 and 2024-25

	<u>Current Law</u>	<u>Bill</u>	
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
K-8	\$8,399	\$8,773	\$9,468
9-12	9,045	9,419	10,114
Change to prior year		374	695

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) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 3.2% of the total cost of the program in 2023-24 and 0.0% of the total cost of the program 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, which would be eliminated under another provision of the bill).

Under the bill, the aid reduction for MPS would decrease by \$7,340,600 in 2023-24 and \$15,459,100 in 2024-25 from the base choice reduction of \$15,459,100. The net general fund fiscal effect for the Milwaukee program would be increased expenditures of \$17,168,500 in 2023-24 and of \$45,105,500 in 2024-25.

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: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; and (c) modifying the payment indexing mechanism.

Joint Finance: Provide \$55,752,000 in 2023-24 and \$69,241,500 in 2024-25 relative to base level funding for the Milwaukee private school choice program. This would represent an increase of \$45,924,100 in 2023-24 and \$39,595,100 in 2024-25 compared to the bill.

As a result of these changes, the total cost of the program would equal an estimated \$300,168,600 in 2023-24 and \$313,658,100 in 2024-25. The aid reduction would be equal to \$9,605,400 in 2023-24 and \$0 in 2024-25, for a net GPR cost of \$290,563,200 in 2023-24 and \$313,658,100 in 2024-25.

Under the Joint Finance provisions and the provisions of 2023 Wisconsin Act 11, the per pupil payment for K-8 pupils is estimated to increase from \$8,399 in 2022-23 to \$9,893 in 2023-24 and \$10,237 in 2024-25, and the per pupil payment for 9-12 pupils is estimated to increase from

\$9,045 in 2022-23 to \$12,387 in 2023-24 and \$12,731 in 2024-25.

2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM FUNDING
[LRB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$78,195,000	\$91,675,300	\$169,870,300
GPR Effect of Aid			
Reductions	<u>- 87,075,600</u>	<u>- 87,170,200</u>	<u>- 174,245,800</u>
Net GPR	- \$8,880,600	\$4,505,100	- \$4,375,500

Governor: Provide \$31,135,100 in 2023-24 and \$47,059,900 in 2024-25 over base year funding of \$172,417,000 for the Racine and statewide private school choice programs to reflect changes in pupil participation and per pupil payments under 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, 2023-24 and 2024-25

	<u>Current Law</u>	<u>Bill</u>	
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
K-8	\$8,399	\$8,773	\$9,468
9-12	9,045	9,419	10,114
Change to prior year		374	695

Estimated per pupil participation in each year of the biennium is shown in the following table.

Estimated Racine and Statewide Private School Choice Program Participation

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Racine	3,800	3,900	3,900
Statewide	<u>16,500</u>	<u>18,900</u>	<u>18,900</u>
Total	20,300	22,800	22,800

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 \$197,749,500 in 2023-24 and \$214,307,700 in 2024-25 from the base choice aid reduction of \$162,490,800. The net general fund fiscal effect for the Racine and statewide programs would be decreased expenditures of \$4,123,600 in 2023-24 and decreased expenditures of \$4,757,000 in 2024-25 compared to the base.

The total change in funding provided for the Racine and statewide choice programs under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; and (c) modifying the payment indexing mechanism.

Joint Finance: Provide \$66,987,400 in 2023-24 and \$102,882,900 in 2024-25 relative to base level funding for the statewide and Racine private school choice programs. These funding adjustments would represent changes to the bill of \$35,852,300 in 2023-24 and \$55,823,000 in 2024-25.

As a result of these changes, the total cost of the program would equal an estimated \$239,404,400 in 2023-24 and \$275,299,900 in 2024-25. The aid reduction would be equal to \$231,056,900 in 2023-24 and \$268,170,500 in 2024-25, for a net GPR cost of \$8,347,500 in 2023-24 and \$7,129,400 in 2024-25.

Under the Joint Finance provisions and the provisions of 2023 Wisconsin Act 11, the per pupil payment for K-8 pupils is estimated to increase from \$8,399 in 2022-23 to \$9,893 in 2023-24 and \$10,237 in 2024-25, and the per pupil payment for 9-12 pupils is estimated to increase from \$9,045 in 2022-23 to \$12,387 in 2023-24 and \$12,731 in 2024-25.

3. **PRIVATE SCHOOL CHOICE PROGRAMS AND SPECIAL NEEDS SCHOLARSHIP PROGRAM -- CAP PARTICIPATION AT 2023-24 LEVELS**
(Removed from budget consideration pursuant to Joint Finance Motion #10)
4. **PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- TEACHER LICENSURE REQUIREMENT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
5. **PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- INFORMATION REQUIRED ON PROPERTY TAX BILL** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. SPECIAL NEEDS SCHOLARSHIP PROGRAM FUNDING [LRB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$11,110,700	\$13,021,300	\$1,910,600
GPR Effect of Aid			
Reductions	<u>11,110,700</u>	<u>- 13,021,300</u>	<u>- 1,910,600</u>
Net GPR	\$0	\$0	\$0

Governor: Reduce funding by \$6,513,900 in 2023-24 and \$4,596,800 in 2024-25 from base level funding of \$40,626,800 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 2,150 pupils in 2022-23 to 2,600 pupils in 2023-24 and 2024-25. 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 \$13,076 in 2022-23 to \$13,450 in 2023-24 and \$14,145 in 2024-25.

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 includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; (c) modifying the payment indexing mechanism; and (d) deleting the actual cost reimbursement provision.

Joint Finance: Reduce funding by \$2,605,800 in 2023-24 and increase funding by \$4,516,400 in 2024-25 relative to base level funding for the special needs scholarship program. These funding adjustments would represent changes to the bill of \$3,908,100 in 2023-24 and \$9,113,200 in 2024-25.

As a result of these changes, the total cost of the program, and the associated aid reductions, would equal an estimated \$38,021,000 in 2023-24 and \$45,143,200 in 2023-24.

Under the Joint Finance provisions and the provisions of 2023 Wisconsin Act 11, the per pupil payment is estimated to increase from \$13,076 in 2022-23 to \$15,065 in 2023-24 and \$15,409 in 2024-25.

7. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- DELETE ACTUAL COST REIMBURSEMENT PROVISION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. **SPECIAL NEEDS SCHOLARSHIP PROGRAM -- PRIVATE SCHOOL ACCREDITATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. **SPECIAL NEEDS SCHOLARSHIP PROGRAM -- RELIGIOUS ACTIVITY OPT-OUT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. **INDEPENDENT CHARTER SCHOOL PROGRAM FUNDING** [LRB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$33,286,600	\$56,096,400	\$89,383,000
GPR Effect of			
Aid Reductions	<u>- 15,105,900</u>	<u>- 27,450,900</u>	<u>- 42,556,800</u>
Net GPR	\$18,180,700	\$28,645,500	\$46,826,200

Governor: Provide \$5,918,400 in 2023-24 and \$15,230,400 in 2024-25 as a reestimate of sum sufficient funding in the main appropriation for the independent charter school program. Base level funding is \$86,584,100.

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 Ojibwe College contract to operate. The Administration estimates that 9,533 pupils in 2023-24 and 9,793 pupils in 2024-25 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 \$9,264 in 2022-23 to \$9,638 in 2023-24 and \$10,333 in 2024-25.

Provide \$5,317,000 in 2023-24 and \$6,820,800 in 2024-25 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 \$9,805,000.

The Administration estimates that 1,569 pupils in 2023-24 and 1,609 pupils in 2024-25 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.

Pupils that attend charter schools authorized by the OEO or the Lac Courte Oreilles Ojibwe 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. By law, there is no general aid reduction related to payments to schools authorized by the City of Milwaukee, UW-Milwaukee, and UW-Parkside.

Under the bill, the aid reduction for these pupils would increase by \$6,565,200 in 2023-24 and \$8,540,700 in 2024-25 from the base reduction of \$13,664,900. The net general fund fiscal effect for the charter program would be increased expenditures of \$4,670,200 in 2023-24 and

\$13,510,500 in 2024-25.

The total change in funding provided for the charter program under this item includes the changes attributable to other provisions in the bill, and summarized under other summary items, related to modifying the payment indexing mechanism for the program and counting full-day four-year-old kindergarten pupils as 1.0 pupil for payment purposes.

Joint Finance: Provide \$22,572,700 in 2023-24 and \$28,901,500 in 2024-25 as a reestimate of sum sufficient funding in the main appropriation for the independent charter school program. This would represent an increase of \$16,654,300 in 2023-24 and \$13,671,100 in 2024-25 compared to the bill.

Provide \$16,209,700 in 2023-24 and \$21,699,100 in 2024-25 as a reestimate of sum sufficient funding in the appropriation for independent charter schools authorized by the OEO. This would represent an increase of \$10,892,700 in 2023-24 and \$14,878,300 in 2024-25 compared to the bill.

The aid reductions for these pupils would increase by \$18,383,900 in 2023-24 and \$24,172,900 in 2024-25 from base. The net general fund fiscal effect for the independent charter program would be increased expenditures of \$20,398,500 in 2023-24 and \$26,426,700 in 2024-25.

Under the Joint Finance provisions and the provisions of 2023 Wisconsin Act 11, the per pupil payment for the independent charter school program is estimated to increase from \$9,264 in 2022-23 to \$11,385 in 2023-24 and \$11,729 in 2024-25.

11. CHOICE, CHARTER, AND OPEN ENROLLMENT PAYMENT INDEXING MECHANISM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. OPEN ENROLLMENT AID TRANSFER AMOUNT -- SPECIAL EDUCATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

13. INDEPENDENT CHARTER SCHOOLS -- DRIVER EDUCATION PROGRAM FEES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

14. CHOICE AND CHARTER PAYMENT ADJUSTMENTS

Joint Finance: Pursuant to 2023 Wisconsin Act 11, an additional adjustment amount would be added to the current law indexing mechanism in 2023-24 for the per pupil payments under the private school choice, special needs scholarship, and independent charter school programs. The adjustments would be equal to a specified percentage of the \$11,000 per pupil low revenue adjustment amount under Act Wisconsin 11. Table 1 shows, for each program, the percent of the low revenue adjustment amount and the dollar figure for the additional adjustment amount in 2023-24.

TABLE 1

Additional 2023-24 Per Pupil Payment Adjustment Amounts

	Percent of 2023-24 low revenue <u>adjustment amount</u>	<u>Dollar amount</u>
Private school choice - K-8 pupil	10.0%	\$1,100
Private school choice - 9-12 pupil	26.8	2,948
Special needs scholarship	14.5	1,595
Independent charter school	15.7	1,727

Also under 2023 Wisconsin Act 11, an additional factor would be added to the indexing mechanism for each of the program payments in 2024-25 and each year thereafter. For the private school choice program payment for pupils in grades 9-12, the special needs scholarship program, and the independent charter school program, the additional amount would equal the change in the low revenue adjustment amount between the previous school year and the current school year, if positive. For the private school choice program payment for pupils in grades K-8, the additional amount would equal 90% of the change in the low revenue adjustment amount between the previous school year and the current school year, if positive.

Table 2 shows the estimated per pupil payments for each program under the Joint Finance provisions and the provisions of 2023 Wisconsin Act 11.

TABLE 2

Per Pupil Payments Under Joint Finance and Act 11

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Private school choice - K-8 pupil	\$8,399	\$9,893	\$10,237
Private school choice - 9-12 pupil	9,045	12,387	12,731
Special needs scholarship	13,076	15,065	15,409
Independent charter school	9,264	11,385	11,729

School District Operations and Curriculum

- 1. COMPUTER SCIENCE COURSE REQUIRED IN CURRICULUM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

2. **PROHIBIT VAPING ON SCHOOL PROPERTY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

3. **OPIOID ANTAGONIST AVAILABILITY IN SCHOOLS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	-\$758,200	0.00	-\$651,800	0.00	-\$1,410,000	0.00
FED	6,000	0.00	-730,200	0.00	-724,200	0.00
PR	<u>-170,700</u>	<u>-1.00</u>	<u>0</u>	<u>0.00</u>	<u>-170,700</u>	<u>-1.00</u>
Total	-\$922,900	-1.00	-\$1,382,000	0.00	-\$2,304,900	-1.00

Governor: Provide adjustments to the base totaling -\$379,100 GPR, \$3,000 FED, -\$58,100 PR, and -1.0 PR positions in 2023-24 and -\$379,100 GPR, \$3,000 FED, and -\$112,600 PR in 2024-25 for: (a) turnover reduction (-\$488,800 GPR and -\$547,600 FED annually); (b) full funding of continuing position salaries and fringe benefits (-\$179,000 GPR, \$521,700 FED, and -\$17,700 PR annually); (c) overtime (\$274,100 GPR, \$41,800 FED, and \$13,900 PR annually); (d) night and weekend differential pay (\$55,400 GPR, \$400 FED, and \$200 PR annually); (e) removal of non-continuing elements from the base (-\$54,500 PR and -1.0 PR positions in 2023-24 and -\$109,000 PR in 2024-25); and (f) lease and directed moves costs (-\$40,800 GPR and -\$13,300 FED annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$325,900 GPR annually and -\$365,100 FED annually.

2. FUEL AND UTILITIES REESTIMATE

GPR	\$154,000
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Governor/Joint Finance: Provide \$74,700 in 2023-24 and \$79,300 in 2024-25 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is equal to \$428,300 annually.

3. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$15,500	\$542,900	\$527,400

Governor: Modify funding by -\$69,200 in 2023-24 and \$53,700 in 2024-25 as a reestimate of debt service payments for the state residential schools. Annual base level funding is \$904,700.

Joint Finance: Reestimate debt service by \$138,400 in 2023-24 and \$404,500 in 2024-25.

4. DELETE LAPSE OF TEACHER LICENSING FEES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	-\$800,000	\$800,000	\$0
PR-REV	<u>800,000</u>	<u>-800,000</u>	<u>0</u>
Total	\$0	\$0	\$0

5. STIPEND PROGRAMS FOR FUTURE EDUCATORS, LIBRARIANS, AND COOPERATING TEACHERS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$11,483,000	-\$11,483,000	\$0

6. MENTAL HEALTH TRAINING PROGRAMS [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,160,000	-\$1,160,000	\$0

Governor: Provide \$580,000 annually above base level funding of \$420,000 for mental health training programs. Require DPI to provide training to individuals employed by an out-of-school-time program, in addition to the other staff required under current law. Additionally, add suicide prevention to the topics required to be included in the trainings.

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.

Joint Finance: Provision not included.

7. STAFF SUPPORT FOR STATE PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$758,700	4.00	-\$758,700	- 4.00	\$0	0.00

8. ACADEMIC AND CAREER PLANNING [LFB Paper 656]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$704,000	-\$704,000	\$0

Governor: Provide \$322,500 in 2023-24 and \$381,500 in 2024-25 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 in 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 statewide 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.

9. GENERAL EDUCATION DEVELOPMENT TEST FEE PAYMENTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

10. WISCONSIN SEAL OF BILITERACY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$310,500	-\$310,500	\$0

11. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$179,600	-\$179,600	\$0

12. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$171,100	1.00	-\$171,100	- 1.00	\$0	0.00

13. GRADUATION ALLIANCE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

14. WISCONSIN READING CORPS [LFB Paper 657]

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

Governor: Provide \$1,000,000 in 2023-24 and \$2,000,000 in 2024-25 above base level funding of \$2,000,000 to support literacy tutoring services provided through the Wisconsin Reading Corps. State funding was first appropriated for the organization in 2017-18.

Joint Finance: Provision not included.

15. ADULT LITERACY GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,485,000	-\$1,485,000	\$0

16. THE LITERACY LAB [LFB Paper 657]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,445,000	-\$1,445,000	\$0

Governor: Provide \$75,000 in 2023-24 and \$1,370,000 in 2024-25 to The Literacy Lab, a Virginia nonstock corporation, to provide an evidence-based literacy intervention program in public schools located in the cities of Milwaukee and Racine.

Joint Finance: Provision not included.

17. REACH OUT AND READ [LFB Paper 657]

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

Governor: Provide \$250,000 annually to Reach Out and Read, Inc., a Massachusetts nonstock corporation, for an early literacy program operated in Wisconsin to support integration of books and reading into pediatric care and encourage families to read aloud together.

Joint Finance: Provide \$500,000 GPR in 2023-24 under the existing Department of Health Services appropriation for the program. (The fiscal effect is shown under DHS.)

18. MENTOR GREATER MILWAUKEE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

19. PROGRAM REVENUE REESTIMATES

PR	\$2,904,400
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Governor/Joint Finance: Reestimate program revenue by \$1,452,200 annually. The reestimate includes \$5,900 annually in the appropriation for personnel licensure; -\$125,100 annually in the appropriation for school lunch handling charges; \$1,561,400 annually in the appropriation for data processing; and \$10,000 annually in the appropriation for leasing space at the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired.

20. PUBLIC LIBRARY AID [LFB Paper 658]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$14,000,000	- \$8,000,000	\$6,000,000

Governor: Provide \$7,000,000 annually above base level funding of \$20,013,100 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.

Joint Finance: Provide \$2,000,000 in 2023-24 and \$4,000,000 in 2024-25 above base level funding of \$20,013,100 for public library system aid, a reduction of \$5,000,000 in 2023-24 and \$3,000,000 in 2024-25 relative to the amounts in the bill.

21. RECOLLECTION WISCONSIN

SEG	\$450,000
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Governor/Joint Finance: Provide \$150,000 in 2023-24 and \$300,000 in 2024-25 for Recollection Wisconsin, and require the State Superintendent to annually distribute the funding to Wisconsin Library Services, Inc. (WiLS) to support the digitization of historic materials in public libraries throughout the state. Create an annual, sum certain SEG appropriation for this purpose. The segregated revenue would be provided from the universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

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 make them publicly available.

22. BADGERLINK AND NEWSLINE FOR THE BLIND

SEG	\$307,000
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Governor/Joint Finance: Provide \$104,000 in 2023-24 and \$203,000 in 2024-25 above base level funding of \$3,283,300 to maintain the current level of services provided through

BadgerLink and Newslin for the Blind.

BadgerLink is an online library that contracts with vendors to provide access to licensed content such as magazines, newspapers, scholarly articles, videos, images, and music. Newslin for the Blind provides access to newspapers on a daily basis for people who cannot read print newspapers via an automated electronic voice that can be accessed using a telephone. 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.

23. LIBRARY SERVICES CONTRACTS

SEG	\$29,800
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Governor/Joint Finance: Provide \$29,800 beginning in 2024-25 above base level funding of \$1,367,700 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 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.

24. BULLYING PREVENTION GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

25. HEALTH PROBLEMS EDUCATION PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

26. PUPIL ASSESSMENT

GPR	- \$2,000,000
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Joint Finance: Reduce funding by \$1,000,000 annually from base level funding of \$16,558,400 for pupil assessment.

27. SPECIAL OLYMPICS

GPR	\$200,000
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Joint Finance: Provide an increase of \$100,000 annually above base level funding of \$100,000 for the Special Olympics.

28. DELETE VACANT POSITIONS

Joint Finance: Delete 6.18 GPR positions, 4.85 FED positions, and 0.70 PR positions that have been vacant for more than 18 months.

GPR	- 6.18
FED	- 4.85
PR	<u>- 0.70</u>
Total	- 11.73

29. ONLINE EARLY LEARNING PILOT PROGRAM [LFB Paper 659]

Joint Finance: Modify the nonstatutory language that created the program under 2019 Act 170 to specify that the repeal of the appropriation for the online early learning program would take effect on July 1, 2027, rather than July 1, 2023. Delete language requiring that the contract require the service provider to administer the early learning program in the school districts described under Act 170 from July 1, 2020, to June 30, 2023. Delete language referring to the three years of the contract.

Under the online early learning program, DPI is required to contract with a service provider to conduct an early learning pilot program to provide online instruction in reading, math, and science to help low-income children transition to kindergarten.

PUBLIC SERVICE COMMISSION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$0	\$755,250,000	\$0	-\$755,250,000	- 100.0%	\$0	N.A.
FED	6,043,600	7,074,600	7,074,600	0	0.0	1,031,000	17.1
PR	43,150,800	45,992,300	43,401,400	- 2,590,900	- 5.6	250,600	0.6
SEG	<u>17,067,200</u>	<u>17,164,400</u>	<u>17,160,600</u>	<u>- 3,800</u>	0.0	<u>93,400</u>	0.5
TOTAL	\$66,261,600	\$825,481,300	\$67,636,600	-\$757,844,700	- 91.8%	\$1,375,000	2.1%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	0.00	0.00	0.00	0.00	0.00
FED	18.75	18.75	18.75	0.00	0.00
PR	139.00	146.50	140.00	- 6.50	1.00
SEG	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	161.75	169.25	162.75	- 6.50	1.00

Budget Change Items

Broadband Provisions

1. BROADBAND EXPANSION GRANT PROGRAM [LFB Paper 660]

	Governor <u>(Chg. to Base)</u>		Jt. Finance <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding Positions	Funding Positions	Funding Positions	Funding Positions	Funding Positions	Funding Positions
GPR	\$750,000,000	0.00	-\$750,000,000	0.00	\$0	0.00
PR	<u>183,200</u>	<u>1.00</u>	<u>- 183,200</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$750,183,200	1.00	-\$750,183,200	- 1.00	\$0	0.00

Governor: Provide one-time funding of \$750,000,000 GPR in 2023-24 for the broadband expansion grant program in a new, continuing appropriation. The program has base funding through the state segregated universal service fund (USF) budgeted at \$2,000,000 each year. Combined, the total amount budgeted for broadband expansion grants would be \$754,000,000 during the 2023-25 biennium. In addition, provide \$80,300 PR in 2023-24 and \$102,900 PR in 2024-25 with 1.0 position to support administration of the program.

The broadband expansion grant program supports projects that increase broadband access and capacity in unserved and underserved areas of the state. Since its inception in 2013, through February of 2023, approximately \$300 million in grants has been awarded, supporting 434 projects statewide. In the 2021-23 biennium, \$125 million in general fund-supported bonding, \$140 million in one-time federal coronavirus relief funding, and \$14 million in USF SEG funding was provided for state broadband expansion grants.

In addition, the federal Infrastructure Investment and Jobs Act (IIJA) created the Broadband, Equity, Access and Deployment (BEAD) Program. \$42.45 billion is provided for broadband deployment under BEAD, consisting of a minimum of \$100 million for each state, with the remainder allocated based on the state's proportion of unserved locations, determined by maps created by the Federal Communications Commission (FCC), and 10% set aside for certain high-cost unserved locations. The National Telecommunications (NTIA), the administrator for BEAD, has indicated BEAD's first allocations to states will be made by June 30, 2023. Wisconsin is anticipating a total allocation of approximately \$700 million to \$1.1 billion.

The bill would require PSC to award no less than 10% of the 2023-24 appropriation amount (\$75 million) in each fiscal year beginning in 2023-24. The bill specifies that if PSC does not receive sufficient applications to meet the minimum required allocation, the Commission must award the maximum amount possible in that fiscal year based upon grant applications received. If the appropriation balance is less than 10% of the total amount, PSC must award the entire remaining balance in that fiscal year.

Joint Finance: Provision not included.

2. CHANGES TO THE BROADBAND EXPANSION GRANT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$197,900	1.00	-\$197,900	- 1.00	\$0	0.00

3. **BROADBAND LINE EXTENSION GRANTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$5,250,000	-\$5,250,000	\$0

4. **DIGITAL EQUITY PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **MUNICIPAL BROADBAND FACILITIES IN UNSERVED AREAS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **BROADBAND CONSUMER PROTECTIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Departmentwide and Utility Regulation

1. **STANDARD BUDGET ADJUSTMENTS** [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$1,031,000	\$0	\$1,031,000
PR	114,800	- 402,200	- 287,400
SEG	<u>93,400</u>	<u>0</u>	<u>93,400</u>
Total	\$1,239,200	- \$402,200	\$837,000

Governor: Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$301,600 PR annually); (b) full funding of continuing position salaries and fringe benefits (\$369,900 PR, \$519,000 FED, and \$48,300 SEG annually); (c) reclassifications and semi-automatic pay progression (\$26,800 PR annually); and (d) full funding of lease and directed moves costs (-\$37,700 PR, -\$3,500 FED, and -\$1,600 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$201,100 PR annually.

2. **WATER UTILITY TRAINING AND DATA REPORTING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,385,900	2.00	-\$1,385,900	- 2.00	\$0	0.00

3. **CYBERSECURITY POSITIONS** [LFB Paper 665]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$395,900	2.00	-\$197,900	- 1.00	\$198,000	1.00

Governor: Provide \$173,400 in 2023-24 and \$222,500 in 2024-25 with 2.0 positions in the Division of Business Operations and Office Management for supporting cybersecurity activities at PSC. The positions would document and implement processes and procedures for securing PSC's users, applications, computers and servers in compliance with state and national standards. In addition, the positions would focus on data governance to protect agency and utility data.

Joint Finance: Modify provision to provide \$86,700 in 2023-24 and \$111,300 in 2024-25 with 1.0 position in PSC's Office of Business and Information Technology Services to support cybersecurity activities.

4. **ENGINEERING MODELING SOFTWARE** [LFB Paper 666]

PR	\$340,000
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Governor/Joint Finance: Provide \$170,000 each year in ongoing budget authority for licensing and associated costs of advanced engineering modeling software. PSC intends to use the software to improve review of application materials from utilities applying for various construction projects or rate changes. The software would also be used to review long-term transmission planning projects and resource shifts to renewable energy or battery systems, and to perform independent studies.

5. **FOCUS ON ENERGY CONTRIBUTION RATE AND ENERGY EFFICIENCY PROGRAMS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **LEAD SERVICE LINE GRANT ASSISTANCE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. **LOW-INCOME ADVOCATE INTERVENOR COMPENSATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. **EQUITY OFFICER POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$81,900	0.50	-\$81,900	-0.50	\$0	0.00

9. **TRIBAL LIAISON POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$141,900	1.00	-\$141,900	-1.00	\$0	0.00

10. **STATE OPERATIONS ADJUSTMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,800	-\$3,800	\$0

11. **TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. **INCREASE PIPELINE SAFETY PENALTY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

13. **SOCIAL COST OF CARBON** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

14. **FINANCING FOR RETIREMENT OF NONRENEWABLE GENERATING FACILITIES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

15. **UTILITY RATE SETTING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

16. **NONUTILITY ELECTRIC VEHICLE CHARGING STATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

17. **UTILITY FINANCING OF ENERGY IMPROVEMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

18. **ELECTRIC UTILITY INTEGRATED RESOURCE PLANS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

REGIONAL TRANSIT AUTHORITIES

Budget Change Item

1. **REGIONAL TRANSIT AUTHORITIES** (*Removed from budget consideration pursuant to Joint Finance Motion #10*)

REVENUE

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$385,260,600	\$393,459,300	\$410,283,900	\$16,824,600	4.3%	\$25,023,300	6.5%
PR	42,626,600	46,459,700	44,188,800	- 2,270,900	- 4.9	1,562,200	3.7
SEG	<u>59,510,400</u>	<u>79,852,300</u>	<u>47,661,000</u>	<u>- 32,191,300</u>	- 40.3	<u>- 11,849,400</u>	- 19.9
TOTAL	\$487,397,600	\$519,771,300	\$502,133,700	- \$17,637,600	- 3.4%	\$14,736,100	3.0%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	950.15	983.15	952.15	- 31.00	2.00
PR	135.40	140.00	131.00	- 9.00	- 4.40
SEG	<u>92.45</u>	<u>96.45</u>	<u>94.65</u>	<u>- 1.80</u>	<u>2.20</u>
TOTAL	1,178.00	1,219.60	1,177.80	- 41.80	- 0.20

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$3,681,900	- \$2,533,000	- \$6,214,900
PR	572,200	0	572,200
SEG	<u>532,300</u>	<u>- 188,000</u>	<u>344,300</u>
Total	- \$2,577,400	- \$2,721,000	- \$5,298,400

Governor: Provide adjustments to the base budget for: (a) turnover reduction (-\$1,899,300 GPR and -\$141,200 SEG annually); (b) full funding of continuing position salaries and fringe

benefits (\$324,100 GPR, \$132,900 PR, and \$252,800 SEG annually); (c) reclassifications and semiautomatic pay progression (\$148,200 PR and \$26,900 SEG in 2023-24 and \$210,900 PR and \$36,100 SEG in 2024-25); (d) full funding of lease and directed moves costs (-\$271,400 GPR, -\$26,600 PR, and \$123,000 SEG in 2023-24 and -\$260,100 GPR, -\$26,100 PR, and \$123,100 SEG in 2024-25); and (e) minor transfers within the same alpha appropriation.

Joint Finance: Include provision with the following modification. Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by \$1,266,500 GPR and \$94,000 SEG annually.

2. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,006,000	-\$1,006,000	\$0

3. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$170,800	1.00	-\$170,800	-1.00	\$0	0.00

4. MINOR TRANSFERS BETWEEN APPROPRIATIONS [LFB Paper 670]

Governor: Transfer \$276,900 GPR and 3.0 positions annually from the Department of Revenue's (DOR) collection of taxes -- general program operations appropriation to its administrative services and space rental -- general program operations appropriation to create the Office of Communications in the Secretary's Office. According to DOR, the purpose of the Office of Communications would be to align the Department's internal and external communications under one manager. The Department indicates that the positions would be transferred from the Division of Income, Sales, and Excise Tax; two of the positions are communications positions and the third position is a vacant revenue tax representative.

Transfer \$329,700 GPR and 3.0 FTE positions annually from DOR's collection of taxes -- general program operations appropriation to its administrative services and space rental -- general program operations appropriation to create the Engagement & Strategy Section in the Enterprise Services Division. According to DOR, the Engagement & Strategy Section would be focused on learning, engagement and retention, and promoting and supporting effectiveness, efficiency, and

strategic success. DOR indicates that the positions that would be transferred consist of two vacant revenue auditor 1 positions and one vacant revenue agent position in the Division of Income, Sales, and Excise Tax. The Department does not estimate an effect on state tax collections as a result of the proposed transfer because the positions are currently vacant.

Finally, transfer \$33,800 GPR from its collection of taxes -- general program operations appropriation to its administrative services and space rental -- general program operations appropriation for general overhead costs.

Joint Finance: Transfer \$195,900 GPR and 2.0 communications positions annually from DOR's collection of taxes -- general program operations appropriation to its administrative services and space rental -- general program operations appropriation to create the Office of Communications in the Secretary's Office. The Joint Finance provision transfers \$444,500 less funding and 4.0 fewer positions than under the Governor's recommendation.

5. GENERAL PROGRAM OPERATIONS APPROPRIATIONS REDUCTIONS GPR - \$2,753,600

Joint Finance: Reduce funding for the following DOR general program operations appropriations annually: (a) \$392,400 in the state and local finance -- general program operations appropriation; and (b) \$984,400 in the administrative services and space rental -- general program operations appropriation.

Tax Administration

1. DELINQUENT TAX COLLECTION AGENTS [LFB Paper 670]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,504,800	11.00	-\$1,504,800	- 11.00	\$0	0.00
GPR-Tax	\$20,100,000		-\$20,100,000		\$0	

Governor: Provide \$677,300 in 2023-24 and \$827,500 in 2024-25 and 11.0 positions annually to enhance delinquent tax collection efforts. According to DOR, these positions would consist of nine revenue agents, one revenue agent supervisor, and one revenue agent lead. The administration indicates that DOR is unable to attain its full collection potential of taxes owed under current law at its current staffing levels. It is estimated that this provision would increase general fund tax collections by \$4,000,000 in 2023-24 and \$16,100,000 in 2024-25 and annually thereafter.

Joint Finance: Provision not included.

2. CONVERT REVENUE AGENT PROJECT POSITIONS TO PERMANENT POSITIONS [LFB Paper 670]

Governor: Convert 38.0 GPR project positions to permanent positions and maintain current funding of \$2,017,500 GPR for position salaries and \$842,100 GPR for fringe benefits, annually. The 38 project positions are located within DOR's Division of Income, Sales, and Excise Tax, and consist of: (a) 17 audit revenue agent positions and one supervisor position in the Division's Audit Bureau; and (b) 19 tax collection revenue agent positions and one supervisor position in the Division's Compliance Bureau.

These positions were created by 2017 Act 59 and are scheduled to expire on June 30, 2025. The Administration indicates that allowing the positions to expire would result in an increase of unpaid delinquent taxes and would reduce general fund tax collections by an estimated \$39.3 million annually, offsetting the annual reduction of \$2,859,600 GPR associated with the expiration of these project positions, beginning in 2025-26.

Joint Finance: Extend the expiration of the 38.0 GPR project positions provided to DOR under 2017 Act 59 from June 30, 2025, to September 30, 2025. Direct the Department of Administration to provide salary and fringe in preparing the base for the 2025-27 biennial budget sufficient to extend the 38 project positions through September 30, 2025.

3. ADVANCED TECHNOLOGY SYSTEM PROJECT [LFB Paper 672]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,950,000	\$0	\$1,950,000
PR	<u>1,950,000</u>	<u>0</u>	<u>1,950,000</u>
Total	\$3,900,000	\$0	\$3,900,000
GPR-Tax	\$7,600,000	\$0	\$7,600,000
PR-REV	\$0	\$480,000	\$480,000
GPR-REV	- 1,950,000	480,000	- 1,470,000

Governor: Provide \$1,350,000 GPR and \$1,350,000 PR in 2023-24 and \$600,000 GPR and \$600,000 PR in 2024-25 for supplies and services to implement an advanced technology system in DOR's Compliance Bureau. The Administration indicates that this system would utilize data analytics to enhance collections of both delinquent taxes and debts owed to local governments and state agencies by \$10,800,000 annually once the program is fully operational. The Administration estimates that 70% (\$7,600,000 annually) of enhanced collections would come from delinquent general fund taxes, beginning in 2024-25. The remaining 30% (\$3,200,000 annually) of enhanced collections would come from debts owed to state agencies and local governments under the Statewide Debt Collection (SDC) program, beginning in 2024-25.

Under DOR's debt collection appropriation, all revenues collected in excess of expenditures are transferred to the general fund at the end of the fiscal year. Estimate a reduction in the year-end transfer to the general fund of \$1,350,000 GPR-REV in 2023-24 and \$600,000 GPR-REV in

2024-25 to reflect increased PR expenditures that would be authorized under this appropriation.

Joint Finance: Include the provision, but reestimate the reduction in the year-end transfer to the general fund at \$120,000 GPR-REV in 2024-25 to reflect increased fees estimated at \$480,000 PR-REV in 2024-25. Additionally, estimate enhanced delinquent general fund tax collections of \$10,500,000 in 2025-26 and \$14,000,000 in 2026-27.

4. STATEWIDE DEBT COLLECTION POSITIONS [LFB Paper 671]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$940,100	7.00	-\$940,100	- 7.00	\$0	0.00
GPR-REV	\$1,633,300		-\$1,633,300		\$0	
PR-REV	2,573,400		- 2,573,400		0	

Governor: Provide \$423,500 PR in 2023-24 and \$516,600 PR in 2024-25 and 7.0 PR positions annually to DOR's collection of taxes -- debt collection appropriation to increase efforts to collect debts owed to state agencies and local governments under the SDC program. DOR indicates that the authorization of these positions would increase the collection and remittance of debts owed by an estimated \$11.9 million annually.

According to DOR, the seven positions would consist of one revenue agent supervisor, one revenue agent lead, and five revenue agents. The Administration indicates that, in addition to enhanced collections of state and local debts, providing these seven positions would result in the following changes to state revenues: (a) an increase of \$516,800 PR-REV in 2023-24 and \$2,056,600 PR-REV in 2024-25 from additional fees collected by DOR; and (b) an increase in the year-end transfer to the general fund of \$93,300 GPR-REV in 2023-24 and \$1,540,000 GPR-REV in 2024-25.

Joint Finance: Provision not included.

5. STATEWIDE DEBT COLLECTION OFFICE RESOURCES (Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$892,000	-\$892,000	\$0
GPR-REV	-\$892,000	\$892,000	\$0

6. **ADMINISTRATION AND ENFORCEMENT OF MARIJUANA TAX AND REGULATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$5,357,900	18.00	-\$5,357,900	- 18.00	\$0	0.00

7. **MARIJUANA PERMIT FEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	\$1,410,000	-\$1,410,000	\$0

8. **REPEAL BASEBALL STADIUM TAX ADMINISTRATION APPROPRIATION** [LFB Paper 674]

	Funding	Positions
PR	-\$855,000	- 4.40

Governor/Joint Finance: Delete \$427,500 and 4.40 positions annually to eliminate the funding and vacant positions associated with DOR's collection of taxes -- administration of special district taxes appropriation. Repeal the appropriation on April 30, 2024. This appropriation was created to administer the baseball stadium district tax, which ended March 31, 2020. The Administration indicates that the delayed effective date for the repeal of this appropriation is necessary to allow taxpayers to timely file amended returns.

9. **PERSONAL PROPERTY TAX REPEAL ADMINISTRATIVE COSTS**

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,430,700	0.00	-\$1,088,500	2.00	\$342,200	2.00
PR	<u>22,600</u>	<u>0.00</u>	<u>- 22,600</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Total	\$1,453,300	0.00	-\$1,111,100	2.00	\$342,200	2.00

Governor: Provide \$1,310,300 GPR and \$22,600 PR in 2023-24 and \$120,400 GPR in 2024-25 to fund the administrative costs of implementing the repeal of the personal property tax. The Administration indicates that, of the total funding for this provision, \$20,500 would be provided as ongoing funding for assessor trainings and annual reviews of personal property aid based on two different assessment years. The remainder would be for one-time costs associated with updating information technology systems and applications for DOR's State and Local Finance Division. [For additional information, see "Shared Revenue and Tax Relief -- Property Taxation."]

Joint Finance: Provide \$171,100 GPR and 2.0 GPR project positions annually to DOR's state and local finance -- general program operations appropriation to help implement the repeal of the personal property tax. Specify that these project positions would be authorized from July 1, 2023, to June 30, 2025. [For additional information, see "Shared Revenue and Tax Relief -- Property Taxation."]

10. MANUFACTURING PROPERTY ASSESSMENT SPECIALISTS [LFB Paper 673]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$311,200	2.00	-\$311,200	-2.00	\$0	0.00
PR	311,200	2.00	-311,200	-2.00	0	0.00
Total	\$622,400	4.00	-\$622,400	-4.00	\$0	0.00

Governor: Provide \$140,100 GPR and \$140,100 PR in 2023-24 and \$171,100 GPR and \$171,100 PR in 2024-25 and 2.00 GPR and 2.00 PR positions annually to ensure more timely and accurate manufacturing property assessments under current law. The Administration indicates that recent increases in workloads and decreases in available resources prevent DOR from meeting its statutory five-year review period for state-assessed manufacturing properties. DOR states that the four property assessment specialists provided under the Governor's budget would allow DOR to conduct more field audits each year to meet (or exceed) the required five-year review schedule.

Joint Finance: Provision not included.

11. LOCAL GOVERNMENT SERVICES BUREAU [LFB Paper 673]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$149,200	1.00	-\$149,200	-1.00	\$0	0.00

Governor: Provide \$67,400 in 2023-24 and \$81,800 in 2024-25 and 1.0 position annually to DOR's Local Government Services Bureau (LGS). According to DOR, the current workload assigned to LGS is beyond its capacity and the Bureau is in need of additional auditors to meet its statutory deadlines related to the administration of shared revenue, property tax credits, county and municipal levy limits, equalized values, and other programs. The Administration indicates that this revenue audit position would improve customer service to local governments and assist in the administration of shared revenue, property tax credits, and other LGS-assigned programs.

Joint Finance: Provision not included.

12. REPEAL FOOTBALL STADIUM TAX ADMINISTRATION APPROPRIATION [LFB Paper 674]

PR	- \$105,000
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Joint Finance: Delete \$52,500 annually to eliminate funding associated with DOR's collection of taxes -- administration of local professional football stadium district taxes appropriation, and repeal the appropriation on the effective date of the bill.

13. ADMINISTRATION OF MUNICIPALITY TAXES APPROPRIATION

Joint Finance: Create a PR appropriation under DOR for the administration of municipal sales and use taxes. Under separate provisions of the bill, 1.75% of the taxes collected under a newly created shared revenue and tax relief municipality taxes appropriation are credited to DOR's appropriation. Specify that any unencumbered balance in DOR's appropriation would be transferred to the general fund at the end of each fiscal year. [For additional information, see "Shared Revenue and Tax Relief -- Local Revenue Options."]

Regulation of Alcohol, Tobacco, Nicotine Products, and Vapor Products

- 1. WINE SALES IN PUBLIC PARKS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 2. CLOSING HOURS DURING REPUBLICAN NATIONAL CONVENTION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 3. MINIMUM AGE FOR CIGARETTES, NICOTINE, TOBACCO, AND VAPOR PRODUCTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Lottery Administration

1. LOTTERY SALES PROJECTIONS

Governor: Project sales of \$912.1 million annually, including 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 2023-25 projected sales are based on sales models utilized by DOR to estimate both lotto (on-line) and instant ticket games.

Joint Finance: Reestimate 2022-23 lottery sales to \$979.7 million, compared to \$912.1 million under previous projections, to reflect recent sales experience and estimate sales in the biennium at \$912.1 million annually. The following table shows these projections, as well as 2021-22 actual lottery sales and estimated sales in 2022-23.

Lottery Sales Projections
(\$ in millions)

<u>Game Type</u>	<u>Actual</u> <u>2021-22</u>	<u>Estimated</u> <u>2022-23</u>	<u>Estimated</u> <u>2023-24</u>	<u>% Change</u> <u>from 2022-23</u>	<u>Estimated</u> <u>2024-25</u>	<u>% Change</u> <u>from 2023-24</u>
Scratch	\$637.8	\$655.6	\$643.5	-1.8%	\$643.5	0.0%
Pull-tab	1.1	1.3	1.3	0.0	1.3	0.0
Lotto	<u>248.9</u>	<u>322.8</u>	<u>267.3</u>	<u>-17.2</u>	<u>267.3</u>	<u>0.0</u>
Total	\$887.8	\$979.7	\$912.1	-6.9%	\$912.1	0.0%

2. LOTTERY FUND CONDITION STATEMENT [LFB Paper 675]

Joint Finance: Modify the lottery fund condition statement to reflect an estimated 2023-24 opening balance of \$25,691,500, and estimated sales in the 2023-25 biennium, as well as the following items, described in further detail below: (a) an increase in SEG expenditures of \$125,200 in 2023-24 and \$165,100 in 2024-25 associated with the provision of additional positions; and (b) an increase of \$15,849,800 GPR annually for lottery expenditures and corresponding decreases in SEG lottery expenditures. Reestimate the funding available for the lottery and gaming credit by \$15,724,600 in 2023-24 and by \$15,684,700 in 2024-25 to reflect these changes.

	<u>2023-24</u>	<u>2024-25</u>
Fiscal Year Opening Balance	\$43,939,100	\$18,247,600
Operating Revenues		
Total Ticket Sales	\$912,117,200	\$912,117,200
Retailer Fees and Miscellaneous	<u>262,800</u>	<u>262,800</u>
Gross Revenues	\$912,380,000	\$912,380,000
Expenditures (SEG)		
Prizes	\$578,481,400	\$578,481,400
Retailer Compensation	0	0
Vendor Fees	0	0
General Program Operations	20,728,900	20,768,800
Gaming Law Enforcement	464,500	464,500
Lottery Credit Administration	337,600	337,600
Program and Other Reserves	<u>235,300</u>	<u>528,700</u>
Total SEG Expenditures	\$600,247,700	\$600,581,000

	<u>2023-24</u>	<u>2024-25</u>
Expenditures (GPR)		
Retailer Compensation	\$64,366,400	\$64,366,400
Vendor Fees	<u>24,358,400</u>	<u>24,358,400</u>
Total GPR Expenditures	\$88,724,800	\$88,724,800
Net SEG Proceeds	\$312,132,300	\$311,799,000
Interest Earnings	\$1,052,000	\$841,000
Total Available for Tax Relief *	\$357,123,400	\$330,887,600
Appropriations For Tax Relief		
Lottery and Gaming Credit	\$338,025,800	\$311,790,000
Late Lottery and Gaming Credit Applications	<u>850,000</u>	<u>850,000</u>
Total Appropriations for Tax Relief	\$338,875,800	\$312,640,000
Gross Closing Balance	\$18,247,600	\$18,247,600
Reserve (2% of Gross Revenues)	\$18,247,600	\$18,247,600
Net Closing Balance	\$0	\$0

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

3. LOTTERY RETAILER COMPENSATION AND VENDOR FEES [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$0	\$31,699,600	\$31,699,600
SEG	<u>19,215,600</u>	<u>- 31,699,600</u>	<u>- 12,484,000</u>
Total	\$19,215,600	\$0	\$19,215,600

Governor: Provide \$7,061,800 annually for retailer compensation and \$2,546,000 annually for vendor fees associated with increases in estimated lottery sales. This would increase SEG funding for vendor fees to \$3,483,000 annually and SEG funding for retailer compensation to \$12,366,800 annually. In addition to the sum sufficient SEG appropriations for retailer compensation and vendor fees, two separate GPR appropriations also provide funding for these purposes.

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.

Joint Finance: Provide \$12,366,800 GPR annually to DOR's sum certain appropriation for lottery retailer compensation and \$3,483,000 GPR annually to DOR's sum certain GPR appropriation for lottery vendor fees. Make a corresponding decrease to DOR's sum sufficient SEG

appropriations for lottery retailer compensation lottery vendor fees.

4. LOTTERY DRAW STAFF [LFB Paper 675]

	Funding	Positions
SEG	\$99,300	1.00

Governor/Joint Finance: Provide \$42,600 in 2023-24 and \$56,700 in 2024-25 and 1.0 position 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.

5. LOTTERY INVESTIGATORS [LFB Paper 675]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$494,700	3.00	-\$329,800	-2.00	\$164,900	1.00

Governor: Provide \$214,200 in 2023-24 and \$280,500 in 2024-25 and 3.0 positions to the Lottery Division's SEG general operations appropriation to enhance efforts to maintain the security and integrity of the lottery.

Joint Finance: Provide \$71,400 in 2023-24 and \$93,500 in 2024-25 and 1.0 position to the Lottery Division's SEG general operations appropriation for an additional lottery investigator.

6. LOTTERY CONTRACTOR POSITION [LFB Paper 675]

	Funding	Positions
SEG	\$26,100	0.20

Joint Finance: Provide \$11,200 in 2023-24 and \$14,900 in 2024-25 and 0.2 of a position to the Lottery Division's SEG general operations appropriation to supplement an existing 0.8 FTE position for a retailer services specialist.

SAFETY AND PROFESSIONAL SERVICES

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$0	\$0	\$1,000,000	\$1,000,000	N.A.	\$1,000,000	N.A.
FED	1,075,000	1,085,400	1,041,400	- 44,000	- 4.1%	- 33,600	- 3.1%
PR	<u>121,035,600</u>	<u>148,603,300</u>	<u>142,727,900</u>	<u>- 5,875,400</u>	- 4.0	<u>21,692,300</u>	17.9
TOTAL	\$122,110,600	\$149,688,700	\$144,769,300	- \$4,919,400	- 3.3%	\$22,658,700	18.6%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
FED	1.70	1.70	1.70	0.00	0.00
PR	<u>240.44</u>	<u>318.94</u>	<u>256.19</u>	<u>- 62.75</u>	<u>15.75</u>
TOTAL	242.14	320.64	257.89	- 62.75	15.75

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	- \$33,600	0.00	\$0	0.00	- \$33,600	0.00
PR	<u>623,500</u>	<u>- 2.00</u>	<u>- 468,200</u>	<u>0.00</u>	<u>155,300</u>	<u>- 2.00</u>
Total	\$589,900	- 2.00	- \$468,200	0.00	\$121,700	- 2.00

Governor: Increase funding by \$310,300 (-\$16,800 FED and \$327,100 PR) and delete 2.0 PR positions in 2023-24, and provide \$279,600 (-\$16,800 FED and \$296,400 PR) and delete 2.0 PR positions in 2024-25 to reflect the net effect of the following standard budget adjustments: (a)

turnover reduction (-\$351,400 PR annually); (b) removal of non-continuing elements (-\$145,800 PR and -2.0 PR positions in 2023-24 and -\$176,700 PR and -2.0 PR positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (-\$16,800 FED and \$897,500 PR annually); and (d) full funding of lease and directed moves costs (-\$73,200 PR in 2023-24 and -\$73,000 PR in 2024-25).

Joint Finance: Increase the turnover reduction rate from 3% to 5% and decrease standard budget adjustments by -\$234,100 PR in each year for this purpose.

2. SYSTEM PLATFORMS SUBSCRIPTIONS AND MAINTENANCE [LFB Paper 681]

PR	\$4,352,400
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Governor/Joint Finance: Provide \$2,117,900 in 2023-24 and \$2,234,500 beginning in 2024-25 for the following system platforms subscriptions and maintenance: (a) \$1,760,700 in 2023-24 and \$1,813,600 in 2024-25 for various software subscriptions and maintenance for LicensE components required for operation of the system for health and business occupation credentialing; (b) \$135,800 in 2023-24 and \$139,900 in 2024-25 for the software subscriptions and maintenance fees of the electronic Safety and Licensing Application (eSLA) for safety and building plan reviews and permitting; and (c) \$221,400 in 2023-24 and \$281,000 in 2024-25 for a variety of software subscriptions and maintenance, including for electronic forms, call center functions, and other DSPS internal operations.

3. DIVISION OF ENTERPRISE TECHNOLOGY CONSULTING SERVICES [LFB Paper 682]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$2,480,200	- \$575,600	\$1,904,600

Governor: Provide \$1,208,500 in 2023-24 and \$1,271,700 in 2024-25 to support costs charged by the Division of Enterprise Technology (DET) in the Department of Administration (DOA), which provides information technology (IT) functions to DSPS. These amounts would include ongoing funding of \$283,600 in 2023-24 and \$292,000 beginning in 2024-25, and one-time funding of \$924,900 in 2023-24 and \$979,700 in 2024-25 to address IT programming enhancements, process improvements, and deployment of statewide projects to be adopted by all agencies' public-facing services.

Joint Finance: Modify provision to authorize one-time funding of \$924,900 in 2023-24 and \$979,700 in 2024-25 for IT programming enhancements, process improvements, and deployment of statewide.

4. **EQUIPMENT AND SOFTWARE UPGRADES** [LFB Paper 681]

PR	\$445,800
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Governor/Joint Finance: Provide \$219,700 in 2023-24 and \$226,100 in 2024-25 as one-time funding for equipment updates. Funding would be intended to support replacement of agency equipment that has become obsolete or otherwise reached the end of its functionality.

5. **PAY INCREASES FOR CRITICAL POSITIONS** [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$44,000	- \$44,000	\$0
PR	<u>572,300</u>	<u>- 572,300</u>	<u>0</u>
Total	\$616,300	- \$616,300	\$0

Governor: Provide \$313,900 in 2023-24 (\$291,500 PR and \$22,400 FED) and \$302,400 in 2024-25 (\$280,800 PR and \$21,600 FED) to support salary and fringe increases for permanent and project positions in the license and permit program associate or office operations associate groups in DSPTS. Increases would affect an estimated 42.0 positions and in most instances be \$6,480 per year, per position.

Joint Finance: Modify provision to instead provide funding to compensation reserves in the amounts included in AB 43/SB 70, less a 5% reduction associated with a higher than usual level of position vacancies, to continue supplemental pilot add-on pay to address severe recruitment and retention issues. [See "Budget Management and Compensation Reserves."]

6. **MILITARY PATHWAYS GRANT PROGRAM**

PR	\$100,000
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Governor/Joint Finance: Provide \$50,000 each year in one-time funding to continue the Military Pathways Grant Program, by which military training may be creditable or transferrable to credentials for certain civilian jobs. The program was created under 2021 Act 58, which provided \$50,000 each year in one-time funding. Eligible applicants include colleges, universities, apprenticeship programs, or other entities that create curricula to connect existing military training with licensed civilian occupations. DSPTS reports that Milwaukee Area Technical College received the grant in 2021-22 to hire a part-time veterans project specialist position to assist in transferring military training and credentials to college transcripts.

7. **EQUITY OFFICER POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$85,900	0.50	- \$85,900	- 0.50	\$0	0.00

- 8. **LICENSURE FOR UNDOCUMENTED PERSONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 9. **REVIEW OF VIOLATIONS RECORDS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 10. **LICENSE PORTABILITY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

11. **EROSION REMEDIATION ASSISTANCE FOR THE DE PERE GREENWOOD CEMETERY**

GPR	\$1,000,000
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Joint Finance: Provide \$1,000,000 in 2023-24 for erosion remediation at De Pere Greenwood Cemetery. Require DSPS to distribute the funds to the De Pere Greenwood Cemetery Association, with approval from the state Cemetery Board, from the DSPS general operations appropriation.

12. **DELETE VACANT POSITIONS**

	Positions
PR	- 0.25

Joint Finance: Delete a 0.25 financial specialist position that has been vacant for longer than 18 months.

Regulation of Professions

1. **LICENSE PROCESSING STAFF** [LFB Paper 685]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$2,215,600	16.00	-\$1,263,200	- 9.00	\$952,400	7.00

Governor: Provide ongoing funding of \$968,700 in 2023-24 and \$1,246,900 in 2024-25 with 16.0 permanent positions to process license applications in the Division of Professional Credential Processing (DPCP). The following table shows the types of positions that would be provided and the funding that would be budgeted to support these positions in 2023-24 and 2024-25.

License Processing Staff -- Governor's Recommendation

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
License Permit Program Associate -- Health	8.00	\$364,100	\$485,300
License Permit Program Associate -- Business and Trades	6.00	273,000	364,000
Records Management Supervisor -- Health	1.00	55,200	73,600
Paralegal -- Legal	<u>1.00</u>	<u>43,300</u>	<u>57,700</u>
Subtotal	16.00	\$735,600	\$980,600
Supplies and Services		\$233,100	\$266,300
Total	16.00	\$968,700	\$1,246,900

As of February 1, 2023, DSPS has assigned 64.0 positions to its Division of Professional Credential Processing. This includes 42.0 license permit program associates of various classes, 8.0 office operations associates, 4.0 attorneys, 3.0 paralegals, 3.0 program and policy analysts, 3.0 records management supervisors, and 1.0 division administrator.

Joint Finance: Provide 6.0 license processing positions with \$359,400 in 2023-24 and \$462,600 in 2024-25, including 4.0 for health professions and 2.0 for business and trades. Provide 1.0 paralegal with \$57,000 in 2023-24 and \$73,400 in 2024-25. Specify that the positions are four-year project positions.

2. CALL CENTER STAFF [LFB Paper 686]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding	Positions
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,811,300	14.00	-\$1,047,400	- 8.00	\$763,900	6.00

Governor: Provide ongoing funding of \$793,000 in 2023-24 and \$1,018,300 in 2024-25 with 14.0 office operations associate permanent positions to provide additional customer service call center staff within the DPCP Customer Service Center (CSC). DSPS reports CSC is assigned 6.0 office operations associates and 1.0 supervisor. The agency reports it has also utilized limited-term employees and has contracted 20 additional employees through a third-party company using funds from the federal American Rescue Plan Act (ARPA). The Administration would assign state-funded staff to handle ongoing call volumes once federal ARPA funds have been exhausted.

Joint Finance: Provide 6.0 office operations associate positions for the Customer Service Center, with funding of \$327,400 in 2023-24 and \$436,500 in 2024-25. Specify that the positions are two-year project positions and the funding is one-time.

3. BOARD SUPPORT STAFF [LFB Paper 687]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,730,600	10.00	-\$1,730,600	- 10.00	\$0	0.00

Governor: Provide ongoing funding of \$753,700 in 2023-24 and \$976,900 in 2024-25 with 9.0 permanent positions and 1.0 two-year project position to provide existing and new credentialing boards with policy, legal, and administrative services.

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 2023-24 and 2024-25.

Board Support Staff -- Governor's Recommendation

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
Division of Legal Services and Compliance			
Attorney	3.00	\$178,400	\$237,600
Pharmacy Practices Consultant	1.00	102,500	136,700
Real Estate Specialist	1.00	55,200	73,600
Senior Consumer Protection Investigator	1.00	55,200	73,600
Program and Policy Analyst*	1.00	55,200	73,600
Consumer Protection Investigator	<u>1.00</u>	<u>51,000</u>	<u>68,100</u>
Subtotal	8.00	\$497,500	\$663,200
Division of Policy Development			
Administrative Policy Advisor	1.00	\$55,200	\$73,600
Administrative Rules Coordinator	<u>1.00</u>	<u>55,200</u>	<u>73,600</u>
Subtotal	2.00	\$110,400	\$147,200
Supplies and Services		\$145,800	\$166,500
Total	10.00	\$753,700	\$976,900

*Two-year project position

Joint Finance: Provision not included.

4. **LICENSE NAVIGATORS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
PR	\$256,200	2.00	-\$256,200	- 2.00	\$0	0.00

5. **LICENSURE ATTAINMENT AND FLEXIBILITY SPECIALISTS** [LFB Paper 688]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
PR	\$776,100	5.00	-\$776,100	- 5.00	\$0	0.00

Governor: Provide \$341,200 in 2023-24 and \$434,900 in 2024-25 with 5.0 positions to create license attainment specialists. The Administration indicates that the positions would be intended to enhance licensure opportunity in Wisconsin through multistate compacts and reciprocity agreements. DOA indicates that 1.0 position would work on licensure compact development with the various credentialing boards, 1.0 would research and facilitate credentialing for persons trained internationally in healthcare fields, and 3.0 would expedite licensing decisions for applicants who already held credentials in other states.

Joint Finance: Provision not included.

6. **PROGRAM REVENUE RETENTION** [LFB Paper 689]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$3,543,600	-\$3,543,600	\$0
GPR-REV-	\$3,543,600	\$3,543,600	\$0
PR-REV	3,543,600	- 3,543,600	0

Governor: Eliminate the statutory requirement that DSPS must transfer 10% of revenues from health and business credentialing fees and educational approval fees to the general fund. The Administration estimates that \$1,771,800 annually would be retained as program revenues, rather than transferred to the general fund. The bill would increase the DSPS general operations appropriation for health and business occupational credentialing by the same amount.

Joint Finance: Provision not included.

7. **PRESCRIPTION DRUG MONITORING PROGRAM** [LFB

PR	\$1,115,200
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Paper 690]

Governor: Provide \$253,800 in 2023-24 and \$861,400 in 2024-25 in ongoing funding for software improvements, electronic health records integration, and recurring licensing costs for the state's electronic Prescription Drug Monitoring Program (ePDMP). The ePDMP is an online opioid database used by approximately 70,000 registered users, including Wisconsin pharmacy staff, healthcare professionals, law enforcement agencies, and public health officials to prevent opioid abuse in the state. Originally created by 2009 Wisconsin Act 362, the program's development and deployment was funded by various federal grants.

DSPS funds the ePDMP with the agency's health and business professions general program operations PR appropriations. Recent improvements to the ePDMP were made using funds from the federal Harold Rogers PDMP Grant Program, including \$1.9 million in 2019-20 and \$1.6 million in 2020-21. An award of \$1.4 million was granted to Wisconsin in 2021-22.

Joint Finance: Modify provision to specify funding is on a one-time basis in the 2023-25 biennium.

8. **RENEWAL DATES AND NURSING WORKFORCE SURVEY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. **CONTINUING EDUCATION CERTIFICATION FOR REALTORS**

PR	\$100,000
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Governor/Joint Finance: Provide \$100,000 in one-time funding in 2023-24 to support the Wisconsin Realtors Association in the establishment of continuing education requirements for realtors in the state.

10. **ADVANCED PRACTICE REGISTERED NURSING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

11. **DENTAL THERAPISTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Safety and Buildings Programs

1. BUILDING PLAN REVIEW [LFB Paper 695]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
PR	\$3,936,200	25.00	-\$3,471,000	- 22.00	\$465,200	3.00

Governor: Provide 25.0 positions to increase commercial building plan review staff in the Division of Industry Services. The Administration indicates that the three proposals described in the following paragraphs would increase plan review staff to facilitate reviews in ways suggested by construction industry participants.

Schedule-in-Advance Plan Review

Governor: Provide ongoing funding of \$470,300 in 2023-24 and \$610,200 in 2024-25 with 7.0 permanent plan review positions to conduct plan reviews that are scheduled in advance of plan paperwork submission but not submitted until 48 hours prior to review appointments with DSPS. The positions would be intended to respond to certain construction firms that utilize a plan creation process whereby the final plan is not complete until shortly before construction. DSPS and the Administration intend for the provision to accommodate plan reviews in a timely manner commensurate with actual building timelines. All 7.0 positions would be supported by the DSPS appropriation for safety and buildings general operations.

Schedule-in-Advance Plan Review -- Governor's Recommendation

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
Senior Commercial Building Plan Reviewer	2.00	\$110,400	\$147,200
Fire Systems Plan Reviewer	2.00	110,400	147,200
Plumbing Plan Reviewer	2.00	94,300	125,700
Senior Elevator Plan Reviewer	<u>1.00</u>	<u>55,200</u>	<u>73,600</u>
Subtotal	7.00	\$370,300	\$493,700
Supplies and Services		\$100,000	\$116,500
Total	7.00	\$470,300	\$610,200

Four-Week Plan Review

Governor: Provide ongoing funding of \$972,500 in 2023-24 and \$1,263,000 in 2024-25 with 14.0 permanent positions to provide building and plumbing plan review in four weeks or less.

DSPS has reported that discussions with industry stakeholders suggested that plan reviews should occur in 20 business days or less to align with construction industry practices. DSPS indicates that such plans are, in most cases, currently reviewed in 30 business days or less and that the provision would allow the Department to meet the suggested 20-day time frame. All 14.0 positions would be allocated to the DSPS appropriation for safety and buildings general operations.

Four-Week Plan Review -- Governor's Recommendation

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
Senior Commercial Building Plan Reviewer	6.00	\$331,000	\$441,400
Fire Systems Plan Reviewer	4.00	220,700	294,300
Plumbing Plan Reviewer	3.00	141,400	188,600
Senior Elevator Plan Reviewer	1.00	55,200	73,600
Miscellaneous Salary and Fringe Benefits		<u>24,200</u>	<u>32,100</u>
Subtotal	14.00	\$772,500	\$1,030,000
Supplies and Services		\$200,000	\$233,000
Total	14.00	\$972,500	\$1,263,000

Accelerated Review of Small Projects

Governor: Provide ongoing funding of \$270,000 in 2023-24 and \$350,200 in 2024-25 with 4.0 permanent positions to provide building and plumbing plan reviews in one week for small and simple plans. The 4.0 positions would include: (a) 1.0 commercial building plan reviewer; (b) 1.0 plumbing plan reviewer; (c) 1.0 fire systems plan reviewer; and (d) 1.0 elevator plan reviewer.

Joint Finance: Modify provision to authorize 3.0 permanent building plan review positions with \$202,500 in 2023-24 and \$262,700 in 2024-25.

2. INDUSTRY SERVICES FIELD INSPECTION STAFF [LFB Paper 696]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$723,600	5.00	-\$723,600	- 5.00	\$0	0.00

Governor: Provide ongoing funding of \$315,300 in 2023-24 and \$408,300 in 2024-25 with 5.0 permanent positions to increase departmental presence in certain plan review activities and reduce wait times on building inspections. The 5.0 positions would include: (a) 2.0 commercial building plan inspectors; (b) 1.0 elevator inspector; (c) 1.0 boiler inspector; and (d) 1.0 electrical inspector. All 5.0 positions would be allocated to the appropriation for DSPS safety and buildings general operations.

Joint Finance: Provision not included.

3. MUNICIPAL BUILDING INSPECTION AND OVERSIGHT [LFB Paper 696]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$161,200	1.00	-\$161,200	- 1.00	\$0	0.00

Governor: Provide \$70,800 in 2023-24 and \$90,400 in 2024-25 with 1.0 position for coordinating municipal building inspection programs. The statutes allow DSPPS to delegate certain building plan review and inspection functions to municipalities. The position to be created would provide increased oversight and training to ensure that delegated municipalities are informed of, and implementing, consistent building code standards in the state.

Joint Finance: Provision not included.

4. PRIVATE ON-SITE WASTEWATER TREATMENT SYSTEM (POWTS) GRANT PROGRAM UPDATE AND CONTINUATION [LFB Paper 697]

PR	\$1,680,000
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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, 2023. Provide \$840,000 each year in a continuing appropriation.

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 45 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 DSPPS on July 1, 2024, 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 DSPPS 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.

The POWTS grant program provides financial assistance to certain owners of a principal residence or small commercial establishment to cover a portion of the cost of repairing or replacing failing private onsite wastewater treatment (septic) systems. Under 2021 Wisconsin Act 67, the grant program is repealed on June 30, 2023. The last year of funding for the program is 2022-23, and final awards were made in the fall of 2022. The provision would extend the program indefinitely. The program is funded from a transfer from the DSPPS 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 current program provisions, except as described above.

Joint Finance: Reinstate the POWTS grant program and provide \$840,000 in each year. The program would continue with the same eligibility provisions as under current law. Specify a June 30, 2025, repeal of the program.

5. PRIVATE SEPTIC SYSTEM PLAN REVIEWERS [LFB Paper 697]

	Funding	Positions
PR	\$282,000	2.00

Governor/Joint Finance: Provide \$123,000 in 2023-24 and \$159,000 in 2024-25 and 2.0 permanent positions for private septic system plan review. DSPP is authorized 6.0 permanent private septic system plan reviewers, and 2021 Act 67 provided 2.0 two-year project septic system plan reviewers that expire on June 30, 2023. This provision would make the Act 67 positions permanent.

6. PRIVATE ON-SITE WASTEWATER TREATMENT SYSTEM RESEARCH
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$216,000	-\$216,000	\$0

7. TRADE EXAMINATION PROVIDERS [LFB Paper 698]

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

Governor: Provide \$500,000 each year in one-time funding for procurement of third-party trade examination services. Under current law, examinations for health and business professions may be conducted by a test service provider outside the Department. The bill would extend the authorization to examinations for building trades occupations. The provision would authorize DSPP to contract with a third-party vendor to administer trade exams through an online platform. The Administration indicates that individuals taking the exams would pay the selected vendor directly for the examination. The \$1 million over the biennium would be intended for vendor procurement processes.

Joint Finance: Provision not included.

8. SUM SUFFICIENT APPROPRIATION FOR INSPECTION CONTRACT ACCOUNTING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- \$1,130,000	\$1,130,000	\$0

9. YOUTH VOLUNTEER FIREFIGHTER TRAINING PROGRAM [LFB Paper 699]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$200,000	- \$50,000	\$150,000

Governor: Provide \$100,000 each year in ongoing funding to continue the Youth Volunteer Firefighter Training Program. The program provides grants to fire departments to create and operate youth firefighter training programs with the goal of increasing recruitment and retention of volunteer firefighters in the state. The grant program was created under 2021 Act 58, which provided with \$50,000 PR each year in one-time funding. Funding in the 2021-23 biennium has been awarded to six grantees, with individual grants being between \$4,050 and \$24,950.

Joint Finance: Provide \$75,000 in each year of the biennium in one-time funding to extend the Youth Volunteer Firefighter Training Grant Program.

10. MANUFACTURED HOUSING REHABILITATION AND RECYCLING PROGRAM

PR	\$40,000
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Governor/Joint Finance: Provide \$20,000 in each year as one-time funding for the manufactured housing rehabilitation and recycling program. Under the program, DSPS awards funds for disposal of abandoned manufactured homes and repairs to manufactured homes owned and occupied by low-income, elderly, and disabled persons. Current funding of \$40,000 for the program is administered by the Tomorrow's Home Foundation and comes from the titling fees for manufactured homes, which are deposited into the DSPS general operations appropriation for industry and trades.

11. STRETCH ENERGY CODE WORKING GROUP *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$250,000	1.00	- \$250,000	- 1.00	\$0	0.00

12. **PROHIBIT USE OF VAPOR PRODUCTS IN INDOOR LOCATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

13. **FIRE DEPARTMENT DUES DISTRIBUTION REESTIMATE**

PR	\$9,185,500
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[LFB Paper 700]

Joint Finance: Reestimate the fire dues distribution by \$4,302,500 in 2023-24 and \$4,883,000 in 2024-25. Any insurer doing fire insurance business in Wisconsin must pay the state fire department dues equal to 2% of the amount of all Wisconsin-based premiums paid. Most proceeds fund aids payments that DSPS distributes to each city, village or town maintaining a local fire department for eligible activities related to fire department operations. The provision would estimate fire dues payments to municipalities at \$29.0 million in 2023-24 and \$29.6 million in 2024-25.

SECRETARY OF STATE

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
PR	\$576,200	\$985,400	\$563,200	-\$422,200	- 42.8%	-\$13,000	- 2.3%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
PR	2.00	4.00	2.00	- 2.00	0.00

Budget Change Items

1. **STANDARD BUDGET ADJUSTMENTS** [LFB Paper 105] PR - \$13,000

Governor/Joint Finance: Provide an adjustment of -\$6,500 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** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$422,200	2.00	-\$422,200	- 2.00	\$0	0.00

3. TRANSFER FROM DFI *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

4. GPR-EARNED ESTIMATE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-REV	-\$236,800	\$236,800	\$0

SHARED REVENUE AND TAX RELIEF

	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
Direct Aid Payments							
Expenditure Restraint	\$118,623,400	\$116,291,400	\$58,145,700	-\$58,145,700	-50.0%	-60,477,700	-51.0%
County and Municipal Aid	1,416,775,000	1,426,928,400	707,684,200	-719,244,200	-50.4	-709,090,800	-50.0
Municipal and County Shared Revenue	0	576,153,200	0	-576,153,200	-100.0	0	0.0
Lac Courte Oreilles Decision Aid	0	1,098,200	0	-1,098,200	-100.0	0	0.0
Public Utility Distribution	175,833,800	184,878,000	187,367,400	2,489,400	1.3	11,533,600	6.6
State Aid; Tax Exempt Property	196,094,200	294,141,300	98,047,100	-196,094,200	-66.7	-98,047,100	-50.0
State Aid; Personal Property Tax Exemption	151,061,800	353,641,800	75,620,900	-278,020,900	-78.6	-75,440,900	-49.9
State Aid; Video Service Provider Fee	20,016,400	20,016,400	10,008,200	-10,008,200	-50.0	-10,008,200	-50.0
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	39,026,800	18,584,200	-20,442,600	-52.4	-18,584,200	-50.0
			0	0			
Property Tax Credits							
Homestead Tax Credit	94,600,000	186,100,000	79,900,000	-106,200,000	-57.1	-14,700,000	-15.5
Pre-2010 Farmland Preservation Credit	580,000	480,000	430,000	-50,000	-10.4	-150,000	-25.9
Farmland Preservation Credit	33,000,000	32,200,000	31,600,000	-600,000	-1.9	-1,400,000	-4.2
School Levy Tax Credit	1,880,000,000	1,880,000,000	2,470,000,000	590,000,000	31.4	590,000,000	31.4
First Dollar Credit	297,000,000	296,456,000	296,456,000	0	0.0	-544,000	-0.2
Other Credits							
Claim of Right Credit	300,000	244,000	244,000	0	0.0	-56,000	-18.7
Jobs Tax Credit	2,000,000	710,000	1,600,000	890,000	125.4	-400,000	-20.0
Business Development Credit	23,400,000	16,936,000	32,200,000	15,264,000	90.1	8,800,000	37.6
Enterprise Zone Jobs Credit	155,000,000	89,640,000	90,125,000	485,000	0.5	-64,875,000	-41.9
EITM Zone Credit	17,141,400	14,657,000	14,657,000	0	0.0	-2,484,400	-14.5
Research Credit	42,000,000	91,400,000	46,300,000	-45,100,000	-49.3	4,300,000	10.2
Veterans and Surviving Spouses Property Tax Credit	100,000,000	153,000,000	114,300,000	-38,700,000	-25.3	14,300,000	14.3
Cigarette and Tobacco Products Tax Refunds	59,400,000	56,574,000	53,500,000	-3,074,000	-5.4	-5,900,000	-9.9
Marijuana Tax Refunds	0	2,200,000	0	-2,200,000	-100.0	0	0.0
Earned Income Tax Credit	51,000,000	91,732,000	54,400,000	-37,332,000	-40.7	3,400,000	6.7
Forestry Mill Rate							
Forestry Mill Rate -- GPR Transfer to the Conservation Fund	<u>231,082,600</u>	<u>277,000,000</u>	<u>277,000,000</u>	<u>0</u>	<u>0.0</u>	<u>45,917,400</u>	<u>19.9</u>
GPR Total	\$5,102,097,000	\$6,201,524,500	\$4,718,189,700	-\$1,483,334,800	-23.9%	-\$383,907,300	-7.5%
Other Credits							
Earned Income Tax Credit; Temporary Assistance for Needy Families	<u>\$133,200,000</u>	<u>\$213,807,000</u>	<u>\$126,727,000</u>	<u>-\$87,080,000</u>	<u>-40.7%</u>	<u>-\$6,473,000</u>	<u>-4.9%</u>
PR Total	\$133,200,000	\$213,807,000	\$126,727,000	-\$87,080,000	-40.7%	-\$6,473,000	-4.9%
Direct Aid Payments							
Expenditure Restraint	\$0	\$0	\$58,145,700	\$58,145,700	N.A.	\$58,145,700	100.0%
County and Municipal Aid	0	0	753,075,300	753,075,300	N.A.	753,075,300	100.0
County and Municipal Aid, Police and Fire Protection Fund	68,849,600	57,304,600	34,424,800	-22,879,800	-39.9	-34,424,800	-50.0
Supplemental County and Municipal Aid	0	0	274,867,200	274,867,200	N.A.	274,867,200	100.0
State Aid; Tax Exempt Property	0	0	98,047,100	98,047,100	N.A.	98,047,100	100.0
State Aid; Personal Property Tax Exemption	0	0	75,620,900	75,620,900	N.A.	75,620,900	100.0
State Aid; Repeal of Personal Property Taxes	0	0	173,800,000	173,800,000	N.A.	173,800,000	100.0
State Aid; Video Service Provider Fee	0	0	10,008,200	10,008,200	N.A.	10,008,200	100.0
Payments for Municipal Services	0	0	18,584,200	18,584,200	N.A.	18,584,200	100.0
Innovation Fund	0	0	300,000,000	300,000,000	N.A.	300,000,000	100.0
Innovation Planning Grants	0	0	3,000,000	3,000,000	N.A.	3,000,000	100.0
Property Tax Credits							
Lottery and Gaming Credit	554,232,000	595,927,600	649,815,800	53,888,200	9.0	95,583,800	17.2
Lottery and Gaming Credit; Late Applications	<u>1,331,200</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>0</u>	<u>0.0</u>	<u>368,800</u>	<u>27.7%</u>
SEG Total	\$624,412,800	\$654,932,200	\$2,451,089,200	\$1,796,157,000	274.3%	\$1,826,676,400	292.5%
Total Funding	\$5,859,709,800	\$7,070,263,700	\$7,296,005,900	\$225,742,200	3.2%	\$1,436,296,100	20.7%

Budget Change Items

Direct Aid Payments

1. MUNICIPAL AND COUNTY SHARED REVENUE ACCOUNT -- 20% OF STATE SALES AND USE TAXES LESS EXISTING PROGRAMS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Transfer	\$0	\$1,866,380,000	\$1,866,380,000
GPR-REV	\$0	\$17,173,200	\$17,173,200
SEG-REV	0	1,866,380,000	1,866,380,000

Governor: Establish a new account in the general fund entitled the "Municipal and County Shared Revenue Account" (MCSR account). Specify that the fund would consist of an amount equal to 20% of the amount of the revenues received from state sales and use taxes, as specified in the general fund condition summary under s. 20.005(1) in each fiscal year, less the payments from the following programs: (a) the amount distributed through the expenditure restraint program, under the bill; (b) the amount distributed through the existing county and municipal aid program; and (c) amounts distributed to counties and municipalities as state aid for tax-exempt personal property, including the new aid payment associated with the exemption of personal property from taxation included in the bill. The remaining funds each year would be available for a newly-created municipal and county shared revenue program.

As drafted, the MCSR account would consist of 20% of state sales and use tax revenue in each year of the biennium. The Administration indicates that its intent was that beginning in calendar year 2024, the fund would consist of 20% of the sales tax and use tax revenues for the fiscal year ending in that calendar year, and each year thereafter, less the amounts for the programs identified earlier. This would mean that the MCSR account would first consist of 20% of state sales and use tax revenues in 2024-25, with the amount to be included in the fund being based on 2023-24 sales tax collections, less the amounts for programs identified earlier. An amendment would be needed to reflect the Administration's intent. Using the Administration's intended language, the following table indicates how the administration calculated the \$576,153,200 that would be available for the new municipality and county shared revenue program (described in a separate recommendation below).

**Governor's Estimate of Sales and Use Tax Available to the
MCSR Account and New Municipal and County Shared Revenue Program**

State Sales and Use Tax Revenues (2023-24)	\$7,603,150,000
Estimate of 20% of State Sales Tax	\$1,520,630,000
Less Existing Program Funding	
Existing County and Municipal Aid	753,075,800
Expenditure Restraint	58,145,700
Existing Exempt Personal Property Aid (Counties and Municipalities)	29,090,500
Proposed Exempt Personal Property Aid (Counties and Municipalities)	<u>104,164,800</u>
Total Existing Program Amounts	\$944,476,800
 Amounts Available for New Municipal and County Shared Revenue Program	 \$576,153,200

For the purposes of calculating the MCSR account funds available for the new municipal and county shared revenue program, the bill refers to the existing county and municipal aid distribution amount of \$748.1 million. This amount does not include the \$5.0 million that the Secretary of the Department of Health Services is required to pay from medical assistance funds to specific local government units for medical care transportation services. The Administration indicates that its intent was to include these amounts when calculating the funds available for the new municipal and county shared revenue program. The bill would have to be amended to reflect this intent.

Joint Finance: Delete provisions. Instead, establish a new segregated fund entitled the "Local Government Fund." In 2024-25, pursuant to 2023 Wisconsin Act 12, transfer 20% of state sales and use taxes, as outlined in the summary of general fund taxes under the biennial budget act, prepared by the Legislative Fiscal Bureau, to the local government fund. Estimate the amount of the transfer in that year at \$1,563.4 million. In addition, in 2024-25, make a one-time transfer of \$300.0 million to the innovation account and a one-time transfer of \$3.0 million to the innovation planning grants account within the local government fund, also pursuant to Act 12. Direct the Department of Administration to exclude the amounts transferred to the innovation account and the innovation planning grants account from the base for the 2025-27 budget.

In 2025-26, and each year thereafter, transfer from the general fund to the local government fund the sum of the following: (a) the amount transferred to the local government fund in the previous fiscal year, excluding the amounts transferred on July 1, 2024 to the innovation account and the innovation planning account; and (b) the percentage change in the estimated amount of state sales and use tax revenues, as outlined in the summary of general fund taxes under the biennial budget act, for the previous fiscal year compared to the preceding fiscal year, multiplied by the amounts available for distribution in the previous fiscal year in the newly-created county and municipal aid and supplemental county and municipal aid accounts within the local government fund. Specify that 15% of the annual transfer amount would be transferred to the local government fund on the second Monday in July of each year, and the remaining 85% would be transferred on the second Monday in November of each year.

Pursuant to 2023 Act 12, convert the GPR funding for the following programs to instead be

funded with SEG from the newly-created local government fund, beginning in 2024-25: (a) county and municipal aid; (b) expenditure restraint; (c) computer aid; (d) personal property aid, including aid on personal property exempted under 2017 Act 59; (e) video service provider fee aid; (f) payments for municipal services; (g) funding assistance program; and (h) law enforcement training program. In addition, specify that beginning in 2024-25, half of the funding for youth and family aids would be funded from the local government fund, and half would continue to be funded with GPR. Repeal the existing medical assistance supplement, that offsets a portion of county and municipal aid payments. Specify that the following programs, created under Act 12, would be funded from the local government fund, beginning in 2024-25: (a) supplemental county and municipal aid; (b) personal property aid, associated with the full repeal of the personal property tax included in Act 12; (c) innovation grants; and (d) innovation planning grants. See later items for the fiscal effect of these appropriation conversions and creations.

Transfer \$8.0 million from the local government fund to the transportation fund on December 30, 2024, and on each December 30, thereafter. This provision would make the transportation fund whole for the reduction in taxes paid by railroads associated with the repeal of the personal property tax under Act 12 (see "Property Taxation -- Personal Property Tax Exemption").

Require that any unencumbered balance of the local government fund, exceeding 0.1% of the amount transferred to the local government fund in that fiscal year, excluding the amounts credited to the innovation account and the innovation planning grants account, would transfer to the general fund on June 30, 2025, and on each June 30 thereafter. Require that the unencumbered balance in the innovation account and the innovation planning grants account would transfer to the general fund at the end of the fourth fiscal year after the date identified in the notice under Act 12. The table below indicates the estimated transfers to the local government fund in 2024-25, as well as the balance of that fund. The table also shows the reductions in GPR spending associated with converting the GPR appropriations to local government-SEG.

Local Government Fund

2024-25

Existing GPR Programs

Existing County and Municipal Aid	-\$707,684,200
Medical Assistance Supplement	-2,000,000
Expenditure Restraint Program	-58,145,700
Computer Aid	-98,047,100
Existing Personal Property Aid	-75,620,900
Video Service Provider Fee Aid	-10,008,900
Payments for Municipal Services	-18,584,200
Funding Assistance Program	-2,200,000
Law Enforcement Training	-2,000,000
Youth and Family Aids	<u>-46,652,900</u>
Total GPR Appropriation Reductions	-\$1,020,943,900

Balance in Local Government Fund

Transfer to Local Government Fund - 20% of 2024-25 State Sales and Use Taxes	\$1,563,380,000
Transfer to Local Government Fund - Innovation Account and Innovation Planning Grants Account	<u>303,000,000</u>
Total SEG Revenues	\$1,866,380,000

Existing County and Municipal Aid	\$753,075,300
Expenditure Restraint Program	58,145,700
Computer Aid	98,047,100
Existing Personal Property Aid	75,620,900
Video Service Provider Fee Aid	10,008,900
Payments for Municipal Services	18,584,200
Funding Assistance Program	25,000,000
Law Enforcement Funding	8,800,000
Youth and Family Aids	46,652,900
Supplemental County and Municipal Aid	274,867,200
Full Personal Property Exemption Aid	173,800,000
Transfer to Transportation Fund	\$8,000,000
Current Law County and Municipal Aid Lapses*	<u>-\$5,958,800</u>
Total SEG Expenditures	\$1,544,643,400

Balance Before General Fund Lapse	\$18,736,600
Reserve of 0.1%	\$1,563,400
Estimated General Fund Revenue, 2024-25	\$17,173,200

*Lapses are related to current law offsets to county and municipal aid associated primarily with the \$4.0 million from Milwaukee County for the Bucks Arena and for partial repayment of mass transit capital grants.

2. NEWLY-CREATED MUNICIPAL AND COUNTY SHARED REVENUE AID PROGRAM AND FORMULA

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$576,153,200	-\$576,153,200	\$0
SEG	<u>0</u>	<u>274,867,200</u>	<u>274,867,200</u>
Total	\$576,153,200	-\$301,286,000	\$274,867,200

Governor: Provide \$576,153,200 in 2024-25 for calendar year 2024 municipal and county aid payments to be distributed under a new municipal and county shared revenue aid payment program administered by DOR. This funding level represents the amount of funds available in the Municipal and County Shared Revenue (MCSR) account, described above in a separate recommendation, for distribution under the new aid payment. Because the MCSR account would consist of 20% of state sales and use taxes, less the required reductions to fund other programs described in the previous item, the amount available to be distributed under the new aid payment program would grow each year by the amount of growth in 20% of state sales and use taxes. These aid payments would be in addition to the \$748.1 million currently distributed under the existing county and municipal aid program, and would be made from a newly-created sum sufficient appropriation.

Beginning in 2024-25, create a public safety payment, a per capita aid payment, and an aidable revenue aid payment. In addition, beginning in 2025-26, create an aids deficiency payment. Specify that these payments are to be funded from the MCSR account and distributed to municipalities and counties.

Public Safety Payments. Create a public safety payment that could only be used to pay for the following services: (a) law enforcement; (b) fire protection; (c) ambulance and emergency medical services; and (d) the costs of prosecutorial and judicial functions. Specify that that the funding level for this payment would equal 43.4% of the total funding in the newly-established MCSR account, rounded to the nearest \$1,000,000, which would equal \$250,000,000 in 2024-25, for calendar year 2024 payments, given the recommended funding. Require DOR to calculate the payment as a percentage of the most recent three-year average of qualifying public safety expenditures for each county and municipality as necessary to distribute the full amount of aid available, or \$10,000, whichever is greater. Specify that "qualifying public safety expenditures" would mean amounts expended by each municipality or county for the purposes of law enforcement, fire protection, or ambulance and emergency medical services, as reported to DOR under current law.

Funding Available for Per Capita, Aidable Revenues, and Deficiency Payments. Specify that the funding level for these aid payments would equal the amount of remaining funds in the MCSR account, after accounting for the distribution of the public safety payments. Given the recommended funding under the bill, \$326,153,200 would be available for these aid payments in 2024-25 for calendar year 2024 payments. Specify that 70% of this funding (\$228,307,200) would be distributed to municipalities and 30% (\$97,846,000) to counties.

Specify that 15% of the funding provided municipalities and counties would be available for per capita aid payments for each group, while 85% of the funding available for each group would be used to make aidable revenue payments. Based on the funding available for these payments for each group, \$34,246,100 in per capita aid and \$194,061,000 in aidable revenue payments would be available for distribution to municipalities in 2024-25 for calendar year 2024 payments. Counties would have \$14,676,900 in per capita and \$83,169,100 in aidable revenue funding available for distribution in 2024-25 for calendar year 2024 payments.

Per Capita Aid Payment. Require DOR to calculate the per capita aid payment amounts for municipalities and counties by dividing the per capita funding available for each group by the state's total population to derive a statewide average municipal and county per capita amount. The per capita amount for each group would then be multiplied by the population of each municipality and county to determine each municipality's and county's per capita aid payment.

Aidable Revenues Payment. Require DOR to determine the following in order to calculate aidable revenue payments:

(a) "aidable revenues," would equal the total of the three-year average of the following revenues: (1) general property taxes and other taxes; (2) payments in lieu of taxes; (3) special assessments; (4) licenses and permits; (5) fines and forfeitures; (6) public charges; (7) intergovernmental revenues; and (8) other shared revenue distributions, consisting of the existing county and municipal aid program, the expenditure restraint program, exempt property aid payments, including the aid related to proposed full exemption of personal property, and video service provider fee payments, but not including public utility aid payments;

(b) "equalized value" would equal the assessed value of county and municipal property adjusted to reflect full value, including, for municipalities, the value increment for tax incremental districts and excluding manufacturing land and improvements assessed by DOR;

(c) "equalization factor," would equal the ratio of municipal or county equalized value per capita divided by the statewide equalized value per capita, as calculated by DOR separately for municipalities as a group and counties as a group, but not to exceed 500% of the statewide equalized value per capita;

(d) "standard aidable revenue match percentage" would mean the percentage match of aidable revenues determined by DOR, as necessary to distribute the total funding available for the aidable revenues payment;

(e) "municipal equalized value per capita," would mean the amount of a municipality's most recent equalized value divided by the municipality's population; and

(f) "county equalized value per capita," would mean the amount of a county's most recent equalized value divided by the county's population.

Require DOR to calculate the aidable revenues payment for municipalities and counties separately as follows: (a) divide the standard aidable revenue match percentage by the equalization factor for the municipality or county receiving the payment; and (b) multiply that result by the

municipality's or county's aidable revenues.

The following table indicates the funding amount available to municipalities and counties under the proposed municipal and county shared revenue program.

**Funding Available Under the Proposed Municipal
and County Shared Revenue Program**

	<u>2024</u>
Municipalities and Counties	
Public Safety Payments	\$250,000,000
 Municipalities	
Per Capita Aid Payments	\$34,246,100
Aidable Revenues	<u>194,061,100</u>
Subtotal	\$228,307,200
 Counties	
Per Capita Aid Payments	\$14,676,900
Aidable Revenues	<u>83,169,100</u>
Subtotal	\$97,846,000
 Total	 \$576,153,200

Aids Deficiency Payment. Specify that, beginning with payments distributed in 2025 (2025-26), a municipality or county is determined to have an aids deficiency if the amount that a municipality or county receives from the sum of aid payments paid from the MCSR account and from the existing county and municipal aid program, is less than 95% of the amount that county or municipality received from these programs in the prior year. Provide that the amount of the aids deficiency would equal the amount by which 95% of the total payment received from payments to a municipality or county made from the MCSR account and the existing county and municipal aid program in the prior year exceeds the amount of the same payments calculated for the municipality or county in the current year.

Specify that beginning with payments in 2025 (2025-26), a "maximum allowable increase" would be determined each year. Require the annual growth in the amount that each municipality or county may receive from the sum of the payments from the MCSR account and the existing county and municipal aid payment to be limited to that maximum allowable increase. Require DOR to withhold any amount of calculated payments in excess of the maximum allowable increase. Specify that the "maximum allowable increase" would equal a percentage derived by taking the sum of the payments calculated that year, as described above, over those same payments as limited by the maximum allowable increase, and setting that difference equal to the total of aids deficiency payments for that year. The administration indicates that its intention was to require DOR to calculate the aids deficiency and maximum allowable increase separately for counties and municipalities, which is not clearly indicated as drafted. As a result, an amendment would be needed to clarify this intent.

Reporting Requirements. Specify that no municipality or county may receive a payment from the new aid payments that would be funded from the MSCR account in any year in which it fails to submit the annual financial report form to DOR required under current law. Provide that if a county or municipality does not submit the information, as required, or if a county or municipality submits incomplete information, DOR would be directed to notify the county or municipality and provide a reasonable opportunity to provide the information or correct the deficiency.

Distribution of Payments. As under current law for certain existing aid payments, require DOR to provide each municipality and county with an estimate of their payments from the MCSR account for the next calendar year by September 15 of each year. Require DOR to distribute 50% of the MCSR account aid payments on the fourth Monday in July and the remainder on the third Monday in November annually. Specify that these payments shall be considered local funds on the date that they are distributed, and may be paid into the separate accounts of all local governments established in the local government pooled-investment fund, and may be disbursed or invested, pursuant to the instructions of local officials.

Joint Finance: Delete provisions. Provide \$274,867,200 SEG in 2024-25 from the local government fund to fund the supplemental county and municipal aid program created under 2023 Act 12 to be distributed according to the aid formulas created under that Act. Of this amount, \$68,000,000 would be distributed to counties and \$206,867,200 would be distributed to municipalities, as required by Act 12.

3. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION FUND REVENUE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$1,406,600	\$0	-\$1,406,600
SEG	<u>15,000</u>	<u>- 15,000</u>	<u>0</u>
GPR	-\$1,391,600	-\$15,000	-\$1,406,600

Governor: Decrease funding by \$703,300 GPR annually and increase funding by \$7,500 SEG annually for the county and municipal aid program to fund the current law statutory distribution amount, as reduced to reflect the offsets to payments to certain municipalities that received Volkswagen settlement transit capital grants. This reestimate reflects an increase of \$7,500 annually in the estimated amount of police and fire protection fund revenues being available for the county and municipal aid distribution each year. A corresponding reduction of \$703,300 annually is made to the GPR amounts needed to fund the county and municipal aid distribution amount as adjusted to reflect the Volkswagen settlement offsets. With these adjustments, including the offsets, an estimated \$1,959,300 less funding would be needed to fund the annual statutory distribution. Estimated current law GPR payments for the county and municipal aid program would be \$707,684,200 annually and estimated payments from the police and fire protection fund would be \$34,432,300 annually. These estimated amounts would be reduced under a separate recommendation, as shown below, that would use police and fire protection fund SEG funding for the other agencies, including a recommendation for the

Department of Military Affairs for public safety answering grants.

Joint Finance: Approve the recommendation to decrease funding by \$703,300 GPR but delete the \$7,500 SEG annually associated with the reestimate. This reflects the decreased amount of SEG funds from the police and fire protection fund to offset county and municipal aid payments in 2023-24 and the removal of police and fire protection fund SEG funding offset to county and municipal aid beginning in 2024-25, discussed in the item below.

4. COUNTY AND MUNICIPAL AID PROGRAM -- POLICE AND FIRE PROTECTION FUNDING FOR OTHER AGENCIES

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$11,560,000	- \$11,560,000	\$0
SEG	<u>- 11,560,000</u>	<u>- 22,864,800</u>	<u>- 34,424,800</u>
Total	\$0	- \$34,424,800	- \$34,424,800

Governor: Provide an increase in funding of \$5,780,000 GPR annually and make a corresponding decrease in funding of \$5,780,000 SEG annually for the county and municipal aid program. These funding changes reflect the recommended changes in funding provided from the police and fire protection fund to the Public Service Commission and the Department of Military Affairs under the bill. 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 for county and municipal aid. Under the bill, the sum-sufficient GPR appropriation for county and municipal aid would be estimated at \$713,464,200 GPR annually and \$28,652,300 SEG annually.

Annual revenues to the police and fire protection fund are estimated \$52,200,700 annually under the bill. Of these amounts, \$28,652 300 would be used to fund county and municipal aid. In addition, an increase of \$6,149,100 in funding is recommended for the Department of Military Affairs, including \$6,000,000 annually for public safety answering point grants and \$149,100 annually in standard budget and other adjustments (see "Military Affairs"). Finally, \$19,399,300 in police and fire protection fund revenues would be used to fund base level funding in other agencies as follows: (a) \$166,000 annually for the Public Service Commission administration of the police and fire protection fee; (b) \$324,100 annually to fund the Department of Military Affairs interoperability council; and (c) \$18,908,600 annually to fund the Department of Military Affairs implementation of Next Generation 911.

Joint Finance: Delete the proposed annual increase of \$5,780,000 GPR and the annual decrease of \$5,780,000 SEG to reflect the levels of funding provided from the police and fire protection fund to the Public Service Commission and the Department of Military Affairs.

In 2024-25, rename the police and fire protection fund, the 911 fund, as required by 2023 Act 12. Delete the current law county and municipal aid SEG appropriation estimated at

\$34,424,800 SEG in 2024-25, which offsets GPR funding for county and municipal aid payments (see also "Department of Military Affairs" for the use of 911 fund monies).

5. SUPPLEMENTAL COUNTY AND MUNICIPAL AID -- LAC COURTE OREILLES FEDERAL COURT DECISION [LFB Paper 710]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,098,200	- \$1,098,200	\$0

Governor: Provide \$578,000 in 2023-24 and \$520,200 in 2024-25 and create a sum sufficient appropriation to make supplemental county and municipal aid payments to certain towns and counties affected by the 2022 U.S. 7th Circuit Court of Appeals decision *Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers*. The Court ruled in that case that the state of Wisconsin and its political subdivisions are prohibited under the 1854 Treaty of La Pointe from taxing all real property within the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations if that property is owned by the tribe or one or more tribal members, regardless of whether the property had been previously owned by a non-tribal member. The effect of this decision is to reduce the amount of taxable property within certain towns and counties in which such property exists, which also shifts property taxes to the remaining taxable properties within those jurisdictions.

The affected towns and counties that will receive a payment from this program are: (a) the Town of Gingles in Ashland County; (b) the Town of Sanborn in Ashland County; (c) the Town of White River in Ashland County; (d) the Town of Russell in Bayfield County; (e) the Town of Sherman in Iron County; (f) the Town of Bass Lake in Sawyer County; (g) the Town of Lac du Flambeau in Vilas County; (h) Ashland County; (i) Bayfield County; (j) Iron County; (k) Sawyer County; and (l) Vilas County.

Direct the Department of Administration to calculate the amount of property tax revenue lost as a result not being able to legally impose general property taxes on property located within the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations and owned by the tribe or one or more tribal members, and provide a payment in 2023-24 equal to that amount. Reduce the payment provided to each town and county by 10% in 2024-25 and each year thereafter. Specify that no payment will be provided in 2032-33, or thereafter. Modify the existing county and municipal aid GPR appropriation to exclude these payments.

Joint Finance: Delete provision. Instead, provide \$3,613,000 PR to the Joint Finance Committee's supplemental PR appropriation in 2023-24 for the Committee to release to make one-time aid payments to the affected counties to compensate for not being able to impose taxes on real property. Separate legislation would be required in the 2023-24 legislative session to direct the Committee to distribute the funds to a newly-created tribal gaming appropriation created by this provision.

Create an annual PR appropriation funded from tribal gaming revenue to provide an aid

payment to the counties affected by the federal Circuit Court of Appeals decision. Any unencumbered balance in this PR appropriation as of June 30 of each year would lapse to the tribal gaming receipts appropriation account under DOA. Specify that the appropriation would sunset July 1, 2025. The fiscal effect of this item is shown in the Joint Finance Committee appropriation under "Program Supplements."

6. COUNTY AND MUNICIPAL AID OFFSET ASSOCIATED WITH VOLKSWAGEN SETTLEMENT TRANSIT CAPITAL ASSISTANCE GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. EXEMPTION OF PERSONAL PROPERTY FROM TAXATION -- ADDITIONAL EXEMPT PERSONAL PROPERTY AID PAYMENTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$202,400,000	- \$202,400,000	\$0
SEG	<u>0</u>	<u>173,800,000</u>	<u>173,800,000</u>
Total	<u>\$202,400,000</u>	<u>- \$28,600,000</u>	<u>\$173,800,000</u>

Governor: Provide \$202,400,000 in 2024-25 and expand the existing sum sufficient appropriation to include additional payments to taxing jurisdictions associated with Governor's recommendation to exempt all personal property from property taxation. Require that beginning in 2025, the Department of Administration distribute to each taxing jurisdiction an amount equal to the property taxes levied in 2023(24) on items of personal property that would be exempt from taxation under the bill. Specify that beginning in 2026, and each year thereafter, the amount of aid received by taxing jurisdictions would equal the previous year's distribution, adjusted by the percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, for the 12 months ending on June 30, but not less than zero. The current law aid payment is meant to hold taxing jurisdictions harmless of the loss in taxable value associated with the 2017 exemption of personal property classified as machinery, tools, and patterns not used for manufacturing, from taxation.

Require municipalities to report to DOR the amount of property taxes levied on items of personal property as of January 1, 2023, on behalf of the municipality and other taxing jurisdictions. Specify that a municipality's 2025 personal property aid payment would be reduced by 50% if the municipality does not provide this information by June 30, 2024, and forfeited if the municipality does not provide this information by July 15, 2024. If a municipality fails to submit this information to DOR, the Department may use the best available information to estimate the amount of the 2025 aid payment to the other affected taxing jurisdictions.

Delete the aid payment appropriation created by 2021 Act 58 to make payments to local taxing jurisdictions if the personal property tax was repealed during the 2021-22 legislative session. Repeal the requirement that the Joint Finance Committee transfer funds appropriated in 2021-22 from its biennial supplemental appropriation to that personal property aid payment

appropriation following a repeal of the personal property tax.

Joint Finance: Delete provision. Instead, beginning in 2024-25, provide \$173,800,000 SEG from the local government fund for an aid payment to hold local taxing jurisdictions harmless following the repeal of remaining personal property from taxation included in 2023 Act 12. Modify the current law levy limit adjustment for personal property aid to include the new personal property aid payments provided under this provision.

8. EXISTING EXEMPT PERSONAL PROPERTY AID REESTIMATE [LFB Paper 106]

GPR	\$180,000
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Governor/Joint Finance: Increase funding by \$90,000 annually to reflect a reestimate of the current law exempt personal property aid payments to local governments for exempt personal property classified as non-manufacturing machinery, tools, and patterns. This reestimate reflects changes to the treatment of personal property aid payments provided to tax incremental financing (TIF) districts after the district closes, made by 2021 Act 61. That Act required those payments to be distributed among all overlying taxing jurisdictions in the year after the district closes, according to each jurisdiction's share of the TIF district's value. This aid payment was created to hold local taxing jurisdictions harmless for this property being made tax exempt in 2017. With this reestimate, base level funding of \$75,530,900 would increase to \$75,620,900 in both years of the biennium (the amount in 2024-25 would be increased under a separate recommendation, shown below, to exempt additional items of personal property from taxation).

9. ELIMINATE COMPUTER AID PAYMENT DELAY

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$98,047,100	- \$98,047,100	\$0

Governor: Provide \$98,047,100 in 2023-24 associated with eliminating the delay in computer aid payments, beginning with the 2024 aid payment. Specify that the date for the distribution of the current calendar year computer aid payment to taxing jurisdictions be the first Monday in May of that year, rather than the fourth Monday in July (the subsequent fiscal year), as required under current law. For example, under current law, the 2024 aid payments are distributed on the fourth Monday in July, which means these computer aid payments are made in 2024-25. Under the recommended payment date change, the 2024 aid payment would instead be made in 2023-24. To reflect the change in payment dates, eliminate the requirement that school districts treat computer aid payments received in July as if they had been received in the previous school year. Specify that this change would first take effect on January 1, 2024. The provision would result in both the calendar year 2023 and 2024 computer aid payments being made in 2023-24. Computer aid payments are made to hold local taxing jurisdictions harmless for exempt computer property that was made tax exempt in 1999.

Joint Finance: Provision not included.

10. PUBLIC UTILITY AID -- SUM SUFFICIENT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,641,500	- \$1,207,900	\$7,433,600

Governor: Increase funding by \$264,800 in 2023-24 and \$8,376,700 in 2024-25 to the sum sufficient utility aid distribution account to reflect estimated payment amounts in the biennium. With these adjustments, base level funding of \$87,916,900 would increase to \$88,181,700 2023-24 and \$96,293,600 in 2024-25. The public utility aid distribution account is used to make aid payments to counties and municipalities containing light, heat, power, and electric public utility generation and transmission properties that are exempt from local property taxation.

Joint Finance: Increase funding by \$768,100 in 2023-24 and decrease funding by \$1,976,000 in 2024-25 to the sum sufficient utility aid distribution account. With these adjustments, utility aid distributions would equal \$88,949,800 in 2023-24 and \$94,317,600 in 2024-25.

11. UTILITY AID -- ENERGY STORAGE FACILITIES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$400,000	- \$400,000	\$0

12. UTILITY AID -- ELECTRIC VEHICLE CHARGING INFRASTRUCTURE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,700	- \$2,700	\$0

13. PAYMENTS FOR MUNICIPAL SERVICES PROGRAM

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,858,400	- \$1,858,400	\$0
GPR-REV	\$606,600	- \$606,600	\$0

Governor: Provide \$929,200 annually for the payments for municipal services program, to

increase base level funding from \$18,584,200 to \$19,513,400 for the program. In addition, increase GPR-REV by \$303,300 annually to reflect additional chargebacks to facilities funded from non-GPR sources. 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 2022-23, payments under this program were prorated at 38.1% of total calculated entitlements.

Joint Finance: Delete provision.

14. EXPENDITURE RESTRAINT PAYMENT PROGRAM [LFB Paper 106]

GPR	-\$2,232,000
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Governor/Joint Finance: Reduce funding by \$1,166,000 annually in the appropriation for the expenditure restraint payment program. These decreases reflect the elimination of payments made to the Village of Maine and the City of Janesville, which ended with the payment made in 2022-23. With these adjustments, base level funding would decrease from the adjusted base level funding amount of \$59,311,700 to \$58,145,700 each year.

15. EXPENDITURE RESTRAINT PROGRAM -- DEFINITION OF MUNICIPAL BUDGET *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

16. UTILITY AID -- INCREASE EXISTING INCENTIVE AIDS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$0	\$4,100,000	\$4,100,000

Joint Finance: Provide \$4,100,000 GPR in 2024-25 associated with modifying existing incentive aid components of the utility aid formula. Increase the incentive aid payment from \$600 to \$900 per megawatt for production plants with at least one of the following characteristics: (a) the production plant was built on the site of or on a site adjacent to an existing or decommissioned production plant; (b) the production plant was built on a site purchased before January 1, 1980, that was identified in an advance plan as a proposed site for a production plant; or (c) on a brownfield or a site adjacent to a brownfield. In addition, increase the incentive aid payment from \$1,000 to \$1,500 per megawatt for production plants that generate power using alternative energy resources. This provision would first apply to the 2024 aid distribution, which is paid in 2024-25.

17. CONVERT COUNTY AND MUNICIPAL AID APPROPRIATION TO SEG -- LOCAL GOVERNMENT FUND

GPR	-\$707,684,200
SEG	753,075,300
Total	\$45,391,100

Joint Finance: Beginning in 2024-25, convert the GPR appropriation for providing existing county and municipal aid payments to a SEG appropriation funded from the

local government fund, created under 2023 Wisconsin Act 12. Delete \$707,684,200 GPR and provide \$753,075,300 SEG in 2024-25 from the local government fund to make the aid payments in that year.

18. CONVERT GPR COMPUTER AID APPROPRIATION TO SEG -- LOCAL GOVERNMENT FUND

GPR	- \$98,047,100
SEG	<u>98,047,100</u>
Total	\$0

Joint Finance: Beginning in 2024-25, convert the GPR appropriation for providing computer aid payments to a SEG appropriation funded from the local government fund, created under 2023 Wisconsin Act 12.

19. CONVERT GPR PAYMENTS FOR MUNICIPAL SERVICES PROGRAM APPROPRIATION TO SEG - LOCAL GOVERNMENT FUND

GPR	-\$18,584,200
SEG	<u>18,584,200</u>
Total	\$0

Joint Finance: Beginning in 2024-25, convert the GPR appropriation for providing payments for municipal services to a SEG appropriation funded from the local government fund, created under 2023 Wisconsin Act 12.

20. CONVERT GPR EXPENDITURE RESTRAINT PAYMENT PROGRAM APPROPRIATION TO SEG -- LOCAL GOVERNMENT FUND

GPR	-\$58,145,700
SEG	<u>58,145,700</u>
Total	\$0

Joint Finance: Beginning in 2024-25, convert the GPR appropriation for providing expenditure restraint payments to a SEG appropriation funded from the local government fund, created under 2023 Wisconsin Act 12.

21. CONVERT GPR VIDEO SERVICE PROVIDER FEE AID APPROPRIATION TO SEG -- LOCAL GOVERNMENT FUND

GPR	-\$10,008,900
SEG	<u>10,008,900</u>
Total	\$0

Joint Finance: Beginning in 2024-25, convert the GPR appropriation for providing video service provider fee aid payments to a SEG appropriation funded from the local government fund, created under 2023 Wisconsin Act 12.

22. CONVERT EXISTING GPR EXEMPT PERSONAL PROPERTY AID APPROPRIATION TO SEG -- LOCAL GOVERNMENT FUND

GPR	-\$75,620,900
SEG	<u>75,620,900</u>
Total	\$0

Joint Finance: Beginning in 2024-25, convert the GPR appropriation for providing existing personal property aid payments to a SEG appropriation funded from the local government fund, created under 2023 Wisconsin Act 12.

Property Tax Credits

1. FIRST DOLLAR CREDIT REESTIMATE [LFB Paper 106]

GPR	- \$544,000
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Governor/Joint Finance: Decrease funding by \$272,000 annually to reflect the \$148,228,000 actual amount of 2022(23) credits to be paid in 2023-24 and the estimated credits to be paid for property tax year 2023(24) in 2024-25. The 2022(23) credits are to be distributed in July, 2023, based on the \$8,500 credit base established by the Department of Revenue in November, 2022, and an estimate of the eligible parcels on which the credit was claimed. The base funding level for the first dollar credit is \$150 million.

2. FARMLAND PRESERVATION CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$900,000	- \$650,000	- \$1,550,000

Governor: Reestimate the sum-sufficient appropriations for the farmland preservation tax credit by -\$430,000 in 2023-24 and -\$470,000 in 2024-25. The credit applies to certain lands in farmland preservation zoning districts and under farmland preservation agreements. The bill would budget payments under the credit at \$16,360,000 in 2023-24 and \$16,320,000 in 2024-25. The cost of the credit for 2022-23 is estimated to be \$16,340,000.

Joint Finance: Reestimate an additional -\$220,000 in 2023-24 and -\$430,000 in 2024-25 for the farmland preservation tax credit. Payments under the credit would be budgeted at \$16,140,000 in 2023-24 and \$15,890,000 in 2024-25. The cost of the credit for 2022-23 is estimated to be \$16,340,000.

3. LOTTERY AND GAMING CREDIT REESTIMATE [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$41,695,600	\$53,888,200	\$95,583,800

Governor: Increase funding by \$21,734,700 in 2023-24 and \$19,960,900 in 2024-25 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for lottery and gaming property tax credit distribution. With these adjustments, estimated total funding for the credit would increase from an adjusted base level of \$277,116,000 to \$298,850,700 in 2023-24 and \$297,076,900 in 2024-25. The estimated cost of the credit for 2022-23 is \$319.9 million.

Joint Finance: Increase funding for the lottery and gaming credit by \$39,175,100 in 2023-

24 and decrease funding by \$14,713,100 in 2024-25 to reflect reestimates of the lottery fund condition associated with lottery sales, interest earnings, and additional lottery staff. This reflects increased funding for the credit of \$15,849,800 annually to reflect additional GPR funding for lottery expenditures. The net effect of these changes would increase funding for the credit by \$39,175,100 in 2023-24 and \$14,713,100 in 2024-25. With these increases, funding for the credit would equal an estimated \$338,025,800 in 2023-24 and \$311,790,000 in 2024-25.

4. LOTTERY AND GAMING CREDIT; LATE APPLICATIONS

SEG	\$368,800
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[LFB Paper 106]

Governor/Joint Finance: Request increases of \$184,400 in each year to the sum sufficient appropriation to reflect estimated lottery and gaming credits to be paid to persons who apply for the credit after tax bills have been issued. With these adjustments, estimated total funding would increase from an adjusted base level of \$665,600 to \$850,000 annually.

5. SCHOOL LEVY TAX CREDIT FUNDING INCREASE

GPR	\$590,000,000
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Joint Finance: Provide an additional \$255,000,000 GPR in 2023-24 and \$335,000,000 GPR in 2024-25, and each year thereafter, for the school levy tax credit. Create a separate payment date to distribute this payment amount on the first Monday in May, rather than the fourth Monday in July, when existing school levy tax credits are paid. With these changes, total funding for the credit would increase to \$1,195,000,000 GPR in 2023-24 and \$1,275,000,000 GPR in 2024-25, and each year thereafter.

Property Taxation

1. **LEVY LIMITS -- 2% MINIMUM LEVY INCREASE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
2. **LEVY LIMITS -- REPEAL OF NEGATIVE ADJUSTMENT FOR FEES FROM COVERED SERVICES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
3. **LEVY LIMITS -- REPEAL OF NEGATIVE ADJUSTMENT FOR TRANSFERRED SERVICES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. **LEVY LIMITS -- APPROVAL OF CARRYOVER LEVY CAPACITY ADJUSTMENT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **LEVY LIMIT -- MODIFICATION TO CURRENT EXCLUSION FOR JOINT FIRE DEPARTMENTS AND JOINT EMERGENCY MEDICAL SERVICES DISTRICTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **LEVY LIMIT -- EXCLUSION FOR REGIONAL PLANNING COMMISSION CONTRIBUTIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. **LEVY LIMIT -- EXCLUSION FOR CROSS-BORDER TRANSIT ROUTES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. **PERSONAL PROPERTY TAX EXEMPTION**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Transfer	\$9,000,000	-\$9,000,000	\$0
SEG-Transfer	\$0	\$8,000,000	\$8,000,000

Governor: Require DOA to transfer \$9.0 million from the general fund to the transportation fund on December 30, 2024, associated with the exemption of the personal property tax from taxation. Further, require DOA to transfer from the general fund to the transportation fund an amount equal to the amount transferred to the transportation fund in the previous year, increased by 1.25%, on December 30, 2025, and each December 30 thereafter.

Under current law, taxes paid by railroad companies are deposited into the transportation fund. Due to the exemption of personal property taxes from taxation and the changes made to the taxation of railroads, revenues to the transportation fund would decrease due to the reduction in taxable value of railroad companies. This annual payment would compensate the transportation fund for that lost revenue each year.

Personal Property Exemption

Make the following statutory modifications to related to the provisions to exempt personal property from taxation, beginning with property tax assessments as of January 1, 2024.

Property Made Exempt from Property Taxation. In addition to those items specifically exempt from the personal property tax, specify that the exemption would apply to the following types of property, defined as personal property under current law: (a) all goods, wares, merchandise, chattels, and effects, of any nature or description, having any real or marketable

value, and not defined as real property; (b) saw logs, timber, and lumber, either upon land or afloat; (c) steamboats, ships, and other vessels, whether at home or abroad, and ferry boats, including the franchise for running the same; (d) ice cut and stored for use, sale, or shipment; (e) irrigation implements used by a farmer, including pumps, power units to drive the pumps, transmission units, sprinkler devices, and sectional piping; and (f) off-premises advertising signs that do not advertise the business or activity that occurs at the site where the sign is located.

Specify that the exemption would also apply to steam and other vessels, and furniture and equipment. Classify recreational mobile homes, as currently defined, as personal property and make such homes exempt from the property taxation if the land upon which the this type of property is located is not owned by the home owner or the home is not set upon a foundation or connected to utilities. Under current law, all recreational mobile homes are specifically exempt from the personal property tax. However, this specific exemption would be modified to include only recreational mobile homes that would be classified as personal property under the bill.

Allow taxing jurisdictions to include the most recent valuation of personal property to be exempt from taxation that is located in the taxing jurisdiction for the purposes of complying with debt limitations applicable to the jurisdiction.

Property Remaining Subject to Property Taxation. Specify that this exemption would not apply to any property defined as real property, improvements on leased lands assessed as real property, or any property owned by electric utility companies that is located entirely in a single municipality and is subject to local property taxation. Reclassify certain property currently assessed as personal property to real property, which would result in the property remaining subject to general property taxation. Specify that beginning with the property tax assessments as of January 1, 2024, the following property would be specifically assessed as real property and remain subject to the property tax: (a) manufactured and mobile homes not otherwise exempt from taxation, if the home is set upon a foundation and connected to utilities; (b) advertising signs, except off-premises signs that do not advertise the business or activity that occurs at the site where the sign is located; (c) buildings, improvements, and fixtures on leased lands; (d) buildings, improvements, and fixtures on exempt lands, not otherwise exempt from taxation; (e) buildings, improvements, and fixtures on forest croplands; (f) buildings, improvements, and fixtures on managed forest lands; and (g) improvements on lands in the state owned by the federal government. Provide that real property buildings and improvements would not include any property classified as personal property. Update cross-references to require that this property be assessed as real property.

Remove toll bridges, private railroads and bridges, and entire property of utility companies, which are located entirely within one taxation district, from the definition of personal property. (The property of utility companies located entirely within one taxation district is discussed further below, under the section "Treatment of Public Utility Taxes.")

Aid Payment to Hold Taxing Jurisdictions Harmless. Create an aid payment to compensate local taxing jurisdictions for loss in taxable value associated with the exemption of personal property from taxation. [See "Direct Aid Payments."]

Changes to Certain Assessment Practices. Specify that the following current law requirements apply only to assessments of personal property made before January 1, 2024: (a) the

assessment of personal property in the assessment district where it is located; (b) to whom the property is to be assessed, including when owner is not in the charge or possession of the property; (c) the liability to the owner when personal property is assessed to another, including a debtor's interest or right to receive property; (d) personal property under partnership, including limited liability partnerships; (e) the treatment of undistributed personal property belonging to an estate, of a decedent and claims for taxes against that property for estates with no personal representative or trustee, or one or more such representative or trustees; (f) the duties of the assessor regarding the valuation, and the placement of assessments and aggregate values on the assessment rolls; (g) the taxpayer oath regarding determination of the amount and value of personal property tax on the tax rolls, including the assessor and board of review responsibilities; (h) penalties for false statements regarding personal property on assessments, including the District Attorney's duties; (i) the correction of tax rolls regarding personal property tax; (j) the treatment of personal property omitted from tax rolls; (k) the requirement for the name and address of owners of all personal property and amounts of taxes to appear on tax rolls; (l) the collection of taxes in certain cities; (m) the correction of errors in the listing of personal property on the tax roll; (n) the reassessment of property; and (o) with regard to examining the practices of assessors, delete the current law reference relating to DOR having to solve disputes between the Department, municipalities, and property owners regarding the taxability of computers, cash registers and fax machines.

Assessor's Plat. Include land and the buildings, improvements, and fixtures on that land to the current law definition of an assessor plat involving land owned by two or persons in severalty. Update statutory references to assessor's plats to include references to the land and the buildings, improvements, and fixtures on that land.

Recalculation of TIF District Base Values. Specify that upon receiving a written application from the town, village, city or political subdivision clerk, in a form prescribed by DOR, the Department would be required to recalculate the base value of a tax incremental financing (TIF) district or an environmental remediation TIF district affected by the exemption of personal property from taxation to remove the value of such personal property. Require that any request received before October 31 would be effective in the year following the year in which the request is made. Any request received after October 31 would be effective in the second year following the year in which the request is made.

Assessment of Manufacturing Property. Modify the assessment of manufacturing property to: (a) delete references to lands, buildings and structures to refer instead to real property; (b) delete references to personal property or tangible personal property to refer instead to real property only; (c) clarify that "manufacturing, assembling, processing, fabricating, making, or milling" includes the entire productive process, and includes activities such as the storage of raw materials, the movement thereof to the first operation thereon, and the packaging, bottling, crating, or other preparation of products for shipment when located at the site of the production process; (d) delete the requirement that DOR assess tangible personal property used in manufacturing; (e) require that a change in location of a manufacturing establishment would not necessitate a new request for the Department to classify a property as manufacturing property; and (f) delete the requirement that the DOR calculate the value of tax-exempt computer property, cash registers, and fax machines that are used in manufacturing.

Establish a procedure for DOR to classify an establishment as manufacturing, if the Department determines that the establishment is engaged in manufacturing. Require an establishment that wishes to be classified as manufacturing to submit a written request to DOR by July 1 of the year for which that classification is desired. Allow DOR to audit or investigate requests for classification and to revoke classification of an establishment as manufacturing. Require an establishment that submits a request for classification to notify DOR of any termination of manufacturing activity within 60 days. Require DOR to issue a notice of determination by December 31 for any classification request received by July 1, and allow DOR to issue a notice of determination by December 31 for classification requests received after July 1 at its discretion. Specify that the notice be in writing and sent by first class mail or electronic mail, and require that the notice include information that objections must be filed in writing with the state Board of Assessors no later than 60 days after the date of the notice and that a fee of \$200 must be paid when the objection is filed. Specify that an objection will not be considered to have been filed until the fee is paid and that the requirement that the objection be in writing may not be waived by either the Board of Assessors or the Tax Appeals Commission. Provide that an objection would be considered timely if received by the Board no later than 60 days after the date of the notice of determination or sent by U.S. postal service certified mail in a properly addressed envelope, with postage paid, that is postmarked before midnight of the last day of filing. Require the state Board of Assessors to investigate any timely objections and provide notice of its decision to the objector or the objector's agent by 1st class mail or electronic mail. Specify that if the state Board of Assessors result in an establishment should not be classified as manufacturing, the person who has been notified of the Board's decision will be assumed to accept the determination, unless that person files a petition for review with the clerk of the Tax Appeals Commission. Extend references to this classification procedure and objections to include current law determinations of the Tax Appeals Commission.

Miscellaneous Property Tax Provisions. Remove various statutory references to personal property to reflect the exemption of personal property from the assessment of property taxes. Specify that property that is used in part in a non-profit trade or business under Sections 511 to 515 of the federal internal revenue code would not be assessed for taxation, if that property is otherwise exempt from general property taxation. Repeal the current law provision that the property tax for property that is owned or leased by a corporation that provides services to a light, heat, and power company, that is subject to tax under Chapter 76 of statutes, be assessed for taxation in part at the portion of the fair market value of the property that is not used to provide such services.

Delete the current law reference that delinquent dog license taxes can be collected using the same process for collecting personal property taxes. Rather, allow delinquent dog licenses to be collected in a civil action, if that action is brought within six years after the January 1 of the year in which the taxes are required to be paid.

Income and Franchise Tax Changes

The bill would provide for technical changes to correct various cross references to the personal property tax in the income and franchise tax statutes.

In regards to the manufacturing and agriculture tax credit (MAC), the bill would alter the definition of "manufacturing property factor" and "qualified production property" as follows. Under current law, the credit is designed to provide tax relief in proportion to the amount of the claimant's manufacturing and agricultural property that is located in Wisconsin. Generally, the MAC is computed as 7.5% of a claimant's eligible qualified production activities income (QPAI). QPAI is the sum of production gross receipts less certain costs, where production gross receipts are defined as including certain personal property grown by the claimant on Wisconsin agricultural land and tangible personal property manufactured in whole or in part by the claimant on property assessed as manufacturing. Eligible QPAI for the manufacturing credit is the claimant's QPAI multiplied by the manufacturing property factor.

Because personal property would no longer be assessed under the personal property tax, the bill would make the following changes to computing the MAC. First, the manufacturing property factor would be based on the claimant's land and depreciable property, rather than real and personal property assessed as manufacturing. Second, the definition of "qualified production property" would exclude property that is not manufactured within the state on property approved to be classified and assessed as manufacturing real property. (The bill would also clarify that this includes property not eligible to be listed on DOR's manufacturing roll until January 1 of the following year.) This modification is intended to prevent property manufactured outside the state from qualifying for the credit.

Third, to provide a Wisconsin manufacturer that does not own any real property within the state a means of claiming the MAC, the bill would define qualified production property as also including tangible personal property manufactured in whole or in part by the claimant at an establishment that is located in this state and classified as manufacturing. A person wishing to classify the person's establishment as manufacturing would be required to file an application in the form and manner prescribed by DOR no later than July 1 of the taxable year for which the person wishes to claim the MAC. DOR would be required to make a determination and provide written notice by December 31 of the year in which the application is filed. Such determination on the classification could be appealed in the same manner as classifying an establishment under the property tax.

The Administration did not provide a fiscal effect for the foregoing alterations to the definitions of the manufacturing property factor and qualified production property.

Finally, the bill would provide for technical changes under income and franchise tax provisions to remove cross references to the personal property tax, including: (a) the homestead tax credit; (b) the veterans and surviving spouses property tax credit; (c) the property tax/rent credit; and (d) an administrative provision for liens on trust estates for taxes levied against a beneficiary.

Sales Tax Provisions

Under current law, several general sales and use tax exemptions apply for items and property used in real property construction activities. "Real property construction activities" means activities that occur at a site where tangible personal property that is applied or adapted to the use or purpose to which real property is devoted is affixed to that real property, if the intent of the

person who affixes that property is to make a permanent accession to the real property. "Real property construction activities" do not include: (a) affixing leased property to real property, if the lessor has the right to remove the leased property upon breach or termination of the lease agreement; or (b) affixing tangible personal property to real property, if the tangible personal property remains tangible personal property after it is affixed.

The bill would modify the definition of "real property construction activities" to mean activities that occur at a site where tangible personal property that is applied or adapted to the use or purpose to which real property is devoted is permanently affixed to that real property. It would specify that DOR could promulgate rules to determine whether activities that occur at a site where tangible personal property is affixed to real property are real property construction activities for the purposes of the general sales and use tax. If the classification of property or an activity is not identified by rule, DOR would have to make its determination of whether tangible personal property becomes a part of real property by considering the following criteria: (a) actual physical annexation to the real property; (b) application or adaptation to the use or purpose to which the real property is devoted; and (c) an intention on the part of the person making the annexation to make a permanent accession to the real property.

Modify current law sales and use tax exemptions for certain prepared food manufactured by the retailer and certain property used in biotechnology and manufacturing research to reflect the exemption of personal property from the assessment of property taxes.

Treatment of Public Utility Taxes

Specify that nothing related to the local taxation of property (Chapter 70), as modified, would be construed as exempting personal property from taxation for entities as public utilities that pay utility tax to the state under the taxation of public utilities (Chapter 76), except for the following property specifically exempt from local taxation under current law: (a) treatment plant and pollution abatement equipment; (b) computers, cash registers, and fax machines; (c) property assessed a gross receipts tax or license fee under Chapter 76; (d) motor vehicles, bicycles and snowmobiles; and (e) an airline hub facility.

Air Carrier Companies. Delete the current law reference to the definition of an air carrier and the exemption from local property taxation for hub facilities and instead create the same definition and exemption under Chapter 76 of the statutes for the purposes of state taxation. Specify that such facilities would not be subject to local assessment and taxation. Amend various cross references to reflect these changes to the definition and exemption.

Light, Heat, and Power Companies. Maintain that the property of light, heat, and power companies, not including qualified wholesale electric companies, would continue to be subject to local assessment and taxation, as it existed in the 2021 statutes (prior to the repeal of the personal property tax), if that property is located entirely in a single town, village, or city. Property of these companies would continue to be exempt from license fees (taxation) under Chapter 76.

Railroad Companies. In determining the property of a railroad company owned or rented by the company and used in operation of the business in the state, replace the reference to road property to refer instead to real property. Repeal migratory road property and the apportionment

of such unit miles to Wisconsin from the calculation used by DOR in determining the property of railroad companies. Delete the requirement that rolling stock, equipment, and personal property of railroad companies be included on assessment rolls prepared by DOR.

Under current law, taxes paid by a railroad company that are derived from or can be apportioned to repair facilities, docks, ore yards, piers, wharves, grain elevators, and their approaches, or car ferries, are distributed from the transportation fund to the towns, villages, and cities in which they are located. This is the terminal tax distribution, which is currently funded at \$1,906,000 annually. Specify that beginning with amounts distributed in 2023, any town, village, or city may not receive less than the amount received in 2022. This provision would hold local governments that receive a terminal tax distribution harmless for the loss in value associated with making this property exempt from state taxation. Further require that beginning with amounts distributed to any town, village, or city in 2024, the amount distributed may not be less than the amount distributed in 2022, adjusted by an inflation factor. Define "inflation factor" to mean a percentage equal to the average annual percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, for the 12 months ending on December 31 of the year before the year of assessment, but not less than zero. No estimate of the impact of this provision on transportation fund revenues is included in the bill.

Subchapter 1 of Chapter 76 Companies. Delete the requirement that all real and personal property of an air carrier, railroad, conservation and regulation, or a pipeline company be deemed personal property for the purposes of taxation. Rather, both types of property would be valued and assessed together as a single unit. Require public utilities to differentiate between real and personal property when submitting reports to DOR.

Telephone Companies. To reflect the changes that the exemption of personal property from taxation would make to manufacturing assessment practices under the bill, delete the requirement that DOR assess property of telephone companies using the methods used to assess manufacturing property, including exempt manufacturing machinery and specific processing equipment property.

Domestic Insurance Companies. To reflect the exemption of personal property from local taxation, repeal the allowable deduction of a portion of personal property taxes from the amount of license fees to be paid by a domestic insurer.

Joint Finance: Delete provision. The repeal of personal property taxes was included in 2023 Wisconsin Act 12. Make an \$8.0 million SEG-Transfer in 2024-25 from the newly-created local government fund to the transportation fund associated with the Act 12 repeal of personal property taxes on railroad property. Prior to the repeal of these taxes on railroad property, revenues from the taxes were deposited to the transportation fund.

9. DARK PROPERTY AND LEASED PROPERTY TAX ASSESSMENTS ("DARK STORES") (*Removed from budget consideration pursuant to Joint Finance Motion #10*)

10. **WORKFORCE HOUSING LAWS RELATED TO TIF DISTRICTS, LOCAL HOUSING INITIATIVES AND STATE GRANTS, AND IMPACT FEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
11. **TIF DISTRICT MODIFICATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
12. **TIF DISTRICT EQUALIZED VALUE LIMIT EXCEPTION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
13. **COLLECTION OF MANUFACTURING PROPERTY ASSESSMENT FEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
14. **WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY HEADQUARTERS PROPERTY TAX EXEMPTION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
15. **CRANBERRY RESEARCH STATION PROPERTY TAX EXEMPTION**

Governor: Provide a property tax exemption for all property, not exceeding 50 acres of land, that is used primarily for research and educational activities associated with commercial cranberry production. Specify that the property must be owned or leased by a nonprofit organization that is exempt from income taxation under federal section 501(c)(3) of the Internal Revenue Code. This provision would first apply to the property tax assessments as of January 1, 2024, for the 2024(25) property tax year.

This exemption would apply to the Wisconsin Cranberry Research Station, owned by the Wisconsin Cranberry Research and Education Foundation and located in the Town of Manchester in Jackson County. The exemption would result in the tax currently levied on this property being shifted to other properties within the taxing jurisdictions in which the Research Station is located.

Joint Finance: Provide the property tax exemption for all property, regardless of total acreage, that would otherwise be eligible for the exemption. Specify that the provision would first apply to the property tax assessments as of January 1, 2023, for the 2023(24) property tax year, a year earlier than the Governor's recommendation.

16. **TOWN OF SANBORN LEVY LIMIT**

Joint Finance: Prohibit the Town of Sanborn in Ashland County from imposing a mill rate above 5 mills. Further, specify that the current law provision allowing counties and municipalities to exceed their levy limits for debt service on general obligation debt authorized on or after July 1, 2005, does not apply to the Town of Sanborn. Prohibit the Town of Sanborn from requesting a chargeback of property tax refunds issued by the Town, pursuant to the decision in *Lac Courte*

Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers, for tax years 2015 to 2021.

Forestry Mill Rate

1. **FORESTRY MILL RATE -- GPR TRANSFER TO THE CONSERVATION FUND CURRENT LAW REESTIMATE**

GPR	\$47,517,400
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[LFB Paper 106]

Governor/Joint Finance: Increase funding by \$25,958,700 in 2023-24 and \$21,558,700 in 2024-25 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 \$115,541,300 would increase to \$141,500,000 in 2023-24 and \$137,100,000 in 2024-25. [See "Natural Resources -- Forestry and Parks."]

2. **GPR TRANSFER TO THE CONSERVATION FUND -- IMPACT OF THE EXEMPTION PERSONAL PROPERTY FROM TAXATION**

GPR	- \$1,600,000
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Governor/Joint Finance: Reduce the amount of the annual transfer (under the forestry mill rate) to the conservation fund by \$1,600,000 in 2024-25 to reflect statewide decreases in taxable equalized values associated with the exemption of personal property from taxation (similar provisions were enacted under 2023 Wisconsin Act 12). This reduction would correspond to a decrease in taxable values of approximately \$9.4 billion in 2024-25 due to personal property no longer being taxable. Additional information on the proposed exemption of the personal property from taxation can be found under a separate item (see "Shared Revenue and Tax Relief -- Property Taxation"). Under this recommendation, the total transfer to the conservation fund, as reestimated, would equal \$135,500,000 in 2024-25.

Local Revenue Options

1. **MILWAUKEE COUNTY SALES TAX AUTHORITY** (*Removed from budget consideration pursuant to Joint Finance Motion #10*)

2. **LOCAL SALES TAX AUTHORITY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

3. **PREMIER RESORT AUTHORITY - CITY OF PRESCOTT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. **PREMIER RESORT AUTHORITY - VILLAGE OF PEPIN** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$3,320,600	\$2,532,800	\$3,612,300	\$1,079,500	42.6%	\$291,700	8.8%
PR	<u>42,192,000</u>	<u>41,041,200</u>	<u>41,034,600</u>	<u>- 6,600</u>	0.0	<u>- 1,157,400</u>	- 2.7
TOTAL	\$45,512,600	\$43,574,000	\$44,646,900	\$1,072,900	2.5%	- \$865,700	- 1.9%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
PR	47.00	47.00	47.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

PR	\$399,200
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Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) overtime (\$189,000 each year); and (b) full funding of continuing position salaries and fringe benefits (\$10,600 each year).

Additionally, the State Fair Park base budget will be adjusted within 30 days of enactment of the budget bill to reflect 7.0 permanent positions approved in November of 2022 by the Joint Committee on Finance under a passive review. The Committee approved permanent positions for several roles previously staffed by multiple appointments of limited-term employees; affected positions include a deputy police chief and several managers for events, admissions, vendor services, and other Park facilities. Although these positions are not included in the agency base established for the bill, s. 16.517 of the statutes specifies a process by which such positions will be incorporated into the agency base immediately after enactment of the biennial budget. With these positions, the State Fair Park is authorized 54.0 positions.

2. **DEBT SERVICE REESTIMATES** [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$787,800	\$1,079,500	\$291,700
PR	<u>- 1,550,000</u>	<u>- 6,600</u>	<u>- 1,556,600</u>
Total	- \$2,337,800	\$1,072,900	- \$1,264,900

Governor: Reestimate principal and interest payments on general obligation bonds issued for State Fair Park facilities by -\$430,500 GPR in 2023-24 and by -\$357,300 GPR in 2024-25. Further, reestimate PR-supported principal and interest payments by -\$725,200 in 2023-24 and by -\$824,800 in 2024-25.

Joint Finance: Reestimate principal and interest payments on general obligation bonds issued for State Fair Park facilities by \$236,100 GPR in 2023-24 and by \$843,400 GPR in 2024-25. Further, reestimate PR-supported principal and interest payments by -\$6,500 in 2023-24 and by -\$100 in 2024-25.

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 \$1.5 million in 2023-24 and \$2.2 million in 2024-25. 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 \$1.2 million in 2023-24 and \$1.1 million in 2024-25.

STATE TREASURER

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
PR	\$260,600	\$377,400	\$255,600	-\$121,800	- 32.3%	-\$5,000	- 1.9%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
PR	1.00	2.00	1.00	- 1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

PR	-\$5,000
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Governor/Joint Finance: Provide adjustments to the base totaling -\$2,500 annually for full funding of continuing positions salaries and fringe benefits.

2. INCREASED RESOURCES FOR OFFICE [LFB Paper 740]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$121,800	1.00	-\$121,800	- 1.00	\$0	0.00

Governor: Provide \$52,200 in 2023-24, \$69,600 in 2024-25, and 1.0 position to support an office manager position. The source of the PR would be unclaimed property.

Joint Finance: Provision not included.

SUPREME COURT

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$36,462,200	\$36,213,900	\$38,858,100	\$2,644,200	7.3%	\$2,395,900	6.6%
FED	2,014,200	2,062,700	2,062,700	0	0.0	48,500	2.4
PR	29,552,200	34,968,900	35,420,700	451,800	1.3	5,868,500	19.9
SEG	<u>1,205,400</u>	<u>659,900</u>	<u>659,900</u>	<u>0</u>	0.0	<u>- 545,500</u>	- 45.3
TOTAL	\$69,234,000	\$73,905,400	\$77,001,400	\$3,096,000	4.2%	\$7,767,400	11.2%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 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	111.00	111.00	0.00	0.25
SEG	<u>1.60</u>	<u>1.60</u>	<u>1.60</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	232.85	233.10	233.10	0.00	0.25

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Joint Finance: Provide \$482,900 in 2023-24 and \$513,400 in 2024-25 associated with: (a) full finding of continuing position salary and fringe benefits (\$12,400 GPR, -\$2,300 FED, \$558,600 PR, and -\$900 SEG annually); and (b) full funding of lease and directed move costs (-\$142,800 GPR, \$26,300 FED, \$34,400 PR, and -\$2,800 SEG in 2023-24 and -\$130,300 GPR, \$26,800 FED, \$51,600 PR, and -\$2,500 SEG in 2024-25).

GPR	- \$248,300
FED	48,500
PR	1,203,200
SEG	<u>- 7,100</u>
Total	\$996,300

2. CYBERSECURITY PROGRAM FUNDING [LFB Paper 745]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$0	\$2,644,200	\$2,644,200
PR	<u>3,924,200</u>	<u>451,800</u>	<u>4,376,000</u>
Total	<u>\$3,924,200</u>	<u>\$3,096,000</u>	<u>\$7,020,200</u>

Governor: Provide an increase in expenditure authority of \$1,832,100 in 2023-24 and \$2,092,100 in 2024-25 in the continuing court information systems appropriation for new and on-going cybersecurity initiatives and related maintenance. According to the Director of State Courts, additional cybersecurity measures are necessary given the increase in the court system's reliance on digital records and remote work. Base funding for the appropriation is \$9,518,800.

Additional expenditure authority includes: (a) \$372,100 in 2023-24 and \$787,100 in 2024-25 for on-going cybersecurity program maintenance and testing (including services for email protection, firewalls, testing against cyber-attacks, phishing detection, and an advanced anti-virus program); (b) \$820,000 in 2023-24 and \$665,000 in 2024-25 for the purchase and maintenance of new, high-priority cybersecurity programs (including denial of service protection, security information and event management (which aggregates data and provides real-time analysis for security monitoring and attack recovery), and upgraded remote access solutions); and (c) \$640,000 annually for the purchase and maintenance of new, lower-priority cybersecurity programs (including web proxy (to block access to specific sites), data loss prevention software, and secure access server edge (which extends security protections to devices outside of the court system network)).

Joint Finance: Modify funding by \$1,192,100 GPR and \$355,900 PR in 2023-24 and \$1,452,100 GPR and \$95,900 PR in 2024-25 to provide \$1,192,100 GPR in 2023-24 and \$1,452,100 GPR in 2024-25 for high-priority and on-going cybersecurity and related maintenance. In addition, re-estimate the CCAP appropriation expenditure authority by \$2,188,000 PR annually.

3. SUPPORT FOR NEW CIRCUIT COURT BRANCHES

PR	\$165,800
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Governor/Joint Finance: Provide an increase in expenditure authority of \$139,100 in 2023-24 and \$26,700 in 2024-25 in the continuing court information systems appropriation to support the additional circuit court branches created in 2019 Act 184. Base funding for the appropriation is \$9,518,800.

Under 2019 Act 184, 12 circuit court branches will be added over a three-year period (four judges each in 2021, 2022, and 2023), at the discretion of the Director of State Courts. The last four judicial circuit court branches will begin operation on August 1, 2023, in Clark, Manitowoc, Sawyer, and Wood counties. [See "Circuit Courts."]

4. PROGRAM AND SEGREGATED REVENUE EXPENDITURE ESTIMATES

PR	\$97,200
SEG	- 538,400
Total	- \$441,200

Governor/Joint Finance: Provide \$48,600 PR and -\$269,200 SEG annually in funding estimates for the board of bar examiners appropriation (\$48,600 PR annually), and the mediation fund appropriation (-\$269,200 SEG annually) to reflect anticipated expenditure levels in the 2023-25 biennium.

5. CENTRAL SERVICES SUPPORT

	Funding	Positions
PR	\$26,300	0.25

Governor/Joint Finance: Provide an increase in expenditure and position authority of \$11,300 in 2023-24, \$15,000 in 2024-25, and 0.25 position annually in the continuing central services appropriation to provide central administrative support for the court system. The appropriation is funded by the transfer of chargebacks to the programs administered by the courts and supported by the positions. Base funding for the appropriation is \$255,500 with 2.5 positions.

6. COUNTY LAW LIBRARIES [LFB Paper 746]

Governor: Create a continuing county law libraries PR appropriation for all moneys received from counties for providing materials or other services under contracts for county law libraries. Since the late 1990s, the Director of State Courts Office (DSCO) has maintained contracts with Milwaukee and Dane counties to provide space, furniture, utilities, copies, supplies (including law book materials), and 4.0 positions for the operation of the libraries. The contracts allow the DSCO to operate the libraries, as well as purchase items for the print library, online services, catalogs, Internet, and provide assistance to the legal community and Dane County inmates. Revenue from the contracts is currently is maintained in the gifts and grants appropriation. The provision incorporates the recommendation from the State Controller's Office, Wisconsin Court System Compliance Review for 2020-21 (published in November, 2022) to create a new appropriation, specifically dedicated to receive these funds. The recommendation does not provide for the transfer of existing county law library revenue and positions to the new appropriation.

Joint Finance: Provision not included.

TOURISM

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$12,974,000	\$102,750,200	\$49,032,700	- \$53,717,500	- 52.3%	\$36,058,700	277.9%
FED	1,561,800	1,562,000	1,562,000	0	0.0	200	0.0
PR	18,832,600	608,000	18,542,200	17,934,200	2,949.7	- 290,400	- 1.5
SEG	<u>3,207,000</u>	<u>3,208,200</u>	<u>3,207,000</u>	<u>- 1,200</u>	0.0	<u>0</u>	0.0
TOTAL	\$36,575,400	\$108,128,400	\$72,343,900	- \$35,784,500	- 33.1%	\$35,768,500	97.8%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	32.00	40.50	33.00	- 7.50	1.00
FED	1.00	1.00	1.00	0.00	0.00
PR	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>- 1.00</u>
TOTAL	34.00	41.50	34.00	- 7.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Joint Finance: Provide adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits (\$304,000 GPR, \$4,600 PR, and \$100 FED annually); (b) reclassifications and semiautomatic pay progression (\$17,200 GPR annually); (c) full funding of lease and directed moves costs (-\$38,400 GPR annually); and (d) removal of non-continuing elements from the base (-3.00 GPR positions annually).

	Funding	Positions
GPR	\$565,600	- 3.00
FED	200	0.00
PR	<u>9,200</u>	<u>0.00</u>
Total	\$575,000	- 3.00

2. MARKETING AND ADVERTISING FUNDS [LFB Paper 750]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$37,000,000	4.00	-\$15,000,000	- 4.00	\$22,000,000	0.00

Governor: Provide \$33,600,000 in 2023-24 to expand Tourism's marketing and advertising initiatives. The Administration intends for the provision to increase marketing and exposure of the state, particularly relative to the annual marketing campaigns of other neighboring Midwest states. Funding would be provided in a biennial appropriation, meaning Tourism would be able to expend or encumber the amounts through June 30, 2025, at which time unencumbered amounts would return to the general fund.

Additionally, provide \$1,700,000 in base funding each year with 4.0 permanent positions. The Administration intends funds and staffing to address rising costs of production fees, website management, research, and information management. The 4.0 positions would include a consumer communications specialist, a marketing coordinator, a content marketing writer, and a social media assistant. Funding would include \$157,800 in 2023-24 and \$211,000 in 2024-25 for salaries and fringe benefit costs, with \$1,542,200 in 2023-24 and \$1,489,000 in 2024-25 for supplies or contracted services.

Joint Finance: Modify provision to create a continuing appropriation with \$20,000,000 in 2023-24 in one-time funding for Tourism's marketing activities. Provide an additional \$1,000,000 in each year as ongoing marketing funds to Tourism's biennial GPR marketing appropriation. No positions are included under Joint Finance action.

3. OPPORTUNITY ATTRACTION AND PROMOTION FUND [LFB Paper 751]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$30,124,300	1.00	-\$30,124,300	- 1.00	\$0	0.00

Governor: Provide \$20 million in 2023-24 and \$10 million in 2024-25 to attract opportunities and events to the state. Direct Tourism to collaborate with the Wisconsin Economic Development Corporation to implement this provision. Funding would be provided in a new, continuing appropriation intended to support marketing, advertising, and outreach to encourage large events to be held in the state. The Administration indicates that such events could include professional and collegiate sporting events and other large-scale conventions or festivals wherein vendor activities, ticket sales, and general travel into the state would encourage visitor spending and state exposure. The provision would also include 1.0 permanent position with funding of \$54,800 in 2023-24 and \$69,500 in 2024-25 in Tourism's general operations appropriation to administer the program. Funding of \$10 million in 2024-25 would continue in the agency base for future biennia.

Joint Finance: Create an Opportunity Attraction and Promotion Fund, supported by a new, continuing appropriation under the Wisconsin Economic Development Corporation, for attracting opportunities and events to the state. Provide \$10,000,000 GPR in the Committee's supplemental appropriation under Program Supplements.

4. CONVERT TRIBAL GAMING MARKETING FUNDS TO GENERAL PURPOSE REVENUE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$17,534,200	-\$17,534,200	\$0
PR	<u>-17,534,200</u>	<u>17,534,200</u>	<u>0</u>
Total	\$0	\$0	\$0

5. MEETINGS, CONVENTIONS, AND SPORTS BUREAU [LFB Paper 752]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$2,666,800	2.00	-\$2,367,200	-1.00	\$299,600	1.00
PR	<u>-299,600</u>	<u>-1.00</u>	<u>0</u>	<u>0.00</u>	<u>-299,600</u>	<u>-1.00</u>
Total	\$2,367,200	1.00	-\$2,367,200	-1.00	\$0	0.00

Governor: Create a Meetings, Conventions, and Sports Bureau and provide \$1,314,300 GPR in 2023-24 and \$1,352,500 in 2024-25 with 2.0 positions. The Bureau would be responsible for advertising Wisconsin as a site for meetings, conventions, sporting events, and tournaments. The Administration reports the provision should have included 3.0 GPR positions instead of 2.0, and an errata will be submitted. The 3.0 GPR positions would include a director, an events coordinator, and a sales manager.

Additionally, eliminate the Office of Marketing Services and delete \$149,800 PR annually and 1.0 position. The Administration reports that overall state agency utilization of the Office of Marketing Services has declined in recent years, as has funding.

Joint Finance: Repeal the Office of Marketing Services. Transfer its 1.0 incumbent and \$149,800 annually from PR to Tourism's GPR general operations appropriation. The provision reduces Tourism GPR operations by \$1,164,500 in 2023-24 and \$1,202,700 in 2024-25 relative to the bill.

6. OFFICE OF OUTDOOR RECREATION [LFB Paper 753]

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$1,092,200	3.00	-\$565,000	0.00	\$527,200	3.00

Governor: Provide \$519,500 in 2023-24 and \$572,700 in 2024-25 with 3.0 permanent positions for the Office of Outdoor Recreation. Of these amounts, specify that \$282,500 GPR annually would be intended to: (a) enhance website and research features related to the Office; (b) increase the Office's physical presence at trade shows; (c) continue publication of the Wisconsin Trail Report; and (d) improve the assets collection tool, which is an online source for recreation amenities information.

The Office of Outdoor Recreation is responsible for promoting Wisconsin's outdoor recreational opportunities and connecting businesses in the outdoor recreation industry. 2019 Act 9 provided 3.0 project positions and one-time funding in the 2019-21 biennium for the creation and operation of the Office of Outdoor Recreation. 2021 Act 58 reauthorized the Office's funding and project positions for two more years. Current funding and positions expire on June 30, 2023, and authorized positions are removed under standard budget adjustments.

Joint Finance: Provide one-time funds of \$237,000 in 2023-24 and \$290,200 in 2024-25 with 3.0 two-year project positions, notwithstanding s. 230.27(1) of the statutes regarding the term of project positions, for the Office of Outdoor Recreation.

7. ARTS BOARD FUND MATCHING [LFB Paper 754]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$552,500	\$113,800	\$666,300

Governor: Provide \$337,200 in 2023-24 and \$215,300 in 2024-25 to match anticipated annual federal grants from the National Endowment for the Arts (NEA). The Arts Board uses NEA grants for both 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. Of the amounts recommended for 2023-24, an estimated \$148,100 would be associated with matches to NEA grants received by September 30, 2023.

The bill would also transfer \$100 million from the general fund to the Wisconsin Artistic Endowment Foundation in 2023-24 with interest earnings of an estimated \$4.5 million in the biennium distributed for support of the Arts Board and various arts programs across the state. The Artistic Endowment Foundation is a statutorily created nonprofit organization, although currently inactive, with the goal of establishing arts programs throughout the state and providing funding to various arts programs. [See "Wisconsin Artistic Endowment Foundation."]

Joint Finance: Modify funding to provide \$407,200 GPR in 2023-24, including \$148,100 to match grants expiring September 30, 2023, and \$259,100 to match federal grant awards through September 30, 2024. Provide \$259,100 in 2024-25 as an ongoing base increase for state aid for the arts.

8. NATIVE AMERICAN TOURISM OF WISCONSIN CONTRACT TRANSFER
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	- \$400,000	\$400,000	\$0

9. TRIBAL LIAISON POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$150,800	1.00	-\$150,800	- 1.00	\$0	0.00

10. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$87,000	0.50	-\$87,000	- 0.50	\$0	0.00

11. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,800	- \$2,800	\$0
SEG	<u>1,200</u>	<u>- 1,200</u>	<u>0</u>
Total	\$4,000	- \$4,000	\$0

12. TOURISM CAPITAL GRANTS

Governor: Provide \$50,000,000 in one-time funding in 2023-24 to create a tourism capital

grant program. DOA would administer the grant program to provide funds to local governments, tribal governments, and nonprofit organizations that aim to strengthen the state's tourism, travel, and lodging economies. [See "Administration -- General Agency Provisions."]

Joint Finance: Provision not included.

13. TOURISM MARKETING AND REPORTING REQUIREMENTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

14. GRANT TO DISCOVER GREEN BAY

GPR	\$2,000,000
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Joint Finance: Provide \$2,000,000 in 2023-24 under Tourism's biennial marketing appropriation for a grant to Discover Green Bay (Experience Greater Green Bay Corporation).

15. GRANT TO VISIT MILWAUKEE

GPR	\$10,000,000
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Joint Finance: Provide \$10,000,000 in 2023-24 under Tourism's biennial marketing appropriation for a grant to Visit Milwaukee (Greater Milwaukee Convention and Visitors Bureau).

TRANSPORTATION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$175,119,800	\$228,285,900	\$398,753,000	\$170,467,100	74.7%	\$223,633,200	127.7%
FED	1,845,077,600	2,286,016,000	2,173,149,800	- 112,866,200	- 4.9	328,072,200	17.8
PR	22,456,800	22,814,600	22,814,600	0	0.0	357,800	1.6
SEG	4,107,440,800	4,463,048,500	4,707,020,600	243,972,100	5.5	599,579,800	14.6
SEG-L	230,651,200	304,719,000	247,413,200	- 57,305,800	- 18.8	16,762,000	7.3
SEG-S	<u>225,556,400</u>	<u>231,141,000</u>	<u>84,117,800</u>	<u>- 147,023,200</u>	<u>- 63.6</u>	<u>- 141,438,600</u>	<u>- 62.7</u>
TOTAL	\$6,606,302,600	\$7,536,025,000	\$7,633,269,000	\$97,244,000	1.3%	\$1,026,966,400	15.5%
BR		\$441,787,300	\$352,800,000	- \$88,987,300	- 20.1%		

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
FED	874.32	874.32	877.32	3.00	3.00
PR	18.00	18.00	18.00	0.00	0.00
SEG	2,390.09	2,444.09	2,393.59	- 50.50	3.50
SEG-S	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	3,287.41	3,341.41	3,293.91	- 47.50	6.50

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the estimated 2023-25 transportation fund condition statement under the Joint Finance version of the bill. Revenues reflect reestimates of collections under existing taxes, fees, and transfers, including increases to projected investment earnings of \$20,000,000 in 2023-24 and \$10,000,000 in 2024-25, as well as revenue changes under the Joint Committee on 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.

	<u>2023-24</u>	<u>2024-25</u>
Unappropriated Balance, July 1	\$92,489,600	\$16,169,800
Revenues		
Motor Fuel Tax	\$1,075,974,300	\$1,077,175,800
Registration and Title Fee Revenues		
Registration Revenues	715,224,300	717,364,400
Title Revenues	208,676,100	223,176,800
Miscellaneous Motor Vehicle Fees	30,401,600	30,584,200
Less Revenue Bond Debt Service	-200,858,400	-194,894,700
Petroleum Inspection Fee One-Cent Deposit	38,690,200	38,733,400
Driver's License Fees	38,601,500	38,536,400
Aeronautical Fees and Taxes	6,616,200	7,377,100
Railroad Property Taxes	34,347,200	30,307,300
Miscellaneous Departmental Revenues	14,236,200	13,859,000
Investment Earnings	23,000,000	13,000,000
Transfers to the Fund		
Current Law General Fund Transfer	48,112,000	51,700,000
One-Time General Fund Transfer	555,523,900	0
Electric Vehicle Sales Tax Transfer	39,300,000	55,100,000
Petroleum Inspection Fund Unencumbered Balance	17,103,800	17,146,500
Petroleum Inspection Fund Ongoing Transfer	6,258,500	6,258,500
Railroad Personal Property Tax Transfer	<u>0</u>	<u>8,000,000</u>
Total Annual Revenues	\$2,651,207,400	\$2,133,424,700
Total Available	\$2,743,697,000	\$2,149,594,500
Appropriations and Reserves		
DOT Appropriations	\$2,672,292,900	\$2,033,837,700
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	17,934,800	17,934,800
Joint Finance Supplemental Appropriation	12,500,000	6,000,000
Other Agency Appropriations	<u>27,799,500</u>	<u>28,191,500</u>
Net Appropriations and Reserves	\$2,727,527,200	\$2,082,964,000
Unappropriated Balance, June 30	\$16,169,800	\$66,630,500

2. ONGOING GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR ESTIMATED SALES TAX ON AUTOMOTIVE PARTS, ACCESSORIES, REPAIR, MAINTENANCE, AND TIRES [LFB Paper 761]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR Transfer	\$96,521,200	- \$96,521,200	\$0
SEG-REV	<u>96,521,200</u>	<u>- 96,521,200</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Transfer \$43,625,700 in 2023-24 and \$52,895,500 in 2024-25 from the general fund to the transportation fund associated with the estimated annual sales tax revenue from the sale of automotive parts, accessories, repair and maintenance services, and tires. Beginning on June 30, 2024, and in each fiscal year thereafter, require the Department of Administration (DOA) Secretary to transfer an amount calculated by DOA approximating the difference between the sales tax generated in 2020-21 from the sales of these items, and the amounts generated on the items in the fiscal year of each transfer (See also "General Fund Taxes -- General Fund Tax Transfers"). [A technical amendment would be needed to clarify the Administration's intent that 2019-20 would be the base year for this calculation.]

Joint Finance: Provision not included.

3. ONGOING GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR ESTIMATED SALES TAX ON ELECTRIC VEHICLES [LFB Paper 761]

GPR Transfer	\$94,400,000
SEG-REV	94,400,000

Governor: Transfer \$39,300,000 in 2023-24 and \$55,100,000 in 2024-25 from the general fund to the transportation fund associated with estimated annual sales tax revenue from the sale of electric vehicles. Beginning on June 30, 2024, and in each fiscal year thereafter, require the DOA Secretary to transfer an amount calculated by the Department of Administration approximating the amount of sales tax generated by the sale of electric vehicles in the state. In addition, specify that beginning in 2025-26, the transfer not exceed 120% of the amount transferred in the previous year or \$75,000,000, whichever is less.

Joint Finance: Transfer \$39,300,000 in 2023-24 and \$55,100,000 in 2024-25 from the general fund to the transportation fund associated with the sales taxes on the sales of electric vehicles in the state. Specify that, beginning on June 30, 2024, the Secretary of Administration shall transfer from the general fund to the transportation fund the amount shown for the transfer in the general fund summary schedule of the biennial budget act as an estimated amount of sales tax generated by the sale of electric vehicles in the state. (See also "General Fund Taxes -- General Fund Tax Transfers.")

4. GENERAL FUND TRANSFER TO TRANSPORTATION FUND FOR REDUCED PERSONAL PROPERTY TAX REVENUE FROM RAILROAD PROPERTY TAX

Governor: Decrease revenues by \$9,000,000 in 2024-25 associated with the Governor's recommended provision to repeal the personal property tax. Make a corresponding increase in revenues associated with the transfer of \$9,000,000 in 2024-25 from the general fund to the transportation fund equal to an amount to compensate the transportation fund for reduced railroad property tax revenues (see "Shared Revenue and Tax Relief -- Property Taxation"). Specify that on December 30, 2025, and each December 30 thereafter, transfer an amount equal to the amount transferred in the previous fiscal year, increased by 1.25%.

Railroad companies are taxed on their personal and real property as public utilities under Chapter 76 of the statutes. Revenue from these taxes are deposited to the transportation fund. Under a separate provision, the Governor's recommends the repeal of the personal property tax for local tax purposes. Under federal statute and case law, railroad companies would likely no longer be taxed on their personal property. Railroad companies' real property would continue to be taxed.

Joint Finance: Decrease revenues by \$8,000,000 in 2024-25 associated with the provision to repeal the personal property tax included in 2023 Act 12, and make a corresponding increase in revenues associated with the transfer of \$8,000,000 in 2024-25 from the local government fund to the transportation fund equal to an amount to compensate the transportation fund for reduced railroad property tax revenues (see "Shared Revenue and Tax Relief -- Property Taxation").

5. 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 current law general fund transfer is equal to 0.25% of projected general fund tax collections for each year, as included in the general fund summary condition statement under each enacted biennial budget. Two annual transfers are also made from the petroleum inspection fund: (a) an ongoing transfer of \$6,258,500; and (b) 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 \$17,103,800 in 2023-24 and \$17,146,500 in 2024-25.

The Joint Finance version of the bill would create two new transfers from the general fund to the transportation fund in the 2023-25 biennium: (a) an ongoing transfer of the estimated annual sales tax revenue from the sale of electric vehicles in the state, which would equal \$39.3 million in 2023-24 and \$55.1 million in 2024-25; and (b) a one-time GPR transfer of \$555.5 million in 2023-24. The following table compares the estimated current law amounts to be transferred from the general fund and PIF to the transportation fund in the 2021-23 and 2023-25 biennia, as well as the estimated amounts that would be transferred under the new general fund transfers under the Joint Finance version of the bill. Use of other funds under the Joint Finance version of the bill are

estimated to total \$805.5 million, compared to an estimated \$357.4 million under the Governor's recommendations.

Use of Other Funds for Transportation Purposes -- Joint Finance Comparison

	<u>2021-23</u>	Joint Finance <u>2023-25</u>	<u>Biennial Change</u>	<u>% Change</u>
<i>General Fund</i>				
0.25% Transfer of General Fund Taxes	\$93,362,100	\$108,858,300	\$15,496,200	16.6%
Transfer of Est. Sales Tax from EVs	0	94,400,000*	94,400,000	N/A
One-Time Transfers	<u>182,796,800</u>	<u>555,523,900*</u>	<u>372,727,100</u>	<u>203.9</u>
Subtotal	\$276,158,900	\$758,782,200	\$482,623,300	174.8%
<i>Petroleum Inspection Fund</i>				
Annual Transfer Unencumbered Balance	\$34,079,700	\$34,250,300	\$170,600	0.5%
Ongoing Appropriation Transfer	<u>12,517,000</u>	<u>12,517,000</u>	<u>0</u>	<u>0.0</u>
Subtotal	\$46,596,700	\$46,767,300	\$170,600	0.4%
Total	\$322,755,600	\$805,549,500	\$482,793,900	149.6%

* New transfers from the general fund to the transportation fund under the Joint Finance version of the bill.

Note: Excludes debt service amounts on general fund-supported bonds issued for transportation purposes, other GPR appropriations provided for specific transportation purposes, the direct deposit of one cent of the two cent petroleum inspection fee to the transportation fund, and the transfer from the local government fund associated with exempt railroad property.

6. ALLOCATION OF FEDERAL HIGHWAY AID

Governor: Estimate federal highway formula aid at \$1,016,252,500 in 2023-24 and \$1,034,808,400 in 2024-25, which represents increases of \$192,311,200 in 2023-24 and \$210,867,100 in 2024-25 relative to the 2022-23 appropriation adjusted base. The increased federal highway formula aid in the 2023-25 biennium is due to passage of the Infrastructure Investment and Jobs Act (IIJA) in November, 2021, which authorized higher baseline funding levels for federal highway formula aid than the prior federal reauthorization act. The actual amount of the state's federal highway aid in 2023-25 will be determined on an annual basis under federal transportation appropriation acts of Congress. The estimate reflects uncertainty regarding the amount of federal transportation aid that will be appropriated by the federal government and available to the state in the biennium.

The following table shows the change to the appropriation base requested by the Department and the resulting distribution of federal highway formula aid. As shown in the table, the Governor's recommendation would provide the largest increases in federal highway formula aid for the local transportation facility improvement assistance appropriation, which primarily provides funding for the surface transportation program, the local bridge improvement assistance program, and the southeast Wisconsin freeway megaprojects program.

<u>Appropriation</u>	<u>Base</u>	<u>Change to Base</u>		<u>Governor</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation	\$485,856,300	\$27,767,400	\$25,236,700	\$513,623,700	\$511,093,000
Major Highway Development	184,848,900	4,983,900	6,768,600	189,832,800	191,617,500
Local Transportation Facility Improvement Assistance	72,331,300	66,458,600	77,674,200	138,789,900	150,005,500
Local Bridge Improvement	24,523,900	40,095,100	30,095,100	64,619,000	54,619,000
Departmental Mgmt. and Ops.	15,659,200	-3,464,000	-3,429,300	12,195,200	12,229,900
Southeast Freeway Megaprojects	14,366,000	25,254,300	42,940,700	39,620,300	57,306,700
Congestion Mitigation/Air Quality Improvement	10,719,000	4,461,200	4,550,500	15,180,200	15,269,500
Transportation Alternatives	7,049,300	10,969,600	11,189,000	18,018,900	18,238,300
Administration and Planning	3,982,400	293,300	293,300	4,275,700	4,275,700
Railroad Crossing Improvements	3,291,800	2,823,800	2,880,300	6,115,600	6,172,100
Highway System Mgmt. and Ops.	1,313,200	12,668,000	12,668,000	13,981,200	13,981,200
Total	\$823,941,300	\$192,311,200	\$210,867,100	\$1,016,252,500	\$1,034,808,400

Note: Includes adjustments to the base and standard budget adjustment amounts.

Joint Finance: Modify the Governor's recommendations for the allocation of federal highway formula aid as follows: (a) delete the recommended federal funding adjustments for the local transportation facility improvement assistance, congestion mitigation and air quality improvement, transportation alternatives, administration and planning, and railroad crossing improvement appropriations; (b) modify the recommended funding for the state highway rehabilitation, local bridge improvement, southeast Wisconsin freeway megaprojects, and highway system management and operations appropriations to reallocate federal funds among these appropriations; (c) provide additional federal funding to applicable appropriations for a 10% pay increase for DOT engineers; and (d) increase the turnover reduction standard budget adjustment from 3% to 5% for all appropriations subject to a 3% turnover rate. These changes are discussed in separate items.

As a result of these changes, estimate the amounts of federal highway formula aid received by the state in the 2023-25 biennium to be \$936.3 million in 2023-24, and \$955.2 million in 2024-25. These amounts are less than the Governor's version of the bill by \$80.0 million in 2023-24 and \$81.6 million in 2024-25.

<u>Appropriation</u>	<u>Governor</u>		<u>Change to Bill</u>		<u>Joint Finance</u>	
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation	\$513,623,700	\$511,093,000	\$25,520,800	\$25,520,800	\$539,144,500	\$536,613,800
Major Highway Development	189,832,800	191,617,500	194,700	194,700	190,027,500	191,812,200
Local Transportation Facility Improvement Assistance	138,789,900	150,005,500	-66,236,300	-77,451,900	72,553,600	72,553,600
Local Bridge Improvement	64,619,000	54,619,000	-4,975,200	5,024,800	59,643,800	59,643,800
Departmental Mgmt. and Ops.	12,195,200	12,229,900	-2,234,600	-2,269,300	9,960,600	9,960,600
Southeast Freeway Megaprojects	39,620,300	57,306,700	-8,047,000	-8,047,000	31,573,300	49,259,700
Congestion Mitigation/Air Quality Improvement	15,180,200	15,269,500	-4,461,200	-4,550,500	10,719,000	10,719,000
Transportation Alternatives	18,018,900	18,238,300	-10,969,600	-11,189,000	7,049,300	7,049,300
Administration and Planning	4,275,700	4,275,700	108,200	108,200	4,383,900	4,383,900
Railroad Crossing Improvement	6,115,600	6,172,100	-2,823,800	-2,880,300	3,291,800	3,291,800
Highway System Mgmt. and Ops.	13,981,200	13,981,200	-6,039,600	-6,039,600	7,941,600	7,941,600
Total	\$1,016,252,500	\$1,034,808,400	-\$79,963,600	-\$81,579,100	\$936,288,900	\$953,229,300

7. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2021-23 biennium, under the Governor's recommendations for the 2023-25 biennium, and the Joint Finance version of the bill, by type of bond and program. The only authorization of new bonding under the Joint Finance version of the bill would be \$352.8 million in transportation revenue-supported, general obligation bonds for the major interstate bridge program, to be used for construction of the John A. Blatnik Bridge in Superior. For the remaining programs under which the Governor recommended bonding, as shown in the table, the bill would provide one-time SEG funding in 2023-24 in lieu of the bonding recommended by the Governor.

The amounts shown for the use of transportation revenue bonds reflect both the amount authorized and the SEG-S appropriations for the two programs using these bonds, the major highway development program and the administrative facilities program. These 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 this becomes the ultimate financing source for these projects.

	<u>2021-23</u>	<u>Governor 2023-25</u>	<u>Joint Finance 2023-25</u>
Transportation Fund-Supported, General Obligation Bonds			
Southeast Wisconsin Freeway Megaprojects	\$40,000,000	\$140,873,000	\$0
Southern Bridge	0	50,000,000	0
Major Interstate Bridge Program	0	47,200,000	\$352,800,000
Freight Rail Preservation	20,000,000	20,000,000	0
Harbor Assistance	15,300,000	16,000,000	0
Design-Build Projects	<u>20,000,000</u>	<u>-</u>	<u>0</u>
Subtotal	\$95,300,000	\$274,073,000	\$352,800,000
 Transportation Revenue Bonds			
Major Highway Development	\$128,258,200*	\$149,214,300	\$0
Administrative Facilities	<u>0</u>	<u>18,500,000</u>	<u>0</u> **
Subtotal	\$128,258,200	\$167,714,300	\$0
 Total	 \$223,558,200	 \$441,787,300	 \$352,800,000

*2021 Act 58 allocated \$20,765,000 in existing revenue bond proceeds for the major highway development program and \$13,000,000 in existing revenue bond proceeds for administrative facilities in 2021-23.

**Allocate \$18.5 million in existing transportation revenue bond proceeds.

8. TRANSPORTATION REVENUE BOND AUTHORIZATION [LFB Papers 786 and 805]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$167,714,300	- \$167,714,300	\$0

Governor: Provide transportation revenue bond authority of \$167,714,300, reflecting the planned use of revenue bonds for major highway development projects (see "State Highway Program") and administrative facility construction projects (see "Departmentwide") in the 2023-25 biennium. The Department indicated that a balance of \$80,571,100 in unused transportation revenue bond authority will remain available at the end of the 2021-23 biennium. This balance along with the Governor's recommendations would result in the availability of \$248,285,400 in ongoing revenue bond authority. Of this total, \$165,523,200 SEG-S would be appropriated in the 2023-25 biennium, as follows: (a) \$73,511,600 annually for the major highway development program; and (b) \$9,250,000 annually for administrative facility construction projects. Estimated reductions to transportation fund revenue would be \$1,034,600 in 2023-24 and \$7,675,600 in 2024-25 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, \$82,761,800 in existing unused revenue bond authority would remain available for projects in the 2023-25 biennium that would be initiated, but not completed, in the 2023-25 biennium.

Joint Finance: Provision not included. The Joint Finance version of the bill would provide one-time SEG funding in 2023-24 to the major highway development program and DOT administrative facilities in lieu of transportation revenue bonds, as shown in separate items.

9. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE [LFB Paper 760]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	-\$6,375,400	\$12,947,700	\$6,572,300

Governor: Decrease estimated transportation fund revenue by \$4,749,700 in 2023-24 and by \$1,625,700 in 2024-25 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, \$918,900 in 2023-24 and \$6,817,700 in 2024-25 relate to the revenue bonds that would be authorized under the bill for the major highway development program and \$115,700 in 2023-24 and \$857,900 in 2024-25 relate to the revenue bonds that would be authorized under the bill for DOT administrative facilities purposes.

Annual revenue bond debt service is primarily paid from vehicle registration and title fee revenue paid to the registration fee trust, with any annual residual revenues 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 2022-23 is estimated at \$201,162,700, an amount that is projected to increase under the bill to an estimated \$205,912,400 in 2023-24 and \$202,788,400 in 2024-25.

Joint Finance: Increase estimated transportation fund revenue by \$5,054,000 in 2023-24 and \$7,893,700 in 2024-25 compared to the Governor's bill to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on existing transportation revenue bonds for the major highway development program and DOT administrative facilities. The Joint Finance version of the bill would not authorize additional bonds for these programs in the 2023-25 biennium. Total transportation revenue bond debt service in 2022-23 is estimated at \$201,162,700, an amount that is projected to decrease to an estimated \$200,858,400 in 2023-24 and \$194,894,700 in 2024-25.

10. TRANSPORTATION REVENUE BOND DEFEASANCE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR Transfer	\$379,369,800	-\$379,369,800	\$0

11. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS AND HIGH-COST BRIDGE PROJECTS [LFB Papers 106 and 787]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- \$6,403,200	- \$1,861,700	- \$8,264,900

Governor: Decrease funding by \$6,159,700 in 2023-24 and \$243,500 in 2024-25 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 \$90,814,900, and would decrease to \$84,655,200 in 2023-24 and \$95,229,800 in 2024-25 under this reestimate.

This debt service reestimate would be associated with the following: (a) a decrease in debt service due on existing bonds by \$6,159,700 in 2023-24 and \$1,731,500 in 2023-24; (b) an increase in debt service for bonds authorized in the bill for southeast Wisconsin freeway megaprojects by \$1,488,000 in 2024-25.

Joint Finance: Decrease funding by an additional \$242,700 SEG in 2023-24 and \$1,619,000 in 2024-25 associated with lower debt service costs on transportation fund-supported, general obligation bonds for the southeast Wisconsin freeway and high-cost bridge programs. The Joint Finance version of the bill would not authorize additional bonds for these programs in the 2023-25 biennium. Base funding for these appropriations is \$90,814,900, and would decrease to \$84,412,500 in 2023-24 and \$88,952,400 in 2024-25 under this reestimate.

This debt service reestimate would be associated with the following: (a) an additional decrease in debt service due on existing bonds by \$242,700 in 2023-24 and \$131,000 in 2023-24; (b) a decrease in debt service of \$1,488,000 in 2024-25 associated with the deletion of the southeast Wisconsin freeway megaprojects bonding recommended by the Governor.

12. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS [LFB Paper 106]

SEG	- \$918,300
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Governor/Joint Finance: Decrease funding by \$446,400 in 2023-24 and \$471,900 in 2024-25 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 \$12,129,200, and would decrease to \$11,682,800 in 2023-24 and \$11,657,300 in 2024-25 under this reestimate.

13. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS [LFB Papers 106, 772 and 773]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,581,000	- \$566,600	\$3,014,400

Governor: Decrease funding by \$592,700 in 2023-24 and increase funding by \$4,173,700 in 2024-25 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 \$56,898,200, and would decrease to \$56,305,500 in 2023-24 and increase to \$61,071,900 in 2024-25 under this reestimate.

This debt service reestimate would be associated with the following: (a) a decrease in debt service by \$592,700 in 2023-24 and increase by \$3,799,500 in 2024-25 due on existing bonds; and (b) an increase in debt service funding by \$166,300 in 2024-25 for harbor assistance and \$207,900 in 2024-25 for freight rail preservation to reflect the bonding authorizations included in the Governor's recommendations for these purposes.

Joint Finance: Decrease funding by an additional \$128,300 SEG in 2023-24 and \$438,300 SEG in 2024-25 associated with lower debt service costs on transportation fund-supported, general obligation bonds for the state highway rehabilitation, major highway development, freight rail preservation, harbor improvement projects, and department facilities. The Joint Finance version of the bill would not authorize additional bonds for these programs in the 2023-25 biennium. Combined base funding for these appropriations is \$56,898,200, and would decrease to \$56,177,200 in 2023-24 and increase to \$60,633,600 in 2024-25 under this reestimate.

This debt service reestimate would be associated with the following: (a) an additional decrease in debt service due on existing bonds by \$128,300 in 2023-24 and \$64,100 in 2024-25; and (b) decreases in debt service of \$166,300 for harbor assistance and \$207,900 for freight rail preservation in 2024-25, associated with the deletion of the bonding for these programs recommended by the Governor, which would not be authorized under the Joint Finance version of the bill.

14. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$6,833,900	- \$610,100	- \$7,444,000

Governor: Increase funding by \$2,717,300 in 2023-24 and decrease funding by \$9,551,200

in 2024-25 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 Governor's recommendations. Base funding for this appropriation is \$87,559,900 and would increase to \$90,277,200 in 2023-24 and decrease to \$78,008,700 in 2024-25.

Joint Finance: Decrease funding by an additional \$569,900 GPR in 2023-24 and \$40,200 GPR in 2024-25 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 is \$87,559,900 and would increase to \$89,707,300 in 2023-24 and decrease to \$77,968,500 in 2024-25.

15. 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 Governor's 2023-25 budget recommendations.

Transportation Fund-Supported. Estimated transportation fund-supported debt service on previously authorized bonds would total \$353,130,900 in 2023-24 and \$356,138,000 in 2024-25. 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 2021-23 biennium, as well for each year of the 2023-25 biennium under the provisions of the bill. 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)

<u>Fiscal Year</u>	<u>Transportation Fund Debt Service</u>	<u>Gross Transportation Fund Revenue*</u>	<u>Debt Service as % of Revenue</u>
2021-22	\$358.4	\$2,159.2	16.6%
2022-23	351.8	2,150.7	16.4
2023-24	353.1	2,185.8	16.2
2024-25	356.1	2,198.1	16.2

*Revenue is shown before the payment of debt service on transportation revenue bonds, and does not contain transfers from other funds, including the new transfers from the general fund to the transportation fund that would be introduced under the Joint Finance version of the bill.

Note: Debt service and revenue amounts shown for 2021-22 are actual. The amounts for 2022-23 reflect estimates by the Administration in March, 2023, for transportation revenue bonds, and May, 2023, for general obligation bonds, and revenues estimated the Department in May, 2023. Amounts for 2023-24 and 2024-25 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. DOA's reestimate of existing general fund-supported debt service on bonds issued for transportation purposes (\$89.7 million in 2023-24 and \$78.0 million in 2024-25) is shown in a separate item.

16. ONE-TIME TRANSFER FROM GENERAL FUND TO TRANSPORTATION FUND

GPR Transfer	\$555,523,900
SEG-REV	555,523,900

Joint Finance: Provide a one-time transfer from the general fund to the transportation fund of \$555,523,900 in 2023-24.

17. ELECTRIC VEHICLE REGISTRATION FEE

SEG-REV	\$3,289,300
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Joint Finance: Increase the current law annual registration fee for electric vehicles from \$100 to \$175, effective with application for registrations on October 1, 2023. Estimate additional registration fee revenues to the transportation fund from of \$1,180,600 SEG-REV in 2023-24 and \$2,108,700 SEG-REV in 2024-25.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS [LFB Paper 765]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$51,481,200	- \$20,051,800	\$31,429,400

Governor: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by \$3,141,100 in 2023-24 and \$8,277,600 in 2024-25 to fund a 4.0% increase each year to the calendar year general transportation aid distribution for counties. The calendar year distribution for counties is currently equal to \$127,140,200. This would provide a calendar year distribution amount for counties equal to \$132,225,800 for 2024 and \$137,514,800 for 2025 and thereafter.

b. *Municipal Aid.* Increase funding by \$11,891,700 in 2023-24 and \$28,170,800 in 2024-25 to fund a 4.0% increase each year to the calendar year general transportation aid distribution for municipalities. The calendar year distribution level for municipalities is currently equal to \$398,996,800. This would provide a calendar year distribution amount for municipalities

equal to \$414,956,700 for 2024 and \$431,555,000 for 2025 and thereafter. Increase the mileage aid rate by 4.0% each year (from its current level of \$2,734 per mile) to \$2,843 per mile for calendar year 2024 and \$2,957 per mile for calendar year 2025 and thereafter.

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.

Joint Finance: Reduce funding by \$4,625,700 SEG in 2023-24 and \$15,426,100 SEG in 2024-25 compared to the bill, to provide the following:

County Aid. Provide \$2,505,400 SEG in 2023-24 and \$5,060,900 SEG in 2024-25 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for counties, and to fully fund the 2.0% calendar year 2023 increase provided in 2021 Act 58. Increase the calendar year distribution for counties to \$129,683,000 for 2024, and to \$132,276,700 for 2025, and thereafter.

Municipal Aid. Provide \$7,901,700 SEG in 2023-24 and \$15,961,400 SEG in 2024-25 to fund a 2.0% increase each year to the calendar year general transportation aid distribution for municipalities, and to fully fund the 2.0% calendar year 2023 increase provided in 2021 Act 58. Increase the calendar year distribution for municipalities to \$406,976,700 for 2024, and to \$415,116,200 for 2025, and thereafter. Increase the mileage aid rate by 2.0% annually, from its current level of \$2,734 per mile, to \$2,789 per mile for calendar year 2024, and to \$2,845 per mile for 2025, and thereafter. 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. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 766]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$0	\$228,728,500	\$228,728,500
SEG	<u>6,822,600</u>	<u>- 232,727,200</u>	<u>- 225,904,600</u>
Total	\$6,822,600	- \$3,998,700	\$2,823,900

Governor: Provide \$1,129,600 in 2023-24 and \$5,693,000 in 2024-25 to provide a 4.0% increase in mass transit operating assistance to each tier of mass transit systems for both calendar year 2024 and calendar year 2025. Specify that the increase in funding would be distributed as follows: (a) \$654,800 in 2023-24 and \$3,300,100 in 2024-25 for Tier A-1 (Milwaukee County); (b) \$172,100 in 2023-24 and \$867,200 in 2024-25 for Tier A-2 (Madison); (c) \$249,800 in 2023-24 and \$1,258,900 in 2024-25 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) \$52,900 in 2023-24 and \$266,800 in 2024-25 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) \$68,096,900 for 2024 and \$70,820,800 for 2025 for Tier A-1; (b) \$17,893,600 for 2024 and \$18,609,400 for 2025 for Tier A-2.

It should be noted that while the funding provided in the bill for 2023-24 and 2024-25 would fully fund a 4.0% increase for calendar year 2024 and 2025, no increase in the statutory calendar year amounts for Tier B or Tier C were specified in the bill. A 4.0% funding increase, as provided under the bill, would require the statutory calendar year distribution amounts to be specified as follows: (a) \$25,975,500 for 2024 and \$27,014,500 for 2025 for Tier B; and (b) \$5,504,400 in 2024 and \$5,724,600 for 2025 for Tier C.

Delete the statutory references to prior calendar year funding amounts for each tier of transit systems.

Joint Finance: Provision not included. Instead, reduce funding by \$112,952,300 SEG in each fiscal year of the 2023-25 biennium, to provide \$0 for each existing SEG appropriation in the Chapter 20 schedule of appropriations that is associated with each mass transit operating aid funding tier. Create five GPR annual appropriations for the purpose of funding each tier of mass transit operating aid, and provide total base funding of \$112,952,300 GPR in each fiscal year of the 2023-25 biennium, to reflect the base funding amounts previously provide to each tier of mass transit operating aid from the transportation fund. Modify current mass transit operating assistance program statutes to refer to the newly created GPR appropriations, instead of the existing SEG appropriations.

In addition, provide \$564,800 GPR in 2023-24 and \$2,259,100 GPR in 2024-25, to fund a 2.0% increase in mass transit operating aid to each tier of mass transit systems for calendar year 2024, and thereafter. Specify that the increase in funding would be distributed as follows: (a) \$327,400 in 2023-24 and \$1,309,600 in 2024-25 for Tier A-1 (Milwaukee County); (b) \$86,000 in 2023-24 and \$344,100 in 2024-25 for Tier A-2 (Madison); (c) \$124,900 in 2023-24 and \$499,500 in 2024-25 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) \$26,500 in 2023-24 and \$105,900 in 2024-25 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) \$66,787,400 for 2024, and thereafter, for Tier A-1; (b) \$17,549,500 for 2024, and thereafter, for Tier A-2; (c) \$25,475,900 for 2024, and thereafter, for Tier B; (d) \$5,398,600 for 2024, and thereafter, for Tier C.

Specify that if DOT makes transit aid payments in fiscal year 2023-24 from the Department's existing SEG appropriations prior to the effective date of the bill, the Department of Administration (DOA) would be required to make transfers in fiscal year 2023-24 from the newly created GPR appropriation accounts to the transportation fund, in an amount equal to the amounts paid by DOT in fiscal year 2023-24 prior to the effective date of the bill. DOA would be required to make each transfer from the appropriation account that corresponds to the applicable transit tier for which DOT made payments.

3. TRANSIT CAPITAL ASSISTANCE GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

4. SENIORS AND INDIVIDUALS WITH DISABILITIES SPECIALIZED ASSISTANCE PROGRAM [LFB Paper 767]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$453,200	-\$230,200	\$223,000

Governor: Provide \$143,900 in 2023-24 and \$309,300 in 2024-25 for a 15% increase to funding for the seniors and individuals with disabilities specialized assistance program in each year of the 2023-25 biennium. This would increase funding from \$959,000 in base funding to \$1,102,900 in 2023-24 and \$1,268,300 in 2024-25. 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.

Joint Finance: Reduce funding by \$32,400 in 2023-24 and \$197,800 in 2024-25, to provide \$111,500 annually for an 11.6% increase to funding for the seniors and individuals with disabilities specialized assistance program in the first year of the 2023-25 biennium. This would increase funding from \$959,000 in base funding to \$1,102,900 in 2023-24 and thereafter.

5. PARATRANSIT AIDS

SEG	\$386,700
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Governor/Joint Finance: Provide \$127,200 in 2023-24 and \$259,500 in 2024-25 for a 4.0% increase to funding for paratransit aid in each year of the 2023-25 biennium. This would increase funding from \$3,178,100 in base funding to \$3,305,300 in 2023-24 and \$3,437,600 in 2024-25.

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.

6. NONDRIVER ADVISORY COMMITTEE - MOBILITY MANAGEMENT FUNDING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$853,200	-\$853,200	\$0

7. TRANSPORTATION EMPLOYMENT AND MOBILITY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$126,900	-\$126,900	\$0

8. CONNECTING HIGHWAY AIDS

SEG	\$7,457,600
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Joint Finance: Provide \$2,485,900 SEG in 2023-24 and \$4,971,700 SEG in 2024-25 to fund a 25.0% increase in the connecting highway aid distribution for municipalities for calendar year 2024 and thereafter. Increase the calendar year aid mileage distribution rates by 25.0% for each category of municipality.

Local Transportation Assistance

1. LOCAL ROADS IMPROVEMENT PROGRAM [LFB Paper 770]

SEG	\$4,016,800
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Governor: Provide the following increases to the local roads improvement program (LRIP): (a) \$714,600 in 2023-24 and \$1,457,800 in 2024-25 for the formula allocation component of the program; and (b) \$606,700 in 2023-24 and \$1,237,700 in 2024-25 for the discretionary grants component of the program. This would represent a 4% increase each year in the base level of funding currently provided for the program.

Beginning in 2023-24, and each year thereafter, modify the statutes specifying how funds under the discretionary grants component are divided among local units of government. Under this provision, 35.6% of funds would be used for county trunk highway improvements, 39.0% for town road improvements, and 25.4% for municipal street improvement projects. LRIP discretionary component funds were distributed in these same proportions in previous program cycles, however the statutes had previously specified amounts, rather than percentages, to be allocated to each local government category. The table below compares funding for LRIP in 2021-23 with the

recommended 2023-25 funding level for both program components.

Current Law and Governor's Recommended Biennial LRIP Funding

	<u>2021-23</u>	<u>2023-25</u>	<u>Difference</u>	<u>% Change</u>
Formula-Based Allocation*				
Counties (43%)	\$15,106,400	\$16,040,600	\$934,200	6.2%
Municipalities (28.5%)	10,012,400	10,631,500	619,100	6.2
Towns (28.5%)	<u>10,012,400</u>	<u>10,631,500</u>	<u>619,100</u>	6.2
Total Formula Funds	\$35,131,200	\$37,303,600	\$2,172,400	6.2%
Discretionary Allocation				
Counties (35.6%)	\$10,786,800	\$11,455,800	\$669,000	6.2%
Municipalities (39.0%)	11,847,200	12,549,900	702,700	5.9
Towns (25.4%)	<u>7,700,800</u>	<u>8,173,500</u>	<u>472,700</u>	6.1
Total Discretionary Funds	\$30,334,800	\$32,179,200	\$1,844,400	6.1%
Biennial Program Total	\$65,466,000	\$69,482,800	\$4,016,800	6.1%

*Does not include \$600,000 from the formula-based allocation, which supports 3.0 positions in DNR for the environmental review of local road projects under current law and under the bill. This amount is deducted from the total prior to calculating the percentage-based formula allocations shown in the top section of the table.

LRIP provides discretionary and formula-based grants through separate appropriations of state funds. These grants are provided on a biennial basis for capital improvements on existing county, town, and municipal roads and for feasibility studies for such improvements. For the purposes of the program, a capital improvement is defined as a project with a projected design life of at least 10 years. Grants may cover up to 50% of the total project cost, with the balance being provided, generally, by the local recipient. All costs of improvements are initially the responsibility of the local government. County and municipal projects must have eligible costs exceeding \$250,000 and town projects must have eligible costs exceeding \$100,000. Upon completion of a project, a local government can apply to DOT for reimbursement of up to 50% of the project costs.

Joint Finance: Specify the annual amounts, rather than percentages, to be allocated to each category of local units of government under the discretionary grants component in the 2023-25 biennium as follows: (a) \$5,615,600 in 2023-24 and \$5,840,200 in 2024-25 for counties; (b) \$6,151,900 in 2023-24 and \$6,398,000 in 2024-25 for towns; and (c) \$4,006,600 in 2023-24 and \$4,166,900 in 2024-25 for municipalities.

2. LOCAL ROADS IMPROVEMENT PROGRAM -- DISCRETIONARY SUPPLEMENTAL GRANTS [LFB Paper 770]

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

Governor: Provide \$50,000,000 annually for the discretionary supplemental grants

component of LRIP (LRIP-S). In each of the last two biennia, one-time funding was provided from a separate LRIP-S appropriation, with no ongoing funding. This recommendation would establish ongoing funding for this program, which is administered in the same fashion as the discretionary grants component of LRIP that distributes grants to local units of government for capital improvements on existing roads under their jurisdiction. Grant recipients are required to provide matching funds of a minimum 10% of the total cost of a selected project.

Similar to 2021-22 funding for LRIP-S, the intent of this provision was to distribute these LRIP-S funds among local units of government in the same proportion as the LRIP discretionary program component beginning in 2023-24: 35.6% for county trunk highway improvements (\$17,800,000 annually in the 2023-25 biennium), 39.0% for town road improvements (\$19,500,000 annually), and 25.4% for municipal street improvement projects (\$12,700,000 annually). However, modifications would need to be made to the bill to specifically reference the LRIP-S appropriation to the LRIP discretionary component distribution percentages in order to subject this funding to those required percentages.

Joint Finance: Provide one-time funding of \$100,000,000 to LRIP-S in 2023-24. Specify that the funding be allocated for county trunk highway improvements, town road improvements, and municipal street improvements so that total LRIP-S funding is distributed among these groups at the same percentage that each group is allocated under the LRIP discretionary grants component (35.6% for counties, 39.0% for municipalities, and 25.4% for towns in the 2023-25 biennium).

3. SOUTHERN BRIDGE PROJECT IN BROWN COUNTY [LFB Paper 771]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$50,000,000	-\$50,000,000	\$0
SEG	<u>0</u>	<u>50,000,000</u>	<u>50,000,000</u>
Total	\$50,000,000	\$0	\$50,000,000

Governor: Authorize \$50,000,000 in general obligation bonding authority for the accelerated local bridge improvement assistance program to support the construction of the "Southern Bridge" in Brown County. The debt service estimates included in the bill do not anticipate the issuance of these bonds in the 2023-25 biennium.

The 2021-23 budget required DOT to submit a request for funding for the Southern Bridge project as part of its 2023-25 biennial budget request. The scope of the project is defined as the segment of County Highway GV in Brown County from County Highway D to State Highway 57, a stretch of the highway crossing over the Fox River and connecting to I-41 west of the River, which does not currently exist. Additional local road construction would be needed as County Highway GV currently ends 2.8 miles east of the Fox River and no local highway currently connects the west bank of the River to I-41. DOT also indicates that the bridge would remain under the jurisdiction of Brown County after construction. DOT has identified a preferred alternative, and has published a notice of intent to prepare a Tier 1 environmental impact statement associated with the project. In March, 2022, the project also received \$5,000,000 in congressionally-directed,

federal funding under the federal Consolidated Appropriations Act, 2022.

As part of the I-41 major highway development expansion project, DOT is constructing a new diamond interchange that will allow for the future connection of County Highway GV, to be constructed west of the Fox River, to the interstate. The Department has indicated that the state funding for the Southern Bridge would only be used for the bridge portion of the project and that the participating local governments would be responsible for the local highway connections to the proposed bridge and the I-41 interchange.

Joint Finance: Delete the recommended bonding and provide \$50,000,000 SEG in 2023-24 to the accelerated local bridge improvement assistance program for the Southern Bridge.

4. LOCAL TRAFFIC CALMING GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$60,000,000	- \$60,000,000	\$0

5. FREIGHT RAIL PRESERVATION PROGRAM [LFB Paper 772]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$20,000,000	- \$20,000,000	\$0
SEG	<u>0</u>	<u>13,000,000</u>	<u>13,000,000</u>
BR	\$20,000,000	- \$7,000,000	\$13,000,000

Governor: Authorize \$20,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program in the 2023-25 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 identical to the bond authority provided under the 2021-23 biennial budget. Estimated transportation fund-supported debt service of \$207,900 SEG in 2024-25, associated with the partial issuance of these bonds, is shown under a separate item (see "Transportation Finance").

Joint Finance: Delete the recommended bonding and provide \$13,000,000 SEG in 2023-24 for the freight rail preservation program. Require DOT to conduct a cost-benefit analysis of the freight rail preservation program during the 2023-25 biennium, and provide a report of its findings to the Joint Committee on Finance no later than June 30, 2025.

6. HARBOR ASSISTANCE PROGRAM [LFB Paper 773]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$4,000,000	\$16,000,000	\$20,000,000
BR	<u>16,000,000</u>	<u>- 16,000,000</u>	<u>0</u>
Total	\$20,000,000	\$0	\$20,000,000

Governor: Provide \$2,000,000 SEG annually and authorize \$16,000,000 BR in transportation fund-supported, general obligation bonds for the harbor assistance program in the 2023-25 biennium. The program provides grants for making capital improvements to harbors on the Great Lakes or the Mississippi River system. The amount authorized would be \$700,000 more than the \$15,300,000 in bonding authority provided in the 2021-23 biennium. Base program funding of \$651,000 annually also exists to help fund project costs (\$493,000 annually) and administrative costs (\$157,200 annually). Estimated transportation fund-supported debt service of \$166,300 in 2024-25, associated with the partial issuance of these bonds, is shown under a separate item [see "Transportation Finance"].

Joint Finance: Delete the recommended bonding and provide \$20,000,000 SEG in 2023-24 to the harbor assistance program.

7. LOCAL TRANSPORTATION FACILITY IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 774]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$143,806,800	- \$143,806,800	\$0
SEG-L	<u>40,884,900</u>	<u>- 40,884,900</u>	<u>0</u>
Total	\$184,691,700	- \$184,691,700	\$0

Governor: Provide \$66,295,600 FED in 2023-24 and \$77,511,200 FED in 2024-25, and \$19,014,800 SEG-L in 2023-24 and \$21,870,100 SEG-L in 2024-25 to DOT's local transportation facility improvement assistance FED and SEG-L appropriations. The FED appropriation receives funding through the federal surface transportation block grant program, local highway safety improvement program, and carbon reduction program. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IIJA, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase base level funding for the appropriations from \$72,331,300 FED to \$138,626,900 in 2023-24 and \$149,842,500 in 2024-25, and from \$43,898,600 SEG-L to \$62,913,400 in 2023-24 and \$65,768,700 in 2024-25.

Joint Finance: Provision not included.

8. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 775]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$70,000,000	\$0	\$70,000,000
SEG	0	20,000,000	20,000,000
SEG-L	<u>17,500,000</u>	<u>0</u>	<u>17,500,000</u>
Total	\$87,500,000	\$20,000,000	\$107,500,000

Governor: Provide \$40,000,000 FED in 2023-24 and \$30,000,000 FED in 2024-25, and \$10,000,000 SEG-L in 2023-24 and \$7,500,000 SEG-L to the local bridge improvement assistance program, which makes grants using both state and federal funds for projects to rehabilitate and replace bridges that are under local jurisdiction (not on state trunk highways or connecting highways). The federal funding increase is associated with the federal Bridge Formula Program, which is expected to provide the state with \$45,000,000 annually over each year of the IJA's five-year federal authorization (2022-26) for state and local bridge projects that reduce the overall number of bridges in poor condition. The recommended SEG-L funding reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase the adjusted base funding levels from \$24,523,900 FED to \$64,523,900 in 2023-24 and \$54,523,900 in 2024-25, and from \$11,157,600 SEG-L to \$21,157,600 in 2023-24 and \$18,657,600 in 2024-25. The program is also annually provided with \$18,470,600 SEG.

Joint Finance: Provide \$35,000,000 FED, \$10,000,000 SEG, and \$8,750,000 SEG-L annually to the local bridge improvement assistance program. This would increase the program's overall annual funding level to \$59,605,500 FED, \$28,470,600 SEG, and \$19,907,600 SEG-L.

9. NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM [LFB Paper 776]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$34,511,700	-\$34,511,700	\$0
SEG	<u>8,628,300</u>	<u>-8,628,300</u>	<u>0</u>
Total	\$43,140,000	-\$43,140,000	\$0

Governor: Provide \$17,085,000 FED in 2023-24 and \$17,426,700 FED in 2024-25, and provide \$4,271,600 SEG-L in 2023-24 and \$4,356,700 SEG-L 2024-25. The expenditure authority would be provided to the following newly-created appropriations: (a) a FED continuing appropriation for all monies received from the federal government from the newly-created National Electric Vehicle Infrastructure (NEVI) formula program; and (b) a SEG-L continuing appropriation to receive and expend monies from local units of government and other sources for the construction of electric vehicle charging infrastructure. In addition, create a SEG appropriation to support the implementation of the state's federally-approved NEVI plan, but no SEG funding would be provided.

Provide authority to allow DOT to establish and administer an electric vehicle infrastructure program that would provide funding for eligible electric vehicle infrastructure projects under the NEVI formula program. Specify that all funding under this provision would be provided from the three newly-created appropriations under the bill.

Provide a statutory exemption from regulation as a public utility, to a person who supplies electricity through the person's electric vehicle charging station to users' electric vehicles. This exemption would only apply if the person does not otherwise directly or indirectly provide electricity to the public. Under current law, with certain exceptions, a person who directly or indirectly provides electricity to the public is regulated as a public utility by the Public Service Commission.

The IJA includes the five-year authorization of the NEVI program to provide funding to states to deploy electric vehicle charging infrastructure. The NEVI program includes both a formula and discretionary component. Wisconsin is eligible to receive an estimated \$78.7 million in formula funds through federal fiscal year 2026. To qualify for NEVI formula funding, all states were required to submit an EV infrastructure deployment plan to FHWA describing how the state intends to use its apportioned NEVI formula program funds. On September 14, 2022, DOT was notified by FHWA that the state plan was approved for implementation.

Joint Finance: Provision not included.

10. TRANSPORTATION ALTERNATIVES PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 774]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$22,158,600	- \$22,158,600	\$0
SEG-L	<u>5,539,700</u>	<u>- 5,539,700</u>	<u>0</u>
FED	\$27,698,300	- \$27,698,300	\$0

Governor: Provide \$10,969,600 FED in 2023-24 and \$11,189,000 FED in 2024-25, and \$2,742,400 SEG-L in 2023-24 and \$2,797,300 SEG-L in 2024-25 to the Transportation Alternatives Program (TAP). TAP provides grants to local governments for a variety of non-motorized vehicle transportation projects. Eligible activities include construction and planning of on-road and off-road bicycle, pedestrian, and other non-motorized vehicle facilities, viewing areas such as overlooks and turnouts, and historical preservation, environmental mitigation, and safe routes to school projects. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IJA for this purpose, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase base level funding for the program from \$7,049,300 FED to \$18,018,900 in 2023-24 and \$18,238,300 in 2024-25, and from \$2,012,300 SEG-L to \$4,754,700 in 2023-24 and \$4,809,600 in 2024-25. In addition, the Administration indicates that it intended to provide \$1,200,000 SEG annually to TAP to assist small communities with meeting federal matching

requirements for TAP grants. However, this funding is not included in the bill.

Joint Finance: Provision not included.

**11. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM
FEDERAL FUNDING ALLOCATION [LFB Paper 774]**

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$9,011,700	- \$9,011,700	\$0
SEG-L	<u>2,252,900</u>	<u>- 2,252,900</u>	<u>0</u>
Total	\$11,264,600	- \$11,264,600	\$0

Governor: Provide \$4,461,200 FED in 2023-24 and \$4,550,500 FED in 2024-25, and \$1,115,300 SEG-L in 2023-24 and \$1,137,600 SEG-L in 2024-25 to the congestion mitigation and air quality improvement (CMAQ) program. CMAQ provides grants using federal funds for projects designed to reduce transportation-related air pollution or reduce traffic congestion. Under federal law, CMAQ funds may only be used in counties that are classified as non-attainment or maintenance areas for ozone, carbon monoxide, or particulate matter pollution. In Wisconsin these counties are Door, Kenosha, Kewaunee, Manitowoc, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Washington, and Waukesha. The federal funding increase is associated with the additional annual federal funding expected to be provided under federal highway formula aid amounts authorized under the IJA for this purpose, while the additional SEG-L reflects the requirement that grant recipients provide a 20% match on the total cost of the awarded project. The requested funding would increase the adjusted base funding levels from \$10,719,000 FED to \$15,180,200 in 2023-24 and \$15,269,500 in 2024-25, and from \$3,124,700 SEG-L to \$4,240,000 in 2023-24 and \$4,262,300 in 2024-25.

Joint Finance: Provision not included.

12. LOCAL GOVERNMENT PROJECT DEVELOPMENT AND TECHNICAL ASSISTANCE [LFB Paper 777]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$8,000,000	- \$8,000,000	\$0

Governor: Provide \$4,000,000 annually from a newly-created SEG continuing appropriation that would contribute state funds for local transportation facility improvement projects. The Department has existing FED & SEG-L appropriations for local transportation facility improvements funded through the federal surface transportation block grant program, local highway safety improvement program, and carbon reduction program. The SEG-L appropriation is used to receive and expend local matching funds for these federal aid programs. In 2022-23, these programs are appropriated \$161,551,500 FED and \$64,660,600 SEG-L. The new SEG

appropriation would match the current law statutory language for these existing appropriations. The Administration indicates that the SEG funding would be used to provide local governments with technical assistance in project development, so all local governments can benefit from federal funding available for projects to improve local transportation facilities.

Joint Finance: Provision not included.

13. RAILROAD CROSSING IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 774]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$5,704,100	-\$5,704,100	\$0

Governor: Provide \$2,823,800 in 2023-24 and \$2,880,300 in 2024-25 for the railroad crossing improvement program, which improves the safety of railroad crossings with projects such as the installation of railroad gates and signal lights. This funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA. The requested funding would increase base level federal funding for the program from \$3,291,800 to \$6,115,600 in 2023-24 and \$6,172,100 in 2024-25. The program is also annually provided with \$1,595,700 SEG.

Joint Finance: Provision not included

14. PASSENGER RAIL OPERATIONS ASSISTANCE [LFB Paper 778]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,550,000	-\$2,578,800	\$971,200

Governor: Provide \$1,700,000 in 2023-24 and \$1,850,000 in 2024-25 to the Department's passenger rail service appropriation. This would increase funding from \$6,800,000 in base funding to \$8,500,000 in 2023-24 and \$8,650,000 in 2024-25.

The Administration indicates that the additional funding would be used to support the implementation of a second daily round-trip passenger train between the Twin Cities, Milwaukee and Chicago (TCMC). The TCMC project which would add service between Chicago and the Twin Cities to augment Amtrak's current Empire Builder service. The proposed TCMC project would provide one additional daily round-trip run between the Twin Cities and Chicago with stops in St. Paul, Red Wing, Winona, La Crosse, Tomah, Wisconsin Dells, Portage, Columbus, Milwaukee, General Mitchell International Airport, Sturtevant, Glenview, and Chicago's Union Station. Amtrak's long-distance Empire Builder service which operates between Chicago and Seattle and Portland, and provides one trip per day in each direction, currently uses the proposed TCMC corridor. Amtrak's Hiawatha Service also operates on this corridor between Milwaukee

and Chicago.

Joint Finance: Reduce funding by \$1,246,900 in 2023-24 and \$1,331,900 in 2024-25, to provide \$453,100 in 2023-24 and \$518,100 in 2024-25 to the Department's passenger rail service appropriation. This would increase funding from \$6,800,000 in base funding to \$7,253,100 in 2023-24 and \$7,318,100 in 2024-25.

15. RAIL CROSSING SAFETY INITIATIVES [LFB Paper 779]

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

Governor: Provide \$400,000 annually to establish a program to plan and install interconnected traffic signal and railroad signal systems. Create a new, continuing SEG appropriation and a new all monies received FED appropriation for the program. Under current law, in addition to the railroad crossing improvement program (see previous item entitled "Railroad Crossing Improvement Program Federal Funding Allocation"), state funding is also provided under two other existing SEG appropriations for safety improvements at railroad crossings: (a) railroad crossing improvement and protection maintenance, provided \$2,112,000 annually; and (b) railroad crossing repair assistance, provided \$467,300 annually.

Joint Finance: Provision not included.

16. SUPPORT FOR METROPOLITAN PLANNING ORGANIZATIONS AND REGIONAL PLANNING COMMISSIONS TRANSPORTATION PROGRAMS [LFB Papers 774 and 780]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$3,503,900	- \$3,503,900	\$0
SEG	<u>1,314,500</u>	<u>- 1,314,500</u>	<u>0</u>
Total	\$4,818,400	- \$4,818,40	\$0

Governor: Provide funding increases for DOT's department management and operations appropriations of \$646,600 SEG in 2023-24 and \$667,900 SEG in 2024-25, and \$1,734,600 FED in 2023-24 and \$1,769,300 FED in 2024-25. The Administration indicates that the requested funds would be used to provide state support to metropolitan planning organizations (MPOs) and regional planning commissions (RPCs), including fully funding the Department's informal policy of providing half (10%) of the federal match level for MPOs and RPCs on the expected federal funding they will receive related to their transportation programs. The amount of SEG budgeted for this purpose has not been changed since 2012. Under current law, MPOs and RPCs plan, coordinate, and support development, including development of the transportation system, in designated areas of the state, which encompass multiple units of local government (counties,

towns, villages, and cities). MPOs and RPCs can receive certain funding directly from the Federal Highway Administration, for which these entitlements are required to provide matching funds, typically of at least 20% of the funds received.

Joint Finance: Provision not included.

17. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM - RAY NITSCHKE MEMORIAL BRIDGE

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

Governor: Require the Department to set aside \$1,200,000 SEG in 2023-24 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 2023-25 biennium. Provide that the grant would be an allowable expenditure from the program's SEG appropriation, which has base level funding of \$18,470,600. Specify that DOT provide the funding notwithstanding the eligibility criteria of the program.

Joint Finance: Provide an increase of \$1,200,000 SEG in 2023-24 to the local bridge improvement assistance program for the Nitschke Bridge, rather than funding the project from existing funding.

18. REPEAL PROHIBITION ON USE OF CONDEMNATION AUTHORITY FOR RECREATIONAL AND PEDESTRIAN TRAILS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

19. REPEAL 2017 ACT 368 LOCAL TRANSPORTATION PROJECT PROVISIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

20. LOCAL ROADS IMPROVEMENT PROGRAM -- AGRICULTURAL ROADS --

SEG	\$150,000,000
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Joint Finance: Create a continuing SEG appropriation for a new LRIP component for agricultural roads, and provide \$150,000,000 SEG to the program component in 2023-24. 2023 Act 13, enacted on June 21, created an agricultural roads component within LRIP to reimburse political subdivisions for agricultural road projects. Eligible projects would be located on highways functionally classified as local roads or minor collectors that provide access to agricultural lands or facilities used for the production of agricultural goods that are used by at least one agricultural producer, which have been subject to a posted weight limitation for at least one month during the previous year, or due to structural deficiencies. The Department is required to select projects that

provide the greatest benefit to agricultural producers in the state. The program would make grants of up to 90% of reimbursable costs, and the Department could not award a program grant after five years after the effective date of the act. The program would require DOT to develop a simple and clear application process that would be reasonably accessible to political subdivisions with limited staffing resources, including an application that does not exceed two pages in length.

21. LOCAL ROADS IMPROVEMENT PROGRAM -- COUNTY HIGHWAY O IN RICHLAND COUNTY

SEG	\$4,180,000
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Joint Finance: Provide \$4,180,000 SEG in 2023-24 to the local roads improvement program discretionary grants component, and specify that DOT shall award a grant under the local roads improvement program in the amount of \$4,180,000 to Richland County for the County Highway O construction project in the 2023-25 fiscal biennium, notwithstanding the program's current law statutory requirements and limitations.

22. ASSESSMENT OF LOCAL BRIDGES AND CULVERTS

Joint Finance: Provide \$12,500,000 SEG to the Joint Committee on Finance supplemental appropriation in 2023-24 for assessment of local bridges and culverts that are less than 20 feet in length, and create a biennial DOT SEG appropriation that could receive the funds. Direct DOT to develop a program for counties to assess local bridges and culverts that are 20 feet or under in length, but greater than six feet in length (funding is shown under "Program Supplements").

23. HARBOR ASSISTANCE PROGRAM -- FUEL PIPELINE IN MILWAUKEE COUNTY

SEG	\$10,000,000
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Joint Finance: Provide \$10,000,000 SEG to the harbor assistance program continuing appropriation in 2023-24. Specify that notwithstanding eligibility requirements for the harbor assistance program, DOT shall award a grant of \$10,000,000 in the 2023-25 fiscal biennium to entities for the purpose of assisting in the construction of a fuel pipeline extension from the Mitchell International Airport to the Port of Milwaukee. Specify that this provision does not apply unless DOT is awarded a grant under the federal Port Infrastructure Development Program for the construction of a pipeline extension from the Mitchell International Airport to the Port of Milwaukee.

24. LOCAL BRIDGE IMPROVEMENT ASSISTANCE PROGRAM -- MAIN STREET BRIDGE IN WATERTOWN

SEG	\$2,000,000
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Joint Finance: Provide \$2,000,000 SEG to the local bridge improvement assistance program in 2023-24, and specify that DOT shall award a grant of \$2,000,000 from the amounts provided to the local bridge improvement assistance program in the 2023-25 biennium to the City of Watertown for a project to reconstruct the Main Street bridge, notwithstanding the program's current law statutory requirements and limitations.

25. AIRPORT IMPROVEMENT PROGRAM [LFB Paper 781]

FED	\$78,000,000
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Joint Finance: Provide \$39,000,000 FED annually to the DOT aeronautics assistance appropriation to reflect a reestimate of available federal funding in the biennium. Beginning in 2021-22, the federal IIIA created a new airport infrastructure grants program, which provided the state with airport funding of \$39.8 million FED in 2021-22, and \$39.0 million FED in 2022-23. The state is expected to continue receiving similar amounts of formula funds from this program in each year of the 2023-25 biennium.

26. AIRPORT IMPROVEMENT PROGRAM -- APPLETON INTERNATIONAL AIRPORT

SEG	\$7,000,000
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Joint Finance: Provide \$7,000,000 SEG to the airport improvement program in 2023-24, and specify that DOT award a grant of \$7,000,000 to the Appleton International Airport in 2023-24 for improvements as part of the airport's terminal expansion project, notwithstanding statutory requirements on cost sharing for airport improvement projects.

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

The following tables compare total funding for state highway improvement programs under 2022-23 adjusted base with the recommendations of the Governor and Joint Finance for those programs in the 2023-25 biennium. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, the tables show the 2022-23 SEG and FED appropriation adjusted base, plus the amount of bonding that was allocated during 2022-23. The first pair of tables display the total funding for the state highway improvement programs by fund source, and shows the change compared to the base year funding doubled for each version of the bill.

State Highway Improvement Program Summary -- Base Year to Governor's Recommendation Comparison

Fund Source	2022-23 Base Plus Bonds	Governor*		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
SEG	\$592,438,700	\$605,543,900	\$647,211,200	\$67,877,700	5.7%
FED	685,071,200	743,076,800	760,017,200	132,951,600	9.7
Bonds	103,511,600**	167,548,100	167,548,100	128,073,000	61.9
Total	\$1,381,021,500	\$1,516,168,800	\$1,574,776,500	\$328,902,300	11.9%

**State Highway Improvement Program Summary --
Base Year to Joint Finance Comparison**

<u>Fund Source</u>	<u>2022-23 Base Plus Bonds</u>	<u>Joint Finance*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$592,438,700	\$940,612,500	\$630,595,200	\$386,330,300	32.6%
FED	685,071,200	760,745,300	777,685,700	168,288,600	12.3
Bonds	<u>103,511,600**</u>	<u>176,400,000</u>	<u>176,400,000</u>	<u>145,776,800</u>	70.4
Total	\$1,381,021,500	\$1,877,757,800	\$1,584,680,900	\$700,395,700	25.4%

* Amounts shown comprise all highway improvement program recommendation items, including base funding, adjustments to the base, and standard budget adjustments.

** Amounts shown include \$10.4 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

The next tables show a breakdown of funding for the individual state highway improvement programs, and compare the recommendations of the Governor and Joint Finance for those programs in the 2023-25 biennium with the 2022-23 SEG and FED appropriation adjusted base, plus the amount of bonding that was allocated during 2022-23.

**State Highway Improvement Program Component Summary --
Base Year to Governor's Recommendation Comparison**

<u>Fund Source</u>	2022-23	Governor*	
	<u>Base Plus Bonds</u>	<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation			
SEG	\$559,006,800	\$580,432,300	\$609,489,800
FED	<u>485,856,300</u>	<u>513,623,700</u>	<u>511,093,000</u>
Total	\$1,044,863,100	\$1,094,056,000	\$1,120,582,800
Major Highway Development			
SEG	\$25,319,400	\$25,111,600	\$37,721,400
FED	184,848,900	189,832,800	191,617,500
Trans. Revenue Bond Proceeds	<u>73,511,600**</u>	<u>73,511,600</u>	<u>73,511,600</u>
Total	\$283,679,900	\$288,456,000	\$302,850,500
SE Wis. Freeway Megaprojects			
SEG	\$8,112,500	\$0	\$0
FED	14,366,000	39,620,300	57,306,700
Gen. Ob. Bonds (SEG)	<u>20,000,000</u>	<u>70,436,500</u>	<u>70,436,500</u>
Total	\$42,478,500	\$110,056,800	\$127,743,200
Major Interstate Bridge			
Gen. Ob. Bonds (SEG)	\$0	\$23,600,000	\$23,600,000
Design-Build Projects			
Gen. Ob. Bonds (SEG)	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,381,021,500	\$1,516,168,800	\$1,574,776,500

**State Highway Improvement Program Component Summary --
Base Year to Joint Finance Comparison**

<u>Fund Source</u>	<u>2022-23 Base Plus Bonds</u>	<u>Joint Finance*</u>	
		<u>2023-24</u>	<u>2024-25</u>
State Highway Rehabilitation			
SEG	\$559,006,800	\$572,071,100	\$584,540,200
FED	<u>485,856,300</u>	<u>539,144,500</u>	<u>536,613,800</u>
Total	\$1,044,863,100	\$1,111,215,600	\$1,121,154,000
Major Highway Development			
SEG	\$25,319,400	\$172,241,000	\$37,827,600
FED	184,848,900	190,027,500	191,812,200
Trans. Revenue Bond Proceeds	<u>73,511,600**</u>	<u>0</u>	<u>0</u>
Total	\$283,679,900	\$362,268,500	\$229,639,800
SE Wis. Freeway Megaprojects			
SEG	\$8,112,500	\$149,100,400	\$8,227,400
FED	14,366,000	31,573,300	49,259,700
Gen. Ob. Bonds (SEG)	<u>20,000,000</u>	<u>0</u>	<u>0</u>
Total	\$42,478,500	\$180,673,700	\$57,487,100
Major Interstate Bridge			
SEG	\$0	\$47,200,000	\$0
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>176,400,000</u>	<u>176,400,000</u>
Total	\$0	\$223,600,000	\$176,400,000
Design-Build Projects			
Gen. Ob. Bonds (SEG)	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,381,021,500	\$1,877,757,800	\$1,584,680,900

* Amounts shown comprise all highway improvement program recommendation items, including base funding, adjustments to the base, and standard budget adjustments.

** Amount shown includes \$10.4 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

2. STATE HIGHWAY REHABILITATION PROGRAM [LFB Paper 785]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$45,911,500	\$48,677,400	\$94,588,900
SEG	<u>69,514,900</u>	<u>- 39,089,000</u>	<u>30,425,900</u>
Total	\$115,426,400	\$9,588,400	\$125,014,800

Governor: Make the following changes to the state highway rehabilitation program's funding in order to provide a 2023-25 funding level of \$2,214,638,800: (a) increases of \$20,228,700 SEG in 2023-24 and \$49,286,200 SEG in 2024-25; and (b) \$24,221,100 FED in 2023-24 and \$21,690,400 FED in 2024-25. Standard budget adjustment increases of \$1,196,800 SEG and \$3,546,300 FED annually are reflected in a separate item.

The following table compares the adjusted base year (2022-23) state highway rehabilitation program funding with the 2023-25 biennial funding level recommended by the Governor.

**State Highway Rehabilitation Program --
Base Funding to Governor's Recommendation Comparison**

Fund	2022-23 Adjusted Base*	Governor**		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
SEG	\$559,006,800	\$580,432,300	\$609,489,800	\$71,908,500	6.4%
FED	<u>485,856,300</u>	<u>513,623,700</u>	<u>511,093,000</u>	<u>53,004,100</u>	5.5
Total	\$1,044,863,100	\$1,094,056,000	\$1,120,582,800	\$124,912,600	6.0%

* Includes \$2,823,000 SEG and \$2,800,200 FED associated with adjustments to the 2022-23 base funding amount.

** Amounts shown comprise all highway improvement program recommendation items, including base funding, adjustments to the base, and standard budget adjustments.

Joint Finance: Make the following changes to state highway rehabilitation program funding in order to provide a 2023-25 funding level of \$2,221,715,800: (a) increases of \$5,478,400 SEG in 2023-24 and \$24,947,500 SEG in 2024-25; and (b) increases of \$48,559,800 FED in 2023-24 and \$46,029,100 FED in 2024-25. Standard budget adjustment increases of \$585,900 SEG and \$2,901,500 FED annually are reflected in a separate item (See "Departmentwide").

The following tables compare state highway rehabilitation program funding under the program's 2022-23 adjusted base funding level, the Governor's recommendations, and actions by the Joint Committee on Finance, including the following provisions discussed in separate items: (a) a \$7.0 million increase in 2023-24 to the program to construct sound barriers along I-894 in Milwaukee County; and (b) provide a pay increase to DOT engineers.

**2023-25 State Highway Rehabilitation Program Funding --
Base Funding to Joint Finance Comparison**

Fund	2022-23 Adjusted Base	Joint Finance*		Change to Base Plus Bonds Doubled	
		2023-24	2024-25	Amount	% Change
SEG	\$559,006,800	\$572,071,100	\$584,540,200	\$38,597,700	3.5%
FED	<u>485,856,300</u>	<u>539,144,500</u>	<u>536,613,800</u>	<u>104,045,700</u>	10.7
Total	\$1,044,863,100	\$1,111,215,600	\$1,121,154,000	\$142,643,400	6.8%

**2023-25 State Highway Rehabilitation Program Funding --
Governor's Recommendation to Joint Finance Comparison**

<u>Fund Source</u>	<u>Governor*</u>		
	<u>2023-24</u>	<u>2023-24</u>	<u>Biennial Total</u>
SEG	\$580,432,300	\$609,489,800	\$1,189,922,100
FED	<u>513,623,700</u>	<u>511,093,000</u>	<u>1,024,716,700</u>
Total	\$1,094,056,000	\$1,120,582,800	\$2,214,638,800

<u>Fund Source</u>	<u>Joint Finance*</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$572,071,100	\$584,540,200	\$1,156,611,300
FED	<u>539,144,500</u>	<u>536,613,800</u>	<u>1,075,758,300</u>
Total	\$1,111,215,600	\$1,121,154,000	\$2,232,369,600

Change to Governor	\$17,159,600	\$571,200	\$17,730,800
% Change	1.6%	0.1%	0.8%

* Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

3. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 786]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$10,587,900	\$0	\$10,587,900
SEG	11,786,000	147,274,200	159,060,200
SEG-S	<u>0</u>	<u>- 147,023,200</u>	<u>- 147,023,200</u>
Total	\$22,373,900	\$251,000	\$22,624,900

Governor: Make the following changes to the major highway development program's funding in order to provide a 2023-25 funding level of \$591,306,500: (a) a decrease of \$411,900 SEG in 2023-24 and an increase of \$12,197,900 SEG in 2024-25; (b) increases of \$4,401,600 FED in 2023-24 and \$6,186,300 FED in 2024-25; and (c) authorization of additional transportation revenue bond authority of \$147,023,200, which is included in a separate item (see "Transportation Finance").

In addition, base level funding of \$73,511,600 SEG-S for the expenditure of transportation revenue bond proceeds would be provided in the biennium for the major highway development program. 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 \$918,900 in 2023-24 and \$6,817,700 in 2024-25 for the partial issuance of these bonds, are shown in separate items. Standard budget adjustment increases of \$204,100 SEG and \$582,300 FED annually are also reflected in a separate item.

The following table compares the base year (2022-23) major highway development program funding with the 2023-25 biennial funding level recommended by the Governor.

**Major Highway Development Program --
Base Funding to 2023-25 Governor's Recommendation Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds*</u>	<u>Governor**</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$25,319,400	\$25,111,600	\$37,721,400	\$12,194,200	24.1%
FED	184,848,900	189,832,800	191,617,500	11,752,500	3.2
Trans. Revenue					
Bond Proceeds	<u>73,511,600***</u>	<u>73,511,600</u>	<u>73,511,600</u>	<u>0</u>	0.00
Total	\$283,679,900	\$288,456,000	\$302,850,500	\$23,946,700	4.2%

* Includes \$207,800 SEG and \$672,100 FED associated with adjustments to the 2022-23 base funding amount.

** Amounts shown comprise all major highway development recommendation items, including base funding, adjustments to the base and standard budget adjustments.

*** Amount shown includes \$10.4 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

Estimated project completion schedules for major highway development projects receiving funding under the Governor's recommended 2023-25 program funding level are shown in the following table. Anticipated completion dates indicate when the mainline is open to traffic provided by DOT in the February, 2023, report to the Transportation Projects Commission (TPC), which may be different than the final year of expenditure. The bill recommends a funding level of \$591.3 million for major highway development projects in 2023-25, while the February, 2023 TPC report provides an estimate of \$659.0 million in project expenditures during the 2023-25 biennium, a difference of \$67.7 million. However, the Department anticipates that it will receive an \$80.0 million grant in the biennium from the federal INFRA program for the I-39/90/94 Wisconsin River Bridges project, which was announced on September 19, 2022.

**Anticipated Major Highway Development Project Completion Dates
Under Governor's Recommendation (\$591.3 Million in 2023-25)**

<u>Highway</u>	<u>Project Segment</u>	<u>Counties</u>	<u>Completion Year</u>	<u>2023-25 Costs (\$, millions)*</u>
STH 15	STH 76 to New London	Outagamie	2024	35.5
I-43	Silver Spring Drive to STH 60	Milwaukee & Ozaukee	2024	91.4
I-41	STH 96 to Scheuring Rd	Outagamie & Brown	2029	323.4
I-39/90/94	Bridges over Wisconsin River	Columbia	2028	150.5
USH 51	I-39/90 to USH 12/18	Dane	2029	58.2
USH 53	La Crosse Corridor	La Crosse	**	**
Total				\$659.0

* Estimated 2023-25 costs, inflated to year of expenditure, were included in DOT's February, 2023 report to the TPC.

** The La Crosse Corridor project was enumerated in 1997, but a preferred alternative was not selected and the project study process was restarted in 2021. The project's scope and estimated costs will be known once the preferred alternative is selected.

Joint Finance: Provide additional SEG to the major highway development program in 2023-24, rather than the additional transportation revenue bond authority recommended by the Governor. Make the following changes to major highway development program funding in order to provide a 2023-25 funding level of \$591,306,500: (a) increases of \$146,736,800 SEG in 2023-24 and \$12,323,400 SEG in 2024-25; and (b) increases of \$4,401,600 FED in 2023-24 and \$6,186,300 FED in 2024-25. In addition, provide a decrease of \$73,511,600 SEG-S annually for the major highway development program to reflect that no transportation revenue bonds would be authorized for the program in the 2023-25 biennium. Standard budget adjustment increases of \$184,800 SEG and \$476,100 FED annually are reflected in a separate item (See "Departmentwide").

The following tables compare major highway development program funding under the program's 2022-23 adjusted base funding level, the Governor's recommendations, and actions by the Joint Committee on Finance, including a provision for pay increase to DOT engineers, which is discussed in a separate item. The \$591.3 million in funding that would be provided under the Joint Finance version of the bill, plus the \$80.0 million federal INFRA grant for the Wisconsin River bridges project, would be sufficient to fund the \$659.0 million in anticipated major highway development project expenditures in the biennium.

**2023-25 Major Highway Development Program Funding --
Base Funding to Joint Finance Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds</u>	<u>Joint Finance*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$25,319,400	\$172,241,000	\$37,827,600	\$159,429,800	314.8%
FED	184,848,900	190,027,500	191,812,200	12,141,900	3.3
Rev. Bond Proceeds	<u>73,511,600**</u>	<u>0</u>	<u>0</u>	<u>-147,023,200</u>	-100.0
Total	\$283,679,900	\$362,268,500	\$229,639,800	\$24,548,500	4.3%

**2023-25 Major Highway Development Program Funding --
Governor's Recommendation to Joint Finance Comparison**

<u>Fund Source</u>	<u>Governor*</u>		
	<u>2023-24</u>	<u>2023-24</u>	<u>Biennial Total</u>
SEG	\$25,111,600	\$37,721,400	\$62,833,000
FED	189,832,800	191,617,500	381,450,300
Rev. Bond Proceeds	<u>73,511,600</u>	<u>73,511,600</u>	<u>147,023,200</u>
Total	\$288,456,000	\$302,850,500	\$591,306,500

<u>Fund Source</u>	<u>Joint Finance*</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$172,241,000	\$37,827,600	\$210,068,600
FED	<u>190,027,500</u>	<u>191,812,200</u>	<u>381,839,700</u>
Total	\$362,268,500	\$229,639,800	\$591,908,300
Change to Governor	\$73,812,500	-\$73,210,700	\$601,800
% Change	25.6%	-24.2%	0.1%

** Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

*** Amount shown includes \$10.4 million in existing revenue bond proceeds associated with premiums from previously issued bonds.

4. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS [LFB Paper 787]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$67,646,600	-\$16,327,400	\$51,319,200
SEG	- 16,327,400	157,361,000	141,033,600
BR	<u>140,873,000</u>	<u>- 140,873,000</u>	<u>0</u>
Total	\$192,192,200	\$160,600	\$192,352,800

Governor: Make the following changes to the southeast Wisconsin freeway megaprojects

program's funding in order to provide a 2023-25 funding level of \$237,800,000: (a) reductions of \$8,163,700 SEG annually; (b) increases of \$24,980,100 FED in 2023-24 and \$42,666,500 FED in 2024-25; and (c) authorization of \$140,873,000 in transportation fund-supported, general obligation bonds.

Estimated transportation fund-supported debt service associated with the partial issuance of these general obligation bonds in the biennium would be \$1,488,000 SEG in 2024-25. This debt service amount along with standard budget adjustment increases of \$51,200 SEG annually and \$274,200 FED annually are reflected in separate items.

The following table compares the base year (2022-23) southeast Wisconsin freeway megaprojects program funding with the 2023-25 biennial funding level recommended by the Governor.

**Southeast Wisconsin Freeway Megaproject Program --
Base Funding to Governor's Recommendation Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds</u>	<u>Governor*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$8,112,500	\$0	\$0	-\$16,225,000	-100.0%
FED	14,366,000	39,620,300	57,306,700	68,195,000	237.3
Gen. Ob.					
Bonds (SEG)	<u>20,000,000</u>	<u>70,436,500</u>	<u>70,436,500</u>	<u>100,873,000</u>	252.3
Total	<u>\$42,478,500</u>	<u>\$110,056,800</u>	<u>\$127,743,200</u>	<u>\$152,843,000</u>	179.9%

* Includes \$112,500 SEG and \$366,000 FED associated with adjustments to the 2022-23 base funding amount.

** Amounts shown comprise all highway improvement program recommendation items, including base funding, adjustments to the base, and standard budget adjustments.

Joint Finance: Provide additional SEG to the southeast Wisconsin freeway megaprojects program in 2023-24, rather than the additional transportation fund-supported general obligation bond authority recommended by the Governor. Make the following changes to southeast Wisconsin freeway megaprojects program funding in order to provide a 2023-25 funding level of \$237.8 million: (a) increases of \$140,953,300 SEG in 2023-24 and \$80,300 SEG in 2024-25; and (b) increases of \$16,816,400 FED in 2023-24 and \$34,502,800 FED in 2024-25. Standard budget adjustment increases of \$34,600 SEG and \$210,500 FED annually are reflected in a separate item (See "Departmentwide").

The following tables compare major highway development program funding under the program's 2022-23 adjusted base funding level, the Governor's recommendations, and actions by the Joint Committee on Finance, including a provision to provide a pay increase to DOT engineers, which is discussed in a separate item.

**2023-25 Southeast Wisconsin Freeway Megaprojects Program Funding --
Base Funding to Joint Finance Comparison**

<u>Fund</u>	<u>2022-23 Adjusted Base Plus Bonds</u>	<u>Joint Finance*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2023-24</u>	<u>2024-25</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$8,112,500	\$149,100,400	\$8,227,400	141,102,800	869.7%
FED	14,366,000	31,573,300	49,259,700	52,101,000	181.3
Gen. Ob.					
Bonds (SEG)	<u>20,000,000</u>	<u>0</u>	<u>0</u>	<u>-40,000,000</u>	-100.0
Total	\$42,478,500	\$180,673,700	\$57,487,100	\$153,203,800	180.3%

**2023-25 Southeast Wisconsin Freeway Megaprojects Program Funding --
Governor's Recommendation to Joint Finance Comparison**

<u>Fund Source</u>	<u>Governor*</u>		<u>Biennial Total</u>
	<u>2023-24</u>	<u>2023-24</u>	
SEG	\$0	\$0	\$0
FED	36,620,300	57,306,700	96,927,000
Gen. Ob. Bonds (SEG)	<u>70,436,500</u>	<u>70,436,500</u>	<u>140,873,000</u>
Total	\$110,056,800	\$127,743,200	\$237,800,000

<u>Fund Source</u>	<u>Joint Finance*</u>		<u>Biennial Total</u>
	<u>2023-24</u>	<u>2024-25</u>	
SEG	\$149,100,400	\$8,227,400	\$157,327,800
FED	<u>31,573,300</u>	<u>49,259,700</u>	<u>80,833,000</u>
Total	\$180,673,700	\$57,487,100	\$238,160,800

Change to Governor	\$70,616,900	-\$70,256,100	\$360,800
% Change	64.2%	-55.0%	0.2%

* Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

5. MAJOR INTERSTATE BRIDGE IMPROVEMENT PROGRAM -- BLATNIK BRIDGE RECONSTRUCTION [LFB Paper 788]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$0	\$47,200,000	\$47,200,000
BR	<u>47,200,000</u>	<u>305,600,000</u>	<u>352,800,000</u>
Total	\$47,200,000	\$352,800,000	\$400,000,000

Governor: Authorize \$47,200,000 in transportation fund-supported, general obligation bonding authority for the major interstate bridge program to reconstruct the Blatnik Bridge

between the cities of Superior and Duluth, Minnesota. The Department is working with the Minnesota Department of Transportation to advance a project to replace the bridge, which is nearing the end of its useful life. Preparatory planning and design would be completed before construction can occur, which could begin in 2026 at the earliest according to the Department. The debt service estimates included in the bill do not anticipate the issuance of any of these bonds in the biennium.

The Blatnik Bridge was constructed in 1958 and is currently experiencing significant truss deterioration, resulting in the need for weight restrictions and regular structural repairs. The Department estimates that the project to reconstruct the bridge would cost approximately \$1.8 billion. Costs to replace the bridge would be split between Wisconsin and Minnesota, with Minnesota leading the project. The Department has also indicated that it may complete improvements to related roadways and interchanges on the Wisconsin side of the bridge in conjunction with the project. The states have jointly submitted an \$889 million federal grant application for the project. However, the Department indicates that the federal government may not approve a grant until further design and planning work is completed. The project has also received \$7,500,000 in congressionally-directed funding from the federal Consolidated Appropriations Act, 2023.

Joint Finance: Authorize \$352,800,000 in transportation fund-supported, general obligation bonding authority, and provide \$47,200,000 SEG to the major interstate bridge program in 2023-24 for reconstruction of the Blatnik Bridge.

6. STATE HIGHWAY MAINTENANCE -- HIGHWAY SYSTEM MANAGEMENT AND OPERATIONS [LFB Paper 789]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$24,700,000	- \$12,350,000	\$12,350,000
SEG	<u>4,744,400</u>	<u>- 1,372,200</u>	<u>3,372,200</u>
Total	\$29,444,400	- \$13,722,200	\$15,722,200

Governor: Provide \$2,372,200 SEG and \$12,350,000 FED annually to the highway system management and operations program. These funds would be provided in addition to adjusted base level funding of \$101,194,400 SEG and \$1,313,200 FED annually. This component of the Department's state highway system maintenance program funds non-routine traffic operations and system management activities on the state trunk highway system, including pavement parking activities, installation, replacement, or maintenance of highway signs, traffic control signals, and highway lighting. It also provides funding for state traffic operations center support, bridge maintenance and operation, and purchasing deicing salt for winter maintenance.

Joint Finance: Provide \$6,175,000 FED and \$1,686,100 SEG annually to DOT's highway system management and operations appropriations. Approximately \$1,000,000 SEG annually would be used for spot painting steel bridges located on state highways, while the federal funds and \$686,100 SEG annually would be used for pavement marking activities. This would establish

ongoing increases of \$6,175,000 FED and \$1,686,100 SEG annually to base level funding for the appropriations in future years

7. STATE HIGHWAY MAINTENANCE -- ROUTINE MAINTENANCE [LFB Paper 789]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$11,394,400	-\$5,697,200	\$5,697,200

Governor: Provide \$3,497,200 in 2023-24 and \$7,897,200 in 2024-25 for routine maintenance activities on the state trunk highway system. These funds would be provided in addition to base level funding of \$188,366,500 annually for routine maintenance. This component of the Department's state highway maintenance program provides funding for a wide variety of activities related to the upkeep of state highways and highway right-of-way through contracts with counties and private contractors, as well as DOT staff. Specific activities include preventative maintenance of highways and bridges, corrective maintenance to fix urgent problems such as road washouts, and routine maintenance activities such as plowing, salting, mowing, and minor pavement repairs.

Joint Finance: Provide \$1,748,600 SEG in 2023-24 and \$3,948,600 SEG in 2024-25 to DOT's routine maintenance activities appropriation to cover inflationary costs in the program. This would establish an ongoing increase of \$3,948,600 SEG annually to base level funding for the appropriation for future years.

8. TRIBAL NATION WELCOME SIGNS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. REINSTATE DOT'S AUTHORITY RELATED TO BICYCLE AND PEDESTRIAN FACILITIES ON NEW HIGHWAY CONSTRUCTION PROJECTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. REPEAL 2017 ACT 368 FEDERAL FUNDING LIMITATIONS ON STATE HIGHWAY PROJECTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

11. STATE HIGHWAY REHABILITATION PROGRAM -- SOUND BARRIERS ON INTERSTATE 894 IN MILWAUKEE COUNTY

SEG	\$7,000,000
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Joint Finance: Provide \$7,000,000 SEG to the state highway rehabilitation program in 2023-24, and specify that the funding be used to install noise attenuation barriers along the

interstate 894 corridor between Loomis Road and 76th Street in Milwaukee County.

Division of Motor Vehicles

1. PRODUCTION OF LICENSE PLATES REQUIRED UNDER 2021 ACTS 163 AND 178 SEG \$6,506,000

Governor/Joint Finance: Provide \$3,253,000 annually to the Division of Motor Vehicles general operations appropriation to fund the replacement of primary vehicle license plates 10 years old or older as required under 2021 Act 163, and to fund the 2021 Act 178 creation of fleet plates for the vehicle owners with registered fleets of ten or more vehicles. To offset the additional costs of producing and distributing these license plates, Act 163 increased the fee for new or replacement license plates from \$4 to \$8 per set, and Act 178 created an initial \$8.50 fee for each set of fleet plates. The additional revenues associated with these fees would fund the increased expenditure authority needed to carry out the administration of these replacement and fleet plate requirements. In August, 2022, the Joint Committee on Finance approved \$3,253,000 SEG in 2022-23 for this purpose, but the funding is not included in base level funding for the 2023-25 biennium. This recommendation would provide the necessary funding on an ongoing basis.

The Department of Corrections' (DOC) Bureau of Correctional Enterprises is responsible for the production of state vehicle registration plates. Once the plates are produced, DOT purchases them from DOC. Under Act 163, DOC would incur additional costs related to both manufacturing registration plates with new materials, and producing an increased volume of plates, which would be reimbursed by DOT (see "Corrections -- Adult Institutions").

2. MODERNIZATION OF DMV SOFTWARE SYSTEM [LFB Paper 791]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$5,000,000	-\$2,000,000	\$3,000,000

Governor: Provide \$5,000,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to fund the modernization of the Division's software systems. This would provide ongoing supplies and services funding for this purpose. DMV utilizes several software programs to perform tasks including serving customers, processing revenue, sharing information with external agencies, and storing data and files including customer personal identifiers and documents. The Department indicates that DMV's current software systems are dated, inefficient, and subject to cybersecurity risks. In addition, the Department indicates that the American Association of Motor Vehicle Administrators, which provides support for DMV's systems to interface with federal databases, will discontinue such support for older, outdated software systems

in 2025. The Department estimates the total cost of the 10-year master lease at \$30.0 million.

Joint Finance: Provide \$3,000,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to fund the modernization of the Division's software systems.

3. EXPANDED HOURS OF OPERATION AT DMV LOCATIONS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$2,400,000	- \$2,400,000	\$0

4. DMV OPERATIONS INCREASE [LFB Paper 792]

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

Governor: Provide \$500,000 annually to the Division of Motor Vehicles general operations appropriation to cover increased postage, data processing, and REAL ID compliance costs. The Department indicates that since it last received additional funding for postage in 2012-13, its postage costs have increased by \$2.9 million annually due to higher postage rates, and growth in the volume of postage sent, as the numbers of customers and transactions increase over time. The Department also indicates that data processing costs have grown in recent years with the expansion of online services, new information technology (IT) initiatives, and rising prices for servers, storage, networking, and IT support. Specifically, the Department notes that annual assessments associated with data processing and IT infrastructure, as well as services provided by the Department of Administration, have grown by over \$1.0 million since 2011-12. In addition, the Administration indicates that the Division could incur additional costs to ensure compliance with the federal REAL ID Act of 2005, which established minimum security standards for state issued-driver licenses.

Joint Finance: Provision not included.

5. REAL ID EQUIPMENT [LFB Paper 792]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$400,000	- \$400,000	\$0

Governor: Provide one-time funding of \$400,000 in 2023-24 to the Division of Motor Vehicles general operations appropriation to purchase equipment needed to comply with the

federal REAL ID Act of 2005. The REAL ID Act 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, and then to May 7, 2025 by the Department of Homeland Security. 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. The Administration indicates that the additional funds would be utilized to purchase equipment needed to comply with the REAL ID Act, while funds to cover ongoing costs associated with REAL ID Act are included in the previous item.

Joint Finance: Provision not included.

6. IDENTIFICATION STICKER FOR ELECTRIC VEHICLES

SEG	\$16,000
SEG-REV	19,000

Governor/Joint Finance: Provide \$10,000 in 2023-24 and \$6,000 in 2024-25 to the Division of Motor Vehicles general operations appropriation to issue identification stickers for electric and hybrid-electric vehicles. Require that DOT issue a decal for each electric and hybrid-electric vehicle in the state that identifies the vehicle as electric. Require that the decals must be displayed on the front and rear registration plates of the vehicle, and establish a one-time registration fee of \$1 for issuance of the decals. Estimate revenues to the transportation fund from the decal fee of \$11,000 SEG-Rev in 2023-24 and \$8,000 SEG-Rev in 2024-25.

7. DRIVING SKILLS TEST WAIVER *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. ONLINE DRIVER LICENSE RENEWAL *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

9. ELECTRONIC NOTIFICATION AUTHORITY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. DATA TRANSMISSION TO FEDERAL COURTS FOR JURY SELECTION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

- 11. **IGNITION INTERLOCK DEVICE REQUIREMENT FOR OPERATING WHILE INTOXICATED OFFENSES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 12. **INCREASED FORFEITURE FOR SAFETY BELT VIOLATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 13. **SEASONAL PERIOD FOR FARM SERVICE LICENSE ENDORSEMENT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 14. **AUTOMATIC VOTER REGISTRATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$349,000	- \$349,000	\$0

- 15. **REAL ID NON-COMPLIANT DRIVER LICENSES AND IDENTIFICATION CARDS FOR UNDOCUMENTED PERSONS [FOR PURPOSES OTHER THAN VOTING]** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 16. **IDENTIFICATION CARD RECEIPTS FOR VOTING PURPOSES -- VALID PERIOD** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 17. **DRIVER EDUCATION GRANTS**

Joint Finance: Provide \$6,000,000 SEG to the Joint Committee on Finance supplemental appropriation in 2024-25 for a driver education grant program, and create a continuing DOT SEG appropriation that could receive the funds. (Funding is shown under "Program Supplements.")

State Patrol

1. STATE PATROL TROOPERS -- TRAFFIC OFFICER POSITIONS [LFB Paper 795]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
	Funding Positions	Funding Positions	Funding Positions
SEG	\$12,094,800 35.00	-\$12,094,800 - 35.00	\$0 0.00

Governor: Provide \$8,507,600 in 2023-24 and \$3,587,200 in 2024-25, and 35.00 positions annually to the Division of State Patrol general operations appropriation to expand the size of the traffic officer force. Modify the statutes to increase the upper limit on the number of traffic officers that can be employed by the Division from 399 to 434. Under current law, the statutes establish a force of traffic officers under the Division of State Patrol, and outline their powers and duties, including enforcing and assisting in the administration of state laws pertaining motor vehicles, driver licensing, and rules of the road, and assisting local enforcement officers wherever possible in the regulation of traffic and the prevention of accidents upon public highways. The Administration indicates that the higher recommended funding level in 2023-24 would be associated with initial costs of onboarding the new officers, including recruitment, provision of equipment such as vehicles and personal protective equipment, and training at the State Patrol Academy.

Joint Finance: Delete the recommended funding and traffic officer positions. Place \$4,775,100 SEG annually in compensation reserves in the transportation fund to fund a potential increase in pay for traffic offices of up to \$5 per hour. Pay rates for traffic officers are established through a collective bargaining process that occurs between DOA's Division of Personnel Management and union representatives. Negotiations occur separately from the budget process. If \$5 per hour pay increases were provided to all authorized traffic officer positions, it would establish an increase of \$4,775,100 to base level SEG funding in DOT's State Patrol general operations appropriation. [See "Budget Management and Compensation Reserves."]

2. IN-VEHICLE VIDEO CAMERAS [LFB Paper 796]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$4,356,000	-\$4,356,000	\$0
GPR	<u>0</u>	<u>2,178,000</u>	<u>2,178,000</u>
Total	\$4,356,000	-\$2,178,000	\$2,178,000

Governor: Provide \$2,178,000 SEG annually to the Division of State Patrol general operations appropriation to purchase 500 in-vehicle video cameras each year. All State Patrol squad cars are equipped with in-vehicle camera systems, and the Division is required to store video

records from the cameras. In the 2017-19 budget, the Division was provided with a one-time allocation of \$2.75 million GPR to purchase 500 cameras. DOT indicates that these devices have reached the end of their useful life and have begun to experience equipment failures. The recommended funding would be used to purchase 500 cameras annually at the estimated price of \$4,356 each, a figure that includes costs for licensing, software, security, and data storage.

Joint Finance: Provide \$2,178,000 GPR annually in 2023-24 to fund the one-time replacement of State Patrol's 500 in-vehicle video cameras.

3. INSTALLATION AND MAINTENANCE OF COMMUNICATIONS EQUIPMENT[LFB Paper 797]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$4,199,100	5.00	-\$2,899,100	- 5.00	\$1,300,000	0.00

Governor: Provide \$1,168,800 in 2023-24, \$430,300 in 2024-25, and 5.00 positions annually to the Division of State Patrol general operations appropriation, and \$1,300,000 annually to the DOT departmental management and operations appropriation for the maintenance and installation of communication equipment across the state. The Division of State Patrol owns, operates, and maintains 67 communications towers and 92 network locations across the state that provide communications and internet protocol networks for State Patrol, as well as a wide variety of other federal, state, and local agencies, including other law enforcement departments. The Administration indicates that the requested funding would be used to install and update communications equipment located on DSP towers, and contained in State Patrol and DOT fleet vehicles.

Joint Finance: Provide \$650,000 annually to the DOT departmental management and operations appropriation for the maintenance of DOT communications towers. Specify that the additional \$650,000 would not be included in base level funding for the appropriation in the 2025-27 budget.

4. STATE TROOPER OVERTIME [LFB Paper 795]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,450,000	-\$3,450,000	\$0

Governor: Provide \$1,725,000 annually to the Division of State Patrol general operations appropriation to fund overtime pay for Wisconsin State Troopers. Troopers earn overtime wages of 1.5 times their regular hourly pay when they work more than 40 hours a week, including for nonstandard occurrences such as civil disturbance, natural disasters, and other special events.

Certain types of scheduled overtime activities are reimbursed, but all unscheduled overtime is not reimbursed. DOT indicates that State Patrol's overtime budget is \$1.0 million annually. The Division has exceeded that allocation in recent years by between \$1.4 million and \$2.0 million each year.

Joint Finance: Provision not included.

5. MOTOR CARRIER INSPECTOR POSITIONS [LFB Paper 795]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
FED	\$789,200	0.00	\$5,136,000	3.00	\$5,925,200	3.00
SEG	<u>1,610,500</u>	<u>10.00</u>	<u>-1,502,400</u>	<u>-10.00</u>	<u>108,100</u>	<u>0.00</u>
Total	\$2,399,700	10.00	\$3,633,600	-7.00	\$6,033,300	3.00

Governor: Provide \$1,036,500 SEG in 2023-24 and \$574,000 SEG in 2024-25, 10.00 SEG positions annually, and \$338,200 FED in 2023-24 and \$451,000 FED in 2024-25 for the Division of State Patrol to supply additional State Patrol inspectors and offer increased funding for safety and weight enforcement facilities in the state. The statutes authorize the Secretary of Transportation to employ State Patrol inspectors, whose duties include the inspection of motor vehicles to determine compliance with equipment provisions in state law. Inspectors perform enforcement duties either at fixed weight and inspection stations, or on mobile patrol. The Division currently has authority for 88 inspector positions. The Administration indicates that the higher funding level in 2023-24 would be associated with initial costs of onboarding the new officers, including recruitment, provision of new equipment, and training at the State Patrol Academy.

Joint Finance: Provide the following to DOT's State Patrol general operations appropriation for State Patrol motor carrier inspectors: (a) 3.0 FED positions, \$350,600 FED in 2023-24 and \$261,400 FED in 2024-25, and \$61,900 SEG in 2023-24 and \$46,200 SEG in 2024-25 to hire three additional State Patrol motor carrier inspectors at a rate of 85% FED and 15% SEG, reflecting matching requirements under the federal motor carrier safety administration program (MCSAP); (b) an additional \$2,612,000 FED in 2023-24 and \$2,701,200 FED in 2024-25, reflecting the total MCSAP funding that is expected to be provided to the state in the biennium; and (c) place \$624,200 SEG annually in compensation reserves in the transportation fund to fund a potential increase in pay for motor carrier inspectors of up to \$5 per hour.

The compensation reserves funding would be available to fund a pay increase for State Patrol inspectors, which would be established through a collective bargaining process that occurs between DOA's Division of Personnel Management and union representatives. Negotiations occur separately from the budget process. If \$5 per hour pay increases were provided to all authorized inspector positions, it would establish an increase of \$624,200 to base level SEG funding in DOT's State Patrol general operations appropriation. [See "Budget Management and Compensation Reserves."]

6. STATEWIDE MICROWAVE RADIO NETWORK [LFB Paper 797]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$1,172,000	-\$1,172,000	\$0

Governor: Provide \$586,000 annually to the Division of State Patrol general operations appropriation to upgrade the statewide microwave radio network. The Division owns and maintains a statewide network of communications infrastructure. DOT indicates that the requested funding would be used to initiate a new seven-year master lease for the network after the two existing master leases expire. The recommended funds would be combined with \$529,500 in expenditure authority that has already been authorized for the existing master leases. The Department indicates that the new master lease would upgrade 59 microwave radio network link locations at a total estimated cost of \$6.5 million over the seven-year lease period.

Joint Finance: Provision not included.

7. STAFFING FOR OPEN RECORDS REQUESTS ON BODY CAMERA FOOTAGE [LFB Paper 796]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$179,800	2.00	-\$179,800	- 2.00	\$0	0.00

Governor: Provide \$77,100 in 2023-24 and \$102,700 in 2024-25, and 2.00 positions annually to the Division of State Patrol general operations appropriation to fulfill open records requests relating to body camera footage. 2021 Act 58 (the 2021-23 biennial budget act) provided \$700,000 in 2021-22 to fund the purchase of body-worn cameras and storage of camera data for State Patrol. Under current law, 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.

Joint Finance: Provision not included.

8. TACTICAL HELMETS FOR STATE TROOPERS [LFB Paper 796]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$170,700	-\$170,700	\$0
GPR	<u>0</u>	<u>170,700</u>	<u>170,700</u>
Total	\$170,700	\$0	\$170,700

Governor: Provide \$170,700 SEG in 2024-25 to the Division of State Patrol general

operations appropriation to purchase tactical helmets for state troopers. This would be an ongoing increase to base funding for the Division of State Patrol's operations appropriation to fund the continued purchase of this tactical equipment. 2017 Act 59 (the 2017-19 budget) created a new GPR appropriation for purchasing protective gear for State Patrol officers, and provided a one-time funding amount of \$800,000 in 2017-18 to purchase equipment, including 500 tactical helmets at an estimated price of \$365 each. The Department indicates that the seven-year warranty on this stock of existing tactical helmets will expire in April, 2025. In addition, 2021 Act 28 (the 2021-23 budget act) provided a one-time amount of \$387,500 in 2021-22 to replace personal protective gear for State Patrol officers. This funding was used to purchase tactical vest ballistic plates, while the need for tactical helmets remains.

Joint Finance: Provide \$170,700 GPR in 2023-24 to fund a one-time purchase of 510 tactical helmets for State Patrol troopers.

9. STATE PATROL DIGNITARY PROTECTION UNIT

Joint Finance: Specify that the Department shall maintain a dignitary protection unit and may assign state traffic officers to safeguard Justices of the Supreme Court.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	\$14,346,600	-\$2,015,400	\$12,331,200
PR	357,800	0	357,800
SEG	10,732,000	- 6,229,400	4,502,600
SEG-S	<u>84,600</u>	<u>0</u>	<u>84,600</u>
Total	\$25,521,000	\$8,244,800	\$17,276,200

Governor: Make adjustments to the agency base budget for: (a) turnover reduction (-\$4,672,000 SEG and -\$1,511,600 FED annually); (b) full funding of continuing position salaries and fringe benefits (\$6,654,800 SEG, \$42,300 SEG-S, \$7,636,400 FED, and -\$42,900 PR annually); (c) overtime (\$3,832,300 SEG, \$1,030,400 FED, and \$221,800 PR annually); (d) night and weekend differential pay (\$344,900 SEG and \$18,100 FED annually); and full funding of lease and directed moves costs (-\$794,000 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$3,114,700 SEG annually and -\$1,007,700 FED annually.

2. DOT ADMINISTRATIVE FACILITIES -- CAPITAL BUILDING PROJECTS [LFB Paper 805] SEG-S \$5,500,000

Governor: Provide \$2,750,000 SEG-S annually in transportation revenue bond proceeds to fund DOT administrative facility projects to be included in the Department's capital building budget. This would increase base level funding of \$6,500,000 SEG-S to \$9,250,000 SEG-S 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 has provided an inventory of scheduled capital projects to begin in 2023-25, totaling \$18,500,000: (a) a new shared multi-division facility in Spooner (\$11,000,000); (b) bathroom upgrades and window replacement at the State Patrol Academy at Fort McCoy (\$425,000); and (c) other miscellaneous agency facility projects (\$7,075,000). Estimated reductions to transportation fund revenue, associated with the debt service for the partial issuance of these bonds, of \$115,700 in 2023-24 and \$857,900 in 2024-25, are shown in a separate item (see "Transportation Finance").

Joint Finance: Require the Department to utilize \$18,500,000 in existing transportation revenue bond premium proceeds to fund DOT administrative facility projects. Include the \$2,750,000 SEG-S increase to allow the Department to fully-expend the \$18.5 million in bond premium proceeds. Separate items would delete the recommendation to authorize additional transportation revenue bonds and related debt service for DOT administrative facilities (See "Transportation Finance"). The table below shows the DOT administrative facility projects that would be completed with these funds, as enumerated in the 2023-25 state building program (See "Building Program").

2023-25 State Building Program -- DOT Projects

<u>Capital Project Requests</u>	<u>Amount</u>
Spooner Shared Multi-Division Facility	\$11,490,000
Tomah State Patrol Post HVAC Replacement	475,000
Waukesha State Patrol Post HVAC Replacement	475,000
State Patrol Academy Bathroom and Window Upgrades	425,000
Fond du Lac DMV Service Center HVAC Replacement	350,000
Facility Projects Under \$350,000	<u>5,285,000</u>
Total	\$18,500,000

3. DOT ADMINISTRATIVE FACILITIES -- MINOR CONSTRUCTION PROJECTS [LFB Paper 805]

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

Governor: Provide \$5,000,000 in 2023-24 to cash fund minor construction projects on DOT administrative facilities. Under current law, the Department has a SEG appropriation that can provide funding for projects on DOT administrative facilities, but the total construction cost of any project receiving funding from the appropriation may not exceed \$1,000,000. The Administration indicates that these funds would be used alongside the transportation revenue bonds provided for DOT administrative facility projects, contained in the previous item, to increase funding for administrative facilities.

Joint Finance: Provision not included.

4. OPERATIONS AND ONLINE APPLICATION SECURITY AND MODERNIZATION FUNDING [LFB Papers 791 and 806]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$3,504,200	- \$3,504,200	\$0

Governor: Provide \$1,752,100 annually to DOT's department management and operations appropriation as follows: (a) \$1,418,100 annually for increased supplies and services costs associated with Department program efforts; and (b) \$334,000 annually to hire consultants or contractors to improve the security of the Department's online and electronic application systems, including those used by the Division of Motor Vehicles.

Joint Finance: Provision not included.

5. DEPARTMENT MANAGEMENT AND OPERATIONS FEDERAL FUNDING ALLOCATION [LFB Paper 774]

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

Governor: Provide \$500,000 annually for DOT's department management and operations FED appropriation. This funding increase is associated with the additional annual federal administrative funding expected to be provided under federal highway formula aid amounts authorized under the IIJA.

Joint Finance: Provision not included.

6. **EQUITY OFFICER POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$172,900	1.00	-\$172,900	- 1.00	\$0	0.00

7. **MISSISSIPPI RIVER PARKWAY COMMISSION POSITION** [LFB Paper 807]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$140,000	1.00	-\$140,000	- 0.50	\$0	0.50

Governor: Provide \$60,000 in 2023-24 and \$80,000 in 2024-25, and create 1.00 SEG position to support the Mississippi River Parkway Commission. Specify that the authorized positions for the Mississippi River Parkway Commission would be increased by 1.00 FTE, for the purpose of providing administrative support to the commission.

Under current law, the Commission assists in coordinating the development and preservation of the Great River Road in Wisconsin. The Great River Road is a designated collection of roads that follow the course of the Mississippi River through 10 states. The Wisconsin portion consists of a network of state and local highways spanning between Kieler (Grant County) and Prescott (Pierce County). The Commission is comprised of designated civilian and public sector stakeholders, as well as two senators and two representatives. The members are appointed to four-year terms by the Governor and serve without compensation, but may be reimbursed for actual expenses of performing their duties from DOT's departmental management and operations SEG appropriation.

Joint Finance: Provide 0.5 SEG position, and assign the equivalent 0.1 of a SEG position from the duties of the DOT bicycle and pedestrian coordinator position to the Mississippi River Parkway Commission in DOT's departmental management and operations appropriation in 2023-24 for the purpose of providing administrative support to the Mississippi River Parkway Commission.

8. MODIFICATIONS TO DEPARTMENT MANAGEMENT AND OPERATIONS APPROPRIATIONS [LFB Paper 808]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	-\$12,740,200	\$0	-\$12,740,200
SEG	\$13,977,800	- 13,977,800	0
SEG-L	<u>-\$738,000</u>	<u>0</u>	<u>- 738,000</u>
Total	\$499,600	-\$13,977,800	-\$13,478,200

Governor: Provide \$6,988,900 SEG annually to DOT's department management and operations appropriations and make corresponding annual decreases of \$6,370,100 FED and \$369,000 SEG-L to the FED and SEG-L department management and operations appropriations. The Administration indicates that these funding modifications would correct for a mismatch in funding and expenditures among these appropriations. This provision would result in a net funding increase of \$249,800 annually.

Joint Finance: Approve the recommended annual decreases of \$6,370,100 FED and \$369,000 SEG-L to DOT's department management and operations appropriations. Delete the existing negative adjustment allotment lines within the DOT SEG departmental management and operations appropriation and reduce the position salaries allotment line of the SEG appropriation by \$6,988,900 annually. This would result in no net effect to base level funding for the SEG appropriation.

9. INTERNAL REORGANIZATION OF POSITION AND FUNDING [LFB Paper 662]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$0	0.00	-\$263,000	- 1.00	-\$263,000	- 1.00

Governor: Reallocate \$131,500 SEG and 1.00 position annually from the Division of Motor Vehicles general operations appropriation to DOT's department management and operations appropriation. The Administration indicates that this would reallocate funding and position authority for an agency equity and inclusion policy advisor to an appropriation that is a better fit for the position's agency-wide responsibilities.

Joint Finance: Decrease funding by \$131,500 SEG annually and 1.00 SEG position from the Division of Motor Vehicles general operations appropriation.

10. TRANSFER AMBULANCE INSPECTION PROGRAM TO THE DEPARTMENT OF HEALTH SERVICES (Removed from budget consideration pursuant to Joint Finance Motion #10)

11. PAY INCREASE FOR DOT ENGINEERS

FED	\$5,710,000
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Joint Finance: Provide \$2,855,000 FED annually, and place \$2,535,500 SEG annually in compensation reserves in the transportation fund to fund a 10% increase in pay for DOT engineers. Pay rates for DOT engineers are established separately through the state compensation plan, changes to which are subject to review and approval by the Joint Finance Committee on Employment Relations. [See "Budget Management and Compensation Reserves"]

The impacted job classifications would include civil engineers, structural engineers, and transportation specialists, as well as the DOT engineering and technical services chiefs. Most of these positions are located in DOT clearing appropriations, and receive funding from several departmental appropriations. The table below shows how the \$2.9 million annually in additional FED would be allocated among DOT appropriations in each year of the 2023-25 biennium, reflecting the proportion of funding that these positions currently receive from these appropriations. If the SEG funding is fully-allocated from compensation reserves, it would establish an increase of \$2,535,500 to base level SEG funding for DOT, which would be distributed among various DOT SEG appropriations in a fashion similar to the FED appropriations shown in the table.

<u>Federal Appropriation</u>	<u>Annual Increase</u>
Aeronautics Assistance	\$40,300
Local Bridge Improvement	38,300
Local Transportation Facility Improvement Assistance	91,600
Southeast Freeway Megaprojects	180,400
Major Highway Development	300,900
State Highway Rehabilitation	1,826,900
Highway System Mgmt. and Ops.	209,300
Administration and Planning	<u>167,300</u>
Total	\$2,855,000

12. UTILITY RELOCATION DELAY POSITIONS

	Funding	Positions
SEG	\$829,700	4.00

Joint Finance: Provide \$355,600 SEG in 2023-24, \$474,100 SEG in 2024-25, and 4.00 SEG positions to the DOT administration and planning appropriation to resolve utility relocation delay claims between contractors and utility owners.

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$2,476,144,400	\$2,609,746,300	\$2,485,672,900	-\$124,073,400	- 4.8%	\$9,528,500	0.4%
FED	3,275,953,400	3,275,953,400	3,275,953,400	0	0.0	0	0.0
PR	7,736,691,000	7,908,999,200	7,909,029,000	29,800	0.0	172,338,000	2.2
SEG	<u>60,025,800</u>	<u>60,025,800</u>	<u>60,025,800</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,548,814,600	\$13,854,724,700	\$13,730,681,100	-\$124,043,600	- 0.9%	\$181,866,500	1.3%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	17,817.99	17,728.02	17,487.19	- 240.83	- 330.80
FED	5,154.09	5,154.09	5,154.09	0.00	0.00
PR	13,429.09	13,460.36	13,429.09	- 31.27	0.00
SEG	<u>133.19</u>	<u>133.19</u>	<u>133.19</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	36,534.36	36,475.66	36,203.56	- 272.10	- 330.80

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$20,846,400
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Governor/Joint Finance: Provide adjustments to the agency base budget of \$10,423,200 annually for full funding of continuing position salaries and fringe benefits.

2. GENERAL OPERATIONAL INCREASE [LFB Paper 810]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$66,400,000	0.00	-\$98,281,800	- 188.80	-\$31,881,800	- 188.80

Governor: Provide \$22,100,000 in 2023-24 and \$44,300,000 in 2024-25 to provide additional funding to all system campuses to offset increased inflationary costs of goods and

services and provide ongoing support for key initiatives at UW institutions such as dual enrollment, equity diversity and inclusion efforts, Title IX compliance, sustainability, and student mental health services. Additionally, funds would be utilized to increase compensation to recruit and retain critical faculty and staff in information technology, facilities, behavioral health, and academic advising.

Joint Finance: Delete \$15,940,900 GPR annually and 188.80 GPR positions beginning in 2023-24 from UW System's general program operations appropriation. Require that the positions that are cut are positions that perform functions related to diversity, equity, and inclusion.

Place \$31,881,800 GPR in the Joint Committee on Finance's supplemental appropriation in 2023-24 for release to UW System upon request and approval for performance on the workforce metrics under outcomes-based funding in s. 36.112. The fiscal effect of this funding is shown under "Program Supplements."

3. TUITION PROMISE EXPANSION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$24,500,000	-\$24,500,000	\$0

4. VETERANS SUPPORT SERVICES *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,822,000	21.50	-\$2,822,000	-21.50	\$0	0.00

5. FINANCIAL FUTURES INCENTIVE PROGRAM APPROPRIATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,000,000	-2.00	-\$2,000,000	-2.00	\$0	0.00

6. JOURNALISM PROGRAMS AND FELLOWSHIPS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

7. **DIRECT ADMISSION PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

8. **HEALTH CARE PROVIDER LOAN ASSISTANCE PROGRAM** [LFB Paper 811]

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

Governor: Provide \$500,000 GPR annually in a new, continuing appropriation, for the Health Care Provider Loan Assistance (HCPLA) Program. Expand the eligible recipients of HCPLA awards to include medical assistants, dental assistants, dental auxiliaries, and dental therapists. Define "medical assistant" as an individual who has received a medical assistant technical diploma from a Wisconsin Technical College System institution or who has successfully completed the national certification examination for medical assistants; define "dental assistant" as an individual who holds a certified dental assistant credential issued by a national credentialing organization; define "dental auxiliary" as an expanded function dental auxiliary holding a certification under section 447.04(3) of the statutes; and define "dental therapist" as an individual licensed under section 447.04(1m) of the statutes as created by the bill. In addition, specify that loans to medical assistants may not exceed \$12,500. Further specify that repayment for medical assistants may be repaid by the Board of Regents at the following rate: (1) 40% of the principal up to \$5,000 in each of the first and second years of participation; and (2) 20% of the principal up to \$2,500 in the third year.

Currently, under the health care provider loan assistance program, the Board of Regents may repay up to \$25,000 in education loans on behalf of a health care provider, defined as a dental hygienist, physician assistant, nurse midwife, or nurse-practitioner, who agrees to practice in one or more eligible practice areas in this state. To be eligible for loan repayment, the physician, dentist, or health care provider must enter into a written agreement with the Board in which he or she agrees to practice at least 32 clinic hours per week, 45 weeks per year, for three years in an eligible practice area. Program participants who meet additional requirements may also be eligible for federally-funded loan repayments through the expanded loan assistance program. Loans to health care providers are repaid as follows: (1) 40% of the principal up to \$10,000 in each of the first and second years; and (2) 20% of the principal up to \$5,000 in the third year. Total state funding for the health care provider and physician and dentist provider programs is \$798,700 in 2022-23. Of this amount, \$488,700 is from tribal gaming revenues and \$310,000 is from the critical access hospital assessment fund with hospital assessment funds limited to repayments on behalf of physicians practicing in rural areas. In addition, approximately \$300,000 in federal funding is provided annually. The bill would expand eligible recipients to include medical assistants, dental assistants, dental auxiliaries, and dental therapies. With the exception of medical assistants which the bill specifies would have a maximum loan of \$12,500 and different repayment terms, current

law provisions would apply to the newly-expanded eligible recipients. The bill would provide \$500,000 GPR annually in a new appropriation in addition to existing program funding sources.

Joint Finance: Provision not included.

9. MISSING IN ACTION RECOVERY AND IDENTIFICATION PROJECT [LFB Paper 812]

	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, 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 Veterans Affairs and Military Affairs.

Joint Finance: Provision not included.

10. FOSTER YOUTH SUPPORT PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

11. UW-RIVER FALLS FARM AND INDUSTRY SHORT COURSE [LFB Paper 813]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$700,000	- \$700,000	\$0

Governor: Provide \$402,300 in 2023-24 and \$297,700 in 2024-25 in a new, biennial appropriation, for general program operations of a farm and industry short course at UW-River Falls.

Joint Finance: Provision not included.

12. UW-MADISON UNIVERCITY ALLIANCE PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

13. UW-STEVENS POINT INSTITUTE FOR SUSTAINABLE TECHNOLOGY [LFB Paper 814]

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

Governor: Provide \$250,000 annually in appropriation 20.285(1)(a) (UW's block grant appropriation) and require the Board of Regents to provide funding from this appropriation to the Wisconsin Institute for Sustainable Technology at the University of Wisconsin-Stevens Point to broaden the Institute's support for, and further technical contributions to, the state's forest and paper industries and for the Institute's ongoing operations.

Joint Finance: Provision not included.

14. RURAL WISCONSIN ENTREPRENEURSHIP INITIATIVE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$254,100	2.03	- \$254,100	- 2.03	\$0	0.00

15. REMOVE VACANT POSITIONS

	Positions
GPR	- 142.00

Governor/Joint Finance: Delete 142.00 vacant and unfunded GPR positions beginning in 2023-24. Because the budget for the UW System is determined using filled positions, there is no funding associated with these vacant positions.

16. CREATE POSITIONS UNDER THE FRESHWATER COLLABORATIVE [LFB Paper 815]

	Governor (Chg. to Base) Positions	Jt. Finance (Chg. to Gov) Positions	Net Change Positions
GPR	22.50	- 22.50	0.00

Governor: Provide 22.50 positions beginning in fiscal year 2023-24 to support the work of the Freshwater Collaborative.

2021 Act 58 provided \$2.5 million in 2022-23 and \$2.5 million in 2023-24 in the Joint Committee on Finance supplemental appropriation for release to UW System upon request and approval by the Committee and created a new, continuing appropriation under UW System. The Committee approved release of the funding on February 1, 2022. According to UW System, the additional positions reflect campus budgets following the Freshwater Collaborative request for proposal process.

The Freshwater Collaborative is a partnership between the 13 UW-System public universities, connecting students and faculty with industry partners, local communities, policymakers, non-profit organizations, and advocacy groups. The Collaborative's mission is to: (1) contribute to Wisconsin's reputation as a world leader in freshwater science, technology, entrepreneurship, and economic growth; (2) provide support to meet the need for a knowledgeable and skilled water workforce through explicit structuring of curriculum, training, and workplace experience; and (3) establish a global water resource to identify and manage problems through collaborative research across the natural science, engineering, social science, economics, and policy arenas. A primary focus of the Collaborative is fostering collaborative research and initiatives across the 13 campuses, private sector, and state institutions. Examples of the Collaborative's activities include providing scholarships and student support, developing new watercentric training programs for undergraduates, and recruiting new faculty and staff to advance training programs, research, and innovation related to water science.

Joint Finance: Provision not included.

17. STATE LABORATORY OF HYGIENE -- NEWBORN SCREENING [LFB Paper 816]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$4,400,000	- \$4,400,000	\$0

Governor: Provide \$2,200,000 annually for newborn screening laboratory testing operations. Funding would support an identified annual shortfall between testing costs and moneys received by the State Laboratory of Hygiene (SLH) from newborn screening fees. The funding would support lab salaries (\$812,500) and fringe benefits (\$307,300) and lab supplies and services (\$1,080,200).

Currently, section 253.13 of the statutes requires newborn screening of all infants born in Wisconsin for 48 disorders that if left untreated could lead to severe health problems. The Department of Health Services (DHS) is responsible for monitoring the screening program and providing necessary diagnostic services, special dietary treatment, periodic evaluation, and counseling to affected patients with a congenital disorder identified by the screenings and their families. Current law requires DHS to contract with the SLH to perform any necessary laboratory tests for the newborn screenings. The SLH is also responsible for furnishing materials for use in the laboratory tests. Current law requires DHS to impose a fee, by administrative rule, for the newborn screening tests, which is sufficient to pay for the services provided under the contract with SLH and any necessary diagnostic services, dietary treatment, evaluation, and counseling services required as well as the costs of administering infant hearing screening required under section 253.115 of the statutes, and administrative costs of the screenings.

According to the SLH, the current newborn screening fee is \$109 and was last increased in 2010. The SLH conducts approximately 62,000 newborn screening laboratory tests annually, at a cost of \$94.05 per test, while the SLH receives \$58.50 per newborn screening fee (DHS receives the remaining \$50.50 per fee).

Joint Finance: Provision not included.

18. STATE LABORATORY OF HYGIENE -- FORENSIC TOXICOLOGY TESTING
[LFB Paper 816]

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

Governor: Provide \$2,000,000 annually for forensic toxicology testing. Funding would support an identified annual shortfall between testing costs and moneys received by the State Laboratory of Hygiene (SLH) from the Driver Improvement Surcharge Fund. Funding would be provided as follows: lab salaries (\$866,900) and fringe benefits (\$327,800); lab supplies and services (\$605,300); and equipment (\$200,000).

The forensic toxicology section serves the state's police departments, prosecutors' offices and coroner/medical examiner (C/ME) facilities. The laboratory conducts blood alcohol and drug testing for OWI enforcement and motor vehicle deaths in Wisconsin as well as drug and alcohol testing for C/ME. Scientists at the SLH conduct sample analysis and provide expert testimony regarding the samples analyzed. In recent years, SLH indicates that it has conducted approximately 20,000 alcohol samples per year, and approximately 10,700 of those samples were also analyzed for drugs of abuse. The SLH indicates OWI drug testing cases have increased by 260% from 2014 to 2021. As these tests are more complicated than forensic alcohol testing, requiring multiple analysts and instruments, SLH indicates they require additional program resources.

Joint Finance: Provision not included.

19. STATE LABORATORY OF HYGIENE RENT [LFB Paper 816]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$642,300	- \$642,300	\$0

Governor: Provide \$271,200 in 2023-24 and \$371,100 in 2024-25 for State Lab of Hygiene (SLH) rental costs. Funding would bring GPR funding to 50% of the rental costs 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, and again in 2021, this facility was expanded to provide increased space for the SLH. Rent increases since 2021 have resulted in the current GPR funding level falling below the 50% level.

Joint Finance: Provision not included.

20. STATE LABORATORY OF HYGIENE -- SOIL HEALTH [LFB Paper 817]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$227,200	1.00	- \$227,200	- 1.00	\$0	0.00

Governor: Provide \$97,400 in 2023-24 (\$70,700 salary and \$26,700 fringe) and \$129,800 (\$94,200 salary and \$35,600 fringe) in 2024-25 with 1.0 position for a soil health faculty position. The position would be located in the State Laboratory of Hygiene (SLH) 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. STATE LABORATORY OF HYGIENE- CYANOBACTERIAL BLOOMS MONITORING [LFB Paper 817]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$121,800	- \$121,800	\$0

Governor: Provide \$121,800 in 2023-24 in the state laboratory of hygiene's general

operations appropriation to purchase instrumentation to facilitate more rapid testing of Wisconsin waters for harmful cyanobacterial blooms. Cyanobacteria, also called blue-green algae, are microscopic single-cell organisms found naturally in all types of water, some of which produce toxins, called cyanotoxins.

Joint Finance: Provision not included.

22. VETERINARY DIAGNOSTIC LABORATORY MICROBIOLOGISTS [LFB Paper 818]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$822,200	6.00	-\$822,200	- 6.00	\$0	0.00

Governor: Provide \$352,400 (\$261,000 salary and \$91,400 fringe) in 2023-24 and \$469,800 (\$348,000 salary and \$121,800 fringe) annually beginning in 2024-25 with 6.0 microbiologist positions beginning in 2023-24 to improve capacity and response to annual chronic wasting disease (CWD) and foreign animal disease (FAD) surveillance surge testing.

The Veterinary Diagnostic Laboratory (VDL) is the sole provider of CWD and FAD surveillance, investigation, and outbreak response for Wisconsin. Providing CWD diagnostic testing supports Department of Natural Resources (DNR) efforts to manage CWD (an infectious prion disease). In addition, the diagnostic testing provides hunters with important food safety information. Each year, the VDL provides testing for 16,000 to 24,000 whitetail deer samples and 75% of the samples are submitted within a four to six-week period following the November nine-day gun deer hunting season. During this testing surge, the CWD diagnostic facility operates for 20 hours per day, seven days per week. In 2021, VDL indicates a seasonal labor shortage and staff overload led to an increase in CWD testing turnaround time from nine to 19 days. The additional six microbiologists would assist in decreasing testing turnaround time to a week or less to provide quicker results to Wisconsin hunters. VDL indicates that the six microbiologist positions would also be cross-trained for diagnostic testing so that they could be utilized to provide sustainable services to maintain Wisconsin agricultural industry testing services to support the poultry, dairy, and bovine genetics industries in the event of an FAD (such as was done with avian flu in 2022).

Joint Finance: Provision not included.

23. VETERINARY DIAGNOSTIC LABORATORY BIOINFORMATICS [LFB Paper 818]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$212,600	1.00	-\$212,600	- 1.00	\$0	0.00

Governor: Provide \$91,100 in 2023-24 and \$121,500 in 2024-25 with 1.0 position for a

bioinformatician position. Funding would support a bioinformaticist (\$67,500 salary and \$23,600 fringe in 2023-24 and \$90,000 salary and \$31,500 fringe in 2024-25).

Bioinformatics, as related to genetics and genomics, is a scientific subdiscipline that involves using computer technology to collect, store, analyze and disseminate biological data and information, such as DNA. The Veterinary Diagnostic Laboratory (VDL) is part of the National Animal Health Laboratory Network, which is involved in diagnostics and management of infectious disease outbreaks in the United States. The VDL provides a variety of testing for endemic diseases, and is also developing diagnostic methods to identify newly-emerging diseases. According to the VDL, the laboratory does not have the most up-to-date molecular sequencing diagnostics necessary for rapidly identifying emerging diseases. The requested funding would be utilized to bring on a trained bioinformatics professional to analyze the molecular sequencing data. This would allow the VDL to offer this diagnostic testing as a fee-for-service product for Wisconsin veterinarians to help detect new outbreaks and emerging pathogens.

Joint Finance: Provision not included.

24. TRANSFER WORKER'S COMPENSATION TO DEPARTMENT OF ADMINISTRATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$799,300	-4.00	\$799,300	4.00	\$0	0.00
PR	<u>-199,800</u>	<u>-1.00</u>	<u>199,800</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	-\$999,100	-5.00	\$999,100	2.00	\$0	0.00

25. REESTIMATE TUITION REVENUES

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$142,228,400	32.27	\$0	-32.27	\$142,228,400	0.00

Governor: Provide \$71,114,200 annually and 32.27 positions beginning in 2023-24 to reflect increases in tuition revenues that have been incorporated into UW System's operating budget since 2020. These increases are attributable to the following: (a) changes in enrollment (\$73,150,500); (b) self-supporting program changes (-\$9,346,000); (c) differential tuition changes (-\$3,902,300); and (d) increases in nonresident and graduate tuition (\$11,212,000). 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: Include funding but not positions.

26. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$647,400	\$21,211,300	\$20,563,900
PR	<u>30,279,600</u>	<u>- 170,000</u>	<u>30,109,600</u>
Total	\$29,632,200	\$21,041,300	\$50,673,500

Governor: Modify funding by -\$15,685,500 GPR and \$20,447,800 PR in 2023-24 and \$15,038,100 GPR and \$9,831,800 PR in 2024-25 to reestimate debt service costs.

Joint Finance: Modify base funding by -\$11,399,100 GPR and \$19,370,200 PR in 2023-24 and \$31,963,000 GPR and \$10,739,400 PR in 2024-25 to reestimate debt service.

27. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS
(Removed from budget consideration pursuant to Joint Finance Motion #10)

28. NONRESIDENT TUITION EXEMPTION FOR CERTAIN NATIVE AMERICANS
(Removed from budget consideration pursuant to Joint Finance Motion #10)

29. ELIGIBILITY FOR FEE REMISSIONS FOR HMONG-LAO VETERANS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

30. VOTER IDENTIFICATION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

31. UW-WASHINGTON COUNTY TRANSITION

Joint Finance: Provide \$3,350,000 GPR in the Joint Committee on Finance's supplemental appropriation in 2023-24 for release to UW System upon request and approval by the Committee for the transition of UW-Washington County from a UW-Milwaukee branch campus to a joint Moraine Park Technical College/Washington County operation pursuant to a plan submitted by UW System. Require the plan to include matching funds from Washington County and from private donations. The fiscal effect of this item is shown under "Program Supplements."

VETERANS AFFAIRS

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$3,499,800	\$3,821,500	\$4,018,000	\$196,500	5.1%	\$518,200	14.8%
FED	6,028,200	6,126,800	6,126,800	0	0.0	98,600	1.6
PR	235,787,800	259,522,100	251,297,100	- 8,225,000	- 3.2	15,509,300	6.6
SEG	<u>40,464,000</u>	<u>46,936,900</u>	<u>41,318,400</u>	<u>- 5,618,500</u>	- 12.0	<u>854,400</u>	2.1
TOTAL	\$285,779,800	\$316,407,300	\$302,760,300	- \$13,647,000	- 4.3%	\$16,980,500	5.9%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
FED	16.50	16.50	16.50	0.00	0.00
PR	1,119.81	1,119.81	1,119.81	0.00	0.00
SEG	<u>106.12</u>	<u>116.62</u>	<u>104.19</u>	<u>- 12.43</u>	<u>- 1.93</u>
TOTAL	1,242.43	1,252.93	1,240.50	- 12.43	- 1.93

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$1,400	\$0	\$1,400
FED	98,600	0	98,600
PR	14,343,000	- 2,004,200	12,338,800
SEG	<u>- 448,600</u>	<u>- 183,200</u>	<u>- 631,800</u>
Total	\$13,994,400	-\$2,187,400	\$11,807,000

Governor: Provide \$6,982,800 (\$700 GPR, \$49,300 FED, \$7,171,500 PR, and -\$238,700 SEG) in 2023-24 and \$7,011,600 (\$700 GPR, \$49,300 FED, \$7,171,500 PR, and -\$209,900 SEG) in 2024-25 to reflect the following standard budget adjustments: (a) -\$1,503,200 PR and -\$137,500 SEG annually for turnover reduction; (b) \$48,100 FED, \$5,584,400 PR, and -\$62,200 SEG

annually for full funding of continuing position salaries and fringe benefits; (c) \$946,800 PR annually for overtime; (d) \$2,108,100 PR annually for night and weekend differential pay; and (e) \$700 GPR, \$1,200 FED, \$35,400 PR, and -\$39,000 SEG in 2023-24 and \$700 GPR, \$1,200 FED, \$35,400 PR, and -\$10,200 SEG in 2024-25 for full funding of lease and directed moves costs.

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by \$1,093,700 (-\$1,002,100 PR and -\$91,600 SEG) annually.

2. VETERANS TRUST FUND -- GPR SUPPLEMENT [LFB Papers 106 and 830]

Governor: Estimate that \$18,250,000 in 2023-24 and \$18,000,000 in 2024-25 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 2023-25 biennium. These amounts would be increases of \$2,973,800 in 2023-24 and \$2,723,800 in 2024-25 over the appropriation base of \$15,276,200. The fiscal effect of this item is summarized under "Miscellaneous Appropriations."

In recent biennia, over 95% of revenue to the veterans trust fund has been revenue transferred from the general fund from a sum sufficient GPR appropriation. In 2021-22, DOA transferred \$15,100,000 to support VTF expenditures. The following table summarizes the Administration's estimates of balances, revenues, and expenditures from the VTF in the 2023-25 biennium.

Veterans Trust Fund Governor's Recommendations		
	<u>2023-24</u>	<u>2024-25</u>
Opening Balance	\$1,744,300	\$1,211,700
Revenue		
Veterans Programs	\$350,000	\$350,000
GPR Transfer	<u>18,250,000</u>	<u>18,000,000</u>
Total Available	\$20,344,300	\$19,561,700
Expenditures		
DVA Appropriations	\$24,632,600	\$24,991,500
Lapses from DVA Appropriations	<u>-5,500,000</u>	<u>-5,500,000</u>
Net Expenditures	\$19,132,600	\$19,491,500
Year End Balance	\$1,211,700	\$70,200

Joint Finance: Estimate that \$15,855,200 in 2023-24 and \$15,085,200 in 2024-25 will be transferred from the general fund to the veterans trust fund to support VTF expenditures under

Joint Finance. These amounts would be decreases of \$2,394,800 in 2023-24 and \$2,914,800 in 2024-25 from the estimates reflected under the Governor's bill. The fiscal effect of this item is summarized under "Miscellaneous Appropriations."

The following table shows estimates of balances, revenues, and expenditures from the VTF in the 2023-25 biennium under Joint Finance.

Veterans Trust Fund Joint Finance		
	<u>2023-24</u>	<u>2024-25</u>
Opening Balance	\$1,744,300	\$567,100
Revenue		
Veterans Programs	\$350,000	\$350,000
GPR Transfer	<u>15,855,200</u>	<u>15,085,200</u>
Total Available	\$17,949,500	\$16,002,300
Expenditures		
DVA Appropriations	\$20,382,400	\$20,363,400
Lapses from DVA Appropriations	<u>-3,000,000</u>	<u>-5,000,000</u>
Net Expenditures	\$17,382,400	\$15,363,400
Year End Balance	\$567,100	\$638,900

3. GENERAL FUND TRANSFER TO THE STATE VETERANS HOMES [LFB Paper 831]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR- Transfer	\$10,000,000	- \$10,000,000	\$0

Governor: Transfer \$10,000,000 in 2023-24 from the general fund to the PR appropriation account for the state veterans homes. Modify the statutory authorization for the PR appropriation to reflect the receipt of this transfer. The Administration indicates that the state veterans homes program revenue account requires this general fund supplement to avoid revenue shortfalls caused by declining census at the homes.

Joint Finance: Delete the \$10,000,000 transfer from the general fund. Provide \$2,500,000 GPR annually in the Joint Committee on Finance program supplements appropriation for providing a revenue supplement to the state veterans homes PR appropriation account as needed. The fiscal effect of this GPR appropriation is reflected in Program Supplements.

4. SALARY ADD-ON FOR NURSING CARE STAFF [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$6,724,900	- \$6,724,900	\$0

Governor: Provide \$3,425,900 in 2023-24 and \$3,299,000 in 2024-25 for a \$5 per hour permanent wage add-on for nurse clinicians, licensed practical nurses, and nursing assistant positions at the King and Union Grove state veterans homes. The permanent hourly wage increase would replace a temporary pilot add-on implemented for these positions, which the Department of Administration's Division of Personnel Management implemented under terms of the 2021-23 compensation plan. The pilot increase is scheduled to expire at the end of the 2021-23 biennium.

While the pilot increase applied only to worked hours, the permanent increase would apply to all hours, including paid time off. The funding is calculated based on the number of currently filled positions at the two homes (217 positions at the King home and 58 positions at the Union Grove home). Funding is slightly higher in 2023-24 than in 2024-25 to account for one additional biweekly pay period in that year.

Joint Finance: Modify provision to instead provide funding to compensation reserves in the amounts included in AB 43/SB 70, less a 5% reduction associated with a higher than usual level of position vacancies, to continue supplemental pilot add-on pay to address severe recruitment and retention issues. [See "Budget Management and Compensation Reserves."]

5. CHIPPEWA FALLS OPERATIONS CONTRACT

PR	\$2,600,000
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Governor/Joint Finance: Provide \$1,300,000 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 2021-22, the Department paid Health Dimensions Group \$8.6 million under the contract. The funding increase under this item is for anticipated increases in the cost of operating the Chippewa Falls home once the contract is renewed in the 2023-25 biennium.

6. UNION GROVE STATE VETERANS HOME SUPPLIES AND SERVICES

PR	\$420,000
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Governor/Joint Finance: Provide \$210,000 annually to increase the supplies and services budget at the Union Grove State Veterans Home, for increasing costs for custodial supplies, lawn care, snow removal, and specialty tradesmen.

7. MASTER PLAN FOR KING STATE VETERANS HOME [LFB Paper 831]

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

Governor: Provide \$75,000 annually in the Department's appropriation for general administration for the cost of a study of the campus of the King state veterans home. Require DVA to contract with a vendor to study the King campus during the 2023-25 biennium. Specify that the study shall be completed by June 1, 2025, and shall provide a framework to guide decision making for future operations and development of the campus.

Joint Finance: Reduce funding by \$75,000 annually to delete funding for the study. Retain the requirement that the Department contract for the study, but require the study to be completed by January 1, 2025. Under this change, the Department would be required to finance the cost of the study from base resources.

8. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$320,100	\$196,700	\$516,800
PR	- 353,600	204,100	- 149,500
SEG	<u>- 200</u>	<u>46,000</u>	<u>45,800</u>
Total	- \$33,700	\$446,800	\$413,100

Governor: Reduce funding by \$408,900 (\$28,100 GPR, -\$436,900 PR, and -\$100 SEG) in 2023-24 and increase funding by \$375,200 (\$292,000 GPR, \$83,300 PR, and -\$100 SEG) in 2024-25 to reflect reestimates of debt service costs on authorized bonds.

Joint Finance: Increase funding by \$40,400 (\$33,800 GPR, -\$5,300 PR and \$11,900 SEG) in 2023-24 and \$406,400 (\$162,900 GPR, \$209,400 PR and \$34,100 SEG) in 2024-25 to reflect a reestimate of debt service payments.

9. EVALUATION OF FUTURE LONG-TERM CARE NEEDS OF VETERANS
(Removed from budget consideration pursuant to Joint Finance Motion #10)

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

10. VETERANS OUTREACH AND RECOVERY PROGRAM [LFB Paper 832]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$957,200	7.00	-\$957,200	- 7.00	\$0	0.0

Governor: Provide \$272,300 in 2023-24 and \$684,900 in 2024-25 and 7.0 positions, beginning in 2023-24, to increase services under the veterans outreach and recovery program (VORP). VORP provides outreach, treatment and support to veterans who have a mental health condition or a substance use disorder. The program employs outreach specialists to contact veterans to provide direct assistance and referral to social service programs. Base funding for the program is \$1,609,500, with 14.75 positions. With the proposed expansion (and with the effect of standard budget adjustments) total funding would be \$1,853,200 in 2023-24 and \$2,265,800 in 2024-25, with 21.75 positions.

Joint Finance: Provision not included.

11. VETERANS SERVICE OFFICE GRANTS [LFB Paper 833]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$2,193,200	-\$1,532,800	\$660,400

Governor: Provide \$1,096,600 annually to increase funding for grants to county and tribal veterans service offices. Of this annual increase, \$843,600 would be budgeted for county veterans service office (CVSO) grants, increasing the total from \$837,200 to \$1,680,800, and \$253,000 would be budgeted for tribal veterans service office (TVSO) grants, increasing the total from \$110,000 to \$363,000. Of the base funding total for TVSO grants, \$61,200 is provided from a PR appropriation of tribal gaming revenues; the increase under the bill would be applied only to the SEG appropriation.

Increase the statutory annual grant amounts for CVSOs, to double the amount, as follows: (a) for counties with a population of less than 20,000, from \$9,350 to \$18,700; (b) for counties with a population of 20,000 to 45,499, from \$11,000 to \$22,000; (c) for a county with a population of 45,500 to 74,999, from \$12,650 to \$25,300; and (d) for a county with a population of 75,000 or more, from \$14,300 to \$28,600. Repeal a provision that specifies that the grant for a county with a part-time CVSO is \$550, so that the grant for any such county would be determined in the same manner as counties with a full-time CVSO, based on population. In 2021-22, two counties, Florence and Pepin, received the \$550 grant for a part-time CVSO.

Double the maximum annual grant made to TVSOs, from \$16,500 to \$33,000. In 2021-22, the amount of funding available for TVSO grants was not sufficient to provide the maximum to the 10 tribes that applied, so the Department provided \$11,000 to each tribe. The funding in the

bill would be sufficient to provide the maximum to all 11 federally-recognized tribes.

Joint Finance: Reduce funding by \$766,400 annually, which would result a net increase to the base funding for county and tribal grants of \$330,200 annually. Of the total annual decrease to the Governor's bill, \$630,300 would be made to the grants to county offices and \$136,100 would be made to the grants to tribal offices.

Set the statutory annual grant amounts for CVSOs, as follows: (a) for counties with a population of less than 20,000, \$11,688; (b) for a county with a population of 20,000 to 45,499, \$13,750; (c) for a county with a population of 45,500 to 74,999, \$15,813; and (d) for a county with a population of 75,000 or more, \$17,875. Set the maximum grant for tribal offices at \$20,625. For both county and tribal grants, the new amounts would be increased by 25% from current law levels, instead of an increase of 100% under the Governor's bill.

12. VETERANS HOUSING AND RECOVERY PROGRAM

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

Governor: Provide \$250,000 annually for the veterans housing and recovery program (VHRP, formerly called the veterans assistance program), to increase total SEG funding for the program to \$924,600 annually. The VHRP provides short-term housing and supportive services to veterans who are homeless or at risk of becoming homeless. The program provides services at three locations, in Chippewa Falls, Green Bay, and Union Grove. The Administration indicates that the additional funding would be used to meet increasing facility maintenance and rental costs, and for possible expansion of the program in other parts of the state.

Joint Finance: Provision not included.

13. ASSISTANCE TO NEEDY VETERANS PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

14. ELIGIBILITY FOR CERTAIN VETERANS PROGRAMS FOR HMONG-LAO VETERANS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

15. STATE VETERANS CEMETERY OPERATIONS

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$1,066,900	3.00	-\$286,900	- 3.00	\$780,000	0.00

Governor: Provide \$550,200 in 2023-24 and \$516,700 in 2024-25 and 3.0 positions, beginning in 2023-24, for state veterans cemetery operations. Of this funding, \$425,000 in 2023-24 and \$355,000 in 2024-25 would be for equipment replacement at the three state veterans cemeteries and for the purchase of new equipment for expanded operations at the Southern Wisconsin Veterans Cemetery in anticipation of an increase in internments in the next several years. The equipment to be replaced would include tractors, backhoes, trucks, mowers, and other machinery and tools. The following table shows the requested funding, by cemetery.

<u>State Veterans Cemetery</u>	<u>2023-24</u>	<u>2024-25</u>
Equipment Replacement		
Northern (Spooner)	\$95,000	\$95,000
Central (King)	45,000	22,000
Southern (Union Grove)	145,000	118,000
Southern Expansion	<u>140,000</u>	<u>120,000</u>
Total	\$425,000	\$355,000

The remaining funding in this item, \$125,200 in 2023-24 and \$161,700 in 2024-25, would support salary, fringe benefits, and supplies and services costs related to three new cemetery caretaker positions, one for each of the three cemeteries.

Joint Finance: Delete the 3.0 cemetery caretaker positions and associated funding of \$125,200 in 2023-24 and \$161,700 in 2024-25.

16. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	(Chg. to Base)	Governor (Chg. to Gov)	Jt. Finance Net Change
GPR	\$200	- \$200	\$0
SEG	<u>6,200</u>	<u>- 6,200</u>	<u>0</u>
Total	<u>\$6,400</u>	<u>- \$6,400</u>	<u>\$0</u>

17. WISCONSIN VETERANS CEMETERY ELIGIBILITY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

18. WISCONSIN VETERANS MUSEUM OPERATIONS [LFB Paper 834]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$1,400,000	- \$1,400,000	\$0

Governor: Provide \$700,000 annually in the Department's appropriation for general administration for operating expenses and ongoing maintenance costs related to the anticipated

purchase of the building that houses the Wisconsin Veterans Museum. The Department included an item in its capital budget request for \$9,000,000 in general fund-supported bonds for the purchase of the land on which the building housing the museum is situated, with the intention of constructing a new building for the museum at a future date. The Administration indicates that the funding provided under this item would support building operations and maintenance costs for the building following the purchase of the building.

Joint Finance: Provision not included.

19. HISTORICAL ARTIFACT INVENTORY *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$60,000	-\$60,000	\$0

20. AGENCY EQUITY OFFICER *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base) Funding Positions		Jt. Finance (Chg. to Gov) Funding Positions		Net Change Funding Positions	
SEG	\$88,200	0.50	-\$88,200	- 0.50	\$0	0.00

21. LOCAL GOVERNMENT GRANTS FOR FIRE AND EMERGENCY MEDICAL SERVICES PROVIDED AT STATE VETERANS HOMES

PR	\$300,000
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Joint Finance: Increase the maximum amount in total grants that the Department of Veterans Affairs may make to local governments for providing fire and emergency medical services to the state veterans homes from \$300,000 per biennium to \$600,000 per biennium. Provide \$150,000 PR annually in the appropriation for making these grants to reflect this change. Specify that the amounts distributed under the grant program cannot factor in the calculation of payments made under the payments for municipal services program. Include any fire district in the list of eligible recipients for the grant.

22. GRANT FOR PROMOTING U.S.S. WISCONSIN

Joint Finance: Authorize DVA to award a one-time grant in 2023-24 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.

23. DELETE CERTAIN VACANT POSITIONS

	Positions
SEG	- 1.93

Joint Finance: Delete vacant positions in the Department's appropriation for administration of loans and aids to veterans, as follows: (a) 0.54 financial program supervisor; (b) 0.72 financial specialist-advanced; and (c) 0.67 policy initiatives advisor-administrative.

WISCONSIN ARTISTIC ENDOWMENT FOUNDATION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
SEG	\$0	\$4,500,000	\$0	- \$4,500,000	- 100.0	\$0	N.A.

FTE Position Summary
There are no authorized positions for the Wisconsin Artistic Endowment Foundation.

Budget Change Item

1. ARTISTIC ENDOWMENT FOUNDATION REACTIVATION AND FUNDS TRANSFER *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR- Transfer	\$100,000,000	- \$100,000,000	\$0
SEG	4,500,000	- 4,500,000	0

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$9,101,400	\$199,101,400	\$0	-\$199,101,400	- 100.0%	-\$9,101,400	- 100.0%
SEG	<u>74,000,000</u>	<u>79,000,000</u>	<u>92,870,000</u>	<u>13,870,000</u>	17.6	<u>18,870,000</u>	25.5
TOTAL	\$83,101,400	\$278,101,400	\$92,870,000	-\$185,231,400	- 66.6%	\$9,768,600	11.8%

FTE Position Summary
There are no authorized state positions for the Wisconsin Economic Development Corporation.

Budget Change Items

- VENTURE CAPITAL FUND OF FUNDS PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$75,000,000	-\$75,000,000	\$0

- REESTIMATE WEDC GPR AND SEG APPROPRIATIONS** [LFB Papers 106 and 840]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	-\$5,000,000	-\$4,101,400	-\$9,101,400
SEG	<u>5,000,000</u>	<u>14,000,000</u>	<u>19,000,000</u>
Total	\$0	\$9,898,600	\$9,898,600

Governor: Reduce funding by \$2,500,000 annually for the Wisconsin Economic

Development Corporation's (WEDC's) operations and programs sum sufficient GPR appropriation and increase estimated funding by \$2,500,000 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 2023-24 and 2024-25, comprised of: (a) \$38,500,000 SEG annually from its all monies received operations and programs SEG appropriation; (b) \$2,050,700 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: Reestimate WEDC's all monies received SEG operations and programs appropriation at \$46,000,000 SEG in 2023-24 and \$45,000,000 SEG in 2024-25 based on estimated economic development surcharge revenues to be deposited in the economic development fund. Reestimate WEDC's sum sufficient GPR operations and programs appropriations at \$0 annually.

Relative to the base, this reestimate is an increase to WEDC's funding of \$5,449,300 (-\$4,550,700 GPR and \$10,000,000 SEG) in 2023-24 and \$4,449,300 (-\$4,550,700 GPR and \$9,000,000 SEG) in 2024-25. Relative to the Governor's recommendation, this reestimate is an increase to WEDC's funding of \$5,449,300 (-\$2,050,700 GPR and \$7,500,000 SEG) in 2023-24 and \$4,449,300 (-\$2,050,700 GPR and \$6,500,000 SEG) in 2024-25.

3. INCREASE FUNDING FOR WEDC OPERATIONS AND PROGRAMS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

4. ONE-TIME FUNDING FOR ECONOMIC DEVELOPMENT *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

5. TALENT ATTRACTION AND RETENTION INITIATIVES [LFB Paper 841]

	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 WEDC's GPR continuing appropriation for talent attraction and retention initiatives. Under current law, WEDC must use monies deposited in this appropriation to collaborate with state agencies to develop and implement initiatives for the attraction of talent in this state, including by leveraging the existing programs of state agencies for the purposes within the scopes of those existing programs.

Provisions of 2017 Act 318 created this appropriation and provided \$6.8 million GPR for WEDC to develop and implement initiatives for the attraction of talent to, and retention of talent in, Wisconsin. The funding in the continuing appropriation was completely expended as of December, 2019. The expenditures promoted and marketed Wisconsin through online advertisements, media placements, newsletters, social media, and organized events.

Provisions of 2021 Act 58 required WEDC to assign \$3.0 million for talent attraction initiatives from its existing appropriations for operations and programs during the 2021-23 biennium. The funds supported various talent attraction and retention initiatives, such as: (a) matching funds to help businesses and economic development organizations increase their own workforce marketing investments; (b) creating a media campaign for national and Midwestern talent; and (c) entering into a partnership with the Department of Military Affairs to work with Wisconsin businesses in Army and National Guard personnel recruiting and retention efforts for post-military employment.

In addition to continuing the programs enacted during the 2021-23 biennium, WEDC indicates that the funding under the bill would support additional programs, as determined by the WEDC Board. According to the Administration, this would include items such as the following: (1) collaborating with the Department of Tourism to attract high-profile events to Wisconsin; (2) creating pilot initiatives with Wisconsin's colleges and universities aimed at retaining graduates; (3) marketing efforts; (4) creating concierge programs that help new hires who move to a community develop connections and ties to their area; and (5) providing incentives to businesses and communities to invest in housing, childcare, and other assets that help communities effectively attract and retain workers.

Joint Finance: Provision not included. Instead, require WEDC to expend at least \$4,000,000 from its existing GPR and SEG state appropriations for operations and programs during the 2023-25 biennium for talent attraction and retention initiatives under s. 238.155. Specify that WEDC, in consultation with the Department of Veterans Affairs, must expend at least \$2,000,000 of this funding during the 2023-25 biennium on efforts to attract and retain veterans to Wisconsin's workforce. Require WEDC to evaluate its talent attraction and retention initiatives, including program outcomes and the number of veterans discharged that choose Wisconsin for their first move, and report its findings to the Assembly Committee on Jobs, Economy, and Small

Business Development and the Senate Committee on Economic Development and Technical Colleges on or before September 1, 2024, and September 1, 2025.

6. MAIN STREET BOUNCEBACK GRANT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

7. FUNDING FOR COOPERATIVE DEVELOPMENT

Governor: Require WEDC to allocate at least \$500,000 in 2023-24 from its GPR and SEG operations and programs appropriations to assist cooperative development activities in this state, including the performance of feasibility studies and other technical assistance and implementation efforts.

Joint Finance: Provision not included.

8. DATA SHARING WITH DEPARTMENT OF REVENUE

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.

Joint Finance: Accept the proposal with the following modifications. Permit the Chief Executive Officer and employees of WEDC to examine tax information to the extent necessary to administer tax benefit programs, including review of tax benefit applications, compliance with tax benefit certifications, and confirming the amount of tax benefit used for purposes of revoking tax benefit (rather than the extent necessary to administer economic development programs). Confidential tax information received by WEDC from DOR would not be records open to the public. The effective date of these provisions would be the first day of the third month beginning after publication of the bill.

9. UNASSIGNED FUND BALANCE *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

10. TAX CREDIT MODIFICATIONS

Governor: 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.

Joint Finance: In addition, require WEDC to administer a sales and use tax exemption for certified data centers, including the certification of qualified data centers for purposes of the exemption, as described under "General Fund Taxes -- General Sales and Use Taxes."

11. REPEAL OBSOLETE APPROPRIATION [LFB Paper 842]

Joint Finance: Repeal the obsolete continuing PR appropriation for transferred general fund monies from the Department of Commerce.

12. REPEAL OBSOLETE STATUTORY PROVISION [LFB Paper 842]

Joint Finance: Repeal the obsolete statutory provision requiring WEDC to make a one-time grant of \$250,000 in 2015-16 to the River Falls Economic Development Corporation.

13. VIBRANT SPACES GRANT PROGRAM

Joint Finance: Specify that WEDC cannot expend funds from its existing GPR and SEG state appropriations for operations and programs for the vibrant spaces grant program (or a similar program), as constituted under its policies and procedures as of May 1, 2023.

14. OPPORTUNITY ATTRACTION AND PROMOTION FUND [LFB Paper 751]

Joint Finance: Create an opportunity attraction and promotion fund, supported by a new continuing GPR appropriation under WEDC, for attracting opportunities and events to the state. Provide \$10,000,000 GPR in 2023-24 to the Committee's supplemental appropriation for this purpose. The fiscal effect of this provision is shown under Program Supplements.

15. CHILD CARE REVOLVING LOAN FUND

Joint Finance: Create a child care revolving loan fund, supported by a new continuing GPR appropriation under WEDC, for loans to child care providers. Provide \$15,000,000 GPR in 2023-24 to the Committee's supplemental appropriation for this purpose. The fiscal effect of this provision is shown under Program Supplements.

16. REESTIMATE WEDC GPR AND SEG APPROPRIATIONS FOR TAX LAW CHANGES

SEG	-\$130,000
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Joint Finance: Reduce WEDC's all monies received SEG appropriation by \$130,000 SEG in 2024-25 to reflect revenue reductions estimated under "General Fund Taxes."

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Budget Change Items

1. **STAFF SALARY DETERMINATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
2. **FINANCING WORKING CAPITAL EXPENDITURES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$0	\$100,000,000	\$525,000,000	\$425,000,000	425.0%	\$525,000,000	N.A.

FTE Position Summary
There are no state authorized positions for the Wisconsin Housing and Economic Development Authority.

Budget Change Items

1. WORKFORCE HOUSING REHABILITATION LOAN PROGRAM [LFB Paper 855]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$100,000,000	-\$50,000,000	\$50,000,000

Governor: Provide \$100,000,000 in 2023-24 in a new, continuing appropriation for the workforce housing rehabilitation loan program. Create a workforce housing rehabilitation fund and modify current statutory provisions for workforce housing loans, as described in the following paragraphs.

Fund Creation. Establish a workforce housing rehabilitation fund, under the jurisdiction and control of WHEDA, for the purpose of providing workforce housing rehabilitation loans. Specify that workforce housing rehabilitation loans be made from this fund rather than the housing rehabilitation fund. Specify that the workforce housing rehabilitation fund consist of all of the following: (a) all moneys appropriated under the new workforce housing rehabilitation loan program appropriation; (b) all moneys received from repayment of workforce housing rehabilitation loans; (c) all income from the investment of moneys in the fund; and (d) all moneys received by WHEDA for the fund from any other source.

Fund Uses. Specify that WHEDA may use moneys in the fund to cover actual and necessary expenses of the fund and the loan program. In addition, specify that, at its discretion, the Authority may also use the fund to pay costs associated with marketing its programs and services to the public, including by use of housing navigators.

Loan Issuance and Conditions. Require that, to be eligible for a workforce housing rehabilitation loan, the applicant's home must be the primary residence of the applicant, and remove the requirement that it was constructed before 1980. In addition, clarify that workforce housing rehabilitation loans may be made for structural or safety improvements, as determined by the Authority. Further, specify that the applicant must agree to the terms of the loan, as determined by the Authority, and that such loan terms may include a requirement to repay the loan by making monthly principal and interest payments so that the loan is fully repaid within a given term. In addition, specify that the Authority may defer the repayment or forgive the outstanding balance of any workforce housing rehabilitation loans according to criteria established by the Authority.

Current Law. WHEDA offers the Home Improvement Advantage program (housing rehabilitation loan program) to support financing for improvements to existing homes. Eligible improvements include: remodeling, home repair, making a home accessible to persons with disabilities, energy-efficient appliances, and energy efficiency improvements. Beginning in January, 2023, loans may be for up to \$50,000 and have a maximum term of 15 years.

In addition, 2021 Act 221 created workforce housing rehabilitation loans. Eligible rehabilitation activities include removal of lead paint or the following types of structural improvements: (a) repairing or replacing a heating system, electrical system, plumbing system, roof, window, or exterior door; (b) repairing the foundation; and (c) repairing or replacing insulation or siding. Under the workforce housing rehabilitation loan program, the applicant's home must be a single-family residence occupied by the owner and constructed before 1980. The applicant must also meet certain income requirements and agree to pay the loan upon selling or otherwise transferring title to the residence to another person or upon the applicant and their family vacating the residence. WHEDA is authorized to establish an interest rate below market levels or may charge no interest for these loans.

The bill would specify that workforce housing rehabilitation loan terms may include a requirement to repay the loan by making monthly principal and interest payments over a given term, and any other terms determined by the Authority. It would also allow the Authority to defer the repayment or forgive the outstanding balance of any workforce housing rehabilitation loans according to criteria established by the Authority.

Under current law, Home Improvement Advantage and workforce housing rehabilitation loans are funded by the home improvement loan fund. As of June 30, 2022, the fund had a balance of \$10.7 million, with assets of \$11.5 million, liabilities of \$0.8 million, and program encumbrances of \$10.7 million. The bill would provide one-time funding of \$100 million for the workforce housing rehabilitation loan program to provide separate funding sources for the programs.

Joint Finance: Provide \$50 million in 2023-24 in a new, continuing appropriation for deposit in the existing housing rehabilitation loan fund for the workforce housing rehabilitation loan program. The provision would make no changes to program eligibility or conditions.

However, several such changes were made in 2023 Wisconsin Act 17, including: (a) requiring a loan be for an applicant's primary residence; (b) providing a maximum loan term of 15 years, with monthly payments; and (c) specifying additional eligible repair or rehabilitation projects, including asbestos removal or interior wall or ceiling repair.

2. INCREASE CAPITAL RESERVE FUND BONDING AUTHORIZATION [LFB Paper 857]

Governor: Increase the limit of outstanding bonds backed by WHEDA's capital reserve fund from \$800 million to \$1.2 billion. Under current law, WHEDA manages a capital reserve fund, which must maintain a balance sufficient to cover the maximum amount of debt service expected in one year for all bond issues backed by the fund. As of June 30, 2022, \$727 million in outstanding bonds for multifamily housing developments were backed by the capital reserve fund. As WHEDA operates as an independent authority, bonds issued under its authority do not carry the general obligation of the state. However, the state has pledged its moral obligation to the capital reserve should it become deficient. No such deficiency has ever occurred, and this provision would not have a direct state fiscal effect.

WHEDA anticipates reaching the maximum amount of outstanding bonds backed by the capital reserve fund in 2023. This is largely due to demand for the state low-income housing tax credit under 2017 Wisconsin Act 176, as developments awarded state and certain federal housing tax credits also utilize financing from bonding supported by the capital reserve. Bonds with the backing of the capital reserve fund generally receive more favorable credit ratings and result in a lower cost of financing for housing developments.

Joint Finance: Increase the capital reserve fund limit from \$800 million to \$1 billion.

3. STATE LOW-INCOME HOUSING TAX CREDIT INCREASE [LFB Paper 856]

Governor: Increase the limit on the total amount of state low-income housing credits that may be certified by WHEDA from \$42 million to \$100 million. In addition, increase the maximum number of years the tax may be claimed from six years to 10 years. Further, require that to be eligible for a state housing credit, qualified low-income housing developments must be allocated the federal low-income housing tax credit and financed with tax-exempt bonds that are subject to the federal volume cap. However, authorize WHEDA to waive, in the Authority's federally-required Qualified Action Plan (QAP), the requirements of tax-exempt bond financing and federal credit allocation, to the extent that WHEDA anticipates that sufficient tax-exempt private activity bond volume cap under federal law will not be available to finance low-income housing projects in any year. [See "General Fund Taxes -- Income and Franchise Taxes."]

2017 Wisconsin Act 176 created a state nonrefundable low-income housing tax credit (LIHTC). The credit is claimable against the state individual income tax, the corporate income/franchise tax, and the insurance premiums tax. WHEDA awards the credit as a match to the federal 4% low-income housing tax credit, which provides a 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. 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. Credits are awarded through a competitive application process, whereby WHEDA assigns scores to the applications based on criteria laid out in the Authority's QAP. Awards are limited to \$1.4 million per project. WHEDA is also required by law to give preference to developments located in municipalities with populations fewer than 150,000.

Under the current program, WHEDA may award up to \$7 million in state tax credits annually, claimable for six years, for a maximum program total of \$42 million annually once the program is fully implemented. The bill would increase the program total to \$100 million, claimable over 10 years. The Administration estimates the provision would decrease state income and franchise tax revenues by \$1,450,000 in 2023-24 and \$7,250,000 in 2024-25, fully phasing in to a decrease of \$58 million in 2033-34. Combined with the \$42 million limit under current law, the credit is estimated to decrease state tax revenues by \$100 million annually beginning in 2033-34. The bill as introduced does not specify the initial applicability of changes to the credit.

Under current law, eligible projects are required to be financed with tax-exempt bonds. The bill would require eligible projects to be awarded federal low-income housing credits and be financed with certain tax-exempt bonds that are issued under the state's share of federal volume cap for private economic development or housing purposes. WHEDA could waive these requirements due to having insufficient tax-exempt private activity bonding available under the federal volume cap in a given year.

Joint Finance: Provision not included.

4. **WHEDA HEADQUARTERS PROPERTY TAX EXEMPTION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **STAFF SALARY DETERMINATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **RESIDENTIAL HOUSING INFRASTRUCTURE REVOLVING LOAN FUND** RE-

GPR	\$275,000,000
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Joint Finance: Provide \$275 million in 2023-24 in a new, continuing appropriation for deposit in the residential housing infrastructure revolving loan fund under the jurisdiction and control of WHEDA, as created under 2023 Wisconsin Act 14. The fund would support loans for public infrastructure improvements associated with the construction of workforce or senior housing. Act 14 specifies that any unencumbered or unexpended funds as of January 1, 2031, must be transferred to the balance of the general fund.

7. **MAIN STREET HOUSING REHABILITATION REVOLVING LOAN FUND** RE-

GPR	\$100,000,000
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Joint Finance: Provide \$100 million in 2023-24 in a new, continuing appropriation for

deposit in the main street housing rehabilitation revolving loan fund under the jurisdiction and control of WHEDA, as created under 2023 Wisconsin Act 15. The fund would support loans to improve workforce housing located in upper levels of buildings with street-level commercial uses. Act 15 specifies that any unencumbered or unexpended funds as of January 1, 2031, must be transferred to the balance of the general fund.

8. COMMERCIAL-TO-HOUSING CONVERSION RE-

GPR	\$100,000,000
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VOLVING LOAN FUND

Joint Finance: Provide \$100 million in 2023-24 in a new, continuing appropriation for deposit in the commercial-to-housing conversion revolving loan fund under the jurisdiction and control of WHEDA, as created under 2023 Wisconsin Act 18. The fund would support loans for projects that convert vacant nonresidential properties to workforce or senior housing. Act 18 specifies that any unencumbered or unexpended funds as of January 1, 2031, must be transferred to the balance of the general fund.

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$1,159,866,200	\$1,241,049,800	\$1,174,388,300	-\$66,661,500	- 5.4%	\$14,522,100	1.3%
FED	66,729,200	65,842,600	66,592,600	750,000	1.1	- 136,600	- 0.2
PR	<u>9,448,800</u>	<u>9,428,000</u>	<u>9,428,000</u>	<u>0</u>	0.0	<u>- 20,800</u>	- 0.2
TOTAL	\$1,236,044,200	\$1,316,320,400	\$1,250,408,900	-\$65,911,500	- 5.0%	\$14,364,700	1.2%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	23.25	26.25	23.25	- 3.00	0.00
FED	26.75	23.75	26.75	3.00	0.00
PR	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	55.00	55.00	55.00	0.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Joint Finance: Provide adjustments to the base budget totaling \$133,600 GPR, -\$136,600 FED, and -\$20,800 PR for: (a) full funding of continuing position salaries and fringe benefits (\$73,900 GPR, -\$3,200 FED, and \$1,200 PR annually); and (b) lease and directed moves costs (-\$7,100 GPR, -\$65,100 FED, and -\$11,600 PR annually).

GPR	\$133,600
FED	- 136,600
PR	<u>- 20,800</u>
Total	- \$23,800

2. GENERAL AID [LFB Paper 860]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$65,800,000	- \$56,411,500	\$9,388,500

Governor: Provide an increase of \$32,900,000 annually in the appropriation for state general aid for technical colleges. This additional funding would be allocated under the 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 \$103,284,900 annually.

Joint Finance: Reduce funding by \$29,801,500 GPR in 2023-24 and \$26,610,000 GPR in 2024-25 relative to the amount in the bill. The net increase to base level funding would be \$3,098,500 GPR in 2023-24 and \$6,290,000 GPR in 2024-25.

3. GRANTS FOR HEALTH-CARE RELATED CREDITS TAKEN IN DUAL ENROLLMENT PROGRAMS [LFB Paper 863]

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

Governor: Provide \$2,000,000 annually for grants to technical colleges to reimburse the colleges for costs related to providing high school students dual enrollment courses related to health care, as determined by the System Board.

Joint Finance: Provision not included.

4. WORKFORCE ADVANCEMENT TRAINING GRANTS [LFB Paper 862]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$3,500,000	- \$1,500,000	\$2,000,000

Governor: Provide \$1,500,000 GPR in 2023-24 and \$2,000,000 GPR in 2024-25 in the appropriation for grants to district boards. Require the System Board to award workforce advancement training grants to district boards to provide customized instruction and training opportunities for businesses to meet current workforce demands in various industries.

Joint Finance: Decrease funding by \$500,000 GPR in 2023-24 and \$1,000,000 GPR in 2024-25 relative to the amount in the bill. The net increase to base level funding would be \$1,000,000 GPR annually.

5. OPEN EDUCATIONAL RESOURCES

GPR	\$3,000,000
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Governor/Joint Finance: Provide \$3,000,000 in 2023-24 in the appropriation for grants to district boards to provide grants to technical colleges to create open educational resource textbooks and other materials that will allow the public and technical colleges across the Wisconsin Technical

College System to access technical college course materials. Open educational resources include teaching, learning, and research resources that reside in public domain or have been released under an intellectual property license that permits free use and repurposing by others.

6. REGIONAL EMERGENCY MEDICAL SERVICES TRAINING FACILITY
(Removed from budget consideration pursuant to Joint Finance Motion #10)

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,500,000	-\$2,500,000	\$0

7. ADVANCED MANUFACTURING, ENGINEERING TECHNOLOGY AND APPRENTICESHIP

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

Governor: Provide \$250,000 annually in the appropriation for grants to district boards. Require the System Board to award a grant of \$250,000 in each fiscal year to Mid-State Technical College (Wisconsin Rapids) for an advanced manufacturing, engineering technology and apprenticeship center to train and maintain a workforce to meet workforce needs for the state's paper, pulp, and converting mills. Specify that funds could be used for maintenance of capital equipment and supplies, equipment for student learning infrastructure and student learning support, information technology equipment, and ongoing operations.

Joint Finance: Provision not included.

8. SYSTEM OFFICE GENERAL OPERATIONS [LFB Paper 861]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,750,000	3.00	-\$1,750,000	-3.00	\$0	0.00
FED	<u>-750,000</u>	<u>-3.00</u>	<u>750,000</u>	<u>3.00</u>	<u>0</u>	<u>0.00</u>
Total	\$1,000,000	0.00	-\$1,000,000	0.00	\$0	0.00

Governor: Provide \$875,000 GPR annually to address information technology infrastructure and security needs for the Wisconsin Technical College System, and reduce federal funding by \$375,000 annually. Convert 3.0 FTE positions from FED to GPR and provide additional funding to allow the system to hire staff in the areas of curriculum development and grant management.

Joint Finance: Provision not included.

9. **REVENUE LIMIT -- 2% MINIMUM INCREASE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
10. **NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
11. **NONRESIDENT TUITION EXEMPTION FOR CERTAIN TRIBAL MEMBERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
12. **VOTER IDENTIFICATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
13. **ELIGIBILITY FOR FEE REMISSIONS FOR HMONG-LAO VETERANS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
14. **ORAL HEALTHCARE WORKFORCE**

Joint Finance: Provide \$20,000,000 GPR in 2023-24 in the Joint Finance Committee supplemental appropriation for oral healthcare workforce initiatives. The fiscal effect of this item is shown under "Program Supplements."

WORKFORCE DEVELOPMENT

Budget Summary							
Fund	2022-23 Base Year Doubled	2023-25 Governor	2023-25 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$110,215,000	\$374,952,900	\$118,943,200	-\$256,009,700	- 68.3%	\$8,728,200	7.9%
FED	419,612,200	465,867,700	463,308,700	- 2,559,000	-0.5	43,696,500	10.4
PR	158,096,800	156,848,300	155,981,600	-866,700	-0.6	- 2,115,200	- 1.3
SEG	<u>52,902,400</u>	<u>306,397,000</u>	<u>52,845,600</u>	<u>- 253,551,400</u>	- 82.8	<u>- 56,800</u>	- 0.1
TOTAL	\$740,826,400	\$1,304,065,900	\$791,079,100	-\$512,986,800	- 39.3%	\$50,252,700	6.8%

FTE Position Summary					
Fund	2022-23 Base	2024-25 Governor	2024-25 Jt. Finance	Joint Finance Change to:	
				Governor	2022-23 Base
GPR	151.03	168.45	151.02	-17.43	- 0.01
FED	1,237.97	1,168.55	1,140.32	-28.23	- 97.65
PR	212.65	213.65	210.11	-3.54	- 2.54
SEG	<u>72.80</u>	<u>270.80</u>	<u>72.80</u>	<u>- 198.00</u>	<u>0.00</u>
TOTAL	1,674.45	1,821.45	1,574.25	- 247.20	- 100.20

Budget Change Items

Departmentwide and Vocational Rehabilitation

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
Funding Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$983,800	0.00	-\$351,000	0.00	\$632,800	0.00
FED	5,445,600	- 71.00	- 2,559,000	0.00	2,886,600	-71.00
PR	- 1,466,800	0.00	- 648,400	0.00	- 2,115,200	0.00
SEG	<u>81,200</u>	<u>0.00</u>	<u>- 138,000</u>	<u>0.00</u>	<u>- 56,800</u>	<u>0.00</u>
Total	\$5,043,800	- 71.00	-\$3,696,400	0.00	\$1,347,400	- 71.00

Governor: Adjust the base budget by \$3,207,600 and -62.0 positions in 2023-24, and

\$1,836,200 and -71.0 positions in 2024-25. The adjustments are for: (a) turnover reduction (-\$263,800 GPR, -\$1,919,600 FED, -\$486,300 PR, and -\$103,700 SEG annually); (b) removal of noncontinuing elements from the base (-\$2,661,400 FED and -62.0 FED positions in 2023-24 and -\$4,032,800 FED and -71.0 FED positions in 2024-25); (c) full funding of continuing position salaries and fringe benefits (\$685,400 GPR, \$8,674,100 FED, \$93,700 PR, and \$208,300 SEG annually); (d) overtime (\$153,600 PR annually); and (e) full funding of lease and directed move costs (\$70,300 GPR, -\$684,600 FED, -\$494,400 PR, and -\$64,000 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$175,500, GPR, -\$1,279,500 FED, -\$324,200 PR and -\$69,000 SEG annually.

2. SUPPLIES AND SERVICES FUNDING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$234,800	- \$234,800	\$0

3. TRIBAL LIAISON POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$151,000	1.00	- \$151,000	- 1.00	\$0	0.00

4. EQUITY OFFICER POSITION *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$173,900	1.00	- \$173,900	- 1.00	\$0	0.00

5. FEDERAL REESTIMATES

FED	\$40,809,900
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Governor/Joint Finance: Increase estimated federal funding by \$26,066,800 in 2023-24 and \$14,743,100 in 2024-25. The adjustments are to align expenditure authority with the amount of revenue that DWD estimates will be deposited into those appropriations. The adjustments would

affect the following federal appropriations:

<u>Appropriation</u>	<u>2023-24</u>	<u>2024-25</u>
Workforce investment and assistance	\$1,823,000	\$2,047,000
Unemployment administration	20,092,500	8,544,800
Vocational rehabilitation program aids	1,081,300	1,081,300
Vocational rehabilitation project aids	<u>3,070,000</u>	<u>3,070,000</u>
Total	\$26,066,800	\$14,743,100

6. VOCATIONAL REHABILITATION SELF-EMPLOYMENT CLIENTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor	Jt. Finance	Net Change
GPR	0.42	- 0.42	0.00
FED	<u>1.58</u>	<u>- 1.58</u>	<u>0.00</u>
Total	2.00	- 2.00	0.00

7. DELETE VACANT POSITIONS

Joint Finance: Delete 0.01 GPR, 26.65 FED, and 2.54 PR positions that have been vacant for 18 months or more.

	Positions
GPR	- 0.01
FED	- 26.65
PR	<u>- 2.54</u>
Total	- 29.20

Employment and Training

1. WORKFORCE INNOVATION GRANTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

2. **WORKER ADVANCEMENT INITIATIVE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$26,500,000	- \$26,500,000	\$0

3. **CLEAN ENERGY TRAINING AND REEMPLOYMENT** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

4. **REGISTERED APPRENTICESHIPS FOR INFORMATION TECHNOLOGY CAREERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

5. **YOUTH SERVICES GRANTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$8,800,000	- \$8,800,000	\$0

6. **WISCONSIN GREEN JOBS TRAINING PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

7. **FAST FORWARD** [LFB Paper 870]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$2,000,000	-\$4,000,000	-\$2,000,000

Governor: Provide \$1,000,000 annually for the Department's workforce training grants appropriation ("Fast Forward"). Base level funding for the appropriation is \$6,250,000. The Executive Budget Book indicates that this funding is intended for training grants for green jobs, such as environmental and conservation career paths.

Joint Finance: Reduce funding by \$2,000,000 annually, so that annual funding would be \$5,250,000. Require the Department to allocate \$975,800 in each year of the 2023-25 biennium to the Department of Corrections to support instructor costs for technical mobile labs.

8. **REGISTERED APPRENTICESHIPS FOR HEALTH CARE CAREERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$936,600	1.00	-\$936,600	- 1.00	\$0	0.00

9. **SERVICES FOR VETERANS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$900,000	-\$900,000	\$0

10. **CORRECTIONAL INSTITUTION JOB CENTERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$886,200	6.00	-\$886,200	- 6.00	\$0	0.00

11. JOB CENTER STAFFING *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$709,800	3.00	-\$709,800	- 3.00	\$0	0.00

12. EMPLOYMENT OPPORTUNITY DEMONSTRATION PROJECTS *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	\$401,200	-\$401,200	\$0

13. LOCAL YOUTH APPRENTICESHIP GRANTS

GPR	\$7,000,000
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Joint Finance: Provide \$3,000,000 in 2023-24 and \$4,000,000 in 2024-25 in additional funding to the Department's continuing appropriation for local youth apprenticeship grants. Funding for local youth apprenticeship grants would be \$9,000,000 in 2023-24 and \$10,000,000 in 2024-25.

14. CAREER AND TECHNICAL EDUCATION INCENTIVE GRANTS

GPR	\$3,000,000
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Joint Finance: Provide \$1,500,000 annually in additional funding to the DWD's annual appropriation for the purposes of funding career and technical education (CTE) incentive grant payments to school districts. Funding for CTE incentive grants would be \$8,000,000 each year.

15. CDL TRAINING GRANTS

Joint Finance: Provide \$250,000 annually in one-time funding to the Joint Committee on Finance's supplemental GPR appropriation for the purpose of funding commercial driver license (CDL) training grants. The fiscal effect of this provision is shown under "Program Supplements."

Equal Rights and Employment Regulation

1. **TRANSFER TO FAMILY AND MEDICAL LEAVE BENEFITS INSURANCE TRUST FUND** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR-Transfer	\$243,413,400	-\$243,413,400	\$0

2. **FAMILY AND MEDICAL LEAVE BENEFITS INSURANCE PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
Funding Positions	Funding	Positions	Funding Positions
SEG	\$243,413,400	198.0	-\$243,413,400 - 198.00
			\$0 0.00

3. **FAMILY AND MEDICAL LEAVE EXPANSION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

4. **MIGRANT WORKERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
Funding Positions	Funding	Positions	Funding Positions
GPR	\$733,600	3.00	-\$733,600 - 3.00
			\$0 0.00

5. **MIGRANT LABOR CONTRACTOR AND CAMP FEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
PR	\$44,400	-\$44,400	\$0

6. **SUBSTANCE ABUSE PREVENTION ON PUBLIC WORKS PROJECTS** [LFB Paper 880]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding Positions		Funding	Positions	Funding	Positions
GPR	\$500,900	3.00	-\$405,500	- 3.00	\$95,400	0.00

Governor: Provide \$214,700 in 2023-24 and \$286,200 in 2024-25 and 3.0 positions beginning in 2023-24 to the Department's general program operations appropriation for the administration and enforcement of a substance abuse prevention program. In 2023-24, \$99,300 would be provided for salaries, \$44,100 for fringe benefits, and \$71,300 for supplies and services; in 2024-25, \$132,300 would be provided for salaries, \$58,800 for fringe benefits, and \$95,100 for supplies and services. The Executive Budget Book indicates that the additional position authority and funding would be for outreach and investigative activities related to state law prohibitions on workers possessing, distributing, delivering or being under the influence of alcohol and drugs on public works or utility projects.

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.

Joint Finance: Modify provision to provide \$95,400 and 1.0 one-year project position in 2023-24.

- 7. **MINIMUM WAGE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 8. **PREVAILING WAGE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
- 9. **REPEAL RIGHT TO WORK** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
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- 11. **LOCAL EMPLOYMENT REGULATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. **DISCRIMINATION ON THE BASIS OF GENDER EXPRESSION OR GENDER IDENTITY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
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15. **EMPLOYEE COMPENSATION INFORMATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Worker's Compensation and Unemployment Insurance

1. **SUPPLEMENTAL BENEFITS APPROPRIATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

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

2. **EMPLOYEE MISCLASSIFICATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
3. **PTSD COVERAGE FOR FIRST RESPONDERS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*
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LEGISLATIVE FISCAL BUREAU

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