

STATE OF WISCONSIN

SENATE CHAIR
Howard Marklein

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ASSEMBLY CHAIR
Mark Born

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JOINT COMMITTEE ON FINANCE

Minutes of the Meeting under s. 13.10

January 11, 2024

Co-Chair Born presided and called the meeting to order.

Present: Representatives Born, Katsma, Zimmerman, Rodriguez, Dallman, McGuire, Andraca
Senators Marklein, Stroebel, Felzkowski, Ballweg, Testin, Johnson

Absent: Representative Kurtz
Senators Wimberger, Roys

I. Department of Revenue

Moved by Representative McGuire and seconded by Senator Johnson to approve the department's request for a supplement of \$3,613,000 PR-S in fiscal year 2023-24 from the Committee's appropriation under s. 20.865(4)(g) to the state aid; nontaxable tribal land appropriation under s. 20.835(1)(k). The funding from the transfer would be used to compensate local governments for the loss of taxable property due to the 2022 federal court decision in *Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers*.

Ayes, 3; Noes, 10 (Born, Katsma, Zimmerman, Rodriguez, Dallman, Marklein, Stroebel, Felzkowski, Ballweg, Testin); Absent, 3

Moved by Representative Born and seconded by Representative Marklein to modify the Department of Revenue's (DOR) request to transfer \$3,613,000 in 2023-24 from the Joint Committee on Finance's program revenue (PR) supplemental appropriation to the Shared Revenue and Tax Relief annual appropriation to make payments to compensate for not being able to legally impose local general property taxes on real property exempt from taxation under the 1854 Treaty of La Pointe, as follows:

- (a) Modify each municipality's payment to provide a one-time payment of \$377,388 in 2023-24 of the full amount of the calculated property tax revenue loss for two years, instead of providing a payment equal to the full amount of calculated revenue loss for the first year and 80% of the full amount for the second year. Require the municipalities to certify that the one-time funds will be used to lessen the effect of the court decision on individual taxpayers and/or used to maintain a consistent level of municipal services.
- (b) Instead of prorating each county's 2023-24 payment by 90.6% to reflect the reduced funds available for counties after offsetting the estimated property tax shifts that may occur within taxing jurisdictions as a result of the court decision, specify that each county's payment be reduced by the total amount of payments made to the municipalities within each county's respective jurisdiction.
- (c) Adjust the payment to Ashland County by a further \$641,077, associated with the following:
 - (1) the distribution of \$231,775 to the School District of Ashland and \$9,302 to the Northwood Technical College District in 2023-24, associated with DOR-approved 2023 chargebacks for refunded property taxes for which those taxing jurisdictions are liable; and
 - (2) a reserve of \$400,000 in one-time funding in 2024-25 to provide payments to the School District of Ashland, the Northwood Technical College District, and the Town of Sanborn, to cover the estimated amount of chargebacks and refunded property taxes to be issued in 2024, which would otherwise impact 2024(25) tax bills. Specify that if the amount of the 2024 chargebacks exceed \$400,000, DOR is to pro-rate the payments. If the amount of these chargebacks total less than \$400,000, DOR is to distribute the remaining funds to Ashland County.

Note:

Under 2023 Act 19 (the 2023-25 budget act), \$3,613,000 PR in tribal gaming revenues was reserved in the Finance Committee's supplemental appropriation to compensate local governments for the loss in taxable value as a result of the Court of Appeals decision *Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers*. The table below indicates the amounts that would be distributed to each taxing jurisdiction under this motion. Jurisdictions indicated with an asterisk may receive a portion of the \$400,000 that would be reserved for distribution in 2024-25 under the motion.

Comparison of Payments under Motion and DOR Request

	Total Payment (Motion)	Total Payment (DOR Request)	Difference
<i>Adjusted County Payments for Delinquent Taxes</i>			
Ashland County*	\$1,873,785	\$2,538,668	-\$664,883
Bayfield County	480,094	477,282	2,812
Iron County	5,814	6,259	-445
Sawyer County	93,350	98,844	-5,494
Vilas County	<u>141,492</u>	<u>152,297</u>	<u>-10,805</u>
Subtotal	\$2,594,535	\$3,273,350	-\$678,815
<i>Payments Associated with Estimated Tax Shift</i>			
Town of Ashland (Ashland County)	\$1,020	\$918	\$102
Town of Gingles (Ashland County)	36,716	33,045	3,671
Town of Sanborn (Ashland County)*	247,140	222,425	24,715
Town of White River (Ashland County)	2,348	2,114	234
Town of Russell (Bayfield County)	46,712	42,041	4,671
Town of Sherman (Iron County)	1,094	984	110
Town of Bass Lake (Sawyer County)	3,318	2,987	331
Town of Couderay (Sawyer County)	2,802	2,522	280
Town of Hayward (Sawyer County)	4,654	4,188	466
Town of Radisson (Sawyer County)	4,290	3,860	430
Town of Sand Lake (Sawyer County)	686	617	69
Town of Boulder Junction (Vilas County)	124	112	12
Town of Lac du Flambeau (Vilas County)	<u>26,484</u>	<u>23,836</u>	<u>2,648</u>
Subtotal	\$377,388	\$339,650	\$37,738
<i>Payments Associated with 2023 Chargebacks</i>			
School District of Ashland*	\$231,775	\$0	\$231,775
Northwood Technical College District*	<u>9,302</u>	<u>0</u>	<u>9,302</u>
Subtotal	\$241,077	\$0	\$241,077
Reserve for Estimated 2024(25) Chargebacks	<u>\$400,000</u>	<u>\$0</u>	<u>\$400,000</u>
Total	\$3,613,000	\$3,613,000	\$0

Ayes, 13, Noes, 0; Absent 3



Dustin Trickle, Secretary

Date: 1/17/2024



Representative Mark Born, Co-Chair

Date: 1/17/24



Tony Evers, Governor

Date: 1/18/24

SUMMARY

**DETAIL OF JOINT FINANCE COMMITTEE APPROPRIATED LEVELS
2023-25 Biennium
January 11, 2024**

	<u>2023-24</u>	<u>2024-25</u>	<u>2023-25 Biennium</u>
20.865(4)(a) Appropriation Total Summary - GPR			
Unreserved	\$133,600	\$133,600	\$267,200
Reserve for Building Commission -- Transfer to Building Trust Fund	32,000,000	0	32,000,000
Reserve for Children and Families -- National Reading Program	500,000	500,000	1,000,000
Reserve for Corrections -- Population and Inflationary Cost Increases	5,675,100	5,675,100	11,350,200
Reserve for Corrections -- Contract Bed Funding	0	8,790,400	8,790,400
Reserve for Corrections -- Reentry Centers	4,000,000	0	4,000,000
Reserve for Health Services -- Telemedicine Crisis Response Pilot Program	2,000,000	0	2,000,000
Reserve for Health Services -- Crisis Urgent Care	10,000,000	0	10,000,000
Reserve for Health Services -- Dentistry Residency	5,000,000	0	5,000,000
Reserve for Health Services -- Complex Patient Pilot Program	5,000,000	0	5,000,000
Reserve for Military Affairs -- Town of Silver Public Safety Building	1,000,000	0	1,000,000
Reserve for Military Affairs -- Pre-Disaster Flood Mitigation	2,000,000	0	2,000,000
Reserve for Military Affairs -- WISCOM Upgrades	0	2,000,000	2,000,000
Reserve for Miscellaneous Appropriations -- WisconsinEye	10,000,000	0	10,000,000
Reserve for Natural Resources -- Well Compensation	1,000,000	0	1,000,000
Reserve for Public Instruction -- Literacy	50,000,000	0	50,000,000
Reserve for Public Instruction -- Shared School District Services	5,000,000	0	5,000,000
Reserve for Public Instruction -- Recovery School	500,000	500,000	1,000,000
Reserve for UW System -- Workforce Development	31,881,800	0	31,881,800
Reserve for Veterans Affairs -- State Veterans Homes	2,500,000	2,500,000	5,000,000
Reserve for WEDC -- Opportunity Attraction and Promotion Fund	10,000,000	0	10,000,000
Reserve for WEDC -- Childcare Revolving Loan Program	15,000,000	0	15,000,000
Reserve for WTCS -- Oral Healthcare Workforce	20,000,000	0	20,000,000
Reserve for Workforce Development -- Commercial Drivers License Training Grants	250,000	250,000	500,000
	\$213,440,500	\$20,349,100	\$233,789,600
Current Total - GPR			
	\$213,440,500	\$20,349,100	\$233,789,600
20.865(4)(g) Appropriation Total Summary - PR			
Reserve for Administration -- Tribal Grants	\$11,000,000	\$0	\$11,000,000
Reserve for Administration -- Division of Facilities Development Staffing	964,000	1,285,400	2,249,400
Reserve for Shared Revenue -- County Aid Payments	3,613,000	0	3,613,000
	\$15,577,000	\$1,285,400	\$16,862,400
Current Total - PR			
	\$15,577,000	\$1,285,400	\$16,862,400
20.865(4)(m) Appropriation Total Summary - FED			
	\$0	\$0	\$0
	\$0	\$0	\$0
Current Total - FED			
	\$0	\$0	\$0
20.865(4)(u) Appropriation Total Summary - SEG			
Reserve for Transportation - Driver Education Grants	\$0	\$6,000,000	\$6,000,000
Reserve for Transportation - Local Bridges and Culverts	12,500,000	0	12,500,000
	\$12,500,000	\$6,000,000	\$18,500,000
Current Total - SEG			
	\$12,500,000	\$6,000,000	\$18,500,000

SUMMARY
JOINT COMMITTEE ON FINANCE
GPR APPROPRIATION STATUS
2023-25 Biennium
January 11, 2024

2023 Act 19 (Biennial Budget)	<u>2023-24</u>	<u>2024-25</u>	<u>2023-25</u> <u>Biennium</u>	<u>Releases</u> <u>to Date</u>	<u>Remaining</u> <u>Reserve</u>
Current Biennial Appropriation Reserved Amount [s. 20.865(4)(a)]	\$213,306,900	\$20,215,500	\$233,522,400		
<u>Reserved For:</u>					
Reserve for Building Commission – Transfer to Building Trust Fund	\$32,000,000	\$0	\$32,000,000		\$32,000,000
Reserve for Children and Families – National Reading Program	500,000	500,000	1,000,000		1,000,000
Reserve for Corrections – Population and Inflationary Cost Increases	5,675,100	5,675,100	11,350,200		11,350,200
Reserve for Corrections – Contract Bed Funding	0	8,790,400	8,790,400		8,790,400
Reserve for Corrections – Reentry Centers	4,000,000	0	4,000,000		4,000,000
Reserve for Health Services – Telemedicine Crisis Response Pilot Program	2,000,000	0	2,000,000		2,000,000
Reserve for Health Services – Crisis Urgent Care	10,000,000	0	10,000,000		10,000,000
Reserve for Health Services – Dentistry Residency	5,000,000	0	5,000,000		5,000,000
Reserve for Health Services – Complex Patient Pilot Program	5,000,000	0	5,000,000		5,000,000
Reserve for Military Affairs – Town of Silver Public Safety Building	1,000,000	0	1,000,000		1,000,000
Reserve for Military Affairs – Pre-Disaster Flood Mitigation	2,000,000	0	2,000,000		2,000,000
Reserve for Military Affairs – WISCOM Upgrades	0	2,000,000	2,000,000		2,000,000
Reserve for Miscellaneous Appropriations -- WisconsinEye	10,000,000	0	10,000,000		10,000,000
Reserve for Natural Resources -- Well Compensation	1,000,000	0	1,000,000		1,000,000
Reserve for Public Instruction -- Literacy	50,000,000	0	50,000,000	327,400	49,672,600
Reserve for Public Instruction -- Shared School District Services	5,000,000	0	5,000,000		5,000,000
Reserve for Public Instruction -- Recovery School	500,000	500,000	1,000,000		1,000,000
Reserve for UW System – Workforce Development	31,881,800	0	31,881,800		31,881,800
Reserve for Veterans Affairs – State Veterans Homes	2,500,000	2,500,000	5,000,000		5,000,000
Reserve for WEDC – Opportunity Attraction and Promotion Fund	10,000,000	0	10,000,000		10,000,000
Reserve for WEDC – Childcare Revolving Loan Program	15,000,000	0	15,000,000		15,000,000
Reserve for WTCS – Oral Healthcare Workforce	20,000,000	0	20,000,000		20,000,000
Reserve for Workforce Development – Commercial Drivers License Training Grants	250,000	250,000	500,000		500,000
Reserved Balance	\$213,306,900	\$20,215,500	\$233,522,400	\$327,400	\$233,195,000
<u>Releases from Reserved Balance:</u>					
Reserve for Public Instruction -- Literacy (s. 13.10 on 12/5/23)	\$106,500	\$220,900	\$327,400		
Total Releases	\$106,500	\$220,900	\$327,400		
Remaining Reserved Balance	\$213,200,400	\$19,994,600	\$233,195,000		
Current Biennial Appropriation Unreserved Amount [s. 20.865(4)(a)]	\$133,600	\$133,600	\$267,200		
<u>Releases from Unreserved Balance</u>					
Total Releases	\$0	\$0	\$0		
Net Unreserved Balance Remaining	\$133,600	\$133,600	\$267,200		
TOTAL AVAILABLE	\$213,334,000	\$20,128,200	\$233,462,200		

SUMMARY
 JOINT COMMITTEE ON FINANCE
 PR APPROPRIATION STATUS
 2023-25 Biennium
 January 11, 2024

	<u>2023-24</u>	<u>2024-25</u>	<u>2023-25</u> <u>Biennium</u>	<u>Releases</u> <u>to Date</u>	<u>Remaining</u> <u>Reserve</u>
Current Appropriation Amount [s. 20.865(4)(g)]	\$15,577,000	\$1,285,400	\$16,862,400		
<u>Reserved For:</u>					
Reserve for Administration – Tribal Grants	\$11,000,000	\$0	\$11,000,000	\$9,000,000	\$2,000,000
Reserve for Administration – Division of Facilities Development Staffing	964,000	1,285,400	2,249,400		2,249,400
Reserve for Shared Revenue – County Aid Payments	3,613,000	0	3,613,000	3,613,000	0
Reserved Balance	\$15,577,000	\$1,285,400	\$16,862,400	\$12,613,000	\$4,249,400
<u>Releases from Reserved Balance</u>					
Reserve for Administration – Tribal Grants (s. 13.10 on 10/31/23)	\$9,000,000	\$0	\$9,000,000		
Reserve for Shared Revenue – County Aid Payments (s. 13.10 on 1/11/24)	3,613,000	0	3,613,000		
Total Releases	\$12,613,000	\$0	\$12,613,000		
Remaining Reserved Balance	\$2,964,000	\$1,285,400	\$4,249,400		

SUMMARY
JOINT COMMITTEE ON FINANCE
SEG APPROPRIATION STATUS
2023-25 Biennium
January 11, 2024

	<u>2023-24</u>	<u>2024-25</u>	<u>2023-25 Biennium</u>	<u>Releases to Date</u>	<u>Remaining Reserve</u>
Current Appropriation Amount [s. 20.865(4)(u)]	\$12,500,000	\$6,000,000	\$18,500,000		
<u>Reserved For:</u>					
Reserve for Transportation - Driver Education Grants	\$0	\$6,000,000	\$6,000,000		\$6,000,000
Reserve for Transportation - Local Bridges and Culverts	12,500,000	0	12,500,000	12,500,000	0
Reserved Balance	\$12,500,000	\$6,000,000	\$18,500,000	\$12,500,000	\$6,000,000
<u>Releases from Reserved Balance</u>					
Reserve for Transportation - Local Bridges and Culverts (s.13.10 on 12/5/23)	\$12,500,000	\$0	\$12,500,000		
Total Releases	\$12,500,000	\$0	\$12,500,000		
Remaining Reserved Balance	\$0	\$6,000,000	\$6,000,000		

SUMMARY
JOINT COMMITTEE ON FINANCE
FED APPROPRIATION STATUS
2023-25 Biennium
January 11, 2024

	<u>2023-24</u>	<u>2024-25</u>	<u>2023-25</u> <u>Biennium</u>	<u>Releases</u> <u>to Date</u>	<u>Remaining</u> <u>Reserve</u>
Current Appropriation Amount [s. 20.865(4)(m)]	\$0	\$0	\$0		
<u>Reserved For:</u>	\$0	\$0	\$0	\$0	\$0
Reserved Balance	\$0	\$0	\$0	\$0	\$0
<u>Releases from Reserved Balance</u>	\$0	\$0	\$0		
Total Releases	\$0	\$0	\$0		
Remaining Reserved Balance	\$0	\$0	\$0		