



Legislative Fiscal Bureau

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March 16, 2015

TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Use of Certain Segregated Funds Within the 2015-17 Budget

Following is a list of segregated funds in the 2015-17 budget bill (AB 21/SB 21) that would be used for purposes other than those for which the fund was generally established.

Segregated Funds Used for Purposes Other Than Those for Which the Fund was Generally Established

	<u>2015-16</u>	<u>2016-17</u>
Agricultural Chemical Cleanup Fund Transfer to Nonpoint Account. The bill would transfer \$1 million each year from the agricultural chemical cleanup program (ACCP) fund to the nonpoint account of the environmental fund on a one-time basis in 2015-17 biennium.	\$1,000,000	\$1,000,000
Agrichemical Management Fund DATCP and UW Programs. The agrichemical management (ACM) fund supports: (a) 4.0 positions in the DATCP animal health program (\$359,900 annually); and (b) the UW Discovery Farms program (\$249,800 in 2015-16 only). Both were transferred to ACM SEG beginning in 2013-14, having been funded initially by ACCP SEG (Discovery Farms beginning in 2007-08 and DATCP animal health staff beginning in 2009-10). The bill would repeal the UW Discovery Farms appropriation July 1, 2016.	\$609,700	\$359,900
Conservation Fund Forestry Account. Since 1999-00, funds have been appropriated from the forestry account of the segregated conservation fund for stewardship program debt service to offset a portion of GPR. Currently, \$13.5 million forestry SEG annually is provided. In addition, since 2002-03, forestry account SEG has offset a portion	\$22,194,500	\$22,194,500

	<u>2015-16</u>	<u>2016-17</u>
<p>of GPR for aids in lieu of taxes payments. Currently \$5,470,000 annually is provided for these payments.</p> <p>Parks Account. The bill would delete \$4,668,800 GPR annually for state park and trail operations (\$0 GPR would remain) and shift \$3,224,500 and 44.68 positions to parks account SEG.</p>		
<p>Environmental Fund</p> <p>Nonpoint Debt Service. Beginning in 2009-10, all principal and interest payments for bonds issued under nonpoint source pollution abatement grant programs was transferred from GPR to the nonpoint account of the environmental fund. These amounts account for approximately \$16.4 million in 2015-16 and \$15.89 million in 2016-17.</p> <p>Nonpoint Program Staffing. Certain nonpoint program positions in the Department of Agriculture, Trade and Consumer Protection (DATCP) and the Department of Natural Resources were transferred from GPR to nonpoint SEG beginning in 2005-06. The base cost of the positions is estimated at \$1.1 million annually.</p> <p>Vehicle Environmental Impact Fee. The \$9 per vehicle environmental impact fee assessed at the time of titling of new and used vehicles was deposited in the environmental management account of the environmental fund between 1997-98 and 2010-11. It was repealed in 2011 Act 32 (while the vehicle title fee deposited in the transportation fund was increased by the same amount). When the vehicle environmental impact fee was repealed, it generated revenue of approximately \$10.5 million annually.</p> <p>Environmental Management Debt Service. Beginning in 2001-02, payment of debt service for general obligation bonds issued for remedial action at certain contaminated sites was converted from GPR to the environmental management account. Beginning in 2010-11, a sum certain SEG appropriation was created to pay \$8 million annually in debt service costs formerly paid from GPR for bonds issued under a former water pollution abatement grant program. The remainder of debt service has been paid from a GPR sum sufficient appropriation. The bill would convert the SEG appropriation to sum sufficient intended to pay all related debt service costs. Environmental management SEG debt service for these two purposes is estimated at \$16.18 million in 2015-16 and \$10.56 million in 2016-17.</p>	\$44,180,000	\$38,050,000
<p>Petroleum Inspection Fund</p> <p>Transfer to Transportation Fund. Beginning in 2009-10, every biennial budget has included one-time transfers to the transportation fund. The bill would transfer \$21 million in each of 2015-16 and 2016-17.</p> <p>Transportation Appropriations. Beginning in 2004-05, an ongoing appropriation has been made from the petroleum inspection fund to the transportation fund. The bill would continue base funding of \$6,258,500 annually.</p>	\$27,258,500	\$27,258,500
<p>Recycling Fund</p> <p>Recycling Tipping Fee. Beginning in 2010-11, revenues from the recycling tipping fee and most programs related to recycling were transferred to the environmental management account from the former recycling fund, which was eliminated. The recycling tipping fee is \$7 per ton of most solid waste, other than</p>	\$35,000,000	\$32,500,000

	<u>2015-16</u>	<u>2016-17</u>																																				
<p>high-volume industrial waste, disposed of in Wisconsin landfills. Under the bill, the net difference between the recycling tipping fee and appropriations formerly funded from the recycling fund would be approximately \$13.8 million in 2015-16 and \$10.0 million in 2016-17.</p> <p>Recycling Surcharge. Beginning in tax year 2011, the recycling surcharge was converted to the economic development surcharge, and revenues from the surcharge have been used to fund economic development programs administered by the Wisconsin Economic Development Corporation. The use of these funds for economic development programs would be continued in the 2015-17 biennium under the bill (estimated at \$21.2 million in 2015-16 and \$22.5 million in 2016-17).</p>																																						
<p>Universal Service Fund</p> <p>Public Library System Aid. Prior to the 2003-05 budget, the general fund was the source of funding for state aid to public library systems, providing \$14.2 million GPR in 2002-03. The following table shows that funding for public library system aids was gradually shifted from the general fund to the segregated universal service fund over the next four biennia, until beginning in 2009-10, all state aid to public library systems was paid with SEG from the universal service fund.</p> <p style="text-align: center;">Change in Source of Funding for Public Library System Aid (\$ in Millions)</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>GPR</u></th> <th style="text-align: center;"><u>SEG</u></th> <th style="text-align: center;"><u>Total</u></th> </tr> </thead> <tbody> <tr> <td>2002-03</td> <td style="text-align: center;">\$14.2</td> <td style="text-align: center;">\$0.0</td> <td style="text-align: center;">\$14.2</td> </tr> <tr> <td>2003-04</td> <td style="text-align: center;">12.1</td> <td style="text-align: center;">2.1</td> <td style="text-align: center;">14.2</td> </tr> <tr> <td>2004-05</td> <td style="text-align: center;">12.1</td> <td style="text-align: center;">2.1</td> <td style="text-align: center;">14.2</td> </tr> <tr> <td>2005-06</td> <td style="text-align: center;">10.7</td> <td style="text-align: center;">4.2</td> <td style="text-align: center;">14.9</td> </tr> <tr> <td>2006-07</td> <td style="text-align: center;">11.3</td> <td style="text-align: center;">4.2</td> <td style="text-align: center;">15.5</td> </tr> <tr> <td>2007-08</td> <td style="text-align: center;">2.1</td> <td style="text-align: center;">14.0</td> <td style="text-align: center;">16.1</td> </tr> <tr> <td>2008-09</td> <td style="text-align: center;">11.3</td> <td style="text-align: center;">5.5</td> <td style="text-align: center;">16.8</td> </tr> <tr> <td>2009-10</td> <td style="text-align: center;">0.0</td> <td style="text-align: center;">16.2</td> <td style="text-align: center;">16.2</td> </tr> </tbody> </table> <p>Under the bill, \$16,180,300 SEG of annual funding would be provided for that purpose. The universal service fund receives its funding through Public Service Commission assessments on annual gross operating revenues from intrastate telecommunications providers, which they can fully recover through pass-through assessments on subscribers.</p>		<u>GPR</u>	<u>SEG</u>	<u>Total</u>	2002-03	\$14.2	\$0.0	\$14.2	2003-04	12.1	2.1	14.2	2004-05	12.1	2.1	14.2	2005-06	10.7	4.2	14.9	2006-07	11.3	4.2	15.5	2007-08	2.1	14.0	16.1	2008-09	11.3	5.5	16.8	2009-10	0.0	16.2	16.2	\$16,180,300	\$16,180,300
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<p>Utility Public Benefits Fund</p> <p>Children and Families Economic Support Programs. Since 2004-05, approximately \$9 million of utility public benefits fund revenues have been used each year to support economic support programs administered by the Department of Children and Families. The use of these funds for economic support programs would be continued in the 2015-17 biennium under the bill.</p>	\$9,139,700	\$9,139,700																																				
Total	\$155,562,700	\$146,682,900																																				

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