

2017-2019

Assembly GOP State Budget Summary





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Joint Committee on Finance – Improving upon the Governor’s Proposal

LESS SPENDING, FEWER POSITIONS

- Reduces the state's FTE count by over 432 FTE in each year, compared to the Governor's budget recommendation.
- Spends nearly \$500M all funds less than the Governor's recommended budget.

FISCALLY RESPONSIBLE BUDGETING

- Ends with a projected general fund balance of about \$200M. An increase of \$110M when compared to the Governor's budget recommendation.
- Rainy Day Fund of \$284M.
- Does not use a lapse to balance the budget -- This ensures increased Legislative oversight of spending.

LOWER, SMARTER BONDING

- Transportation Fund Bonding - lowest level of bonding in over a decade. Protecting fund integrity by not spending what we can't afford.
 - Provided \$150M in Transportation Fund – decrease from Governor by \$350M
 - *Note: 2017 Act 58 provided a \$252M in general funding supported bonding for I-94 N/S*
- Investing in maintenance and upkeep for existing state buildings
 - Increased investment by \$209M above Governor

CONSERVATIVE BUDGETING REFORMS:

- **VETOED** Require Fee Report with Agency Budget Requests
 - Each executive branch agency must include a report of all fees and a justification for each fee in its biennial budget request.
- **VETOED** Cost-Benefit Analysis of Lease and Purchase Options
 - Require a cost-benefit analysis of any lease of more than \$500,000 and require Legislative approval of such leases.



STATE BUDGET HIGHLIGHT NUMBERS

Total Budget: \$76.5 Billion

**Change to Governor
Proposal: - \$495 Million**

Fiscally responsible:

- ✓ Rainy Day Fund Balance: \$284 Million
- ✓ Ending Balance
(including statutory balance): \$196.9 Million

Structural Deficit:

- ✓ Decreased structural deficit by \$62 Million
- ✓ Third lowest in the last 20 years



Budget Overview

Estimated 2017-19 General Fund Taxes

Table 7 from LFB Comparative Summary (p.14)

| <u>Tax Source</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2017-19</u> | <u>% of Total</u> |
|--------------------------------|-------------------|-------------------|--------------------|-------------------|
| Individual Income | \$8,380,180,000 | \$8,719,824,000 | \$17,100,004,000 | 52.3% |
| Sales and Use | 5,383,804,900 | 5,582,700,900 | 10,966,505,800 | 33.5 |
| Corporate Income and Franchise | 950,800,000 | 960,916,000 | 1,911,716,000 | 5.8 |
| Public Utility | 373,500,000 | 378,200,000 | 751,700,000 | 2.3 |
| Excise | | | | |
| Cigarette | 564,700,000 | 560,400,000 | 1,125,100,000 | 3.4 |
| Tobacco Products | 85,000,000 | 88,000,000 | 173,000,000 | 0.5 |
| Liquor and Wine | 52,000,000 | 53,000,000 | 105,000,000 | 0.3 |
| Beer | 8,900,000 | 8,800,000 | 17,700,000 | 0.1 |
| Insurance Company | 192,000,000 | 197,000,000 | 389,000,000 | 1.2 |
| Miscellaneous | <u>87,000,000</u> | <u>90,000,000</u> | <u>177,000,000</u> | 0.5 |
| TOTAL | \$16,077,884,900 | \$16,638,840,900 | \$32,716,725,800 | 100.0% |

**Summary of 2017-19 Appropriations by Functional Area**

Table 9 from LFB Comparative Summary (p. 16)

All Funds

| <u>Functional Area</u> | <u>Amount</u> | <u>% of Total</u> |
|-------------------------------|-------------------------|-------------------|
| Education | \$27,926,989,700 | 36.9% |
| Human Resources | 30,589,341,200 | 40.4 |
| Environmental Resources | 7,253,537,400 | 9.6 |
| Shared Revenue and Tax Relief | 5,412,352,200 | 7.1 |
| General Executive | 2,751,738,200 | 3.6 |
| Commerce | 754,167,100 | 1.0 |
| General Appropriations | 453,087,000 | 0.6 |
| Judicial | 290,225,900 | 0.4 |
| Legislative | 153,051,200 | 0.2 |
| Compensation Reserves | <u>123,986,200</u> | <u>0.2</u> |
| TOTAL | \$75,708,476,100 | 100.0% |

General Purpose Revenue

| <u>Functional Area</u> | <u>Amount</u> | <u>% of Total</u> |
|-------------------------------|-------------------------|-------------------|
| Education | \$15,796,979,000 | 45.6% |
| Human Resources | 11,373,892,800 | 32.9 |
| Shared Revenue and Tax Relief | 4,805,747,900 | 13.9 |
| General Executive | 1,260,323,400 | 3.6 |
| Environmental Resources | 508,679,100 | 1.5 |
| General Appropriations | 337,016,400 | 1.0 |
| Judicial | 260,478,800 | 0.8 |
| Legislative | 148,579,700 | 0.4 |
| Commerce | 76,590,200 | 0.2 |
| Compensation Reserves | <u>55,162,100</u> | <u>0.1</u> |
| TOTAL | \$34,623,449,400 | 100.0% |

For additional budget tables see LFB Summary Doc [Here](#)

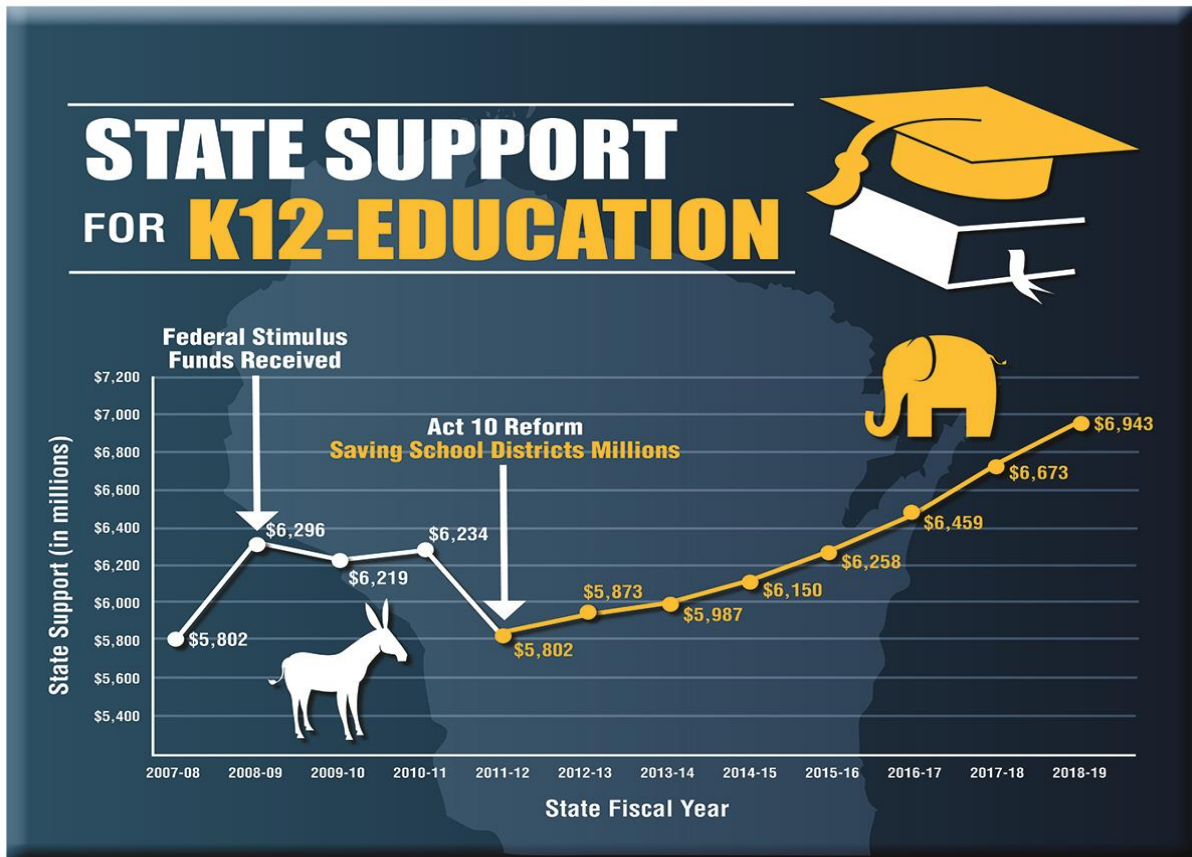


Education

K-12 Education

SPENDS MORE MONEY DIRECTLY IN THE CLASSROOM

- Increases state aid to school districts by \$639M.
 - Provides an additional \$200/pupil in FY18 and \$204/pupil in FY19.
 - This amounts to an increase of \$604 per student over the biennium.
 - A classroom of 20 students will see a total increase of \$12,080 over the biennium.
- Protects taxpayers' investment by directing the additional money to the classroom.
- Provides matching funds to help schools purchase computers for all high school students (\$9.2M) (#21, p. 505 of [LFB Comparative Summary](#)).





GIVES EVERY CHILD THE TOOLS THEY NEED TO SUCCEED IN SCHOOL AND LIFE

- **VETOED** Targets aid to frugal, low-spending school districts by increasing the low-revenue ceiling to \$9,400 per pupil by the second year of the biennium and \$100 each year until it reaches \$9,800 per pupil (#6, p. 494).
 - This will direct over \$23M in additional state aid to 109 low-spending school districts in this biennium
 - Over the next 6 years, this will direct \$92M to over 200 school districts.
- Creates a new Performance Funding aid program to help failing school districts improve (\$3.7M) (#13, p. 501).
 - Also creates a new program to improve summer school programming in failing schools so that students who are falling behind get caught up (\$1.4M) (#14, p. 502).
- Continues to fund the Robotics League Participation Grant program created in the last session (\$500,000) (#26, p. 509).
- Increases the score needed to pass the state civics exam (#28, p. 546).
- Provides funds for students to earn certificates for training and proficiency in information technology and computer skills such as the Microsoft Office Suite, providing a “leg-up” when entering the workforce. (\$1.75M) (#25, p. 545).

FOCUSES ON DEVELOPING, RETAINING, AND REWARDING GREAT TEACHERS

- Creates a lifetime license for teachers and administrators that complete six semesters of successful experience (#9, p. 539; LFB Paper 530).
- Simplifies the licensure system to make it more flexible and responsive to meet individual school district workforce needs (#16, p. 542).
- Provides \$1M to connect future teachers with rural school districts facing teacher shortages (#25, p. 508).
- Funds a teacher recruitment and training program for school paraprofessionals looking to become fully licensed teachers (\$500,000) (#3, p. 718; LFB Paper 690).
- Provides funding for an innovative School Leadership Loan Program to prepare students for careers as principals and superintendents in our schools (\$500,000) (#13, p. 353).



EVERY FAMILY, EVERYWHERE IN WISCONSIN SHOULD HAVE EFFECTIVE EDUCATIONAL OPTIONS

- Continues to provide parents with choices and options on how and where to educate their children by increasing the family income threshold to 220% of the federal poverty limit for students in the statewide choice program (#15, p. 515).
- Authorizes any UW campus or technical college to establish a charter school (#33, p. 522).
- Provides funding for Wisconsin Reading Corps which works to improve students' reading skills through one-on-one tutoring (\$1M) (#23, p. 544).
- Provides funding for College Possible, a program that helps low-income, at-risk students attend college and graduate (\$1M) (#24, p. 545).
- Increases access and flexibility for participation in the Special Needs Scholarship Program (#25, 26, 27, 28, pp. 518-519).

EXPANDS EDUCATIONAL SERVICES TO STUDENTS WHO DESERVE TO HAVE AN EXCELLENT EDUCATION

- Fully funds Special Education Transitions Incentive Grants which rewards school districts for connecting students with special needs to meaningful employment or postsecondary education (\$6.1M) (#8, p. 498).
 - Creates a new Special Education Transition Readiness Grant to help school districts build the capacity to connect students to potential jobs and postsecondary education (\$1.5M) (#9, p. 499).
- Increases the reimbursement rate for the High Cost Special Education Aid Program to 90% (currently 70%) of all costs over \$30,000 per pupil (\$1.5M) (#11, p. 500).
- Creates two new aid programs related to student mental health:
 - School Mental Health Aid to reimburse schools for costs related to providing mental health services to students (\$3M) (#15, p. 503); and,
 - Community and School Mental Health Collaboration Grants to help schools connect with area health providers to meet students' needs (\$3.25M) (#16, p. 503).
- Provides funding for targeted mental health services and counseling in five elementary school in Milwaukee (will be administered through DCF) (\$500,000) (#23, p. 142; LFB Paper 202).



BUILDS ON PREVIOUS WORK DONE TO HELP RURAL SCHOOLS SO THAT ALL STUDENTS HAVE THE SAME OPPORTUNITIES TO BE SUCCESSFUL

- Fully funds the sparsity aid program and creates a new stop-gap mechanism to prevent school districts from losing sparsity aid from one year to the next (\$1.6M) (#3, p. 496; LFB Paper 500).
- Expands eligibility for high-cost transportation aid so that more districts may receive aid (\$10.4M) (#4, p. 497; LFB Paper 501).
- **VETOED** Creates an incentive-based aid program to encourage school districts to share administrative positions so that more money may be spent in the classroom (\$2M) (#22, p. 506).
- **VETOED** Builds on the Whole Grade Sharing Agreement program created in the last budget by providing incentive aid to encourage school districts to enter into an agreement (\$750,000) (#23, p. 507).

UW System

PROVIDES MORE FUNDING TO PREPARE THE WORKFORCE OF TOMORROW

- Increases funding to the UW System by \$34,250,000.
- Provides more funds to the Rural Physician Residency Assistance Program which trains and places physicians in rural communities (\$200,000) (#8, p. 675; LFB Paper 638).
- Increases funding for the Alzheimer's Disease Research Center (\$100,000) (#9, p. 675).
- **VETOED** Reinstates funding for the Wisconsin Institute for Sustainable Technology at UW-Stevens Point (\$880,000) (#17, p. 677).
- Expands the UW Carbone Cancer Center to bring access to precision medicine to more cancer patients statewide (\$980,000) (#5, p. 673).
- Creates a School of Engineering at UW-Green Bay (#26, p. 680).

CONTINUES TO CONTROL THE COST OF HIGHER EDUCATION

- Freezes tuition for resident undergraduate students in both years (#2, p. 672; LFB Paper 636).
 - *At the end of the 2017-19 biennium, tuition will have been frozen for six consecutive years.*



- Freezes allocable segregated fees and directs the Board of Regents to develop systemwide policies governing allocable segregated fees (#21, p. 678).
- Creates the Early College Credit program to help high school students take college courses while in high school (#42, p. 528).
 - Based on recent enrollment data, this could save students up to \$12M in college costs annually.

HOLDS THE UW SYSTEM ACCOUNTABLE TO TAXPAYERS

- Requires an independent audit of the UW System by an external, independent accounting firm. (#28, p. 681)
- Creates an outcomes-based funding model based on the following systemwide goals (#1, p. 668):
 - grow and ensure student access
 - improve and excel at student progress and completion
 - expand contributions to the workforce
 - enhance operational efficiency and effectiveness.
- Approves a faculty workload study to ensure students have adequate classroom instruction (#36, p. 684).

ENCOURAGES INTELLECTUAL DIVERSITY AND SPEECH FOR ALL STUDENTS ON CAMPUS

- Directs the UW System to review and revise policies related to academic freedom (#10, p. 675).
- Creates the Tommy G. Thompson Center on Public Leadership at UW Madison with a directive to facilitate research, teaching, and outreach of needed policy reforms regarding effective public leadership to improve the practice of American government (\$1.5M) (#4, p. 673).

INVESTS IN CAMPUS INFRASTRUCTURE

- Over \$209M in investments on campuses, including (#1, p. 103; LFB Paper 175, 176, and 177):
 - A new engineering facility at UW-Platteville
 - Residence hall renovations and additions at UW-Eau Claire, UW-Milwaukee, and UW- River Falls
 - Remodels the Student Union at UW-Parkside



- o Funds necessary utility repairs at UW-Madison
- o The Northwest Quadrant Renovation at UW-Milwaukee
- o System-wide classroom renovations and IT improvement.

Wisconsin Technical Colleges System

WITH THE RECENT ANNOUNCEMENTS OF BUSINESS EXPANSIONS AND RELOCATIONS IN WISCONSIN, NOW IS A VITAL TIME TO INVEST IN WISCONSIN'S WORKERS

- Increases funding for the need-based Wisconsin Grant scholarships (\$4M) (#4, p. 351; LFB Paper 380 and 675).
 - o Wisconsin Grants help low-income students get the training they need in the Wisconsin Technical College System (WTCS) to enter the workforce.

BUILDS UPON PREVIOUS EFFORTS TO ENSURE ACCOUNTABLE USE OF TAXPAYER RESOURCES

- Maintains the current performance funding law for the Wisconsin Technical College System. 30% of state aid to WTCS will continue to be distributed based upon individual technical college's' performance on a variety of performance metrics (#6, p. 706; LFB Paper 676).

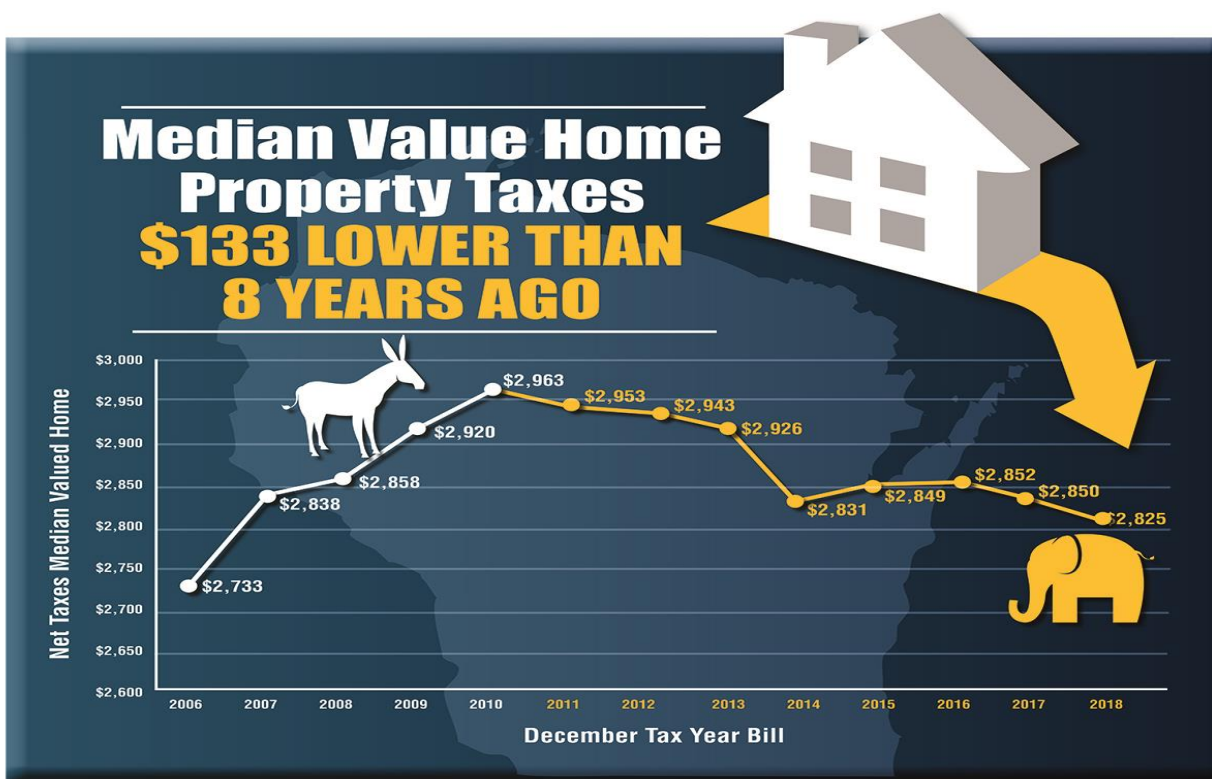


Jobs, Economy, Taxes

Taxes

WE CARE ABOUT HARD-WORKING FAMILIES WHO DESERVE A BREAK AND DON'T NEED HIGHER PROPERTY TAXES.

- Keeps property taxes lower than they were in 2010, 2014, and today (#2, p. 596; LFB Paper 550).



- Reforms municipal levy limit referenda to make them more transparent and accountable to taxpayers (#8, p. 606).
- Allows counties to enter into shared service agreements to more efficiently and effectively deliver services to taxpayers (#1, p. 254).
- Limits the scheduling of school referenda to regularly scheduled elections to hold school districts accountable to taxpayers (#7, p. 494).
- Eliminates the state property tax (forestry mill tax). (#1, p. 457; LFB Paper 465).



CONTINUES TO CREATE A PRO-BUSINESS CLIMATE SO THAT WISCONSINITES HAVE QUALITY, FAMILY SUPPORTING JOBS

- \$75M Personal Property Tax Cut - Repeals a portion of the onerous personal property tax so that small businesses can spend more time growing their business than paying taxes and filing reports with the government (#3, p. 604).
 - Provides \$75M to ensure local municipalities see no reduction in tax revenues.
- Requires the Department of Revenue (DOR) to use statistical sampling when auditing small businesses (#15, p. 251).
 - This will ensure DOR is able to conduct an adequate audit while protecting small businesses from onerous, costly audits.

THANKS TO THE REFORM DIVIDEND, WE WERE ABLE TO MAKE HISTORIC INVESTMENTS IN EDUCATION AND WORKER TRAINING, AND HOLD THE LINE ON INCOME TAXES

- In addition to holding sales and income taxes flat, we repealed (ended) three different taxes:
 - The forestry mill tax (i.e. state property tax) (over \$180M in savings to taxpayers) (#1, p. 457; LFB Paper 465)
 - The alternative minimum tax (\$7M in savings to taxpayers) (#32, p. 240)
 - The soda water beverages tax (#5, p. 255)
 - Sales tax on internet access charges (#16, p. 251)



Wisconsin Economic Development Corporation

ENABLES WEDC TO BE STRATEGIC IN BUSINESS RECRUITMENT AND RETENTION EFFORTS WHILE ALSO MAINTAINING ADEQUATE OVERSIGHT OF SPENDING AND ACTIVITIES

- Approves a total budget of over \$75 million over the biennium to enable WEDC to continue its efforts to grow and invest in Wisconsin's economy.
- Equips WEDC with strategic flexibility to help Wisconsin businesses hire and retain Wisconsin workers (#1, p. 698).
- Directs WEDC to make fabrication laboratory (Fab Lab) technical assistance grants to support the increased funding to start Fab Labs in schools (\$1.4M) (#3, p. 700; LFB Paper 667).
 - Fab Labs are high-tech workshops equipped with computer-controlled manufacturing components used to provide students with hands-on manufacturing experience.

Workforce Development

THIS BUDGET CONTINUES TO PREPARE WISCONSIN WORKERS TO SUCCEED IN A 21ST CENTURY ECONOMY

- Increases funding for Fast Forward grants, which helps to fund workforce training programs such as apprenticeships and internships, with the following changes (\$11.5M) (#1, p. 716; LFB Paper 690):
 - Creates a technical education equipment grant program which will provide grants to school districts for the purchase of tech. ed equipment (\$1M) (#6, p. 720).
 - Increases funding for Career and Technical Education grants, which provides funds to school districts for students who earn a tech. ed. certificate (\$1M) (#5, p. 720).
 - Requires DWD to award grants to the Department of Corrections for the creation, operation, and upkeep of mobile classrooms to expand education and vocational opportunities for incarcerated offenders to prepare them for reentry into society and to help reduce recidivism (\$1.1M) (#2, p. 718).
 - Provides funding to support the Building Occupational Skills for Success (BOSS) program which is designed to provide students with the skills and tools needed to become future business owners (\$200,000) (#4, p. 719).



Department of Safety and Professional Services

REMOVE BARRIERS TO EMPLOYMENT AND INDEPENDENCE

- Directs DSPS to conduct a review of all occupational licenses and present to the Legislature a recommendation of licenses that may be removed without causing harm to or endangering the public (#2, p. 579).
- Allows a journeyman plumber that has completed an apprenticeship in another state, has a license in good standing, and passes Wisconsin's exam, to receive a Wisconsin license. This streamlines reciprocity licenses for plumbers moving to Wisconsin from another state (#8, p. 586).

STREAMLINING GOVERNMENT REGULATION

- Repeals the Rental Weatherization Program, removing outdated and unnecessary red tape for rental property owners that already have to meet minimum energy efficiency standards in building code (#9, p. 573; LFB Paper 556).
- Creates a sunset of June 30, 2021 for the Private Onsite Wastewater Treatment System Grant Program that has been declining in demand over the last 10 years. This provision is in line with legislation to allow municipalities and counties to establish a loan program to replace failing septic systems (#10, p. 575; LFB Paper 557).
- Increases staff support for the operations of the Prescription Drug Monitoring Program (PDMP), a statewide program that tracks the movement of legal scheduled prescription medications to help fight against Wisconsin's opioid epidemic (#9, p. 586; LFB Paper 561).



Natural Resources and Agriculture

Natural Resources

WISCONSIN IS KNOWN FOR OUR ABUNDANT NATURAL RESOURCES AND WE CONTINUE TO PROTECT OUR ENVIRONMENT FOR FUTURE GENERATIONS

- Increases funding for county conservation staffing (\$900,000) so that counties may continue to safely protect natural resources and implement conservation plans (#5, p. 71).
- Maintains the Knowles-Nelson Stewardship program in the same form as current law.
- Supports the administration's efforts to reorganize the DNR to streamline departmental services and remove barriers to receiving services (#1, p. 434; LFB Paper 455).
- Preserves the DNR Magazine, while reducing the publication to 4 times per year (#2, p. 449; LFB Paper 461).
- Directs an audit of the forestry account to ensure funds are spent appropriately and to develop a strategic plan for use of account funds (#13, p. 463).
 - Also sets aside \$5M in case of a natural disaster involving state forests (#11, p. 463).

WATER IS ONE OF OUR MOST PRECIOUS RESOURCES AND THIS BUDGET PROVIDES NEEDED FUNDING TO ENSURE SAFE WATER FOR DRINKING AND RECREATION

- Continues the producer-led watershed protection grant program (\$500,000) (#8, p. 73; LFB Paper 148).
- Provides additional funding for soil and water resource management grants primarily for nutrient management planning (\$1,650,000 increase; total of \$6.65M) (#6, p. 72; LFB Paper 148).
- Increases bonding authority by \$250,000 for targeted runoff management program (\$6,150,000 total) and by \$700,000 for urban nonpoint source and municipal flood control programs (\$3,700,000 total).
- Provides additional funds for aquatic invasive species education and control grants (\$500,000) (#2, p. 469).
- Provides \$500,000 for studies of hydrology of three lakes in central sands region and Little Plover River (#17 and 18, p. 475).
- Creates two new positions for CAFO (large farms) wastewater permitting activities to ensure smart oversight of farming activities (#3, p. 469; LFB Paper 476).



ENCOURAGE FUTURE GENERATIONS TO ENJOY OUR NATURAL RESOURCES AND OUR PARKS BECOME MORE SELF SUSTAINING

- Provides flexibility to increase daily park admission fees up to \$5 (#15, p. 463; LFB Paper 467).
- Increases the cap on campsites that may be electrified from 30% to 35%, and increases the electric campsite fee for high-demand parks to \$15 (#15, p. 463; LFB Paper 467).
- Increases annual vehicle registrations and park attendance by direct a plan between DNR and DOT to create a recreational passport to be included with vehicle registrations (#17, p. 466).
- Eliminates Deer and Wild Turkey Carcass Tags (#12, p. 456)
- Restores funding for ATV safety enhancement grants (#22, p. 468)
- Snowmobile Trail Aids - Increase the maximum amount awarded for trail aids and direct Governor's Council to study options for adequate development and maintenance of snowmobile trails, with a report to JFC by January 1, 2019 (#21, p. 468).

Agriculture, Trade, and Consumer Protection

WISCONSIN HAS A PROUD AGRICULTURAL HERITAGE AND THIS BUDGET SUPPORTS THIS VITAL PART OF OUR ECONOMY AND CULTURE

- Maintains the Farm-to-School Program which connects schools and local farmers to provide locally produced, healthy food for students (#10, p. 74; LFB Paper 140).
- Eliminates the sunset on the farmland preservation planning grant program so that counties have the support necessary to preserve farmland and manage agricultural development (#11, p. 74; LFB Paper 142).
- Restructures the agrichemical management fund and agricultural chemical cleanup fund based on recommendations made by the Agriculture and Chemical Revenue and Expenditures advisory committees (#2, p. 66; LFB Paper 144).
 - These changes will modernize the fee and license structure for pesticides, fertilizers, soil or plant additives, and inspections while ensuring funding to protect our environment and reducing the bureaucratic burden on the agriculture community.



- Maintain Stray Voltage Program. The Legislature maintained a streamlined version of the stray voltage program to assist in the investigation of the causes of stray voltage and livestock deaths on individual farms.
- Maintains funding for aids to county and district fairs (\$50,000) (#13, p. 75).



Justice and Public Safety

Department of Justice

FIGHTING ADDICTION THROUGH SOUND INVESTMENTS IN TREATMENT AND DIVERSION PROGRAMS.

- Increases funding for Treatment and Diversion Programming by \$500,000 (in addition to \$2M provided in 2017 Act 32) (#6, p. 373).
- The funding may be used to start a new drug treatment court, or it may be used for other kinds of TAD programming in counties that lack current programming.
- With the implementation of this budget and the recent special session bill, we have added a total of \$5.8M annually to TAD in our state.
- These programs are more cost effective than incarceration and, if the program is completed, are proven to help over 60% of individuals suffering with an addiction to achieve long-term recovery.

SUPPORT LOCAL LAW ENFORCEMENT EFFORTS THROUGH BEAT PATROL OVERTIME GRANTS

- Provides \$1M annually in grants to municipalities for beat patrol overtime grants (#8, p. 374).

PROVIDE FUNDING FOR DNA ANALYSIS KITS AND INTERNET CRIMES AGAINST CHILDREN

- The Committee voted to increase the expenditure authority of DOJ's crime laboratories and DNA analysis continuing PR appropriation by \$1M PR annually. The intent of this increased funding is to address the backlog of DNA testing kits (#9, p. 375).
- The Committee approved the Governor's recommendation to provide \$750,000 annually to DOJ's Internet Crimes Against Children (ICAC) appropriation (#10, p. 376).

ADDITIONAL FUNDING FOR DCI OVERTIME

- Additional funding of \$558,900 annually for overtime for special agents at DCI (#11, p. 377).

DOJ DISCRETIONARY FUNDS OVERSIGHT

- The Committee approved a motion to require a JFC passive review of all of DOJ's discretionary settlement funds prior to being spent by the Department (#16, p. 381).
- The DOJ is the only state agency that is able to spend its discretionary funds without any legislative oversight. This is especially concerning because these dollars are accumulated through lawsuits funded by Wisconsin taxpayers.



- The legislature will now have oversight of the funds to ensure they are being spent in the best possible way for the benefit of the state.

Justice System

COURTS

- Increased judicial compensation by 2% in September of 2018 and another 2% in May of 2019. Additionally, provide for DPM to consult with Chief Justice for additional pay increases (#2, p. 99).
- Maintain the Judicial Commission for independent investigation and prosecution of misconduct and disability of judges and court commissioners (#2, p. 365).

DISTRICT ATTORNEYS

- Increases pay-progression funding by \$3.6 M over the biennium to reduce turnover and retain and compensate state prosecutors (#2, p. 193).
 - The Committee voted to increase salaries for Assistant District Attorneys (ADAs), Deputy District Attorneys (DDAs), and Assistant State Public Defenders (ASPDs).
- **VETOED** Creates a Prosecutor Board to oversee the State Prosecutors Office, represent district attorneys in state government, make recommendations for prosecutor resources, and oversee and set policy initiatives (#4, p. 194).

PUBLIC DEFENDER

- Adopts an innovative ideas to providing government services by converting the State Public Defender to a block grant, while retaining oversight of agency expenditures (#2, p. 484).
- Increases Pay Progression by \$2.9M to provide effective representation and control long-term costs by avoiding more expensive private bar reimbursement (#3, p. 486-487).



Department of Corrections

WE ARE FOCUSED ON INMATE REHABILITATION AND REENTRY SO THAT OFFENDERS CAN BECOME CONTRIBUTING MEMBERS OF SOCIETY

- Increases funding for Windows to Work and increases the number of sites at which the program can operate (\$1M annually) (#13, p. 178).
 - Windows to Work is a pre- and post-release jobs program conducted in partnership with the Department of Workforce Development's Workforce Development Boards for medium and high risk offenders.
- Directs DOC to design an intensive alcohol abuse treatment and job placement program (#18, p. 180).
- Increases funding for the Opening Avenues to Reentry Success (OARS) program so it can expand to Eau Claire, Langlade, Lincoln, Menominee, and Shawano counties (#5, p. 182).
 - OARS currently provides intensive case management and mental health services to seriously mentally ill offenders in 37 counties.
- Expands and increases staffing for the earned release program for eligible inmates who successfully complete substance abuse treatment programs (#4, p. 173).
- Approves funding and new positions for new health services units at Columbia, Oshkosh, and Taycheedah Correctional Institutions (#10, p. 177).

IMPROVING JUVENILE CORRECTIONS

- Adds positions at Lincoln Hills School to improve staff-inmate ratios as directed by the federal Prison Rape Elimination Act (#4, p. 186).
- Adds funding for more mental health treatment personnel at Copper Lake School (#6, p. 187).
- Adds positions at both Lincoln Hills and Copper Lake in order to comply with nationally recognized best-practices for medication administration (#7, p. 188).

DIRECTS DOC TO DEVELOP A SMART AND STRATEGIC LONG-TERM FACILITY NEEDS STUDY

- Geriatric Prison Facility - Provides funding for a geriatric specific prison that will help control costs and improve healthcare for aging inmates. Subject to JFC oversight and approval (JFC oversight **VETOED**) (#16, p. 179-180).
- Long-term Planning on Correctional Facilities - Improves Governor's proposal for a comprehensive, long-range master plan concerning DOC facilities by



including a 9-person committee, including 6 legislators. Require a report to the standing committees by September 15, 2018 (#15, p. 180).

- Increases female bed space and corresponding staffing at Robert E. Ellsworth Correctional Center (#6, p. 175).
- Increases bed space and corresponding staffing for a residential treatment unit for inmates with serious mental illness at the Oshkosh Correctional Institution. Also increased funding and staffing at Waupun, Green Bay, and Columbia Correctional Institutions for treatment of seriously mentally ill inmates in restrictive housing (#8, p. 176).

TAKES STEPS TO ADDRESS EMPLOYEE RECRUITMENT AND RETENTION SO THAT WE HAVE THE BEST WORKFORCE POSSIBLE

- **VETOED** Implemented lump sum payments for correctional officers, sergeants, and youth counsellors as long-term service awards for DOC employees who have served for 10, 15, 20, 25, etc. years (#27, p. 33).
- Provided funding for body-worn cameras for correctional officers who work in restrictive housing units at DOC maximum security prisons (Columbia, Dodge, Green Bay, Taycheedah, Waupun, and Wisconsin Secure Program Facility) (#11, p. 178).

MAINTAIN AND STREAMLINE PAROLE COMMISSION

- o The Committee voted to maintain the Parole Commission instead of eliminating it as the Governor proposed. The Commission was trimmed from 8 members to 4 members in an effort to streamline processes and save taxpayer dollars (#1, p. 183).



Military Affairs

PROVIDE EMERGENCY RESOURCES TO KEEP WISCONSINITES SAFE

- Increases funding to Wisconsin's HazMat teams (#15, p.425-426).
- Provides \$500,000 to create a mobile field force grant program to award grants to law enforcement agencies to fund crowd-control training and equipment (#2, p. 415).

MODERNIZE OUR EMERGENCY COMMUNICATIONS SYSTEMS TO KEEP WISCONSINITES SAFE

- Moves the Interoperability Council and WISCOM to DMA (Division of Emergency Management and created a Director of Emergency Communications to oversee all interoperability for a more focused mission of modernizing emergency response communications (#18, p. 382).
- The committee funded a 911 council that will head up the implantation of Next Generation 911. Next Generation 911 improves our ability to contact 911 services through text messaging and video conferencing (#14, p. 421-425).
- Provides \$7M to upgrade Next Generation 911 from the Police and Fire Protection Fund (#14, p. 421-425).

Veterans Affairs

INCREASES OVERSIGHT AND ACCOUNTABILITY OF DVA EXPENDITURES SO THAT ALL VETERANS RECEIVE THE CARE THEY DESERVE

- **VETOED** Creates new reporting requirements prior to DVA being able to transfer funds from the Veterans Trust Fund (#11, p. 692).
- **VETOED** Requires DVA to prepare a report on the Veterans Trust Fund solvency (#10, p. 691).
- **VETOED** Requires DVA to implement recommendations contained in the LAB's report relating to the Veterans Home at King (#4, p. 688).

PROVIDES ADDITIONAL STATE RESOURCES TO SUPPORT VETERAN SERVICES

- Approves the Governor's recommendation to provide additional funding to Disabled American Veterans (\$160,000). These funds will be used to purchase additional funds for the transportation of disabled veterans (#14, p. 694).



SUPPORTS VETERANS AND MILITARY MEMBERS PURSUING THEIR EDUCATION

- Required the UW System and WTCS to provide academic credit for certain military training (#24, p. 680).
- Provided a nonresident tuition exemption for students who are in the National Guard or a reserve unit of the U.S. Armed Forces who meet certain criteria (#23, p. 680).



Health and Family Services

Children and Families

WE CARE ABOUT THE MOST VULNERABLE, VICTIMS OF ABUSE, AND THOSE THAT NEED A HAND UP

- Increases funding to combat child sex trafficking and provide services for victims in Wisconsin (\$2M) (#6, p.122).
 - There is a strong link between runaway children and child sex trafficking. The committee provided an additional funds for child runaway services (\$200,000) (#8, p.124).
- Provides additional resources for low-income victims of domestic abuse, sexual abuse, and other violent acts to have access to adequate civil legal services (\$1M) (#33, p.162).
- Allocates funds to help shelter facilities provide intensive case management services to homeless families (\$1M) (#18, p.140).
- Approves the Governor's recommendation to increase payments for the foster and kinship care programs, which provide safe homes for vulnerable youth, by 2.5% annually (\$3M) (#2, p. 121).
- Increases funding for children and family aids, which assists counties with costs related to child abuse and neglect (\$7.1M) (#4, p. 122).
- Expands child welfare prevention services beyond Milwaukee County (current law restricts the program to Milwaukee County) (\$7.8M) (#27, p. 143).
- Provides \$500,000 in funding for civil legal services for victims of domestic violence and sexual abuse (#33, p. 162).

GOVERNMENT ASSISTANCE PROGRAMS SHOULD NOT BE A DISINCENTIVE TO A PROMOTION OR PAY RAISE

- Modifies the Wisconsin Shares exit threshold so that families are not unfairly punished for getting a pay raise or promotion (\$4M) (#9, p. 136).
 - Under current law, when a family exceeds the exit threshold of 200% of the federal poverty level, even by 1%, they lose eligibility for the Wisconsin Shares program. Under the eligibility expansion, the new exit threshold is set at 85% of the state median income, which ensures there isn't a disincentive for low income families to accept a promotion or pay raise.



WE ARE REDUCING FRAUD AND ABUSE TO MAKE GOVERNMENT ASSISTANCE PROGRAMS MORE ACCOUNTABLE WHILE STILL PROVIDING A NEEDED “HAND-UP”

- Requires substance abuse screening, testing, *and* treatment as a condition of eligibility for certain W-2 employment positions (#3, p. 130).
 - This reflects the intent of AB 242, which passed the Assembly.
- Expands the Learnfare school attendance requirements to permit sanctions on the basis of attendance (#6, p. 133).
- Require child support compliance for receipt of FoodShare benefits (#1, p. 162).
- Reduce chronic absenteeism in early grades by creating a pilot program to provide grants to public elementary schools and include reporting on the population overlap of families that receive public benefits and children who are absent from school for 10% or more of the school year (#19, p. 140, Paper 202).
- Creates a new reporting requirement for DCF to ensure work participation rate targets are being met and to monitor performance of other TANF funding programs.

Health Services

CONTINUE TO PROVIDE EFFECTIVE CARE FOR THE MOST VULNERABLE AMONG US BY DEVELOPING OUR HEALTHCARE WORKFORCE

- Increases pay for personal care service workers (#9, p. 286).
 - Increases the MA reimbursement rate for personal care services by 2% in each year of the biennium.
 - The personal care services rate was last increased in the 2007-2009 biennial budget, and the Legislative Fiscal Bureau has stated that personal care workers are among the lowest paid in the healthcare industry.
 - This increased rate will be paid to personal care agencies to fund all costs associated with providing care, including wages and benefits for workers.
- Increases pay for Family Care workers. Family Care is a long-term care program which helps frail elders and adults with disabilities get the services they need to remain in their homes. This comprehensive and flexible program offers services to foster independence and quality of life for members, while recognizing the need for interdependence and support (#17, p.294).
 - To further address long term care issues, JFC voted to provide \$12.5M GPR annually to the Committee's appropriation and required DHS to work with the Managed Care Organizations (MCOs) and the Centers of Medicare



and Medicaid Services (CMS) to develop a payment mechanism to remedy direct care services issues, such as worker shortages, facing the state.

- o Similar to the personal care rate increase, the funding may go toward several costs associated with providing long term care; however, ultimate goal of this funding is to be passed down to workers as increased wages.
- Increases funding for grants to establish graduate medical education (GME) training programs on an ongoing basis (#11, p. 337).
 - o This funding will help doctors across the state specialize in highly needed fields to help populations that may not have access to certain medical specialties
- Modifies the Primary Care and Psychiatry Grant program to expand the eligibility requirements for the program so that it can properly provide grants to primary care physicians and psychiatrists in underserved areas as intended when the program was created in 2013 (#12, p. 353).

CONTINUED FOCUS ON ADDRESSING MENTAL HEALTH ISSUES AFFECTING ALL AGES

- Increases access to dementia services in Wisconsin (#10, p. 337).
 - o Increases the number of dementia care specialists from 19 to 24 in 2018.
 - o The Dementia Care Specialists, through select Aging and Disability Resource Centers, provide information and assistance about Alzheimer's disease and other dementias.
 - o The specialists perform memory screens for individuals to determine the need for follow up with their primary physician and other healthcare professionals.
 - o They also connect family caregivers with needed assistance and support, including discussing options for care, long term care options, and assist in making future care plans.
- Child Psychiatry Consultation Program (#1, p. 331).
 - o Provides \$1M over biennium for child psychiatry consultation program.
- Increased Mental Health Resources for Students and Educators (#3, p. 332).
 - o Provides for reimbursement for clinical consultations under the MA program mental health practitioners and school personnel concerning students.



ENSURING ACCESS TO HEALTHCARE AND ENCOURAGING INNOVATIVE SOLUTIONS

- Eliminates the waiting list for Children's Long-Term Support (CLTS) services program, providing approximately 2,200 children with the care and services they need (#6, p. 281; Paper 322).
- Increases funding for disproportionate share hospitals (DSH) and critical access care facilities (#16, p. 293).
 - \$30,879,200 (FED and GPR) in 2017-18 and by \$31,067,300 (FED and GPR) in 2018-19.
 - These hospitals serve a disproportionately high level of Medicaid patients and therefore receive lower reimbursement rates for those patients.
 - The increased funding will invest in DSH to help level the playing field between high Medicaid and low Medicaid-serving hospitals.
- **VETOED** Innovative solutions to keep costs down. A care coordination pilot program, developed with leadership from Rep. Sanfelippo, to help save costs and improve emergency department utilization by creating efficiencies, smarter care, and saving costs (#18, p. 294).
 - The pilot program will provide resources for coordination specialists who will work with MA recipients who visit the emergency room excessively. Importantly, the program also provides that costs savings from avoided emergency room visits will be returned to the state.
- The Committee provided \$1 million to local public health departments for the control and prevention of communicable diseases throughout Wisconsin (#12, p. 337).
 - This funding will assist county-based health and human services in researching and combating potentially dangerous outbreaks of infectious diseases.

IMPROVE ACCESS TO HEALTHCARE IN RURAL WISCONSIN

- With the support of several out-state legislators, JFC included two Rural Wisconsin Initiative bills as part of the DHS omnibus motion: 2017 Assembly Bill 224 and 2017 Assembly Bill 227 (#14, p. 338).
 - AB 224 directs DHS to distribute grants to hospitals, health systems, and educational entities that form health care education and training consortia for allied health professionals and provide funding.
 - AB 227 directs DHS to distribute grants to hospitals and clinics that provide new training opportunities for advanced practice clinicians and provide funding.



- o These initiatives focus on improving medical care in rural areas of the state, where specialized care, state of the art technologies, and cutting edge education may be less available than in urban areas.
- o A large portion of the DSH and critical care payment increases approved by JFC will assist rural hospitals.

FIGHTING WASTE, FRAUD, AND ABUSE WITHIN GOVERNMENT ASSISTANCE PROGRAMS

- Directs DHS to request a waiver from the federal government to include a work and training program for childless adults enrolled in Medical Assistance (#3, p. 310).
- Creates an asset limit for participating in FoodShare, limiting to those with less than \$25,000 in liquid assets (#4, p. 311).
- Expunges unused FoodShare Balances - remove all FoodShare benefits and store the benefits offline for accounts that are inactive for a minimum of six months (#6, p. 314).



Self-Insurance

AFTER THOROUGH REVIEW, THE COMMITTEE ACTED TO PRESERVE COMPETITION WITHIN MARKETPLACE, IMPROVE TRANSPARENCY WITH RESERVES, AND PROVIDE ADDITIONAL LEGISLATIVE OVERSIGHT

- The Committee unanimously voted to reject the proposed move from Wisconsin's fully funded insurance model to self-insurance (#2, p. 98).
- By rejecting the contracts, the Committee was required to fill a \$64 million hole left in the state budget. The Committee adopted a motion that would realize these savings by:
 - Achieving savings of \$22.7 million through negotiations with health plans
 - Drawing down reserves by an estimated \$25.8 million
 - Plan design changes to find approximately \$15.4 million in savings.
- **VETOED** The Committee provided additional legislative oversight for future changes proposed by the GIB. The oversight provision will: (#10, p. 206)
 - Require Senate confirmation of GIB members appointed by the Governor
 - Add 4 additional members to the board, appointed by the four legislative leaders
 - Apply a 21-day passive review for approval to changes to the state group health insurance program.
- Directs the Audit Committee to direct an audit of the state's group health insurance programs, including the GIB's compliance with its reserves policy. Additionally, the GIB will report to the committee on future reserve balances (#12, p. 207).



Infrastructure Transportation

LIVING WITHIN OUR MEANS - WE CAN'T BUILD BEYOND WHAT WE CAN AFFORD

- Reduces the overall bonding as proposed by Governor Walker (#4, p. 624; LFB Paper 612, 613, 620, 621, 622).
 - Bonding is just over \$400 million (including Foxconn bill), \$100 million less than the Governor proposed.
 - Reduced Transportation Fund Supported bonding by \$308M.
 - Lowest Transportation Bonding Level in 10 years.
- Creates a \$75 fee for hybrid-electric vehicles and a \$100 fee for electric vehicles (#15, p. 630).
 - Creates parity by charging an additional registration fee for those who are benefitting from our infrastructure while paying limited or no gas tax revenue.
 - As more and more manufacturers are shifting their focus to electric vehicles, this will help address our long-term transportation needs.
- Maximizes the ability to find savings by changing the contracting process when federal funding is used on road projects (#10, p. 639).
- **VETOED** Tolling Study - Additional funding for a study on tolling feasibility and implementation, with report back to Legislature by January 1, 2019 (#17, p. 631).
- Not enumerating I-94 E/W and the North leg of the Zoo will avoid spreading our existing resources too thin (#9, p. 651).

REFORMS TO CONTROL COSTS AND IMPROVE EFFICIENCY AT DEPARTMENT OF TRANSPORTATION

- **VETOED** Transportation Projects Commission Improvements (#23, p. 656).
 - Strengthen and reforming the TPC to insure we find every possible savings so we prioritize & scrutinize state DOT spending.
 - Requires a "50 State" study to determine engineering and construction best practices, analyze DOT's project prioritization process, and evaluate the allocation between state highway rehabilitation, major highway development, and SE Wisconsin freeway megaprojects.



- Eliminates outdated state prevailing wage law for state building projects and state highway projects effective September 1, 2018 **VETOED to take effect immediately** (#6, p. 727).
- Eliminate DOT Positions - Required DOT to eliminate 200 positions and report to JFC (#13, p. 629).
- **VETOED** "Replace-In-Kind"- Encourage cost-conscious alternatives by require DOT to study, consider, and provide cost estimates for a "replace-in-kind" alternative when developing state highway construction plans (#12, p. 653).
- **VETOED** Aggregate Mining Preemption - Control costs of construction by prohibiting punitive local regulations that drive up the cost of aggregate materials, essential for road construction (#11, p. 258).
- Prohibit use of Eminent Domain for recreational/bike paths (#14, p. 640).

INVESTING IN LOCAL INFRASTRUCTURE

- We recognize we can't prioritize Mega Projects over the rest of our transportation infrastructure needs throughout the entire state.
- Increases aid to Local Bridge Improvement Fund - Provide an additional \$7.5M above and beyond Governor's Proposal for local bridges. Total increase of \$10M over biennium (#2, p. 637; LFB Paper 611).
- Provides \$10M increase over biennium to Local Roads Improvement Fund (#1, p. 635; LFB Paper 610).
- Creates a statewide transit capital assistance program to provide competitive grants to municipalities for the purpose of replacing public transit vehicles using proceeds of Volkswagen settlement (\$32M) (#5, p. 428; LFB Paper 568).



Public Service Commission

BUILDS ON PREVIOUS INVESTMENTS IN BROADBAND INFRASTRUCTURE SO THAT ALL CORNERS OF THE STATE HAVE ACCESS TO ADEQUATE INTERNET SERVICE

- Invests another \$14M in state funding for broadband expansion grants (#2, p. 549-551).

RESTORES FUNDING FOR INTERVENOR COMPENSATION TO KEEP RATES LOW

- Provides resources affordable residential utility rates before the PSC on behalf of residential ratepayers (#3, p. 551-552).

CONTINUES A STREAMLINED STRAY VOLTAGE PROGRAM

- Maintains the stray voltage program in a streamlined manner by reducing the number of staff to more realistically reflect program workload (#4, p.552).
 - Preserving the program will provide a cost effective way to minimize disputes between utilities and farmers and keep utility rates low.

Building Commission

INVESTS IN THE STATE'S INFRASTRUCTURE WHILE REDUCING SPENDING

- This budget has the second-lowest level of new building program bonding in the last 14 years (#2, p. 107).
- Enumerates several projects that have been deferred, saving more taxpayer money over time.
 - Some of these projects include:
 - Upgrades for veterans homes (\$18M);
 - Improvements at Department of Corrections facilities (\$42M); and,
 - Renovations for National Guard Readiness Centers (\$44M).
- Funds three projects that have statewide interest. These projects are:
 - The La Crosse Center (\$5M);
 - The St. Ann Center for Intergenerational Care in Milwaukee (\$5M); and,
 - The Brown County STEM Innovation Center (\$5M).



JFC Numbers...

JOINT FINANCE COMMITTEE BY THE NUMBERS...

Public Hearings: 49 hours 15 minutes

Agency Briefings: 40 hours

Co-Chairs: 14 hours 50 minutes

Pre-Meet: 52 hours 14 minutes

Executive Session: 66 hours 56 minutes

**SUM TOTAL: 223 hours 13 minutes
(or over 9 days) spent in meetings.**

**1,904 Miles traveled
from Madison (6 public
hearings and Foxconn)**

**418 Member
Motions received**

**201 Member
Motions adopted**

**ZERO Motions passed with
less than 12 GOP Votes**

**NO Executive Session vote
taken after 10:30 PM**