



2019-21
State Budget
Webinar

June 10, 2019



Joint Finance Committee Members

Assembly

- ❖ Rep. John Nygren (R-Marinette), Co-Chair
- ❖ Rep. Amy Loudenbeck (R-Clinton), Vice-Chair
- ❖ Rep. Mark Born (R-Beaver Dam)
- ❖ Rep. Mike Rohrkaste (R-Neenah)
- ❖ Rep. Terry Katsma (R- Oostburg)
- ❖ Rep. Shannon Zimmerman (R-River Falls)
- ❖ Rep. Chris Taylor (D- Madison)
- ❖ Rep. Evan Goyke (D-Milwaukee)

Senate

- ❖ Sen. Alberta Darling (R-River Hills), Co-Chair
- ❖ Sen. Luther Olsen (R-Ripon), Vice-Chair
- ❖ Sen. Tom Tiffany (R-Hazelhurst)
- ❖ Sen. Howard Marklein (R-Spring Green)
- ❖ Sen. Duey Stroebel (R-Saukville)
- ❖ Sen. Devin LeMahieu (R-Oostburg)
- ❖ Sen. LaTonya Johnson (D-Milwaukee)
- ❖ Sen. Jon Erpenbach (D-Middleton)





Action from week of

June 3 2019



Transportation

Segregated Transportation Fund

Governor: The proposal funds the state's infrastructure with approximately \$6.6 billion, up from \$6.1 billion in the current biennium. Most of the new transportation revenues are generated by an eight-cent increase in the gas tax (\$485 million) .

Joint Committee on Finance: The proposal funds the state's infrastructure with approximately \$6.5 billion, up from \$6.1 billion in the current biennium. New transportation revenues are generated from a series of fee increases (\$397 million) and the one-time transfer of General-Purpose Revenue (90 million).

Segregated Transportation Fund

JOINT COMMITTEE ON FINANCE:

Revenue Source:	Amount in Millions
Title Fee	\$273
Registration Fee	\$65
Modification of Weight Class Fee	\$18.5
Hybrid Vehicle Fee	\$11.3
Petroleum Inspection Fee	\$2.3
Eliminate LMV supplies allowance	\$19.7
Eliminate Retailer Refund on Evaporation	\$7.3
General Fund Transfer	\$90
Total New Revenue	\$487

General Transportation Aids (GTA)

Adopts the ten percent increase proposed by the Governor over the biennium. Allocates an additional \$2,777,400 in 2019-20 and \$11,109,400 in 2020-21 for a total allocation of \$122,203,200

General Transit Aids

Increases annual funding for General Transit Aids by 2 percent or \$2,768,500 by the second year of the biennium:

Tier A-1: Funding is increased from \$64,193,900 to \$65,477,800.

Tier A-2: Funding is increased from \$16,868,000 to \$17,205,400.

Tier B: Funding is increased from \$24,486,700 to \$24,976,400.

Tier C: Funding is increased from \$5,188,900 to \$5,292,700.

**Local Road
Improvement
Program
(LRIP) One
Time
Supplemental
Funding**

LRIP Supplemental Appropriation

\$32,003,200 Counties

\$22,847,400 Municipalities

\$35,149,400 Towns

\$90,000,000 Total Funding

Local Road Improvement Program (LRIP) One Time Supplemental Funding

- Introduction of a one-time newly created GPR appropriation in the amount of \$90 million that would be used to fund local government road projects.
- \$32,003,200 would be used for county projects.
- The proposal specifies that a required local match of 10 percent is necessary.
- All other components of the Local Road Improvement Program would apply to the supplemental appropriation.

Seniors and Individuals with Disabilities Specialized Transportation Aids

The proposal increases funding for the program by \$1.5 million in each year of the biennium. This amounts to a \$3 million, or approximately 10.4% increase, in funding in the 2019-21 biennium. Total funding for the program would increase to \$15,977,800 on an annual basis.

Passenger Rail Bonding

The proposal provides \$35 million in total bonding. It provides \$25 million in Segregated Fund supported bonding and \$10 million in GPR supported bonding for improvements to passenger rail service on the Hiawatha line.

Project Labor Agreements (PLA's) and Prevailing Wage

Deletes the Governor's policy position adding the statutory language related to state prevailing wage and project labor agreements

**Local
Government
Use of Eminent
Domain
Authority for
Bicycle and
Pedestrian
Facilities**

Deletes the Governor's policy position related to the use of eminent domain for the installation of bike and pedestrian paths.

Local Regulation of Nonmetallic Mining at Quarry Operations

The proposal moves to limit the authority of political subdivisions (such as a county) to place limits or conditions on the operations of a quarry.

It is specified in the proposal that none of the new provisions may be constructed to affect the authority of a political subdivision (such as a county) to regulate land use for a purpose other than the quarry operations, including the provision related to permits, blasting, water quality or quantity, and air quality.

It is also specified in the language of the proposal that none of the listed provisions may be constructed to exempt a quarry from a regulation of general applicability placed by a political subdivision that applies to other property in the political subdivision that is not a quarry.

County Forest Road Aids

- ***Governor:*** The Governor's budget provided flat funding for the County Forest Road Aid program at \$336 per mile.
- ***Joint Committee on Finance:*** Added \$35,900 (\$71,800 in the biennium) in additional dollars annually increasing the rate per mile to \$351.

Department of Health Services

Crisis Intervention Services

- ▶ All counties are required to have an emergency mental health service program
- ▶ To qualify for MA reimbursement, a crisis intervention service program must meet certain requirements
 - ▶ *Mobile crisis team, walk-in services, short-term voluntary or involuntary hospital care*
- ▶ Counties are responsible for paying the state share of MA reimbursed costs for crisis intervention services

Crisis Intervention Services

- ▶ The Governor's budget:
 - ▶ State to fund a portion of the cost of crisis intervention services after January 1, 2020
 - ▶ County maintenance of effort provision – 75% of the county's expenditures for crisis intervention services under MA in 2017
 - ▶ Counties must provide services on a regional basis
- ▶ The JCF:
 - ▶ Adopted the Governor's recommendation
 - ▶ Used a three-year average when calculating the county MOE

Regional Crisis Stabilization Facilities

- ▶ Governor's budget provides \$2.5 million GPR in FY20 for a new grant program to fund regional crisis stabilization facilities for adults
- ▶ The JCF deleted the Governor's recommendation

Nursing Home Reimbursement

- ▶ The Governor's budget provides \$8.7 million in FY20 and \$17.8 million in FY19 for a 2.5 percent general rate increase
 - ▶ 1.5 percent targeted to direct care workforce
 - ▶ 1.0 percent targeted for acuity
- ▶ The way the funding system works, the Governor's proposed increase is, in effect, a decrease in overall state spending for nursing facilities
- ▶ Industry request: \$83.3 million in GPR spending

Nursing Home Reimbursement

- ▶ The JCF increased base funding by \$36,909,400 in FY20 and by \$37,082,800 in FY21
- ▶ Increase takes effect July 1, 2019

Children's Long-Term Care Services

- ▶ CLTS waiver program, Katie Beckett, CCOP
- ▶ The Governor's budget :
 - ▶ Provides funding for a statewide contract for children's long-term care intake, application, and screening functions
 - ▶ Provides funding for five children's service navigators, two children's disability resource specialists, and two children's disability ombudsmen
 - ▶ Requires DHS to ensure that any child who is eligible, and applies for the CLTS waiver program, receives program services

Children's Long-Term Care Services

- ▶ Counties have raised concern over the statewide contract for intake, application, and screening functions
 - ▶ What is best for children and families, lack of stakeholder input, interplay with other county-based programs (CCS)
- ▶ The JCF placed GPR funding for intake, application, and screening costs in the JCF supplemental appropriation to allow for stakeholder input (Rep. Born)
- ▶ The JCF deleted funding for the children's services navigators, children's resource specialists, and children's ombudsman positions
- ▶ The JCF deleted language requiring DHS to ensure services for children who are eligible

Birth to Three Program Expansion

- ▶ Governor's budget provides \$1,550,000 GPR (plus CCOP funding for total funding of \$3.8 million) in FY20 and \$7,600,000 GPR in FY21
- ▶ Intent of DHS is to expand program eligibility to include all at-risk children with lead exposure levels at or above five mg/dL
- ▶ The JCF deleted the Governor's proposal for expanded eligibility and its associated funding
- ▶ The JCF transferred \$2,250,000 on a one-time basis from CCOP to Birth to Three in FY20

Dementia Initiatives

- ▶ The Governor's budget provides 27 additional dementia care specialists (DCS) and three new tribal DCS
 - ▶ Expands the program statewide
- ▶ WCA supports the expansion of the DCS program to all ADRCs statewide
- ▶ The JCF provided funding for eight dementia care specialists and one tribal dementia care specialist

Healthy Aging Grant

- ▶ The Governor's budget provides \$250,000 annually and requires DHS to award a grant to an entity that conducts programs in healthy aging
 - ▶ Wisconsin Institute on Healthy Aging
- ▶ WCA supports the Governor's proposal
- ▶ The JCF deleted the Governor's recommendation

FSET and MA- Administration of Eligibility Requirements and Contract Provisions

- ▶ DHS is required to implement changes to the BadgerCare Reform demonstration project no later than November 1, 2019
- ▶ DHS also required to implement FoodShare changes as well
- ▶ The Governor's budget does not include any funding to cover IM consortia costs for implementing the MA and FoodShare changes
- ▶ Counties are requesting \$1,977,400 GPR in FY20 and \$2,720,479 GPR in FY21
- ▶ The JCF provided \$1,777,400 GPR/FED in FY20 and \$2,601,200 GPR/FED in FY21

MA Fraud

- ▶ Income maintenance consortia are required to operate a Fraud Prevention and Intervention Program (FPIP)
- ▶ IM consortia currently receive \$1.5 million annually
- ▶ WCA request: increase the FPIP appropriation by \$500,000 annually (Rep. Loudenbeck)
- ▶ The JCF provided \$500,000 annually

Nitrate Testing for Private Wells

- ▶ The JCF created a nitrate testing for private wells program
 - ▶ \$3,000,000 GPR in FY20
 - ▶ Grants of up to \$2,500 to eligible private well owners
 - ▶ \$500,000 available to counties that apply to participate in the pilot testing program to provide reimbursement for the actual costs of administering the testing and reporting requirements

Department of Children and Families

Children and Family Aids Funding Increase

- ▶ WCA's top budget priority
- ▶ Requested increase: \$30 million annually beginning January 2020
- ▶ Biennial cost: \$37.5 million
- ▶ **The JCF provided \$25.5 million annually!!!**
- ▶ The JCF increased the amount of funding Milwaukee County must pay for child welfare services provided by the DMCPS

Home Visiting/Child Welfare Safety Services

- ▶ The JCF allocated an additional \$500,000 FED in FY20 and \$1.5 million FED in FY21 to increase child abuse prevention services
 - ▶ Family Foundations Home Visiting
- ▶ The JCF increased funding for child welfare safety services by \$1 million FED in FY20 and \$2 million FED in FY21
 - ▶ \$1.8 million less than the Governor's recommendation

Foster Care and Kinship Care Rate Increases

- ▶ The JCF increased foster care and kinship care rates by 4% in 2020

Child Support Operations and Local Child Support Enforcement

- ▶ Current state funding for local child support enforcement is \$8.5 million annually
 - ▶ 66% federal match
 - ▶ Flat funding for over a decade
- ▶ Governor's budget provides \$750,000 GPR in FY20 and \$1.5 million in FY21
- ▶ The JCF provided \$750,000 all-funds in FY20 and \$1.5 million all-funds in FY21
 - ▶ Approximately one-third of the increase recommended by the Governor



Agenda for week of

June 10 2019



JCF will take action on the budgets of the following agencies:

Week of June 10

- Appropriation Obligation Bonds
- Building Commission
- Building Program
- Agriculture, Trade and Consumer Protection
- Board of Commissioners of Public Lands
- Natural Resources -- Conservation and Recreation
- Juvenile Corrections
- Veterans Affairs
- General Fund Taxes -- Income and Franchise Taxes
- General Fund Taxes -- Sales and Use Tax
- General Fund Taxes -- Excise and Other Taxes

Department of Natural Resources

Stewardship Extension

Because of this program, local governments and nonprofit groups have received state matching funds to purchase land or easements for conservation. As a result, we have the funding needed for the upkeep and maintenance of our waterways, parks, forests, and trail systems.

If the Knowles-Nelson Stewardship Program is not renewed as part of the state budget being debated right now, then we'll lose the effectiveness of Wisconsin's best source of funding for land and water conservation.

Governor Evers proposed budget only calls for a two-year extension of the program. That short time frame is entirely inadequate and severely limits the ability of local governments to provide these outdoor spaces for the public to enjoy.

WCA supports a long-term reauthorization of the Knowles-Nelson Stewardship Program and urge the Legislature to adopt a ten-year reauthorization of the program, while maintaining current funding levels.

Stewardship Extension

- Governor's budget reauthorizes the Stewardship program for two more years and called for the formation of a new committee to discuss the programs future.
- Conservation groups such as Gathering Waters were hoping for at least a ten year extension.
- Several members of the Joint Committee on Finance favor ending the program due to the level of debt service generated from the constant land equation.
- The Wisconsin Counties Association support a long term ten-year extension of the program.

Department of Corrections – Juvenile Corrections

2017 Wisconsin Act 185

- ▶ Secured Residential Care Centers for Children and Youth (SRCCCYs)
 - ▶ Timelines
 - ▶ Consistent with Assembly Bill 188 / Senate Bill 168
 - ▶ Start up costs
 - ▶ Governor's budget contains \$3.5 million in Fy21
 - ▶ Amendment needed to clarify reimbursable costs
 - ▶ Deficits

JCI Daily Rates

- ▶ Current law: \$397
- ▶ FY20: \$532
- ▶ 7/20 to 12/20: \$550
- ▶ 1/21 to 6/21: \$629

- ▶ JCF to decide if the FY21 daily rate should be set in statute at this time or after March 2020

BUDGET RESOURCES



LFB Website:

www.legis.wisconsin.gov/lfb

- Click “Publications”
 - Budget Papers
 - 2019-21 Biennial Budget
 - LFB prepares “budget papers” or summaries
 - Each paper **includes**:
 - Current law or status of item
 - Summary of Governor’s proposal
 - Discussion points
 - Alternatives



OTHER RESOURCES

- Both The Wheeler Report and WisPolitics also have public websites
- **The Wheeler Report:** www.thewheelerreport.com
- **WisPolitics:** www.wispolitics.com
- **WisconsinEye:** www.wiseye.org
 - WisconsinEye shows committee meeting and the Legislature live
- **Wisconsin Counties Association:** www.wicounties.org
 - All WCA budget documents and memos are available under the “Legislative” tab



A close-up photograph of a person's hand raised in the air, palm facing forward. The hand is positioned on the right side of the frame. The person is wearing a silver watch with a dark face and a ring on their ring finger. The background is out of focus, showing warm, bokeh-style light spots and a blurred screen or wall, suggesting an indoor event or presentation.

THANKS!

Any questions?

You can also email your questions to any member of the WCA Government Affairs staff.