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JOINT COMMITTEE ON FINANCE

May 1, 2019

TO: Members
Joint Committee on Finance

FROM: Representative John Nygren, Assembly Chair
Senator Alberta Darling, Senate Chair
Joint Committee on Finance

SUBJECT: 2019-21 Budget Procedures for the Joint Committee on Finance

The purpose of this memorandum is to inform you of the process that the Committee will use in reviewing the 2019-21 state budget.

Items to be Removed from Budget Consideration

It is our intent to draft a motion that would remove certain provisions within the Governor's 2019-21 budget recommendations from further budget consideration. The list of items that will be included in the motion is attached. The list includes the page and item number showing where the provisions are described in the Legislative Fiscal Bureau's summary of the Governor's budget. The first item that the Committee will consider at its initial executive session will be the motion to remove those items from further budget deliberations.

Beginning Point

The Committee will use, as its beginning point, the adjusted base, less those items in the motion identified above. Although the Governor's recommendations will be before the Committee,

it will take a majority vote to include any of the Governor's provisions into the Committee's version of the budget. Similarly, any motion advanced by a member of the Committee will require a majority vote to be adopted.

The Legislative Fiscal Bureau will identify the fiscal and position change to both the base and the bill when it prepares budget papers and motions.

Executive Sessions

The Committee will hold its first executive session on the budget on Thursday, May 9. The May 9 meeting will begin at 11:00 a.m. in Room 412 East, State Capitol. Following consideration of the motion described above, the Committee will consider the following sections of the budget.

- Educational Communications Board
- Medical College of Wisconsin
- Historical Society
- Governor
- Lieutenant Governor
- Program Supplements
- Ethics Commission
- Investment Board
- Employment Relations Commission
- Administration -- Division of Gaming
- Health Services -- Care and Treatment Services
- Shared Revenue and Tax Relief -- Direct Aid Payments
- Shared Revenue and Tax Relief -- Forestry Mill Rate
- Transportation -- State Patrol
- Revenue -- Departmentwide

In the case of large agencies with multiple sections, the executive sessions on those agencies may be scheduled for more than one session. The Committee will only entertain motions that apply to the section that is posted. For example, when the State Patrol of the Department of Transportation (DOT) is scheduled for an executive session, the Committee will only consider motions related to the State Patrol and not other items of the budget of DOT.

Budget Motions

During its executive sessions on the budget, the Committee will work from the following three documents.

1. **LFB Summary of the Governor's Budget Recommendations.** This is the document that we have used during the briefings and public hearings.
2. **LFB Budget Papers.** The Legislative Fiscal Bureau will attempt to distribute its papers at least 72 hours prior to each of the Committee's executive sessions.

Prior to the Committee's May 9 executive session, the Fiscal Bureau will have three large binders delivered to your offices. The LFB papers for each day's executive session will be delivered

to your offices in a small, three-ring binder. At the end of each executive session, remove the papers from that day, place them in one of the large binders for your record, and return the small binder to the Fiscal Bureau. The Bureau will then place papers for the next meeting in the small binder and return it to you.

Immediately following distribution of the papers to your offices, the Fiscal Bureau will post the papers on its website.

3. **Individual Motions.** Motions will be made from the budget papers or the LFB summary of the Governor's recommendations. If a member of the Committee desires a vote on a budget-related item that is not contained in either the LFB summary or a budget paper, the member should contact the Fiscal Bureau and ask that a motion be prepared on that item. The Bureau will then: (1) prepare the motion; (2) indicate the name of the Committee member who authored the motion on the motion itself; and (3) give the author sufficient copies of the motion for distribution to the entire Committee. The Bureau will keep the motion confidential and will distribute all copies only to the author. This distribution will occur at the commencement of, or during, each executive session. The Chairs will only entertain motions that have been prepared by the Fiscal Bureau.

In order that the Bureau has time to properly prepare the motion and produce sufficient copies for the Committee, members should submit all motion requests at least one day prior to the executive session on each agency or program.

Time Limits on Debate on Motions

Each member of the Committee will be granted up to 10 minutes for debate on each budget motion.

Earmark Transparency Report

Pursuant to 2011 Act 220, the Legislative Fiscal Bureau is required to prepare an earmark transparency report on each biennial budget bill and on each amendment to that bill. The report must include the following elements: (1) a list of all earmarks; (2) the cost of each earmark; (3) the beneficiary of each earmark, if the Bureau can make this determination, and the Assembly and Senate district in which the beneficiary resides (for individuals) or is located (for entities); and (4) for a report on a budget amendment, the name of the legislator who proposed the earmark.

Under 2011 Act 220, the Joint Committee on Finance may not vote to recommend passage of the biennial budget bill or an amendment to the bill until the required report, on either the bill or amendment, has been distributed by the Bureau to each member of the Legislature and is made available on the Legislature's website. During the Committee's budget deliberations, a motion to delete an earmark identified in this report shall prevail on either a majority or tie vote.

A copy of the Bureau's earmark transparency report relating to 2019 AB 56/SB 59 is attached.

JN/AD/jm
Attachments

List of Items to be Removed from Budget Consideration

ADMINISTRATION

General Agency Provisions

- Repeal Approval Process for Capitol Security Changes (Page 25, #11)
- Economic Development Liaison Project Position (Page 25, #12 and Page 451, #4)

Transfers

- Transfer of Worker's Compensation Hearings Functions from Hearings and Appeals (Page 26, #1 and Page 460, #2)

Housing and Energy

- Establish the Office of Sustainability and Clean Energy (Page 27, #1 and Page 364, #4)
- Repeal Sunset for Diesel Truck Idling Reduction Grant Program (Page 28, #2)

Facilities

- Modify Requirements for Leased Space (Page 32, #3)

AGRICULTURE, TRADE AND CONSUMER PROTECTION

- Repeal Minimum Markup of Motor Vehicle Fuel (Page 41, #7)

CHILDREN AND FAMILIES

Economic Support and TANF-Funded Programs

- Wisconsin Works Lifetime Limit on Participation (Page 64, #3)
- W-2 Education and Training Limits (Page 65, #4)
- Limits on Participation in W-2 Placements (Page 65, #5)
- W-2 Temporary Employment Match Program (Page 66, #6)
- W-2 Internet Service Provider Subscriptions (Page 66, #7)
- W-2 Caretaker of Infant Time Limit (Page 66, #8)
- Controlled Substance, Screening, Testing, and Treatment Eligibility Requirements (Page 67, #10)
- TANF Reallocation Approval (Page 77, #32)

CORRECTIONS

Community Corrections

- Repeal Pardon and Release Reporting Requirement (Page 103, #4)

Juvenile Corrections

- Age of Juvenile Jurisdiction (Page 88, #1 and Page 106, #7)

ELECTIONS COMMISSION

- Automatic Voter Registration (Page 115, #2 and Page 430, #3)
- Voting Requirement Modifications (Page 117, #3)

EMPLOYEE TRUST FUNDS

- Rehired Annuitant Teachers (Page 119, #3)
- Board Oversight of Disability Programs and Reserve Policy (Page 121, #8)
- On-Site Employee Health Clinics (Page 122, #9)
- Internal Auditor (Page 122, #10)
- Fixed-Dollar Employee Premium Subsidy Study (Page 122, #11)
- Prescription Drug Pooling Study (Page 123, #12)
- Private Sector Retirement Security Plan Committee and Study (Page 123, #13 and Page 396, #2)

ENVIRONMENTAL IMPROVEMENT FUND

- Lead Service Line Replacement (Page 126, #3)

GENERAL FUND TAXES

Individual Income Taxes

- Limitation on Exclusion for Nonfarm Capital Gains (Page 134, #2)
- Manufacturing and Agriculture Credit Limitation (Page 135, #3)
- Earned Income Tax Credit (Page 137, #6 -- except current law reestimate)
- Homestead Tax Credit -- Modifications to Formula Factors and Indexing (Page 138, #8)
- Sunset Private School Tuition Deduction (Page 139, #10)
- Broadcaster Apportionment Modifications (Page 144, #21 and Page 450, #2)
- Enterprise Zone Tax Credit Program (Page 145, #23)

Sales and Use Taxes

- Repeal Sales Tax Exemption for Clay Pigeons and Game Birds (Page 153, #2)
- Repeal Sales Tax Exemption for Farm-Raised Deer (Page 153, #3)

HEALTH SERVICES

Medical Assistance

- Full Medicaid Expansion (Page 165, #3)
- Prescription Drug Copayments (Page 175, #16)
- Childless Adult Demonstration (Page 185, #28)
- Repeal Health Savings Account Program (Page 186, #29)
- MA Eligibility -- Cooperation with Child Support and Establishing Paternity (Page 186, #30)
- Joint Committee on Finance Review and Approval of Certain MA Program Changes (Page 188, #31)
- Joint Committee on Finance Review Process for Federal Waivers, Pilot Programs, and Demonstration Projects (Page 188, #32)

Medicaid Services Administration

- Eliminate Birth Recovery Cost Requirements (Page 193, #5)
- Qui Tam Actions for False Claims (Page 194, #6 and Page 257, #17)

Public Health

- Family Planning and Women's Health Block Grant (Page 203, #14)
- Prescription Drug Importation Program (Page 205, #15)

FoodShare

- Repeal FoodShare Child Support and Paternity Compliance Requirements (Page 221, #5)

HIGHER EDUCATIONAL AIDS BOARD

- Student Loan Refinancing Study Committee (Page 130, #2; Page 229, #10; and Page 396, #2)

INSURANCE

- Prescription Drug Pricing and Cost Reporting (Page 235, #7)
- Health Insurance Issuance and Coverage Requirements (Page 237, #9)

JUSTICE

- Transfer Office of School Safety (Page 252, #6 and Page 358, #22)
- Powers of the Attorney General (Page 255, #15)
- Settlement and Relator Appropriations (Page 256, #16)

LABOR AND INDUSTRY REVIEW COMMISSION

- Labor and Industry Review Commission Administrative Attachment (Page 259, #2 and Page 462, #4)

LEGISLATURE

- Legislative Intervention (Page 261, #5)
- Advice and Consent of the Senate for Appointments (Page 261, #6)
- Retention of Legal Representation for Legislators, Legislative Staff and the Legislature (Page 261, #7)
- Agency Publications (Page 262, #8)
- Administrative Rules (Page 262, #9)
- Legislative and Congressional Redistricting (Page 263, #10)

MARIJUANA-RELATED PROVISIONS

- Medical Marijuana Oversight and Regulation (Page 38, #2; Page 153, #4; Page 154, #1; Page 225, #5; and Page 267, #1)
- Decriminalization, Expungement, and Dismissal of Certain Marijuana Offenses (Page 280, #2)

PUBLIC INSTRUCTION

General School Aids and Revenue Limits

- Reallocate Property Tax Credit Funding to General School Aids Appropriation (Page 317, #5 and Page 385, #1)
- Revenue Limit Adjustment for Lead Testing and Remediation (Page 321, #14)
- Four-Year-Old Kindergarten Membership (Page 322, #15)
- Limit on Number of School District Referenda (Page 322, #16)

Categorical Aids

- Driver Education Aid (Page 333, #29)

Choice, Charter, and Open Enrollment

- Private School Choice Programs -- Cap Participation at 2020-21 Levels (Page 339, #3)
- Private School Choice Programs -- Teacher Licensure Requirement (Page 340, #4)
- Private School Choice Programs -- Accreditation of Private Schools (Page 341, #5)
- Milwaukee Private School Choice Program -- Eliminate City Choice Levy Aid (Page 342, #6)
- Private School Choice Programs -- Definition of Poverty Level (Page 342, #7)
- Private School Choice and Special Needs Scholarship Programs -- Information Required on Property Tax Bill (Page 342, #8 and Page 390, #6)
- Special Needs Scholarship Program -- Sunset (Page 344, #10)
- Special Needs Scholarship Program -- Teacher Licensure Requirement (Page 344, #11)
- Special Needs Scholarship Program -- Private School Requirements (Page 344, #12)
- Special Needs Scholarship Program -- Delete Cost Reimbursement Provision (Page 346, #13)
- Special Education Scholarship Program -- Additional Tuition Charges (Page 347, #14)
- Special Education Scholarship Program -- Religious Activity Opt-Out (Page 348, #15)
- Prohibition on New Independent Charter Schools (Page 349, #17)
- Opportunity Schools and Partnership Program (Page 351, #20)

Administrative and Other Funding

- Eliminate Teacher Licensure for Alternative Teaching Preparation Program (Page 354, #5)
- Paid Planning Time for Teachers (Page 359, #23)

PUBLIC SERVICE COMMISSION

Broadband Provisions

- Municipal Broadband Facilities in Underserved or Unserved Areas (Page 361, #3)
- State Broadband Access Goal (Page 362, #4)
- Broadband Report (Page 362, #5)

Departmentwide and Energy Programs

- Utility Contribution for Energy Efficiency and Renewable Resource Programs (Page 363, #2)
- State Carbon-Free Electricity Goal (Page 365, #7)

REVENUE

Lottery Administration

- Modify Contract Requirements for Lottery Retailers (Page 372, #4)

SAFETY AND PROFESSIONAL SERVICES

- Regulation and Licensure of Dental Therapists (Page 200, #6; Page 376, #10; and Page 443, #16)

SECRETARY OF STATE

- Additional Resources for the Office (Page 380, #2)

SHARED REVENUE AND TAX RELIEF

Property Taxation

- Levy Limits -- 2% Minimum Increase (Page 386, #1)
- Dark Property and Leased Property Tax Assessments ("Dark Stores") (Page 388, #5)
- Tax Incremental Financing District Value Reporting Error (Page 390, #7)
- Limit on Tax Incremental Financing District Developer Cash Grants (Page 391, #8)
- Tax Incremental Financing District Project Plans -- Alternative Growth Projections (Page 391, #9)

STATE TREASURER

- General Program Operations Appropriation Creation and Funding (Page 395, #1)

TOURISM

- Restore Percent for Art (Page 400, #7)

TRANSPORTATION

Transportation Finance

- Eliminate General Fund Transfer to Transportation Fund (Page 404, #3)

Local Transportation Assistance

- Repeal Prohibition of Condemnation Authority for Recreational and Pedestrian Trails (Page 302, #10 and Page 418, #8)
- Repeal 2017 Act 368 Local Transportation Project Provisions (Page 418, #9)

State Highway Program

- Repeal 2017 Act 368 Federal Funding Limitations on State Highway Projects (Page 427, #7)

Motor Vehicles

- Driver Licenses and Identification Cards for Undocumented Aliens [For Purposes Other Than Voting] (Page 429, #2)
- Exemption from Probationary License Requirements -- United States Armed Forces (Page 431, #4)
- Identification Card Receipts for Voting Purposes -- Valid Period (Page 432, #5)

UNIVERSITY OF WISCONSIN SYSTEM

- Nonresident Tuition Exemption for Undocumented Individuals (Page 439, #10 and Page 459, #5)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

- Online Electronic Database (Page 452, #7)
- WEDC Reporting on Job Creation and Retention (Page 452, #8)
- WEDC Contracting Requirements and Underwriting Review (Page 454, #14)
- Modifications to WEDC Board of Directors and CEO (Page 454, #15)

WISCONSIN TECHNICAL COLLEGE SYSTEM

- Revenue Limit -- 2% Minimum Increase (Page 457, #3)

WORKFORCE DEVELOPMENT

Employment and Training

- Career and Technical Education Grants and Completion Awards (Page 330, #21 and Page 463, #1)
- Technical Education Equipment Grant Program (Page 331, #22 and Page 464, #3)
- Teacher Development Grants (Page 335, #33; Page 464, #4; and Page 464, #5)
- Eliminate Wisconsin Career Creator Program (Page 465, #8)

Unemployment Insurance

- UI Drug Testing (Page 466, #1)
- UI Weekly Benefit Rate (Page 467, #2)
- UI Waiting Period (Page 467, #3)
- UI Wage Threshold (Page 468, #4)
- UI Suitable Work (Page 468, #5)
- UI Substantial Fault (Page 469, #6)
- UI Work Search Waivers (Page 470, #7)
- UI Voluntary Termination (Page 470, #8)

Equal Rights

- Minimum Wage (Page 471, #1)
- Right to Work (Page 472, #2)
- Prevailing Wage (Page 474, #3)
- Family and Medical Leave (Page 476, #4)
- Local Employment Regulations (Page 478, #5)
- Project Labor Agreements (Page 478, #6)
- Job Applicant Conviction History (Page 479, #7)



Legislative Fiscal Bureau

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May 1, 2019

TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Earmark Transparency Report on 2019 Assembly Bill 56/Senate Bill 59

Under section 13.95(1r) of the statutes, as created by 2011 Wisconsin Act 220, the Legislative Fiscal Bureau must prepare an earmark transparency report on each biennial budget bill and on each amendment to that bill. The attachment to this memorandum provides the required earmark transparency report for 2019 Assembly Bill 56/Senate Bill 59, the Governor's 2019-21 biennial budget.

For purposes of this report, the statutes define an earmark as a provision that does either of the following: (1) authorizes or requires the payment of state moneys to a specific beneficiary or beneficiaries in a manner not determined by laws of general applicability for the selection of the beneficiary or beneficiaries; or (2) creates or modifies a tax deduction, credit, exclusion, or exemption that applies to a specific beneficiary or beneficiaries in a manner not determined by laws of general applicability for the selection of the beneficiary or beneficiaries. The earmark transparency report must include the following elements: (1) a list of all earmarks; (2) the cost of each earmark; (3) the beneficiary of each earmark, if the Bureau can make this determination, and the Assembly and Senate district in which the beneficiary resides (for individuals) or is located (for entities); and (4) for a report on a budget amendment, the name of the legislator who proposed the earmark.

Under section 13.102 of the statutes, the Joint Committee on Finance may not vote to recommend passage of the biennial budget bill or an amendment to the bill until the required report, on either the bill or amendment, has been distributed by the Bureau to each member of the Legislature and is made available on the Legislature's website. During the Committee's budget deliberations, a motion to delete an earmark identified in this report shall prevail on either a majority or tie vote.

Section 13.39 of the statutes specifies that neither house of the Legislature may pass the

biennial budget bill until the Bureau has distributed a copy of an earmark transparency report on the bill, as amended, to each member of the Legislature and has made the report available on the Legislature's website. If a conference committee is convened on the biennial budget bill, the conference report may not add any earmarks to the budget, but may reduce the cost of any existing earmarks.

The attached list includes items contained within AB 56/SB 59 which, in our review, reflect the language of 2011 Act 220. The items that are listed identify a specific, named, non-state beneficiary of the earmark. The list does not include projects or programs that would be funded for a state government purpose, such as University of Wisconsin campus facilities or state highway projects.

Included for each item are the page and item number showing where the provisions are described in the Legislative Fiscal Bureau's summary of the Governor's budget. For each item, the cost (appropriation or authorization) of the provision, beneficiary of the provision (if determinable), and Senate and Assembly districts of the beneficiary (if determinable) are shown if the specific location of the program or project is identified.

BL/sas
Attachment

Earmark Transparency Report

2019 AB 56/SB 59

Administration (Tribal Youth Wellness Center) (Page 37, #2)

2019-21 Appropriation: \$640,000 PR
Beneficiary: Stockbridge-Munsee Band of Mohicans
Senate District: 29
Assembly District: 85

Children and Families (Wisconsin Community Services -- "We Got This") (Page 76, #25)

2019-21 Appropriation: \$50,000 FED
Beneficiary: We Got This
Senate District: 4
Assembly District: 10

Health Services (Hospitals -- Pediatric Inpatient Supplement) (Page 170, #7)

2019-21 Appropriation: \$20,000,000 (\$3,964,000 GPR and \$16,036,000 FED)
Beneficiary: Children's Hospital of Wisconsin
Senate District: 5
Assembly District: 13

Health Services (Dementia Initiatives) (Page 198, #4)

2019-21 Appropriation: \$139,800 GPR
Beneficiary: Wisconsin Alzheimer's Institute
Senate District: 26
Assembly District: 77

Justice (Nonviolent Offender Treatment Diversion Pilot Program Expansion) (Page 252, #5)

2019-21 Appropriation: \$500,000 GPR
Beneficiary: City of Milwaukee
Senate Districts: 3, 4, 5, 6, 7, 8, and 28
Assembly Districts: 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 22, and 84

Military Affairs (State Disaster Assistance Program Funds for Door County) (Page 286, #3)

2019-21 Appropriation: \$2,000,000 SEG
Beneficiary: Washington Island Electric Cooperative
Senate District: 1
Assembly District: 1

Public Instruction (Milwaukee Mathematics Partnership) (Page 327, #13)

2019-21 Appropriation: \$10,000,000 GPR
Beneficiary: Milwaukee Public Schools
Senate Districts: 3, 4, 5, 6, 7, 8, 28
Assembly Districts: 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 22, and 84

Public Instruction (Mental Health and School Climate Training Programs) (Page 353, #2)

2019-21 Appropriation: \$6,000,000 GPR (amount to organization not specified)

Beneficiary: Wisconsin Safe and Healthy Schools Training and Technical Assistance Center

Senate District: 32

Assembly District: 94

Public Instruction (Mental Health and School Climate Training Programs) (Page 353, #2)

2019-21 Appropriation: \$6,000,000 GPR (amount to organization not specified)

Beneficiary: Wisconsin Family Ties

Senate District: 26

Assembly District: 76

Public Instruction (Mental Health and School Climate Training Programs) (Page 353, #2)

2019-21 Appropriation: \$6,000,000 GPR (amount to organization not specified)

Beneficiary: Center for Suicide Awareness, Inc.

Senate District: 2

Assembly District: 5

Public Instruction (Wisconsin Reading Corps) (Page 356, #13)

2019-21 Appropriation: \$1,400,000 GPR

Beneficiary: Wisconsin Reading Corps

Senate Districts: 3, 4, 5, 6, 7, 8, 28

Assembly Districts: 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 22, and 84

Public Instruction (Very Special Arts) (Page 356, #14)

2019-21 Appropriation: \$50,000 GPR (\$25,000 annual increase to \$75,000 base level funding)

Beneficiary: Very Special Arts Wisconsin

Senate District: 26

Assembly District: 76

Public Instruction (Special Olympics) (Page 356, #15)

2019-21 Appropriation: \$50,000 GPR (\$25,000 annual increase to \$75,000 base level funding)

Beneficiary: Special Olympics

Senate District: 16

Assembly District: 48

Public Instruction (Grants for Bullying Prevention) (Page 356, #16)

2019-21 Appropriation: \$300,000 GPR

Beneficiary: Children's Hospital of Wisconsin

Senate District: 5

Assembly District: 13

Public Service Commission (Intervenor Compensation) (Page 363, #3)

2019-21 Appropriation: \$400,000 PR (\$200,000 annual increase to \$300,000 statutory limit)

Beneficiary: Citizens Utility Board

Senate District: 26

Assembly District: 78

**Transportation (Harbor Assistance Program -- Shipbuilder Grant Priority for 2019-21)
(Page 417, #3)**

2019-21 Appropriation: \$29,000,000 SEG and BR

Beneficiary: Fincantieri Marinette Marine

Senate District: 30

Assembly District: 89

Workforce Development (Employee Training Grants to Shipbuilders) (Page 465, #6)

2019-21 Appropriation: \$1,000,000 GPR

Beneficiary: Fincantieri Marinette Marine

Senate District: 30

Assembly District: 89