

2021 WCA Legislative Exchange

LEGISLATIVE UPDATE

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GENERAL FUND TAX CHANGES

(In millions)

Provision

FY22

FY23

(In millions)

Tax Relief Measures

Caregiver Tax Credit	\$100.4
EITC Expansion	74.3
Homestead Expansion	35.0
Work Opportunity Credit	27.8
Research Credit Refundability Expansion	10.6
Child and Dependent Care Credit	9.8
Medical Premium Subtraction for Self-Employed Individuals	9.5
Diaper Sales Tax Exemption	7.3
WHEDA Low-Income Housing Credit Expansion	1.5
Marijuana Tax Refunds to Tribes	0.0
Veterans and Surviving Spouses Credit for Renters	4.9
Battery Storage Sales Tax Exemption	3.8
First-Time Homebuyer Accounts and Deduction	0.0
Credit for Flood Insurance Premiums	0.8
Sweetened Dried Fruit Sales Tax Exemption	0.4
Prairie/Wetland Services Sales Tax Exemption	0.2
National Guard and Reserve Subtraction Expansion	0.4
AmeriCorps Award Deduction	0.1
College Savings Accounts Federalization	<u>0.1</u>

Total Reductions

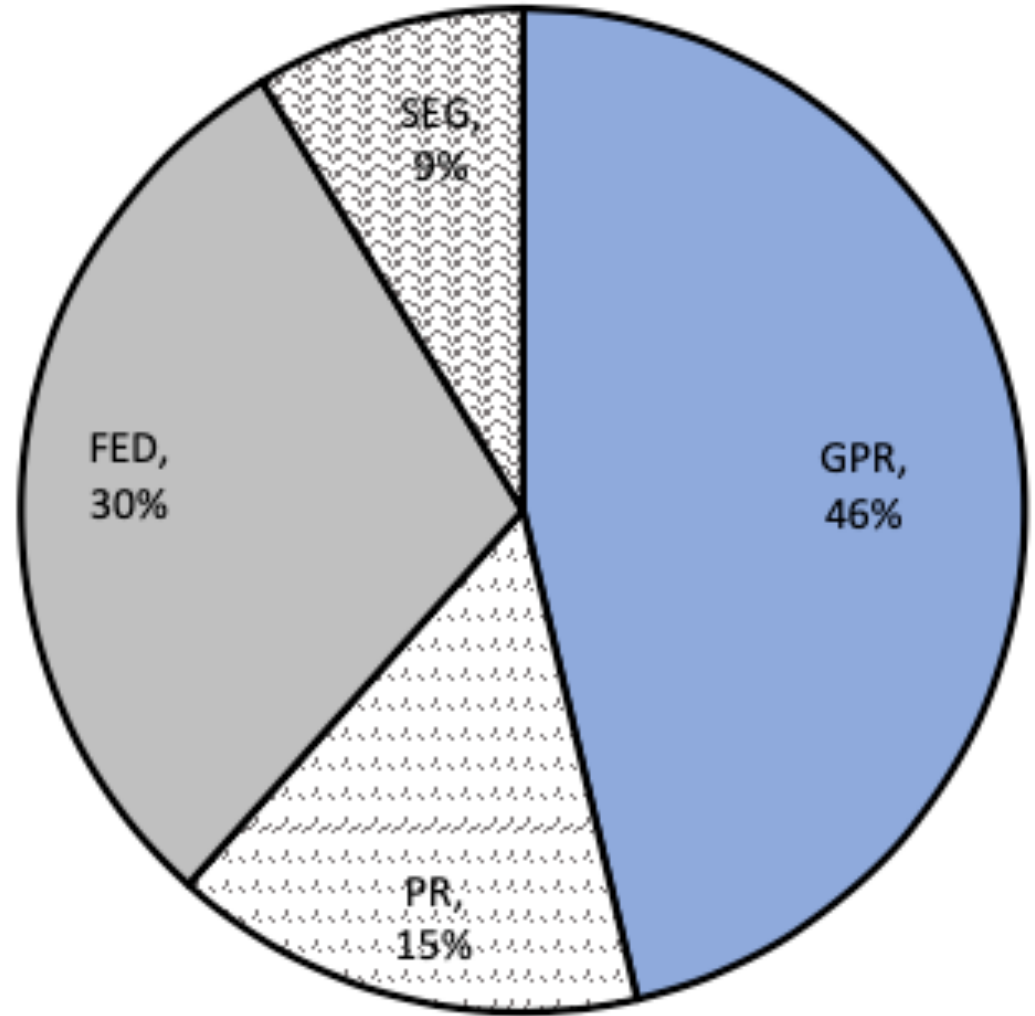
\$286.9

\$303.0

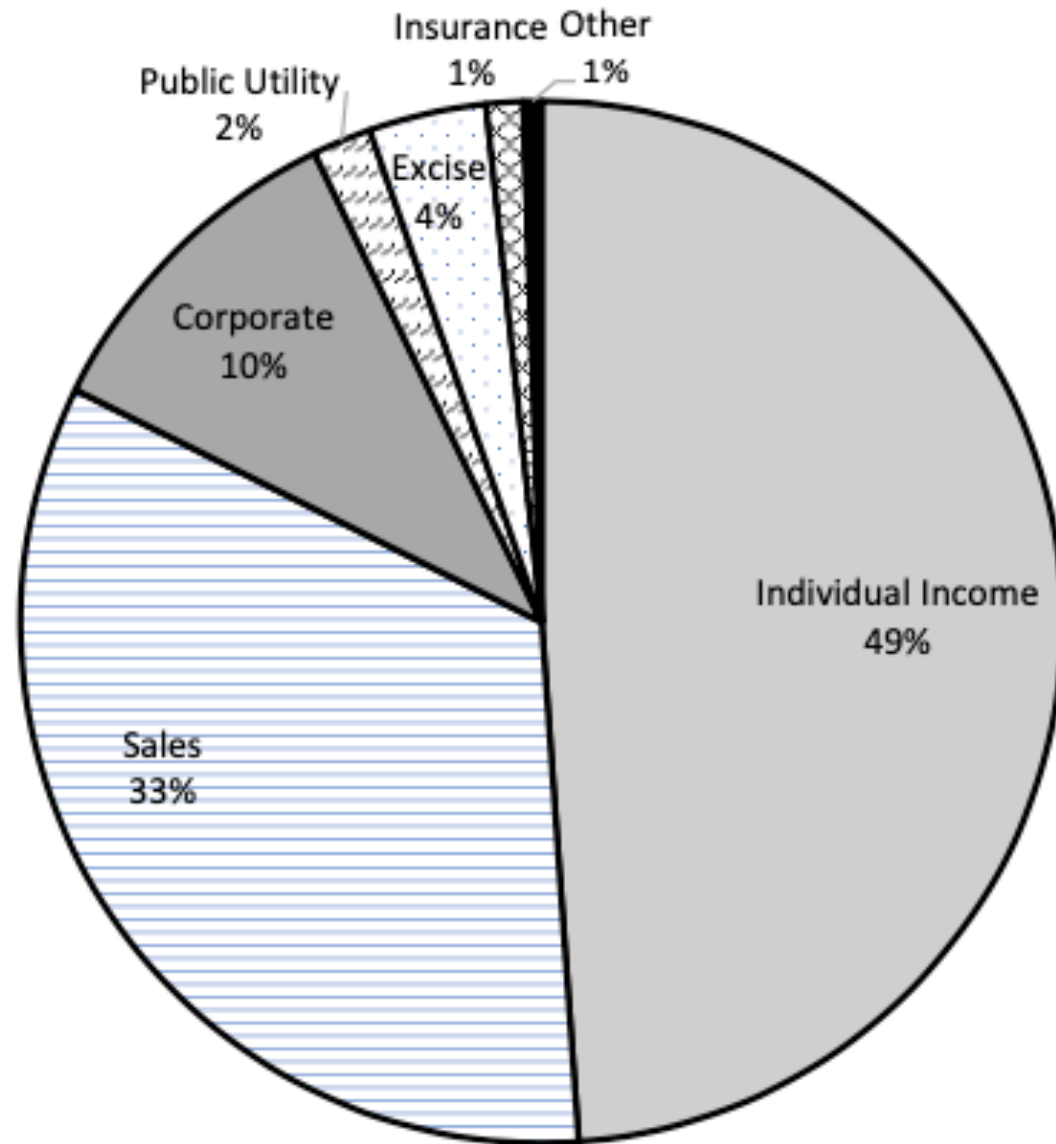
Revenue Enhancement Measures

Internal Revenue Code Update	\$264.2	\$275.9
Manufacturing Credit Limitation	258.9	228.5
Capital Gains Exclusion Limits	202.1	148.4
Tuition Subtraction Income Limitation	6.4	6.5
Repeal of Net Operating Loss Carryback	2.0	4.1
Broker Dealer Apportionment Modification	37.0	37.0
Dividends Received Deduction Limitation	2.9	3.1
Vapor Products	12.7	16.6
Recreational Marijuana - Wholesale Excise Tax*	0.0	26.0
Recreational Marijuana - Retail Excise Tax*	0.0	26.8
Recreational Marijuana - Sales Tax Revenue	0.0	33.6
Tobacco Products - Little Cigars	2.3	3.0
Repeal Sales Tax Exemption for Clay Pigeons and Game Birds	0.2	0.2
Repeal Sales Tax Exemption for Farm-Raised Deer	<u>0.1</u>	<u>0.1</u>
Total Revenue Enhancements	\$788.7	\$809.9
Net Change	\$501.8	\$506.9

FISCAL YEAR 2022-23 BUDGET BY FUND SOURCE



FISCAL YEAR 2022-23 GPR TAX REVENUE BY TYPE

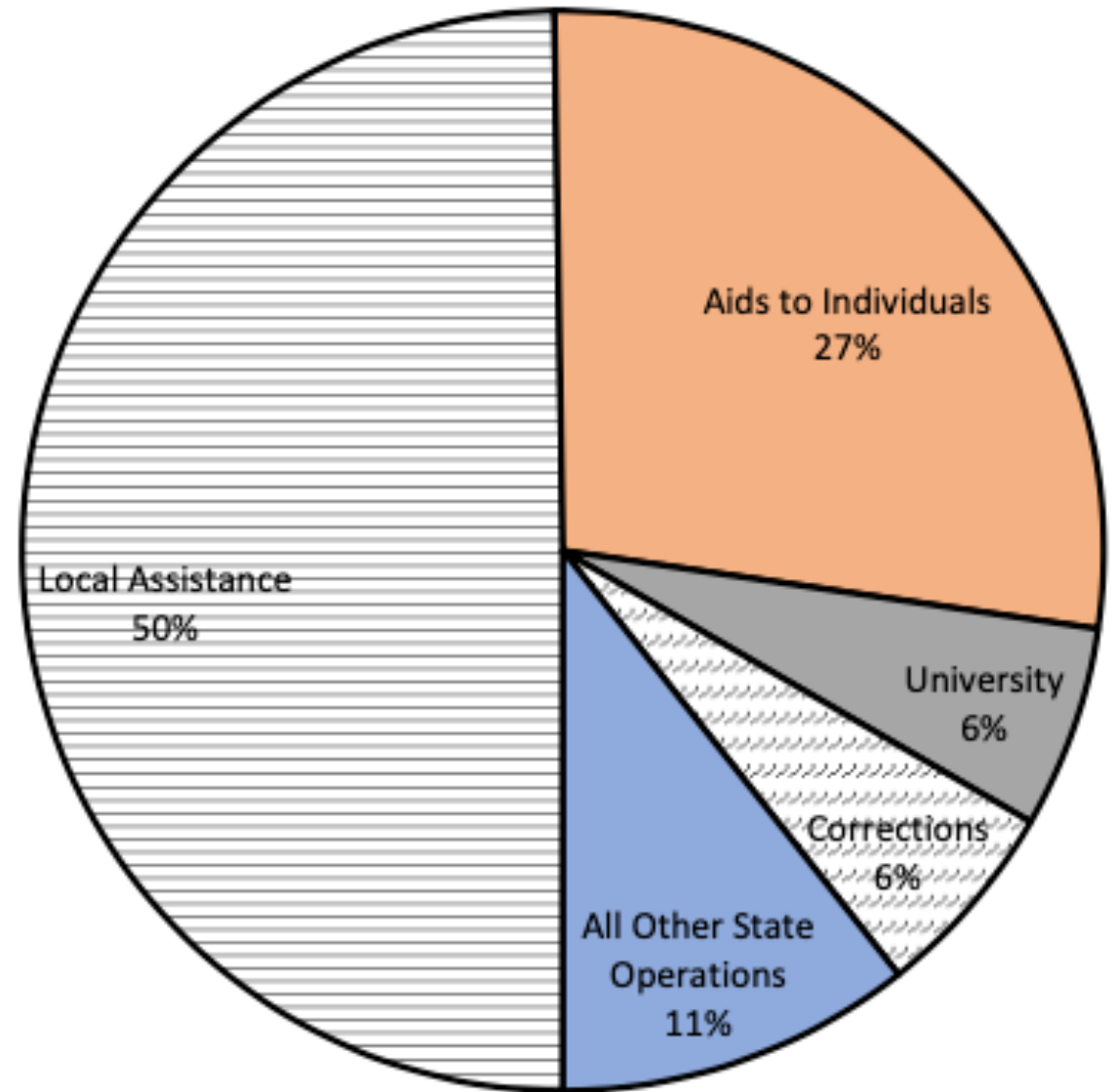


LARGEST BIENNIAL INCREASES OVER BASE

(In millions)

Department of Public Instruction	\$1,642
Department of Health Services	463
Wisconsin Economic Development Corporation	320
Department of Children and Families	247
University of Wisconsin System	192
Public Service Commission	156
Department of Workforce Development	127
All Other Changes	79
TOTAL	\$3,224

FISCAL YEAR 2022-23 GPR BUDGET ALLOCATION BY PURPOSE



AGRICULTURE, ENVIRONMENT, AND LAND USE

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STEWARDSHIP REAUTHORIZATION

- Warren Knowles-Gaylord Nelson Stewardship 2000 Program extended
 - Extended until fiscal year 2031-32 at \$70 million per year
 - The proposal also provides \$700 million in bonding authority for the program



TIPPING FEE EXEMPTION

- Budget includes an exemption from tipping fees for up to 30% of tonnage received
- For waste to energy facilities in both Barron and La Crosse counties



Barron County



La Crosse County

COUNTY CONSERVATION STAFFING & COST SHARING GRANTS

- Budget provides \$3,708,000 annual increase in grant funding to counties for county conservation staff to support land and water conservation activities
- Annual base funding will increase from \$8.96 million annually in the 2019-21 biennium to \$12,668,000 million annually in both years of the 2021-23 biennium



POWTS: WISCONSIN FUND

- Eliminates the sunset date (June 30, 2021) for the Private On-Site Wastewater Treatment System (POWTS) Replacement or Rehabilitation Program
 - The program seeks to assist residence owners and small commercial establishments meeting certain income and eligibility criteria to repair or replace eligible failing private on-site wastewater treatment systems
- Provides for \$840,000 in both years of the biennium



Lincoln County

COUNTY ORGANIZATION AND PERSONNEL

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ELECTIONS

- The Governor's budget includes several provisions impacting Wisconsin elections:
 - The Wisconsin Elections Commission (WEC) is directed to work with the Department of Transportation to begin automatic voter registration
 - Grants municipal clerks the option to canvass absentee ballots on the day prior to the election after working with the WEC to ensure it will be conducted fairly and appropriately (aka Monday legislation)
 - Expanding voting access by eliminating the restriction of how soon a person may complete an absentee ballot in person and further recommending that a person may complete an absentee ballot in person no later than 7:00 p.m. on the Friday preceding the election

ELECTIONS (CONT.)



- The Governor's budget includes:
 - Modify the scheduling of special elections to ensure they are scheduled with sufficient time to comply with federal requirements for sending ballots to military and overseas voters
 - Authorizing the WEC to reimburse counties and municipalities for certain costs incurred in the administration of special primaries and special elections
 - Modifying the WEC recount appropriation to allow local units of government and petitioners to be reimbursed in a timely manner

BROADBAND

- The Governor's Budget provides a \$200 million investment in broadband
 - Main focus is an increase in the funding for the Broadband Expansion Grant Program at the Public Service Commission (PSC)
 - Provides \$151.7 million GPR over the biennium
 - \$2 million annually from the state's Universal Service Fund
 - Eliminates restrictions that certain municipalities defined as “underserved” or “unserved” to directly invest in broadband infrastructure and provide service to residents
 - These communities would apply directly for broadband grants from the PSC
 - Finally, a Broadband Line Extension Grant Program would be created and funded at \$1.75 million GPR in FY22 and \$3.5 million in FY23

UW-EXTENSION

- The Governor's budget includes \$2 million and 15 county-based agriculture positions for UW-Extension



COUNTY VETERANS SERVICE OFFICE



Columbia County



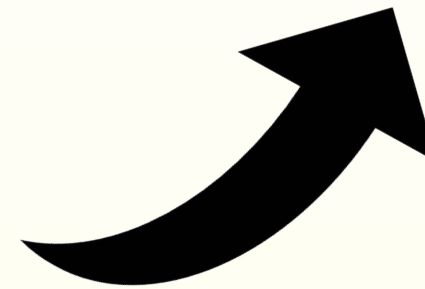
Iowa County

- The Governor's budget includes a 5 percent increase to grants for CVSOs across Wisconsin

COMPETITIVE BIDDING

- The budget includes an increase in the competitive bidding threshold for local governments from the current \$25,000 to \$50,000

\$25,000



\$50,000

LABOR CHANGES

- The Governor's budget makes several modifications to labor practices including:
 - Repealing the prohibition on contracts between labor unions and employers that specify the employer may only hire unionized workers
 - Repeals the prohibitions on the following as a condition of obtaining or continuing employment:
 1. Refraining or resigning from membership in a labor organization;
 2. Becoming or remaining a member of a labor organization;
 3. Paying dues to a labor organization; or
 4. Paying a third party amounts in place of dues to a labor organization

LABOR CHANGES (CONT.)

- Modifications to labor practices (cont.):
 - Reinstate the requirements of prevailing wage at both the state and local level
 - Establish collective bargaining rights for state and local government front-line workers and their bargaining units to provides workers the opportunity to negotiate together
 - Eliminate the annual recertification requirement for state and local government bargaining units, as well as the provision that approval by a majority of bargaining unit members is required to certify

HEALTH AND HUMAN SERVICES

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MEDICAID EXPANSION

- The Governor's budget expands Medicaid under the federal Affordable Care Act
 - Covers all low-income Wisconsin residents who earn incomes between 0 percent and 138 percent of the federal poverty level
 - 90,900 additional Wisconsinites
 - Saves \$634 million GPR
 - Draws down an additional \$1.3 billion FED

Medicaid



PUBLIC HEALTH

- The Governor's budget provides \$14 million for the following communicable disease items:
 - 23.0 FTE GPR positions for DHS' Bureau of Communicable Diseases
 - 3.0 FTE GPR positions to create a communicable disease harm reduction strike team
 - 2.0 FTE GPR positions to create a data analytics and predictive modeling team in the Office of Health Informatics
 - Grant funding for local and tribal public health departments to support communicable disease control and prevention activities (\$5 million annually)

INCOME MAINTENANCE

- The Governor's budget adjusts funding to reflect a re-estimate of the caseload and updated program requirements for the income maintenance consortia:
 - \$3,613,200 GPR/FED in FY22
 - \$5,292,400 GPR/FED in FY23

MENTAL HEALTH SERVICES

- The Governor's budget:
 - Provides \$12.3 million GPR in FY23 to establish up to two regional crisis response centers
 - Each to offer a crisis urgent care and observation center, a 15-bed crisis stabilization facility, and at least two inpatient psychiatric beds
 - Centers would assume custody of emergency detention cases and conduct medical clearances
 - Provides \$5 million GPR in FY23 to establish five crisis stabilization facilities across the state for adults seeking voluntary crisis treatment
 - Each facility would offer up to 16 crisis stabilization beds

MENTAL HEALTH SERVICES (CONT.)

- Expands bed tracking capabilities by tracking inpatient psychiatric, crisis response, and peer-respite beds and making this data openly available to all entities involved in identifying placement options
- Provides \$1.2 million GPR in each year to support the staffing needs of county crisis programs and peer-run respite centers for their telephone services that provide aid to individuals in crisis

MENTAL HEALTH SERVICES (CONT.)

- Creates a \$1.25 million GPR grant in each year for municipalities and counties to establish behavioral health and police collaboration programs to increase behavioral health professional involvement in emergency response situations
- Provides \$375,000 GPR in each year for additional crisis intervention trainings to local law enforcement
- Provides \$850,000 GPR in each year to expand Milwaukee County's Mobile Crisis Team
- Provides \$100,000 annually to promote suicide prevention and awareness in veteran communities by conducting improved outreach to traditionally underserved veteran populations

AGING AND DISABILITY RESOURCE CENTERS



- The Governor's budget provides \$2,425,800 in FY22 and \$4,634,500 in FY23 to:
 - Expand caregiver support services to address the needs of caregivers of adults with disabilities aged 19-59
 - Require ADRCs to designate a caregiver coordinator and create a marketing plan
 - Expand tribal services
- The budget also expands the dementia care specialists program to all ADRCs
 - \$1,175,000 in FY22 and \$2,350,000 in FY23

NURSING HOME RATE INCREASES

- The Governor's budget provides **\$78.3 million** in FY22 (11.5 percent increase) and **\$163.7 million** in FY23 (11.7 percent increase)
 - \$40.4 million in FY22 and \$37.4 million in FY23 is targeted to the direct care workforce
- The budget also amends the rate-setting process for acuity-specific billing rather than using resource utilization groupings

CHILDREN AND FAMILY AIDS

- The Governor's budget increases funding for Children and Family Aids by \$10 million beginning in CY22
 - \$15 million GPR over the biennium
 - \$106,389,600 FY22
 - \$111,868,900 FY23



CHILD SUPPORT



- The Governor's budget increases funding by \$4,000,000 GPR in each fiscal year
 - Draws down \$7,764,700 FED
 - Total increase of \$11,764,700

YOUTH JUSTICE

- The Governor's budget:
 - Eliminates the serious juvenile offender program in DOC and moves responsibility for caring for future young offenders to the counties
 - Replaces the SJOP with an extended juvenile jurisdiction blended sentencing model
 - Allows the court to sentence an individual to an extended juvenile disposition to the age of 23
 - Eliminates state-run Type 1 facilities
 - Allows both the state and counties to operate Secured Residential Centers for Children and Youth
 - Closes Lincoln Hills and Copper Lake as soon as all juveniles have been transferred to a suitable replacement facility
 - Allows DOC to set its own daily rate until the facility is closed

YOUTH JUSTICE (CONT.)

- Eliminates, as an available disposition, placement in a juvenile detention facility for more than 30 days
 - Eliminates county 365/180 programs
- Reduces the use of detention for juvenile offenders who commit minor offenses
 - Eliminates placement of a juvenile offender in a juvenile detention facility as a sanction or for short-term detention unless the juvenile court finds that the juvenile poses a threat to public safety and the underlying offense would be an offense if committed by an adult

YOUTH JUSTICE (CONT.)

- Focus on community-based treatment
 - Statewide youth justice foundational training
 - Consolidates certain DCF youth services programs into a new youth services grant program
 - Nine statutory purposes for the grant
 - Funding for services or to provide direct evidence-based services or support to agencies for the provision of evidence-based services aimed at preventing the removal of children from the home
 - Both Children's Code and Juvenile Justice Code
 - Grants for community-based and out-of-home care services
 - Serve moderate to high-risk youth

YOUTH JUSTICE (CONT.)

- Prohibits the use of restraints on anyone under the age of 18 when appearing in court in most cases
- Eliminates automatic original adult court jurisdiction for all youth under 18
- Modifies the conditions under which a youth under the age of 18 may be waived into adult court
- Increases the age of delinquency from 10 years of age to 12 years of age

17-YEAR-OLDS



- Raises the age of adult jurisdiction to 18 years of age
- Creates a new sum sufficient appropriation and provides \$10 million GPR in each fiscal year to reimburse counties for the increased cost associated with raising the age

YOUTH AIDS

- Modifies the youth justice statutes and appropriations to provide more flexibility in allocating youth aids funding and enhancing systems improvements
- Authorizes DCF to distribute an additional \$5,327,500 GPR in FY22 and \$13,529,700 in FY23
 - Ensures counties can meet an increase in youth offender services that arise from the elimination of the Serious Juvenile Offender Program

JUDICIAL AND PUBLIC SAFETY

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911 AND PSAPS

- Budget includes funds to support PSAPs and the need to upgrade equipment at the local level
 - Budget includes \$7.5 million starting in FY23 for PSAP grants which can be used for equipment and software expenses as well as training costs
- Supports ongoing work of DMA to create the emergency services IP network (ESInet) which is critical in the advancement of 911 from an analog system to a digital platform
 - Provides \$1.7 million in FY22 and \$9.8 million in FY23
 - Also provides \$3 million for county grants in FY23 for geographic information systems (GIS) data grants

WISCOM

- \$6.5 million GPR for the design and implementation of a new statewide interoperable communications system which is a shared land mobile radio system



TREATMENT ALTERNATIVES AND DIVERSION (TAD)



- The Governor's budget includes an additional \$15 million GPR for TAD in FY 2022-23 for expansion of the program

TRANSPORTATION AND PUBLIC WORKS

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GENERAL TRANSPORTATION AIDS

- Increases county GTA
 - \$122,203,200 in the 2019-21 budget cycle
 - \$124,647,266 in FY21 and to \$127,140,211 in FY22
 - This amounts to a 2 percent increase in GTA payments in each year of the biennium



ROUTINE MAINTENANCE AGREEMENTS

- Budget maintains funding and preserves recent increases for Routine Maintenance of the State Trunk Highway System (STH) performed by counties
- Increases funding within the state highway maintenance program to account for the increasing cost of road salt
 - \$12,510,900 in FY22
 - \$13,118,100 in FY23

GENERAL TRANSIT AIDS

- General Transit Aids increase annually by 2.5 percent
- Mass Transit Systems with operating expenses of:
 - A. Greater than \$80,000,000: Funding is increased in the first year of the biennium from \$70,613,300 to \$72,378,633 in the first year of the biennium and to \$74,188,098 in the second year of the biennium
 - B. Between \$20,000,000 and \$80,000,000: Funding is increased from \$18,554,800 to \$19,018,670 the first year of the biennium and to \$19,494,136 in the second year of the biennium
 - C. Less than \$20,000,000 and a serving population of at least 50,000: Funding is increased from \$26,935,400 to \$27,608,785 in the first year of the biennium and \$28,299,004 in the second year of the biennium
 - D. Less than 50,000: Funding is increased from \$5,707,800 to \$5,850,495 in the first year of the budget and 5,996,757 in the second year of the biennium

LOCAL ROAD IMPROVEMENT PROGRAM

- The Governor's budget maintains current funding levels for the Local Road Improvement Program (LRIP)
- Funding for the county component of LRIP, the County Highway Improvement Program (CHIP) will be funded at:
 - \$5,569,400 in FY21
 - \$5,688,400 in FY22

STATE PREVAILING WAGE REQUIREMENTS

- The Governor's budget restores prevailing wage requirements for projects using state dollars.



LOCAL GOVERNMENT USE OF EMINENT DOMAIN AUTHORITY

For Bicycle And Pedestrian Facilities



- The Governor's budget restores the ability of local governments to use eminent domain authority for the installation of bike and pedestrian paths.

LOCAL MULTIMODAL TRANSPORTATION PROGRAM

- The Governor's budget provides \$75 million for local multimodal transportation projects
- To address the significant need for supplemental infrastructure funding as evidenced by the \$1.47 billion in projects submitted by local governments
 - Similar program in the 2019-21 biennium

TAXATION AND FINANCE

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LOCAL OPTION SALES TAX

- Budget allows counties to increase their sales tax by 0.5% with approval from voters via referendum
 - The 0.5% sales tax is in addition to a county's current 0.5% sales tax authority via ordinance

SHARED REVENUE

- Budget provides successive 2 percent increases in funding for the county and municipal aid program to take effect in 2021 and again in 2022

LEVY LIMITS

- Provides counties with a 2 percent minimum growth factor for levy limit purposes
- Currently, county levy limits are tied to the change in property values due to net new construction

DEBT ISSUANCE

- Allows counties to issue debt to replace revenue lost due to a disaster or public health emergency declared by the Governor or the county board itself

Questions?

