

## WCA 2023-25 State Biennial Budget Summary

Updated: March 7, 2023

On February 15, 2023, Governor Tony Evers released his 2023-25 State Biennial Budget Proposal. This marks the official start to the budget process as the Governor's executive proposal is now submitted to the Wisconsin State Legislature for consideration. The GOP-controlled legislature has indicated its intention to start from "base," meaning the legislature will begin its consideration based on the prior biennium's spending plan as opposed to the Governor's proposal.

Over the next few weeks, the non-partisan Legislative Fiscal Bureau will compile a plain-English summary of the Governor's proposal. As is customary, that will be followed by legislative budget hearings throughout the state before the legislature's Joint Committee on Finance begins its official work on the budget.

The state's fiscal year officially ends June 30, 2023, which is the statutory deadline for the next budget. However, unlike the federal government, if a new spending plan is not approved by July, the state continues operating on the prior biennium's appropriation schedule.

### Highlights of the Governor's Executive Budget Proposal include:

- Proposing an operating budget of \$52.1 billion in FY 24 and \$51.7 billion in FY 25
- Provide \$2.6 billion in funding for public schools.
- Reforming local government funding by devoting 1 penny of the state's 5 penny sales tax to local governments. In addition, allow an additional 0.5% sales tax for counties and large municipalities, via referendum.
- Provide approximately \$1.2 billion over the biennium for tax relief to low- and moderate-income Wisconsinites.
- Invest \$750 million in the Broadband Expansion Grant Program
- Provide \$190 million in transportation funding by devoting sales tax generated from the sale of electric vehicles and a portion of the sales tax on auto parts, tire, and repair services to the transportation fund.
- Provide \$290 million to the professional baseball park district to extend the lease of the Milwaukee Brewers until at least 2043.
- Provide \$200 million for the replacement of lead service lines through the Safe Drinking Water Loan Program
- Legalize the sale of medical marijuana.
- Provide \$100 million over the biennium for a grant program for the testing of PFAS.
- Accept federal Medicaid Expansion

As always, if you have any questions about specific budget items, please contact any member of the WCA Government Affairs Team. The following pages include an initial summary of the Governor's Executive Budget Proposal separated by WCA issue area.

## **TAXATION AND FINANCE**

- **TIF Districts:** The Governor's budget modifies tax incremental finance policies to support the development of workforce housing by increasing the amount of a TIF district area that can be comprised of newly platted residential developments to 60% instead of the current law 35%. The budget also allows municipalities to extend the life of a TIF district by up to three years, rather than the current one year.
- **Local Government Funding Reform:** The Governor's budget provides 1 penny of the state's 5 penny sales tax to local governments. The budget devotes the funds to replacing the shared revenue appropriation. The remaining funds would be divided between public safety aid and general aid to municipalities and counties.
- **Levy Limits:** The Governor's budget provides a minimum levy limit adjustment of 2% for counties and municipalities.
- **Levy Limits:** The Governor's budget eliminates the levy limit provision requiring a negative adjustment for communities or counties transferring a service to another unit of local government.
- **Levy Limits:** The Governor's budget removes the current law negative county and municipal levy limit adjustment for fees for covered services.
- **Levy Limits:** The Governor's budget removes the current law supermajority requirement for the utilization of carryover county and municipal levy limit capacity.
- **Dark Stores:** The Governor's budget closes the "dark store" property assessment loophole.
- **TIF Districts:** The Governor's budget provides greater flexibility in the creation of TIF districts by allowing municipalities to exceed the 12 percent of equalized value limitation if those municipalities have a district expiring in the following year that would bring them below the limitation.
- **Personal Property Tax:** The Governor's budget repeals the personal property tax and reimburses local governments for lost revenue.
- **Sales Tax:** The Governor's budget allows Milwaukee County (via referendum) to impose an additional 1 percent sales tax, with 50 percent of the resulting new revenue distributed to the city of Milwaukee.

- **Sales Tax:** The Governor’s budget allows counties other than Milwaukee to impose an additional 0.5% sales tax via referendum.
- **Regional Transit Authority:** The Governor’s budget allows local governments to establish Regional Transit Authorities throughout the state as local governments deem necessary for the benefit of their residents.

## **HEALTH AND HUMAN SERVICES**

### **Mental Health Services:**

- **Community Support Programs:** The Governor’s budget recommends providing \$19,239,100 GPR in fiscal year 2023-24 and \$21,516,500 GPR in fiscal year 2024-25 to begin using state funding to pay the nonfederal share of the Medicaid Community Support Program. Currently the nonfederal share of the Community Support Program is paid by counties.
- **Crisis Urgent Care and Observation Centers:** The Governor’s budget recommends increased access to crisis services by providing \$64,700 GPR in fiscal year 2023-24 and \$10,038,500 GPR in fiscal year 2024-25 to establish up to two crisis urgent care and observation centers that will serve as regional crisis receiving and stabilization facilities. The Governor also recommends Providing 1.0 FTE GPR position to develop and evaluate the centers on an ongoing basis.
- **Psychiatric Residential Treatment Facilities:** The Governor recommends providing \$1.8 million GPR in fiscal year 2024-25 to establish a 25-bed psychiatric residential treatment facility to provide psychiatric care and treatment to children and youth under the age of 21 with complex behavioral health conditions and to allow Medicaid benefits to include a psychiatric residential treatment facility benefit.
- **988 Suicide & Crisis Lifeline:** The Governor’s budget recommends providing \$898,700 GPR in fiscal year 2023-24 and \$2.1 million GPR in fiscal year 2024-25 to support in-state 988 Suicide & Crisis Lifeline call centers.
- **Youth Crisis Stabilization Facilities:** The Governor’s budget recommends providing \$996,400 GPR in each year of the biennium as state support for youth crisis stabilization facilities to ensure the facilities have a reliable, ongoing funding source.
- **Peer Recovery Centers:** The Governor’s budget recommends providing \$260,000 GPR in each year of the biennium to support existing peer recovery centers and to support the development of two additional peer recovery centers in counties not currently served by existing centers.
- **Veterans Outreach Recovery Program:** The Governor’s budget recommends providing 7.0 FTE SEG positions and \$957,200 SEG over the biennium to expand the Veterans Outreach and Recovery Program, which provides outreach mental health services and

support to veterans who may have a mental health condition or substance use disorder.

- **“Get Kids Ahead” Initiative:** The Governor’s budget recommends \$270 million GPR over the biennium to help schools through the “Get Kids Ahead” initiative and making it a permanent program.

This includes:

- \$117.9 million GPR per year for a reformed, comprehensive school-based mental health services program that ensures predictability of funding through base per pupil payments rather than the competitive grant process under current law for this program.
- \$18 million GPR per year to reimburse schools for costs around an expanded list of school mental health professionals, including social workers, school counselors, psychologists, and nurses.
- \$580,000 GPR in each year for training of school staff in mental health, bullying prevention, restorative practices, and other evidence-based strategies.
- Permitting schools to receive reimbursement of costs associated with mental health services provided to students through telehealth in the expanded aid programs.
- **Children’s Long-Term Support Waiver Program:** The Governor’s budget recommends that all eligible children receive service under the Children’s Long-Term Support waiver program, providing long-term services to children with intellectual, physical and/or developmental disabilities, and severe emotional disturbances.
- **Child Care Counts:** The Governor’s budget recommends continuing the successful Child Care Counts program, providing \$81 million GPR in fiscal year 2023-24 and \$221 million GPR in fiscal year 2024-25, and \$19 million TANF in each fiscal year to permanently establish Child Care Counts as the state’s ongoing childcare quality improvement program.

**Foster Care/Kinship Care:** The Governor’s budget recommends:

- An increase in kinship care funding by \$7,826,700 TANF in fiscal year 2023-24 and \$9,661,300 TANF in fiscal year 2024-25 to expand eligibility for kinship caregiving to others such as like-kin caregivers.
- Providing \$392,000 GPR, and \$206,200 PR-F in fiscal year 2023-24 and \$784,100 GPR and \$412,300 PR-F in fiscal year 2024-25 to increase foster care age-based rates by 5 percent and allow foster care level one providers to receive the age-based rates. Further, provide \$8,264,700 TANF in fiscal year 2023-24 and \$16,482,300 TANF in fiscal year 2024-25 to allow kinship care providers to receive the age-based rates.
- Providing \$6,100 GPR, \$3,300 PR-F, and \$171,600 TANF in fiscal year 2023-24 and \$6,700 GPR, \$3,600 PR-F, and \$342,100 TANF in fiscal year 2024-25 to allow foster

care level one and kinship care providers to qualify for the sibling exceptional rate and one-time clothing payments.

- Provide \$8,259,400 GPR in fiscal year 2023-24 and \$8,237,100 GPR in fiscal year 2024-25 for additional kinship care program support, including flexible support payments to caregivers and family search services for child welfare agencies.

**Child Welfare:** The Governor's budget recommends:

- Provide \$1,505,100 GPR, \$268,800 TANF, and \$913,800 PR-F in each fiscal year for one-time improvements to the eWiSACWIS child welfare data system. The Governor further recommends that a portion of that funding be ongoing into the next biennium, equivalent to a 10 percent increase to base funding, to fund additional projects and support of the system.
- Support critical cybersecurity activities with \$1,185,800 GPR in each fiscal year to ensure the continued integrity and protection of child welfare and childcare data.

**Child Support:** The Governor's budget recommends:

- An increase in funding by \$14,705,900 all funds in each fiscal year to child support agencies to improve collection of delinquent child support in the state.
- Creation of a child support debt reduction program and provide \$3,472,000 TANF in fiscal year 2023-24 and \$6,944,000 TANF in fiscal year 2024-25 to assist low-income noncustodial parents participating in a work program with paying child support arrears.
- Providing \$7,163,700 all funds in fiscal year 2023-24 and \$20,517,200 all funds in fiscal year 2024-25 to support the continuation of the Child Support Modernization IT project to implement an improved system for Wisconsin to continue meeting federal performance standards and more quickly and easily accommodate changes in the child support landscape.
- **Income Maintenance:** The Governor's budget recommends: a) full funding for county income maintenance consortia, b) Repeal the requirement for able-bodied adults without dependents to clear a drug screening in order to participate in the FoodShare Employment and Training program, c) Repeal the onerous work requirement for able-bodied adults enrolled in the FoodShare program, and d) Repeal the pay-for-performance incentives for vendors of the FoodShare Employment and Training program
- **Aging and Disability Resource Centers (ADRCs):** The Governor's budget recommends (a) \$2.5 million GPR in fiscal year 2023-24 and \$5 million GPR in fiscal year 2024-25 to increase base allocations to ADRCs, which have been unchanged since 2013; and (b) \$3.1 million GPR in fiscal year 2023-24 and \$6.3 million GPR in fiscal year 2024-25 to allocate funding that supports at least 0.5 FTE position to provide

caregiver support services in every county.

- **Adult Protective Services:** The Governor's budget recommends \$13.6 million GPR to increase base funding to the allocations for adult protective services, elder abuse, and domestic violence. Funding would also be provided for training initiatives and technical support.
- **Direct Caregivers:** The Governor's budget recommends providing increased funding for caregivers through: (a) providing \$88.8 million all funds over the biennium to increase the direct care and services portion of the capitation rates the Department of Health Services provides to long-term care managed care organizations in recognition of the direct caregiver workforce challenges facing the state; and (b) providing \$88.8 million all funds over the biennium to fund rate increases for personal care direct care services.

**Youth Justice:** The Governor's budget recommends:

- Developing a youth justice data and reporting system and continued funding for the Youth Assessment Screening Instrument with \$936,700 GPR and \$435,100 PR-F in fiscal year 2023-24 and \$945,500 GPR and \$435,100 PR-F in fiscal year 2024-25.
- Providing \$1,563,500 GPR in fiscal year 2023-24 and \$2,102,000 GPR in fiscal year 2024-25 to create a state training program for youth justice workers and provide continued training for those workers, as well as booster training for the Youth Assessment Screening Instrument.
- Modifying the youth justice statutes and appropriations to provide more flexibility in allocating Youth Aids funding and to enhance system improvements.
- Creating a new sum sufficient appropriation and provide \$5 million GPR in each fiscal year to reimburse counties for increased costs associated with raising the age that a circuit court or municipal court exercises adult court jurisdiction on individuals from 17 to 18 years of age.
- Allocating \$750,000 GPR starting in fiscal year 2024-25 to provide counties with bonuses for operating secured residential care centers for children and youth that serve youth from more than one county, as required by current law.

**Public Health:** The Governor's budget recommends:

- Investing in the following public health initiatives: (a) \$1,200,000 GPR over the biennium for grants to entities that provide healthy aging programs; (b) \$5,225,900 GPR over the biennium for state funding to support the Newborn Screening Program; (c) \$3,360,000 GPR over the biennium for a child wellness grant that would support programming related to parenting, the educational needs and supports for chronically ill children, and case management for children with asthma; (d) \$500,000 GPR over the biennium for a grant to an organization that supports individuals with amyotrophic

lateral sclerosis; (e) \$3,000,000 GPR over the biennium for a spinal cord injury research grant; (f) \$400,000 GPR over the biennium for an existing respite care grant; (g) \$200,000 GPR over the biennium for an existing Alzheimer's disease grant; and (h) \$2 million GPR over the biennium for the Mike Johnson Life Care and Early Intervention Services Grant.

- **WisCaregiver Careers:** The Governor's budget recommends providing \$8 million GPR in fiscal year 2024-25 for continuation of the WisCaregiver Careers program, which aims to address the shortage of certified nursing assistants in the state by supporting recruitment, training and retention of individuals to care for nursing home residents across Wisconsin. Additionally, the Governor recommends providing funding for healthcare innovation grants, which would help healthcare providers implement best practices and innovative solutions to increase worker recruitment and retention.
- **Department of Safety and Professional Services:** The Governor's budget recommends streamlining the DSPS credentialing process and make it more efficient by providing 2.0 FTE PR permanent positions and increased expenditure authority of \$113,200 PR in fiscal year 2023-24 and \$143,000 PR in fiscal year 2024-25, to support these efforts.
- **Medicaid Expansion:** The Governor's budget recommends accepting the federal Affordable Care Act's provision for Medicaid expansion. The Governor also recommends repealing the federal waiver for childless adults to administer the Medicaid program uniformly across all Medicaid eligibility groups.

## COUNTY ORGANIZATION AND PERSONNEL

**Elections:** There are several provisions in the budget that impact Wisconsin elections.

- Allow a municipal clerk 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.
- 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.
- Enable WEC to reimburse counties for certain costs incurred in the administration of special primaries and special elections through a GPR sum sufficient appropriation.
- Allow WEC training funds to be used to train municipal and county clerks on all aspects of election administration, in addition to voter ID requirements.
- Modifying the WEC recount appropriation to allow local units of government and petitioners to be reimbursed in a timely manner.

- **Broadband:** Once again the Governor makes a significant investment in broadband of \$750 million for the Broadband Expansion Grant program.
- **Open Records Location Fee:** The budget recommends increasing the threshold that a governmental entity may charge an open records fee from \$50 to \$100.
- **County Veterans Service Office:** The budget includes \$1,096,600 annually to double the CVSO grants.
- **Prevailing Wage:** The budget would allow employers conducting projects of public works, both state and local, to pay workers the hourly wage and benefits paid to most workers in the project's area.
- **Recertification Requirement:** The annual recertification requirement for state and local government bargaining units would be eliminated in the budget. Further, the provision requiring approval by a majority of bargaining unit members instead of majority of the vote required to certify, would also be eliminated.
- **Domestic Partnership:** The Governor, in his budget, plans to reinstate domestic partnership benefits for all state and local government employee insurance programs administered by the Department of Employee Trust Funds. These benefits were eliminated as part of the 2017-19 state budget.
- **Real Estate Transfer Fee Exemption:** Governor recommends expanding the current law exemption for conveyances between entities and related members to include uncles and aunts and their nieces or nephews as well as first cousins. The fiscal impact of this provision will negatively impact the county portion of the real estate transfer fee.

## **JUDICIAL AND PUBLIC SAFETY**

- **911 and Public Safety Answering Points (PSAPs):** The Governor's budget provides \$6 million GPR annually to double the amount of funding available for the grant program.
- **Treatment Alternatives and Diversion (TAD):** An additional \$12.5 million GPR is provided for the expansion of the program.
- **Private Attorney Bar Rate:** The Governor recommends providing funding to increase the private bar reimbursement rate to \$100 per hour for casework and \$50 per hour for travel for the State Public Defenders Office.
- **Service Sharing:** Service sharing between local governments would be encouraged on medical services and fire protection by broadening the types of service sharing arrangements that qualify for the levy limit adjustments related to service sharing.



- **Pretrial Risk Assessments:** The budget provides \$1 million GPR over the biennium to reimburse counties for circuit court costs related to implementing pretrial risk assessments.
- **Victim Witness Reimbursement Appropriation:** The Governor's budget would provide \$5.7 million GPR in fiscal year 2023-24 and \$6 million GPR in fiscal year 2024-25. This would get counties to the 90 percent reimbursement from the state for eligible costs.

## **AGRICULTURE, ENVIRONMENT AND LAND USE**

- **PFAS:** The Governor's budget recommends providing expenditure authority for a municipal grant program for the testing and remediation of per- and polyfluoroalkyl substances by local units of government. The Governor's budget includes \$85 million in GPR in FY 24 and \$15 million in Seg in FY 25. In addition the Governor's budget provides \$2,209,440 in Seg in FY 24 and \$1,664,200 in Seg in FY 25 for PFAS substances sampling and research.
- **Soil and Water Resource Management Bond Authority and Cost Share Grants:** The Governor's budget provides \$7 million in bonding for grants to counties for implementation of land and water resource management plans, including cost-share grants to landowners through the Soil and Water Resource Management. The Governor also recommends providing \$100,000 SEG in each year for soil and water management noncapital projects
- **Snowmobile Trails:** The Governor recommends providing additional funding to support the annual maintenance of the snowmobile automated reporting system.
- **Deer Carcass Disposal:** The Governor recommends providing \$1,000,000 SEG in one-time funding for the department to issue grants for the purchase of deer carcass disposal sites. The Governor also recommends providing \$50,000 SEG in each year for chronic wasting disease education for hunters.
- **Dam Repair and Removal:** The Governor recommends providing \$10 million in GPR-supported general obligation bonds for grants to be used for dam repair, reconstruction, and removal projects. The Governor also recommends setting aside \$500,000 of the bonded funds to rebuild the Sheboygan Marsh dam located near the department's Sheboygan Marsh Wildlife Area.
- **Concentrated Animal Feeding Operations (CAFO's):** The Governor's budget increases the annual fee assessed to operators of a CAFO and establishes an application fee for new operators of a CAFO.
- **Sealants:** The Governor recommends prohibiting the sale of sealants that contain coal tar, coal tar pitch, coal tar volatiles or high concentrations of polycyclic aromatic hydrocarbons on or after January 1, 2024. The Governor also recommends, with certain

specified exemptions, prohibiting the application of sealants that contain coal tar, coal tar pitch, coal tar volatiles or high concentrations of polycyclic aromatic hydrocarbons on or after July 1, 2024.

- **County Conservation Staffing and Cost Sharing Grants:** The Governor's budget provides \$6,135,900 in FY 24 and \$6,735,900 in FY 25 to support land conservation efforts.
- **Private On-site Wastewater Treatment System Replacement or Rehabilitation Program (Wisconsin Fund):** The Governor's budget eliminates the sunset date (June 30, 2023) for the Private On-Site Wastewater Treatment System Replacement or Rehabilitation Program. The proposal provides for \$840,000 in both years of the biennium. 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.
- **County Forest Administration Grants:** The Governor recommends providing additional funding for the Sustainable Forestry Grant Program (\$50,000 in each year) and the County Forest Administration Grant Program (\$200,000 in each year). The Governor also recommends providing statutory authority for the two existing grant programs to be established in separate appropriations.

## **TRANSPORTATION AND PUBLIC WORKS**

- **Electric Vehicles Sales Tax Fund Transfer:** The Governor recommends transferring annually from the general fund to the transportation fund an amount estimated by the Department of Administration that approximates the amount of sales tax generated from the sale of electric vehicles. The Governor further recommends that starting in FY26, the amount transferred is limited to 120 percent of the prior year's transfer or \$75 million, whichever is less. The Department of Administration estimates that \$39,300,000 in FY24 and \$55,100,000 in FY25 of sales tax will be generated by the sale of electric vehicles.
- **Automotive Parts and Repair Transfer:** The Governor recommends transferring annually from the general fund to the transportation fund an amount calculated by the Department of Administration that approximates the marginal change between FY21 and the fiscal year of the transfer sales tax generated from the sale of automotive parts, accessories, tires, and automotive repair and maintenance services. This action will diversify transportation fund revenue sources and reduce reliance on the gas tax. The Department of Administration estimates that \$43,625,700 in FY24 and \$52,895,500 in FY25 will be generated from the marginal difference in sales tax revenue compared to FY21 sales of automotive parts, accessories, tires, and automotive repair and maintenance services.
- **Local Program Supplement:** The Governor recommends providing funding for and establishing an ongoing local road improvement program supplement to help accelerate high priority local bridge and road projects throughout the state. While the two preceding

enacted budgets included one-time funding for local road project supplements, (\$50 million in both FY 24 and FY 25) this provision establishes this supplement as an ongoing program in recognition of ongoing local transportation needs.

- **Routine Maintenance Agreements:** The Governor recommends increasing routine maintenance funding. The Governor's budget increases funding for additional \$11,394,400 is provided in FY 24: \$3,497,200 and FY 25: \$7,897,200.
- **General Transit Aids:** The Governor recommends increasing general transportation aids to \$132,225,800 for counties and \$414,956,700 for municipalities in calendar year 2024 and then providing a further increase to \$137,514,800 for counties and \$431,555,000 for municipalities in calendar year 2025. The Governor also recommends increasing the mileage aid payment to \$2,843 in calendar year 2024 and to \$2,957 in calendar year 2025. This will provide 4 percent increases in both 2024 and 2025 to assist local governments in maintaining Wisconsin's roads.
- **Local Bridge Improvement Assistance:** The Governor's budget maintains current funding for the Local Bridge Improvement Program, resulting in \$22.9 million in both years of the biennium.
- **Mass Transit Operating Aids:** The Governor recommends increasing general transit aids by 4 percent in calendar year 2024 and calendar year 2025.
- **Local Road Improvement Program (LRIP):** The Governor recommends providing a 4 percent increase in FY24 and a further 4 percent increase in FY25 for the Local Road Improvement Program.
- **Marathon County Regional Forensic Science Center:** The Governor's budget appropriates \$150 million for the Neighborhood Investment Grant Fund Program. Marathon County has been advised that the construction of the proposed Marathon County Regional Forensic Science Center would be eligible for a grant from this program.

###