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## Summary of the Joint Committee on Finance's Actions on Governor Evers' 2019-21 Executive Budget

*~Preliminary Analysis of the Impact on the City of Milwaukee~*

### LOCAL AID, PROPERTY, and INCOME TAX RELIEF

- **Shared Revenue-** Increases the funding for Shared Revenue by 2% annually starting in 2020. The program would see a \$20.3 million increase in state funding by FY 2021 over FY 2019. The City's share of the increase would be slightly over \$4 million annually.
  - **JCF removed the Governor's 2% annual increase in shared revenue payments, and instead voted to reduce the percentage that municipalities assess on video service providers based upon their gross receipts by .5% in 2020 and 1% in 2021—JCF created a state aid payment program to make payments to municipalities to compensate each municipality for the reduction in fee revenues. In all, the net revenue change, post-shared revenue payment and reduced video provider assessment reduction, should be a near wash. Omnibus actions by the Assembly and Senate established a hard cap for video service provider payments at the .5 and 1% levels.**
- **Levy Limit Adjustment for Covered Service Fees** - Eliminates the levy limit negative adjustment for fees of covered municipal services.
  - **JCF removed in the initial omnibus motion. JCF took subsequent action to include storm water management costs in the levy limit exception of covered municipal services. The change would have benefited communities with newly created storm water management fees which did not previously exist and future increases to existing storm water fees. Omnibus actions by the Assembly and Senate reversed JCF and resulted in the removal of the storm water management fee exception. The net result is a reversal of the Governor's original proposal and retention of the status quo in state law.**
- **County and Municipal Levy Limits** - Reinstates a 2% minimum growth factor for county and municipal levy limits starting in 2019, that could increase beyond that threshold based upon new construction as a percentage of equalized value. Based upon the City's 1.6% new growth rate the last couple years, a 2% floor would allow the City about \$1 million in additional levy authority.
  - **JCF removed in the initial omnibus motion.**

- **Levy Limit Adjustment for Joint Emergency Dispatch Centers** - Provides an allowance for municipal governments to adjust levy limits for shared emergency dispatch centers. The Budget Office does not anticipate any new emergency dispatch centers in the immediate future.
  - **JCF removed in the initial omnibus motion.**
- **Dark Store and Walgreen's Loophole** - Closes the loophole allowing assessed occupied commercial store properties to be valued similarly to vacant or unoccupied property in the same real estate market segment. In the City, the loophole has resulted in the loss of \$130 million of assessable property value and an approximate \$2.5 million tax shift from big box to residential and other property tax paying users.
  - **JCF removed in the initial omnibus motion.**
- **Earned Income Tax Credit Expansion** - Provides \$53 million over the biennium to increase the Earned Income Tax Credit as a percentage of the federal credit for single persons and working families with at least one or two children.
  - **JCF removed in the initial omnibus motion. JCF adopted a measure subsequently which re-estimated the total amount of credit payments at \$95,700,000 in 2019-20 and \$97,400,000 in 2020-21, reflecting decreases of \$4,900,000 in 2019-20 and \$3,200,000 in 2020-21, relative to the base level. These decreases equate to GPR expenditure reductions. Federal temporary assistance for needy families block grant funding for the credit will remain unchanged relative to base level funding at \$69,700,000 annually.**
- **Income Tax Credit** - Creates a credit to provide a 10% cut in individual income taxes for most middle-class filers. Individuals with incomes below \$80,000 and married-joint filers with incomes below \$125,000 will receive a nonrefundable credit equal to 10% of their remaining net tax liability or \$100, whichever is greater.
  - **JCF removed in the initial omnibus motion, and adopted a measure which would cut income taxes by an average \$75 per person in year one and \$136 per person in year two by using sales tax proceeds from internet sales as an offset for income tax cuts. In doing so, JCF rejected the governor's proposal for tax cut offset to come from manufacturer and capital gains tax increases. The JCF reduction is less than the average \$216 tax cut in Gov. Evers' plan. Under JCF action, income tax cuts are directed to the two lowest income brackets**
- **Homestead Credit Reforms** - Increases the maximum eligible household income under the Homestead Credit to \$30,000 starting in FY20 and indexes the credit for inflationary increases moving forward.
  - **JCF removed in the initial omnibus motion. JCF rejection of the Governor's request results in retaining the status quo of a maximum household income of \$24,680 to qualify. JCF took subsequent action in committee focusing on tax relief for property owners and approved cutting property taxes by \$58**

**million over the biennium by increasing the state lottery property tax credit. The lottery property tax credit was further modified by Assembly and Senate omnibus amendments increasing the credit by an additional 6.18 million to \$64.18 million overall.**

- **Tax Incremental Finance Reforms** - Limits the percentage of tax incremental district project costs that may be allocated for developer cash grants to 20% of total project costs and creates a requirement for TID project plans to contain a “stress test” for alternative economic projections of the district’s finances.
  - **JCF removed from the budget.**
- **Repeal of Private School Tuition Subtraction** - Repeals the subtraction from adjusted gross income for tuition paid by a parent to send their child to a private primary or secondary school.
  - **JCF removed in the initial omnibus motion.**
- **First Dollar Credit** - Transfer the school levy tax credit and first dollar tax credit into general equalization aids beginning in FY 2020-21, to be paid as a delayed payment in July 2021.
  - **JCF removed in the initial omnibus motion.**
- **General Equalization Aid** - Provide \$618,822,000 in state general aid across the biennium. Transfer the school levy tax credit and first dollar tax credit into general equalization aids beginning in fiscal year 2020-21, to be paid as a delayed payment in July 2021. Transfer high poverty aid into general equalization aid in FY 2020-21.
  - **JCF removed in the initial omnibus motion.**
- **Wisconsin Center District Debt Modifications**
  - **Assembly and Senate omnibus amendments contained a provision which increased the WCD bond limit by \$100 million for bonds secured by all special debt service reserve funds of the district, and increased by \$127.5 million the limit for the use of net proceeds of all bonds used for capital improvements for the district's facilities or sites. The state would further increase its moral obligation pledge to overall WCD debt up to \$300 million, and require any new district bonds subject to this limit be issued by the end of 2021.**

## **EDUCATION AND LIBRARIES**

- **Per Pupil Aid** - Guarantee a minimum amount of state aid of \$3,000 per pupil and incorporate a poverty factor of 0.2 FTE per economically disadvantaged student into the determination of property value per member.
  - **JCF modified the Governor’s proposal to \$17,459,200 GPR in 2019-20 and \$36,277,600 GPR in 2020-21 and set the per pupil aid payment at \$679 per pupil in 2019-20 and \$704 per pupil in 2020-21 and in each year thereafter. This would be an annual increase of \$25 per pupil in each year of the biennium.**

- **Milwaukee Mathematics Partnership** - Provide \$10,000,000 GPR in FY 2020-21 to support a partnership between MPS and UW – Milwaukee to facilitate a mathematics teacher leader in each school building.
  - **JFC rejected the Governor’s proposal.**
- **Student Mental Health** – Expands upon funds enacted in the 2017-19 biennium – provides \$22 million GPR in each year to provide reimbursements for in-school pupil services; \$7 million GPR in each year to increase the number of grants to connect schools, students and community health agencies to increase student access to mental health services; \$2,580,000 GPR in each year to expand school district staff training in mental health strategies (such as trauma-sensitive schools, screening, brief interventions and referral to treatment, and youth mental health first); \$150,000 GPR in each year to establish a statewide data system to store survey youth risk behavior survey results.
  - **JCF modified the Governor’s proposal to provide \$3,000,000 GPR annually above annual base level funding of \$3 million GPR for aid for school mental health programs, \$19 million less annually than the amount recommended by the Governor.**
  - **JCF modified the Governor’s proposal to provide \$3,250,000 GPR annually above base level funding of \$3,250,000 GPR for grants to school districts and independent charter schools for collaboration with community health agencies to provide mental health services to pupils. This amount is \$3.75 million less annually than the amount recommended by the Governor.**
- **Summer School Grant Program** - Provides \$3,600,000 GPR in each year for summer school grants in Green Bay, Kenosha, Madison, Milwaukee and Racine.
  - **JCF rejected the Governor’s proposal.**
- **Milwaukee Parental Choice Program** – Teachers at parental choice schools will be required to hold a DPI-issued teaching license beginning July 1, 2022, with certain exceptions. The overall number of available seats in the Milwaukee, Racine and statewide parental choice programs would remain the same. Eliminate City Choice Levy Aid.
  - **JCF rejected the Governor’s proposal.**
- **Special Needs Students** – Raises reimbursement rate for the Special Needs Scholarship Program from current rate of 25% to 60% achieved over two years, which will equal a \$64 million increase for MPS. No property tax impact.
  - **JCF modified the Governor’s proposal to reduce funding by \$59,527,700 in 2019-20 and \$449,723,800 in 2020-21 relative to the bill. This change results in an increase in special education funding relative to the base of \$15,533,200 in 2019-20 and \$81,337,100 in 2020-21. It is estimated that the additional aid would reimburse 26% of eligible costs in 2019-20 and 30% of eligible costs in 2020-21.**

- **UW System** – Freezes tuition for undergraduate Wisconsin residents at University of Wisconsin campuses and provides in-state tuition for undocumented Wisconsin residents; includes \$17.3 million GPR over the biennium for need-based grants. **Allow in- state tuition for undocumented students** who attended a WI high school for 3 years.
  - **JCF accepted the recommended tuition freeze. JCF rejected the Governor’s recommendation to allow in-state tuition for undocumented students.**
- **Charter Schools** - Precludes independent charter school authorizers from approving new schools from enactment of the budget through July 1, 2023, unless the school submitted an intent to participate to DPI by February 1, 2019. Independent charter schools with existing contracts may continue to add students and grades.
  - **JCF rejected the Governor’s proposal.**
- **Newsline for the Blind** – Proposes to increase funding by \$78,000 in FY19 funding allowing MPL to maintain service levels.
  - **JCF provided \$345,800 SEG in 2020-21 to increase funding for the contracts with current BadgerLink vendors and to maintain the current level of services through Newsline for the Blind. Annual base level funding is equal to \$2,937,500 SEG.**
- **Library Service Contracts** – Recommends increase in funding allowing MPL to maintain full funding levels.
  - **JCF modified the Governor’s proposal to provide \$133,200 SEG in 2019-20 and \$168,100 SEG in 2020-21 above base level funding of \$1,174,300 SEG to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information.**

## **PUBLIC SAFETY AND JUSTICE**

- **Community Policing/Beat Patrol Grant** – Provides \$1 million GPR each fiscal year for total of \$2 million over biennium to help fund beat patrol officer overtime and expands eligibility to include community policing thereby may extend allowable expenses MPD may utilize. The City currently receives the statutorily designated maximum award of \$150,000; this cap is not referenced in the Governor’s proposal.
  - **JCF accepted the Governor’s recommended funding levels, but swapped the funding sources. MPD is expected to maintain its current allocation.**
- **Office of Justice Assistance** - Maintains funding of \$175,000 for MPD’s Shot Spotter Program.
  - **JCF did not act on this provision, thereby enacting the Governor’s recommendation by default.**
- **Military Affairs** - Removes state Office of Emergency Communications from under Dept. of Military Affairs.
  - **JCF rejected the Governor’s proposal.**

## CRIMINAL JUSTICE REFORM

- **Act 185 Technical Corrections** - Extends county deadline to June 30, 2019 for grant application and removes deadline to close Lincoln Hills.
  - **JCF extended the deadlines codified within Act 185 to close Lincoln Hills by 6 months to July 01, 2021 (currently January 01, 2021), and extends the deadline for counties to submit grant applications to house non-Serious Juvenile Offenders to October 01, 2019 (currently July 01, 2019). JCF reallocated \$40 million authorized in Act 185 to support Type 1 facilities, essentially removing the funding from the Type 1 Facility allocation, to the counties' allocation for secured residential care centers for children and youth (SRCCYs) bringing the total available for county-based grants to house non-Serious Juvenile Offenders' to \$80 million (Milwaukee County has requested \$41 million). JCF required that DOC reapply for the \$40 million allocation to fund the Type 1 facility for Serious Juvenile Offenders, granting JCF additional authority over the site selection for the Type 1 facility.**
- **Age of Prosecution** - Raises the age of adult jurisdiction in circuit and municipal court to 18 years of age effective January 1, 2021 and provides funding to reimburse counties for the increased costs associated with raising the age that a circuit court or municipal court exercises adult court jurisdiction from 17 to 18.
  - **JCF rejected the Governor's proposal in the initial Omnibus motion.**
- **Decriminalize small amounts of marijuana**- Eliminates the penalty for possession, distribution or manufacture of 25 grams of marijuana or less. A person serving a sentence or on probation for the possession, distribution or manufacture of 25 grams of marijuana or less may request dismissal of the conviction. Provide the ability for individuals convicted under prior law to petition for the expungement of their conviction.
  - **JCF rejected the Governor's proposal in the initial Omnibus motion.**
- **Non-violent Offender Pilot Program** - Provides \$261,000 GPR each fiscal year to continue the nonviolent offender pilot program. The proposal would extend the pilot program for two more years and provide an additional \$250,000 in each fiscal year to expand the pilot program to the City of Milwaukee.
  - **JCF approved \$261,000 GPR each fiscal year to continue the nonviolent offender pilot program. JCF rejected the Governor's proposal to allocate \$250,000 to fund an expansion in the City.**
- **OARS Program** - Expands the Opening Avenues to Reentry Success (OARS) program to support inmates living with ongoing mental illness who have a medium-to-high-risk of reoffending. The budget would expand the program by providing \$4,001,300 GPR and 1.0 FTE GPR position in each fiscal year. The additional funding would allow the OARS program to operate in all 72 counties and strengthen the program in southeastern Wisconsin.
  - **JCF modified the Governor's proposal to allocate \$1,198,000 GPR annually to expand the OARS program. Funding includes: (a) \$330,000**

**GPR annually to expand the OARS program from 44 counties to 51 counties; and (b) \$868,000 GPR annually to expand the average daily participants in the OARS program by 50 individuals. JCF reduced funding recommended by the Governor by 2,728,500 GPR in 2019-20 and -\$2,703,600 GPR in 2020-21.**

- **Offender Re-entry Demonstration Project** - Provides \$575,000 TANF each fiscal year to replace one-time DOJ funding for the Offender Reentry Demonstration Project, which serves formerly incarcerated males who are noncustodial parents age 18 or older and are returning to designated Milwaukee neighborhoods.
  - **JCF did not act on this provision, thereby enacting the Governor's recommendation by default.**
- **Next Generation (NextGen) 911 Communications and Appropriations** - Transfers jurisdiction and staff administering NextGen 911 to WI DOT. Does not have a direct impact on the City, although city emergency communications personnel believe the program is better suited under the Dept. of Military Affairs. The Governor's proposal inadvertently reduced funds for Next Generation 911 by \$6.7 million in base funding available from police and fire protection funding available to fund county and municipal aid, as part of the proposed transfer.
  - **JCF rejected the Governor's proposal to transfer jurisdiction of the State Office of Emergency Communications. The Assembly modified to provide \$13.4 million segregated fund revenues (SEG) in 2019-20 and \$0 SEG in 2020-21 to the Next Generation 911 (NG911) appropriation to update 911 services, rather than \$6.7 million in each year (in addition, this change helped correct the inadvertent funding reduction initially proposed).**
- **District Attorneys** – Provides additional 19.6 FTE Assistant District Attorney positions in each fiscal year, provides 6.9 FTE to increase part-time positions in 14 counties and converts 7.5 FTE positions from PR to GPR for positions where grant funding had run out. Thirty-four counties would see increased staffing and three would retain staffing. JCF modified the Governor's proposal by \$2,151,900 GPR and -\$261,700 PR in 2019-20, \$2,632,900 GPR and -\$279,000 PR in 2020-21, and 30.0 GPR and -3.5 PR positions annually, to provide additional prosecutors to District Attorney Offices across the state.

**JCF approved less funding than recommended by the Governor by -\$346,500 GPR and \$346,500 PR in 2019-20, and -\$353,500 GPR and \$353,500 PR in 2020-21, and -4.0 GPR and 4.0 PR positions annually. The Assembly further modified to add a one-step pay progression to all eligible district attorneys on July 1, 2019 and July 1, 2020. These changes do not yield any position increases for the Milwaukee County DA's office, but the DA's office supports the pay progression provisions as they believe it will help with attrition rates.**



## TRANSPORTATION

- **Gas Tax** - Increases the current motor vehicle fuel tax rate from 30.9 cents per gallon to 38.9 cents per gallon beginning on October 1, 2019. The rate has remained unchanged since 2006 when it was increased from 29.9 cents to 30.9 cents. Restores the annual adjustment of the motor vehicle fuel tax rate based on the change in the consumer price index and exempts sales of motor vehicle fuel from the minimum markup requirement under the Unfair Sales Act.
  - **JCF removed repeal of minimum markup in initial omnibus motion. Rejected Governor's proposal to increase gas tax. Adopted a \$95 increase in vehicle title fee, \$10 increase in registration fee, uniform \$100 fee for 4500-10000 weight class, and a hybrid vehicle fee, raising \$397 million for transportation funding**
- **State Highway Program--** Allocates \$310.0 million in additional funding to the state highway rehabilitation program.
  - **JCF modified Governor's proposal by allocating \$313 million with a \$45 million increase in federal funding**
- **General Transportation Aid** – Increases general transportation aids to counties and municipalities by 10%. Milwaukee receives \$25.9 million in GTA. The City should receive an approximate \$2.6 million increase under this proposal.
  - **JCF adopted Governor's proposal of 10% increase. Approximate \$2.6 million increase for Milwaukee.**
- **Local Road Improvement Program** - Proposes a statewide increase of \$1.9 million over the biennium. City typically receives \$1 million per year from the entitlement program, which requires a 50% city match. We do not usually apply for funding under the discretionary grant program but with the increased funding, DPW will need to review projects for eligibility.
  - **JCF rejected Governor's proposal and adopted \$90 million GPR in 2019-20 on a onetime basis to a newly created GPR appropriation to fund local government project costs that would be eligible for program funding under the Local Roads Improvement Program discretionary component. \$22.8 million is for cities and villages.**
- **Mass Transit Aids** – Proposes a \$22 million increase statewide over biennium. For mass transit systems having annual operating expenses of \$80,000,000 or more, the bill maintains the current limit of \$64,193,900 in calendar year 2019 and increases the limit to \$70,613,300 in calendar year 2020 and thereafter. Includes a \$3 million increase for Seniors and Individuals with Disabilities Specialized Transportation County Aids.
  - **JCF rejected Governor's proposal and adopted a 2% increase of \$3 million in mass transit aids in calendar year 2020. For MCTS will be \$321,000 in 2019-20 and \$1,283,900 in 2020-21. Adopted Governor's proposal of \$3**



**million increase for senior and individuals with disabilities transportation Aids.**

- **Transit Capital Assistance Grants** - Allocates \$10 million in second year of biennium.
  - **JCF removed from the budget. JCF took subsequent action to tie funding of TCAG to the Volkswagen Settlement award funds (see below).**
- **Volkswagen Settlement** - Authorizes the expenditure of \$25 million in remaining funds from the Volkswagen emissions settlement on a 60/40 basis, split between grants for public transit vehicles and electric car charging stations. Reduces the percentage of the grant award total for public transit systems serving more than 200,000 residents from 75 percent to 20 percent.
  - **JCF adopted the \$25 million appropriation but modified award allocation of remaining settlement funds. Included in this change is the allocation of \$3,000,000 for a matching grant program to school districts for the replacement of eligible school buses. The remaining balance of funding was designated for the replacement of state vehicles and to the transit capital assistance program.**
- **Rail Investments** - Provides \$45 million of additional bonding authority for total of \$124 million.
  - **JCF modified the Governor's proposal with a total increase in passenger rail funding of \$35 million.**
- **Harbor Improvements and Freight Rail** - Increases Transportation Fund-supported General Obligation Bonding authority by \$39 million and \$30 million, respectively. The Port has received competitive grant funding from these programs in the past.
  - **JCF modified the Harbor Assistance Program funding with a \$7 million reduction from the Governor's \$39 million budget proposal.**
  - **JCF adopted the Governor's funding recommendation of \$30 million in bonding for Freight Rail, and added a small \$311,800 SEG allocation increase. JCF subsequently adopted a change to the Intermodal Facilities Grants, where effective on July 1, 2021, intermodal freight facilities will be added to the list of freight rail preservation program project types eligible for the bond funding provided that program.**
- **Zoo Interchange** - Authorizes the State to contract an additional \$65,000,000 in public debt in the form of general obligation bonds to fund the Zoo interchange project.
  - **JCF modified the Governor's proposal and authorized \$95 million of general obligation borrowing**
- **I-43 Enumeration** - Adds a project on I-43 between Silver Spring Drive and STH 60 in Milwaukee and Ozaukee counties, which has been approved by TPC, to the current list of statutorily enumerated projects approved for construction.
  - **JCF adopted the Governor's proposal**

- **Lift Bridge Aid** – Maintains funding. The City is reimbursed for expenses related to maintenance of KK, Broadway, Wells and State Street lift bridges.
  - **JCF adopted the Governor’s proposal**
- **Condemnation Authority for Recreational Trails** - Eliminates the prohibition in current law on certain entities, such as DOT, DNR, and county or village boards, from using the power of condemnation to acquire land, or interests in land, for the purpose of establishing or extending bicycle lanes or certain pedestrian ways.
  - **JCF removed in the initial omnibus motion**
- **Driver’s Cards** – Eliminates requirement for an applicant for a REAL ID noncompliant driver’s license or identification card to provide documentary proof that the applicant is a U.S. citizen or is otherwise lawfully present in the United States.
  - **JCF removed in the initial omnibus motion**
  - **JCF adopted Mileage Based Fee Study to provide DOT with \$2.5 million to study mileage based fee with a report due to DOT and Legislature by December 31, 2022.**

## **ECONOMIC AND WORKFORCE DEVELOPMENT**

- **Historical Rehabilitation Credit** - Prohibits WEDC from certifying persons to claim more than \$3,500,000 in tax credits for any project involving the rehabilitation of certified historic structures, regardless of the number of parcels on which the project is undertaken. Current law prohibits WEDC from certifying persons to claim more than \$3,500,000 in all such credits for all projects undertaken on the same parcel.
  - **JCF adopted the Governor’s proposal.**
- **Tax-Exempt Bonds and Notes** - Increases the limit on the total amount of tax-exempt bonds and notes that can be issued by the Wisconsin Housing and Economic Development Authority from \$600 million to \$1 billion to meet additional demand for the state income and franchise tax credit program for qualified low-income housing developments.
  - **JCF modified the Governor’s funding proposal by reducing the proposed tax-exempt bond and note authority to \$800 million (though while \$200 million less than the Governor’s proposal is still a \$200 million increase over the current biennium’s authority).**
- **“We Got This” Jobs/Mentorship** – Provides \$25,000 in TANF funds in each fiscal year to the “We Got This” program in the 53206 zip code of Milwaukee to support mentorship and work activities for male youths.
  - **JCF deleted this provision.**
- **Summer Youth Job Program** – Retains GPR funding for the Summer Youth Jobs at \$422,400 in each fiscal year.

- JCF modified the Governor's proposal and expanded eligibility for the Department's youth summer jobs program to include programs outside first-class cities.
- **Boys and Girls Clubs of America** – Expands funding to the Boys and Girls Clubs by \$1.4 million in TANF funds each year for the program.
  - JCF adopted the Governor's recommendation.
- **Transform Milwaukee Transitional Jobs Program** – the Governor proposed a \$1 million increase to fund an expansion of the program to four additional rural counties as well as \$500,000 GPR to create the childless adults placement in the Transform Milwaukee program.
  - JCF provided \$500,000 FED annually to expand the eligibility of childless adults in the Transform Milwaukee and Transitional Jobs programs from up to age 24 to up to age 25. JCF deleted the provision to provide the proposed \$500,000 to create the childless adults placement in the Transform Milwaukee program.
- **Homelessness Prevention Initiatives** - Increases funding for homelessness prevention programs by just under \$3.75 million per year for shelter subsidies, the Housing Assistance Program grant, enhanced case management, and skills enhancement training, consistent with the recommendations of the Interagency Council on Homelessness.
  - JCF modified the Governor's funding priorities for homelessness programs with a modest increase in funding to \$7.5 million over the biennium. JCF placed funding associated with the fiscal recommendations identified in the Interagency Council's plan into the Committee's supplemental appropriations for potential utilization, requiring separate action through piecemeal legislation in 8 separate bills to allocated funding for all policy measures supported by the ICH.
- **Enterprise Zone Jobs Credit Program** - Increases zone limits from 30 to 35 on the enterprise zone jobs credit program and establishes reauthorization guidelines for revoked or expired certifications by corporation. Reverses a “lame duck” law provision allowing the Joint Committee on Finance to designate any number of new enterprise zones upon a passive review process of that body.
  - JCF removed from the budget. JCF took additional action to modify the Governor's recommended funding for the enterprise zone tax credit program sum sufficient appropriation to provide an additional \$31,000,000 GPR in 2020-21. With the adjustments, estimated total funding would decrease from base funding of \$68,300,000 to \$64,300,000 in 2019-20 and increase to \$81,700,000 in 2020-21.
- **Grants to Regional Economic Development Organizations** - Directs WEDC to grant at least \$1 million annually to regional economic development organizations to promote economic opportunity.
  - JCF adopted the Governor's proposal.

- **Minimum Wage** - Proposes raising the state minimum wage to \$8.25 per hour in 2020, \$9 by 2021, \$9.75 by 2022, and \$10.50 by 2023. Seeks creation of a task force to establish a plan to get to a \$15 minimum wage.
  - **JCF removed in the initial omnibus motion.**
- **Prevailing Wage Law** - Restores the prevailing wage law for municipal public construction contracts exceeding \$48,000 for single trade projects and \$100,000 for multi-trade projects. According to DPW, the restoration of prevailing wages would result in higher bids for City work.
  - **JCF removed in the initial omnibus motion.**
- **Family and Medical Leave** - Reduces FMLA requirement eligibility to employers of 25 employees from 50. Expands qualifying care to a grandparent, grandchild, or sibling who has a serious health condition.
  - **JCF removed in the initial omnibus motion.**
- **Local Employment Regulations** - Repeals current law provisions prohibiting local governments from enacting or enforcing ordinances regulating wages, overtime pay, employee hours, and benefits.
  - **JCF removed in the initial omnibus motion.**
- **Project Labor Agreements** - Repeals provisions of 2017 Wisconsin Act 3, which prohibited collective bargaining, project labor or community workforce agreements between local governments and labor organizations on public works projects.
  - **JCF removed in the initial omnibus motion.**
- **Job Applicant Conviction History (Ban the Box)** – Establishes that employers requesting an applicant for employment to supply information regarding his or her conviction record prior to selection for an interview constitutes employment discrimination.
  - **JCF removed in the initial omnibus motion.**
- **Drug Testing Unemployment Insurance Claimants** - Repeals drug testing programs for establishing eligibility for unemployment insurance claims.
  - **JCF removed in the initial omnibus motion.**
- **Unemployment Insurance Changes** - Increases the maximum weekly benefit rate from \$370 to \$406, eliminates the week long waiting period, indexes the earnings wage eligibility threshold to CPI, and expands eligibility requirements for workers.
  - **JCF removed in the initial omnibus motion.**
- **Unemployment Insurance Work Search Requirements** – Repeals current law around suitable work requirements and work search waivers, and allows DWD to establish both

suitable work, and appropriate work search waiver alternatives via administrative rule requirements.

- **JCF removed in the initial omnibus motion.**
- **Foodshare Employment and Training (FSET) – Under subsequent Assembly and Senate omnibus actions, FSET requirements were tightened including a mandate that FSET funds must be appropriated by the full legislature and not Joint Committee on Finance, and also requiring JCF to find an emergency exists as a condition of supplementing an FSET appropriation.**

## **ENVIRONMENTAL AND NATURAL RESOURCES**

- **Recycling Grants** – Maintains the recycling grant program with the same amount of funding from the previous biennium.
  - **JCF adopted the Governor's proposal**
- **Safe Drinking Water Loan Program** - Authorizes \$3.55 million in General Fund supported general obligation bonding for the Safe Drinking Water Loan Program for the state match to the federal capitalization grant.
  - **JCF adopted the Governor's proposal. JCF additionally adopted a provision to provide a maximum 30-year loan term instead of the current max of 20 years on capital loans. Subsequent stand-alone legislation has been introduced to enact this policy.**
- **Clean Water Fund** - Provides additional general fund supported general obligation bonding authority of \$13,500,000 for the clean water fund program.
  - **JCF adopted the Governor's proposal**
- **Forestry Program** - No change. The City qualifies for a maximum \$25,000 Urban Forestry grant.
  - **JCF adopted the Governor's proposal**
- **Increased Bonding for Urban Storm Water and Flood Control** - Authorizes \$4 million in additional bonding authority (\$6.5 million total) to the urban nonpoint source and storm water grant program, and the municipal flood control program. Also adds an additional \$800,000 in targeted runoff management grants.
  - **JCF adopted the Governor's proposal.**
- **Contaminated Sediment Bonding** - Provides \$25 million in environmental fund-supported general obligation bonding authority for contaminated sediment removal for sites on Wisconsin's impaired waters list. The Milwaukee River estuary is one of two statewide sights targeted for this work.
  - **JCF modified the Governor's proposal to provide a more modest \$4,000,000 increase in general obligation bonding authority from the baseline \$32**

**million in the current biennium. Governor Evers had proposed an increase from \$32 million to \$57 million in bond funding.**

## **HEALTH AND HUMAN SERVICES**

- **Replacement of Lead Service Lines** - Provides \$40 million in bonding authority to provide forgivable loans through the Safe Drinking Water Loan Program. The loans can be used for up to 50 percent of the cost of replacement of a lead service line.
  - **JCF rejected the Governor's proposal in the initial Omnibus motion.**
- **Lead Remediation Efforts** - Reduces the incidence of childhood lead poisoning in our state by: (1) increasing blood lead testing; (2) creating a health service initiative to provide funding to abate lead hazards in homes where Children's Health Insurance Program (CHIP) participants reside; (3) providing a grant for lead abatement in non-CHIP eligible homes; (4) providing 1.14 FTE positions to administer the health service initiative; (5) expanding Birth to 3 services to children that are lead poisoned and funding these initiatives with \$24,996,000 in FY 2019-20 and \$27,158,700 in FY 2020-21; and (6) creating a grant program to increase the lead abatement workforce in Wisconsin.
  - **JCF modified the Governor's proposal by reducing state matching grant dollars used to leverage federal Medicaid Children's Health Insurance Program (CHIP) lead paint remediation funding. JCF reduced the Governor's proposed match to \$2 million in year one which will leverage an additional \$12.2 million in lead abatement efforts for medical assistance and CHIP eligible residents. JCF action provides for no state match or funding in year two of the budget.**
- **Mental Health Services** - Requires DHS to award crisis program enhancement grants each fiscal biennium to counties or regions comprising multiple counties to establish or enhance crisis programs to serve individuals having crises in rural areas.
  - **JCF did not act on this provision, thereby enacting the Governor's recommendation by default.**
- **Sex Trafficking Services** – Provides \$3 million GPR to support services for sex trafficking victims. Uncertain how the funds will be allocated.
  - **JCF did not act on this provision, thereby enacting the Governor's recommendation by default.**
- **Foster Care** - Increases foster care and kinship care rates by 2% in calendar year 2020 and an additional 2% in calendar year 2021. Also includes funding to help teenagers who are in the foster care system be able to afford to take driver's education classes and potentially to help offset the increase in car insurance if they obtain their license.
  - **JCF modified the Governor's recommendations to: (a) reestimate the cost to continue the kinship care program based upon more recent caseload data; and (b) increase foster care and kinship care rates by 4.0% in in 2020.**

- **Milwaukee Child Welfare Re-estimate** - Increases allocation by \$595,500 in 2019-20 and by \$583,000 in 2020-21.
  - **JCF modified the Governor's proposal to alter Milwaukee County's contribution for child welfare services provided by the Division of Milwaukee Child Protective Services (DMCPS). JCF approved a reduction of \$14 million in shared revenue to Milwaukee County in 2020 and 2021 to offset increased state costs associated with the county's child welfare services.**
- **Medicaid Administration and BadgerCare Plus** – Accepts the federal Affordable Care Act's provision for Medicaid expansion and repeals the federal waiver for childless adults.
  - **JCF rejected the Governor's proposal in the initial Omnibus motion.**
- **BadgerCare Plus** - Changes the family income eligibility level to up to 133% of the federal poverty line for parents and caretaker relatives under BadgerCare Plus and for childless adults currently covered under BadgerCare Plus Core.
  - **JCF rejected the Governor's proposal in the initial Omnibus motion.**
- **Doula Services** - Adds certified doula services to eligible pregnant women enrolled in the Medical Assistance program who reside in the counties of Brown, Dane, Milwaukee, Rock, or Sheboygan, or another county as determined by the State.
  - **JCF did not act on this provision, thereby enacting the Governor's recommendation by default.**
- **Insurance** - Requires certain health plans to guarantee access to coverage; prohibits plans from imposing preexisting condition exclusions; prohibits plans from setting premiums or cost-sharing amounts based on health status-related factors; prohibits plans from setting lifetime or annual limits on benefits; requires plans to cover certain essential health benefits; and requires coverage of certain preventive services.
  - **JCF rejected the Governor's proposal in the initial Omnibus motion.**

## ELECTIONS

- **Redistricting** - Directs the non-partisan Legislative Reference Bureau to redraw legislative and congressional redistricting maps and appropriates \$10,000 GPR biennially for that purpose.
  - **JCF removed in the initial omnibus motion.**
- **Auto-Voter Registration** - Requires the Elections Commission to work with the Department of Transportation to facilitate automatic voter registration and implement the initial registration of all eligible voters as quickly as practicable.
  - **JCF removed in the initial omnibus motion.**
- **Census Count Funding** - Provides funding of \$1 million in FY20 for census preparation and activities for the upcoming 2020 U.S. Census.



- **JCF removed from the budget. Separate stand-alone legislation has been introduced in a bill that mirrors the Governor's budget request, sponsored by Representatives David Crowley and Beth Meyers, and Senators Janet Bewley and Patty Schachtner. Its likelihood of passage is uncertain.**

## **MISCELLANEOUS**

- **State Office Building** - Constructs a new, approximately 200,000 GSF Milwaukee State Office Building (MSOB) and 680-stall parking structure or surface lot that will be located near the new building. This project will replace the existing 55- year old MSOB and related parking located at 819 North 6th Street. Proposed tenants of the new facility include the Departments of Administration, Children and Families, Health Services, Revenue, Workforce Development, and Public Instruction; the Governor's Milwaukee Office; and the Board on Aging & Long-Term Care.
  - **JCF rejected the Governor's proposal and provided no funding.**
- **E-cigarettes, Vaping Devices and Little Cigar Taxes** - Imposes on all e-cigarette and vapor products the existing tobacco products tax rate of 71% of the manufacturer's list price, and taxes little cigars and brown cigarettes as regular cigarettes.
  - **JCF removed the Governor's proposal. JCF subsequently adopted a 5 cent tax per milliliter of liquid used in vaping products, though this action excluded a tax on e-cigarettes and vaping devices. The JCF proposal would generate \$5.5 million over 2 years versus \$36 million under the governor's proposal. Under subsequent Assembly and Senate omnibus amendments, vapor products will be included in the statutory definition of tobacco products and subject to a similar regulatory and tax structure as tobacco products.**
- **UWM Projects** – Supports construction of a new academic and research chemistry and bio-chemistry facility and construction of a one-court gymnasium located east of the Klotsche Center complex. Renovates select portions of the Student Union facility's architectural configuration, exterior envelope, and mechanical, electrical, and plumbing infrastructure.
  - **JCF approved Governor's proposal except funding for Klotsche and Union to come from program revenue**