

## 2018 Winter Session Spending Proposals

ALL PROPOSALS	SOURCE	STATE \$	FEDERAL \$	TOTAL \$	NOTES
<b>TOTAL SPENDING</b>		<b>\$335,052,550</b>	<b>\$161,510,550</b>	<b>\$496,563,100</b>	
CHILD TAX CREDIT	Ambitious Agenda (AA)	\$122,100,000	\$0	\$122,100,000	One-time \$100 child sales tax rebate per child under age 18 living at home, to be spent in fiscal year 2018. Tax credits such as this are considered "spending" by state government because they reduce state revenues.
SALES TAX HOLIDAY	AA	\$12,000,000	\$0	\$12,000,000	A sales tax holiday on August 4-5, 2018, waiving sales tax on clothing purchases under \$75, computer purchases under \$750, computer supplies under \$250, and school supplies under \$75. Will lower state revenues by <b>\$12 million</b> in fiscal year 2019.
Federal Tax Conformity		\$10,900,000	\$0	\$10,900,000	Brings Wisconsin's tax code partly in line with federal tax changes passed as part of Tax Cuts and Jobs Act for the purposes of tax conformity and cutting tax filing compliance costs. Will lower state revenues by <b>\$10.9 million</b> in 2018-19 fiscal year.
<b>OBAMACARE STABILIZATION PLAN</b>					
Reinsurance proposal	AA	\$50,000,000	\$150,000,000	\$200,000,000	According to the Governor, the \$50 million state share will be paid for by Medicaid and Health Insurance Tax savings. The bill authorizes the state to set aside up to \$80 million for the plan, but the administration expects to spend \$50 million.
Guarantee coverage of pre-existing conditions		—	—	—	Cost at the state level will be borne by private insurance companies that participate in the state exchange. Cost of OCI plan for people with non-continuous coverage is not known.
Permanent waiver for SeniorCare**		—	—	—	\$105 million is the FY 2017-18 cost of SeniorCare (\$18 million GPR). Waiver request should not expand the program.
<i>Subtotal</i>		<b>\$50,000,000</b>	<b>\$150,000,000</b>	<b>\$200,000,000</b>	
<b>WELFARE REFORM</b>					
FoodShare 30 hours per week job training (SS AB1)		—	—	—	The bill would increase the number of hours per week that certain able-bodied individuals must work or receive job training in order to remain eligible for FoodShare benefits from 20 to 30 hours. There is no fiscal estimate.
Work requirements for able-bodied adults with dependents over age 6 (SS AB2)		\$2,921,450	\$2,921,450	\$5,842,900	The bill would require able-bodied adults with school-aged dependents to participate in work or job training in order to remain eligible for FoodShare benefits. An estimated 10,000+ Wisconsinites are expected to participate in the FSET program as a result. According to DHS' fiscal note, the one-time implementation cost of this proposal is \$5.84 million, to be split between GPR and federal funding. The ongoing cost increase at the state level would come from higher job training vendor costs, and an increase in the number of families eligible for the childcare subsidy. <b>The annual ongoing operational costs are estimated to total approximately \$54 million - half GPR, half FED.</b>
Asset restrictions (SS AB3)		\$1,368,950	\$1,368,950	\$2,737,900	Under the bill, individuals who own more than one home or whose home is worth double the statewide median home value would be made ineligible for certain public benefits. Costs would involve additional asset tests, and upgrading IT services for the asset tests. <b>The annual ongoing operational costs are estimated to total approximately \$2.7 million - approximately half GPR, half FED.</b>
Public housing employment screening/employment plans (SS AB4)		\$0	\$0	\$0	The bill would require local housing authorities to conduct screening for residents of public housing. Bill is not expected to have a fiscal impact at the state level.
Earned Income Tax Credit periodic payments (SS AB5)		\$232,000	\$0	\$232,000	Bill would send EITC payments to recipients in multiple checks throughout the year rather than in one lump sum. Current estimate includes \$200,000 for computer software development and data analysis and \$32,000 for interviewing study participants. Contingent upon IRS entering agreement with DOR.
Wisconsin Works contractor performance payments (SS AB6)	AA	\$615,000	\$615,000	\$1,230,000	The bill requires DCF to establish performance-based standards and rewards for Wisconsin Works contractors, but would not go into effect until 2019, putting ongoing costs in the 2019-21 budget. <b>Annual ongoing operational costs are estimated to total approximately \$6.66 million, with about two-thirds coming from GPR and the other third from FED.</b>
Success contracting (SS AB7)		\$250,000	\$250,000	\$500,000	The bill would introduce a framework and study the idea of social impact bonds, also known as pay-for-success contracting, for private contractors with public benefits programs. The fund would hold <b>\$20 million to be paid from the general fund</b> and other expenditures. One-time implementation costs will total \$500,000, split between GPR and FED, but full proposal will cost significantly more down the road as fund is built. Funding would not be transferred in 2017-18, and cost would be identified before contracts are approved.
MA child support compliance (SS AB8)		\$859,800	\$859,800	\$1,719,600	This bill would deny Medicaid eligibility to non-elderly able-bodied adults who are not compliant with child support determinations and obligations. <b>Annual ongoing operational costs are estimated to total approximately \$1,145,400 - half GPR, half FED.</b>
MA savings accounts (SS AB9)		\$638,000	\$1,438,000	\$2,076,000	The bill requires DHS to apply for a federal waiver to create and implement a Medicaid Savings program, which would operate similar to health savings accounts. The design and implementation of the MSA program would spur one-time development costs, and increased administrative costs would be ongoing. <b>Annual ongoing operational costs are estimated to total approximately \$6.5 million - about half GPR, half FED.</b>
FoodShare photo IDs (SS AB10)		\$3,569,050	\$3,807,350	\$7,376,400	The bill would require DHS to apply for a federal waiver to allow the state to put photos on FoodShare cards. Significant on-boarding costs to comply with federal regulations would occur when implementing the change, and ongoing annual costs would not be nearly as high. <b>Annual ongoing operational costs are estimated to total approximately \$1,599,800 - about half GPR, half FED.</b>

ALL PROPOSALS	SOURCE	STATE \$	FEDERAL \$	TOTAL \$	NOTES
TOTAL SPENDING		\$335,052,550	\$161,510,550	\$496,563,100	
Subtotal		\$10,454,250	\$11,010,550	\$21,464,800	Per the administration, costs at state level are expected to be offset by significant fraud reductions. As more individuals participate in the FSET program, fewer are participating in FoodShare and other benefits programs, resulting in lower entitlement costs down the line.
SCHOOL SAFETY PLAN	AA	\$100,000,000	\$0	\$100,000,000	Creates an Office of School Safety within the state's Department of Justice to work with law enforcement and schools to form best practices for school safety. Funds a new grant program with \$100 million for security upgrades to school buildings. Creates new reporting requirements for threats of violence, prioritizes trauma-informed care training, strengthens school safety plan requirements, improves information sharing between agencies and schools.
LOW REVENUE/SPARSITY AID (AB 835)	AA	\$6,450,000	\$0	\$6,450,000	Sparsity aid goes to rural districts with sparse student populations that are spread out across a large area. The proposal would increase reimbursements from \$300 to \$400 per pupil. \$6.5 million price tag is for sparsity aid portion in 2018-19. The low revenue ceiling limits how high certain school districts may levy local property taxes. Under the bill, the low revenue ceiling would be increased from \$9,100 per pupil to \$9,400 in 2018, and then by another \$100 annually until the ceiling hits \$9,800 per pupil. Districts where voters had turned down an operating referendum within three years would not have the opportunity to raise their levy limit, unless voters approve of holding another referendum. Low revenue adjustment will increase statewide levy authority by up to \$21.2 million, but money comes from local property taxes, not GPR, and total levy increase depends on voter action.
College credit in HS classes pilot (SB 711)		\$500,000	\$0	\$500,000	Bill creates a \$500,000 pilot grant program beginning in 2018-19, to sunset in 2022, to help fund high school classes that give college credit.
Subtotal		\$106,950,000	\$0	\$106,950,000	
JUVENILE CORRECTIONS PACKAGE (AB 953)		--	--	--	Closes current juvenile corrections facilities, Lincoln Hills/ Copper Lake School, by 2021 and builds new regional facilities for juveniles across the state. Package includes \$15 million to expand capacities at Mendota Juvenile Treatment Center, \$40 million in grants for counties to build or renovate new lower-security regional facilities for juveniles. \$25 million for a new state prison for most serious offenders included in package, to be approved by joint finance committee in future for a total of <b>\$80 million</b> in additional state bonding.
OTHER SPENDING					
Veteran Mental Health Pilot (AB 732)		\$1,258,300	\$0	\$1,258,300	In the past, the DVA operated the program using federal funding, which has since been eliminated. State funding for 2017-19 has no ongoing fiscal effect. 8 FTE positions
UW Foster Care Grants (AB 777)	Speaker's Task Force on Foster Care	\$530,000	\$0	\$530,000	\$120,000 GPR for DCF; \$410,000 GPR for HEAB to offset revenue reductions in UWS and WTCS. Ongoing fiscal effect of at least <b>\$410,000 annually</b> , could increase in future years.
Non-Profit Referral Grants (SB 672)		\$210,000	\$0	\$210,000	This bill directs the DHS to provide a grant of \$210,000 GPR annually to a nonprofit organization that would operate an internet and telephone-based system to provide information about and referrals to community-based services. Funding would continue at <b>\$210,000 annually</b> .
Special Advocates Grants (SB 675)	Speaker's Task Force on Foster Care	\$250,000	\$0	\$250,000	Bill increases GPR funding annually and deletes program sunset date for court appointed special advocates grant program. Would cost <b>\$250,000 in GPR and \$80,000 in PR annually</b> . \$80,000 annual in PR already allocated in 2017-19 budget.
Foster Child Grants (SB 676)	Speaker's Task Force on Foster Care	\$400,000	\$0	\$400,000	The bill creates a <b>\$400,000 annual</b> GPR appropriation beginning in 2018-19 to increase state support for foster families and children.
Drug Trafficking Response Program (AB 906)	HOPE (Opioid) Agenda	\$3,350,000	\$500,000	\$3,850,000	Federal money is not a new appropriation but rather appropriating TANF dollars differently. Bill would spend \$1,050,000 GPR in 2017-18 and \$2,300,000 GPR in 2018-19, with <b>\$250,000 in GPR becoming a new annual appropriation beginning in 2018-19</b> .
Controlled Substance Continuing Education (AB 907)	HOPE Agenda	\$50,000	\$0	\$50,000	Bill would spend \$50,000 in GPR <b>annually</b> beginning in 2018-19 to increase drug abuse awareness.
Low-Income Housing Tax Credit (AB 706)		\$0	\$0	\$0	The bill would provide tax credits to incentivize private developers to build low-income housing. Bill does not have a fiscal impact on 2017-19, but size of credits will increase in the future, amounting to \$375,000 in 2020, \$1.88 million in 2021, up every year until <b>the credit reimbursement hits \$9 million annually in 2026 and every year thereafter</b> .
Historic Rehabilitation Tax Credit (SB 668)		\$3,500,000	\$0	\$3,500,000	Bill increases the limit on the amount of tax credits WEDC can certify on one parcel from \$500,000 to \$3,500,000. The department expects the increased credit cap to reduce revenue by \$3.5 million in 2019, \$8.3 million in 2020, and increasing amounts through FY 2024, when <b>the credit is expected to deduct revenues by \$29.4 million and annually thereafter</b> .
Talent Attraction (SB 679)	AA	\$6,800,000	\$0	\$6,800,000	The bill is part of an effort to attract new young workers and residents to Wisconsin. The proposal increases GPR allocation by providing a <b>continuing annual appropriation of \$6,800,000</b> beginning in 2017-18 and every year thereafter.
Alzheimer's Awareness Grants (AB 632)		\$500,000	\$0	\$500,000	The bill would provide \$500,000 in GPR on a one-time basis in 2017-18, to increase awareness of Alzheimer's disease and dementia in rural and underserved urban areas.
Qualified New Business Venture Eligibility (AB 489)		\$5,000,000	\$0	\$5,000,000	Beginning in 2018, the bill would expand eligibility requirements for Qualified New Business Ventures and increase maximum WEDC investments in such ventures from \$8 million to \$12 million. The state anticipates more credits to be claimed as a result, adding up to a \$5 million reduction in revenue in 2018-19, \$7.7 million in 2019-20, \$2.7 million in 2020-21, and \$2 million in 2021-22. The bill does not include a sunset provision.
Tax Deductions for Apprenticeship Tuition (AB 734)		\$800,000	\$0	\$800,000	The bill would create a new income and franchise tax deduction for tuition paid for an apprenticeship program, beginning in 2018. The fiscal estimate would be an <b>annual deduction</b> in state revenue moving forward.
Career and Technical Ed Incentive Grants (AB 872)		\$0	\$0	\$0	The bill would expand grant programs for school districts to provide industry-recognized certifications, including for public safety occupations, and would provide \$500 awards to students who complete such programs. Districts would receive \$1,000 for each student who completes the programs. The program would begin in the 2018-19 school year. Long-range fiscal estimates are uncertain, but funding would include \$80,000 in 2019-20 and \$150,000 in 2020-21. The grant program fund would be <b>capped at \$3.5 million in any one year</b> .

\*\* CURRENT SPENDING - NOT NEW ALLOCATION

ALL PROPOSALS	SOURCE	STATE \$	FEDERAL \$	TOTAL \$	NOTES
TOTAL SPENDING		\$335,052,550	\$161,510,550	\$496,563,100	
<i>Subtotal</i>		\$22,648,300	\$500,000	\$23,148,300	
TOTAL SPENDING		\$335,052,550	\$161,510,550	\$496,563,100	
STATE	\$335,052,550				
FEDERAL	\$161,510,550				
GRAND TOTAL	\$496,563,100				