

To: Dane County Board Supervisors and Department Heads

From: Carrie Springer, Legislative Lobbyist

Re: 2019-2021 State Budget Summary

Last week Governor Evers released the final state budget after using his veto power 78 times on the version passed by the legislature on June 26th. There are a few areas (noted below) that still need clarification from the administration and I will send updates when we have that information.

Many important areas saw funding increases, some for the first time in almost a decade. A few highlights:

- An additional \$25.5 million annually for county child welfare services.
- A 10% increase in general transportation aids for local governments and a \$75 million supplemental fund for county and municipal transportation projects.
- A \$475,000 increase for county land conservation staff and cost sharing, bringing the annual total to \$9.4 million.
- State funding for county crisis intervention services in Medicaid.
- An additional 64.95 assistant district attorney positions, the first new GPR funded positions since 2007
- An additional \$2.3 million for county child support enforcement.
- A \$37 million increase in nursing home reimbursement funding.

Governor Evers also vetoed an attempt by the legislature to limit local control of quarries, which would have prohibited local regulations on water quality, blasting, and air quality while allowing non-conforming sites to expand onto new land without a public process.

Below is a preliminary summary of items in the state budget that will impact our work here at the county level. Please don't hesitate to contact me if you have any questions or need additional information about a specific item.

Department of Health Services

Governor Evers made improving access to health care a top priority in his budget. The legislature did not approve his call to expand Medicaid in our state, but they did agree to make important investments in some critical areas of health care services. This includes one of our county priorities - improving access to mental health services. The legislature adopted his recommendation that the state pay for a portion of crisis intervention services for those receiving Medical Assistance and funded other mental health access points. They also boosted funding above the governor's budget request to fund pay increases for health care workers. Health services budget provisions important Dane County include:

- An increase in base funding of \$3 million in FY 20 and \$10.4 million in FY 21 for crisis intervention services for those receiving Medical Assistance with the Department of Health Services setting the county maintenance of effort requirement to receive state funding.

- \$36.9 million in FY 20 and \$37.1 million in FY 21 to increase the average MA daily reimbursement rate for nursing homes on July 1, 2019. The legislature's increase for this was substantially more than the governor's budget.
- Expanding the Dementia Care Specialist program by funding an additional eight dementia care specialists and one tribal dementia care specialist.
- Increased funding for county Income Maintenance (IM) funding for implementation costs of some waiver requirements. However, the governor partially vetoed some of the language in this section and there are ongoing discussions to determine what the funding will be used for - DHS will update the WI Counties Association on this in the future.
- Increased funding for IM fraud prevention.
- A \$27 million increase in state funding for Family Care Managed Care Organizations to address workforce shortages. Federal matching funds for this will result in an additional \$66.5 million for Family Care workforce wage and benefits increases.
- Funding to continue the SeniorCare prescription drug assistance program.
- A \$1.125 million annual increase for the Birth to 3 program.
- \$2.5 million to increase the Medicaid reimbursement rates for dental services to individuals with intellectual or physical disabilities.
- \$14 million to fund lead abatement for residential properties occupied by children and pregnant women eligible for Medicaid.

The Children's Long-Term Support program received additional funding, but it was placed in the Joint Finance Committee's (JFC) supplemental appropriation account to hold while discussions continue on how to move forward on this program. The budget also includes funding for a statewide contract for children's long-term care intake, application, and screening functions. There are also ongoing discussions about the changes made to the FSET program by Governor Evers' partial veto. The administration is indicating it will do a drug screen with a question on registration forms rather than testing and DHS will release a chart in August outlining the new requirements for counties.

Department of Transportation

The budget passed by the legislature provides about \$465 million in new revenue for transportation, funded with one-time fund transfers and higher vehicle registration and title fees rather than the increase in the gas tax proposed by the governor.

County Executive Parisi sent a letter with Madison Mayor Rhodes-Conway asking the governor to veto the entire set of provisions added to the Department of Transportation (DOT) budget by the Joint Finance Committee that would have prohibited local regulations on water quality, blasting, and air quality for quarries. Thankfully, he did veto the entire section. The governor also vetoed an increase added by the legislature in administration fees charged by DOT to counties and municipalities to implement their vehicle registration fees.

Other transportation provisions important to Dane County include:

- A 10% increase in county general transportation aids, a \$13.9 million increase.

- An additional \$75 million supplemental appropriation for county and municipal transportation projects through the Local Roads Improvement Program (LRIP). The governor’s partial veto of this section brought the total provided by the legislature down from \$90 million and gave the WI Department of Transportation (DOT) oversight on how this funding will be spent. The WI Counties Association has a meeting set with the DOT Secretary to discuss county funding in this appropriation.
- An increase of \$1.5 million a year for the Seniors and Individuals with Disabilities Specialized Transportation Aids program. This is a 10.4% increase that will bring the total funding level to \$15.9 million annually.
- A 10% increase in paratransit aids.
- An increase in county forest road aids of \$35,900 annually, along with an increase in the rate per mile provided to counties eligible for this program to \$351 per mile (up from \$336 per mile).

Department of Children and Families

Investments in Wisconsin children and families were also a priority in this budget. Substantial increases in areas like county child welfare services and the Wisconsin Shares child care program could help improve outcomes around the state. Budget provisions important to Dane County include:

- An additional \$25.5 million annually for county child welfare services.
- An increase of \$1 million in FY 20 and \$2 million in FY 21 for in-home safety services to help keep kids in their homes.
- An increase in county child support enforcement services funding, the first increase in ten years. The JFC cut the governor’s request by 2/3, but there will be a \$2.3 million increase.
- A 4% increase of foster care and kinship care rates in 2020.
- Increasing the maximum annual per capita reimbursement rate from \$400 to \$800 in the Children First program for noncustodial parents who fail to pay child support while unemployed.
- A \$250,000 annual increase in grant funding to programs that provide services for runaway and homeless youths.

Environment

Governor Evers declared 2019 the “Year of Clean Drinking Water in Wisconsin” and his budget called for investing in initiatives to help communities address water quality problems. For example, the governor asked for \$10 million in bonding authority for the Soil and Water Resource Management (SWRM) program to reduce soil erosion from agricultural land, and the legislature approved \$7 million. Unfortunately, the legislature removed the governor’s provision to require the Department of Natural Resources to award grants to both counties and municipalities for pollution control infrastructure projects and his call to create the Office of Sustainability and Clean Energy. This office would have provided funding for clean energy production and recycling programs. The budget does include other important provisions to protect the environment including:

- An increase of \$475,000 each year for county land conservation staff and cost sharing, bringing the total to \$9.4 million

- Extending the Stewardship Program, which provides funding for some county land purchases, at the current rate for two more years. However, this is the first time the program hasn't been reauthorized for a ten-year time period.
- \$87,000 annually to increase funding for county sustainable forestry grants.
- Adding four positions to monitor Concentrated Animal Feeding Operations (CAFOs).
- Funding to continue the Private Onsite Wastewater Treatment program at current level until the sunset date of 6/30/21.
- A continuation of the Farmland Preservation Tax Credit.

Department of Corrections

The state budget includes funding that will help shape some dramatic changes in the juvenile justice system, but some questions remain about how the state will complete this transition. The JFC did not keep Governor Evers' proposal to move 17 year-olds back to the juvenile justice system in the budget and no funding was included for the state's Type 1 juvenile correction facilities needed to replace Lincoln Hills and Copper Lake schools. The legislature also removed the \$3.5 million requested by the governor for county start-up costs for regional facilities. Budget provisions important to Dane County include:

- \$80 million in bonding for grants to counties to establish secure residential care centers (SRCC) for juvenile corrections. Four counties have submitted proposals totaling \$134.6 million and now the grant committee created by 2017 Act 185 will review the proposals. Dane County submitted a \$3.5-\$4.5 million proposal.
- Funding to support additional beds at Mendota Juvenile Treatment Center.
- Re-estimated daily rates charged to counties for placements in a juvenile correctional institution. The new rates will be \$532 in FY20, \$550 from 7/1/20 through 12-31-20, and \$615 from 1-1-21 through 6-30-21.
- Funding to expand the Opening Avenues to Reentry Success (OARS).

Public Safety

Public safety funding got a boost in the state budget as well. Governor Evers called for additional assistant district attorney positions and the legislature added even more than he requested. The budget will also increase pay for state public defenders and raise the private bar rate. Budget provisions important to Dane County include:

- An additional 64.95 assistant district attorney positions, the first new GPR funded positions since 2007. The legislature had designated a certain county distribution, but the governor vetoed that language and directed the Department of Administration to work with the State Prosecutors Office to allocate positions to counties based on needs.
- Providing grants for training in county jails through the Fast Forward program in the Department of Workforce Development.
- A 2% annual increase for state public defenders and district attorneys.
- Increasing the state public defender private bar rate from \$40 to \$70 per hour starting January of 2020.

- \$6.3 million to keep the Next Generation 911 on schedule.
- Providing \$1 million annually in new one-time funding for the Treatment Alternatives and Diversion (TAD) program. The budget originally required the funds to go to counties that do not currently participate in this program. However, the governor partially vetoed this section to allow the Department of Justice to allocate the funding as needed. He did instruct the Attorney General to give priority to counties without a TAD program. In 2019 Dane County was awarded \$214,931 for the Dane County Drug Court Diversion Program under the TAD program.

Alliant Energy Center Expansion

Governor Evers included bonding for the Alliant Energy Center expansion in his budget, but the legislature did not include it in their version. Dane County requested \$36 million from the non-state agencies section of the capital budget and the governor recommended \$30 million for this project. Six non-state agency projects requested funding in this budget and the Alliant Energy Center expansion was one of four recommended for funding by the governor. It was the largest request of the six projects.

The legislature only accepted one of the four non-state agency projects recommended by the governor and created a \$25 million non-state agency fund that the remaining projects could apply to, but put a \$5 million cap on the amount each project could receive.

Remaining budget provisions

The governor included a 2% increase in Shared Revenue payments for all counties and municipalities in 2020, the first proposed increase in over a decade. Unfortunately, the JFC deleted this funding so payment levels will remain 20.7% lower in 2019 than the amount provided in 2003. Other budget provisions important to Dane County include:

- Making the Veteran Outreach and Recovery Program permanent, which connects veterans to community services.
- \$1.8 million in funding for a peer-run respite center for veterans struggling with mental health or substance abuse.
- A \$3.6 million in increased county funding through the circuit court support payments.
- \$7.5 million to support programs to reduce homelessness.
- Doubling state support for school mental health services.
- A \$200,000 increase for Buy Local, Buy Wisconsin grant program that promotes Wisconsin foods to local buyers.
- Funding for broadband expansion at a record \$48 million.
- A new \$8 million appropriation awarded to 3 UW schools, including UW-Madison, to create the Dairy Innovation Hub to support dairy-related research and labs.
- Increasing funding for respite care for family care givers, the first increase in 20 years.