



HOWARD MARKLEIN

STATE SENATOR • 17TH SENATE DISTRICT

Capitol Update by Senator Howard Marklein June 25, 2021

Budget Bulletin – Legislature Wraps Up Budget Process

The Joint Committee on Finance (JFC) finished our work on the State Budget proposal on Thursday, June 17, 2021. The bill now moves to both houses of the legislature and to the Governor for consideration. The Assembly is scheduled to vote on the budget on Tuesday, June 29, 2021 and the Senate is scheduled to vote on the budget on Wednesday, June 30, 2021.

I am honored to be Co-Chair of our budget-writing committee. I am very proud of our work on behalf of all taxpayers. We crafted a responsible budget that funds our priorities while respecting taxpayers.

We funded our strategic priorities while keeping General Purpose Revenue (GPR) spending to less than 3.5% growth over the biennium. We made targeted investments in every essential function of state government including schools, healthcare, higher education, children and families, transportation, corrections, emergency services, natural resources, agriculture, broadband and more. Following is a summary of several of these priority areas. These are only highlights of the many investments we made.

Schools: Guarantee a minimum of \$781 per pupil for all school districts that were in-person at least 50% in 2020-21, maintained base-budget funding for all school districts statewide, \$350M transferred to the Rainy Day Fund for future education needs, Special Education (10% increase or \$86M to 30% of eligible costs), Mental Health (additional \$12M that doubles our investment), Sparsity Aid (\$6.3M increase, expanded eligibility), High Cost Transportation Aids (\$13M investment), \$1.6M for the Reading Corps.

Hospitals & Health Care: Personal Care worker rate increase (\$78M), Direct Care Workers (\$104M), Hospital Reimbursement increase (\$104M), Long-term care facility (nursing home) reimbursement rate increase (\$254M, 12% increase), Surgical Care Quality Improvement program funding for rural hospitals, Community Health Centers (\$2M increase), Free and Charitable Clinics (\$2M increase).

Transportation: \$100M for Local Roads, 2%/2% increase for General Transportation Aids (GTA), all projects remain on schedule with no tax or fee increase, the lowest Department of Transportation (DOT) bonding level in 10 years.

Broadband: \$125M for the Rural Broadband Expansion Grant program.

Corrections: \$1.3M increase for Length-of-Service Awards for Corrections staff at all prisons, including Boscobel and New Lisbon.

Agriculture: Addressed challenges in the meat processing industry by approving four new state meat inspector positions. Created Meat Processor Grant program (\$400,000) and increased the Dairy Processor Grant program. Increased Farmer Mental Health program by \$200,000.

EMS: Fully funded the EMS Funding Assistance Program (FAP), which provides funding to local, volunteer departments, Youth Volunteer Firefighting grants (\$100,000).

Natural Resources: Reauthorized the Knowles-Nelson Stewardship program for four years; invested \$33.25M, added \$1.5M to the Parks Development Fund for State Park improvements such as campsite maintenance, trail maintenance and more, Well Compensation Grants (\$4M), funded at least 7 projects to update facilities at state parks through the State Building Commission, ATV/UTV Trail and Project aids (\$1.5M), Snowmobile aids (\$200,000), Boating aids (\$380,000).

Justice: Restored 5.9 Assistant District Attorney positions the Governor vetoed in the last budget and added a ½ position in Lafayette County and one position in Sauk County to manage increasing caseloads, increased funding for the Treatment Alternatives and Diversion (TAD) program (\$2.5M), funded Law Enforcement Training Grants (\$2M) to sustain this important program for local departments.

Higher Education: Invested in UW System by funding building projects on five UW Campuses; UW Madison, UW Green Bay, UW Stevens Point, UW Oshkosh and UW River Falls.

We funded all of the priorities mentioned above while growing our Rainy Day Fund to more than \$2B. This is important because we do not know what the next two years will bring.

In addition, we met the Maintenance of Effort (MOE) requirement from the Federal government to capture \$1.5B for Wisconsin schools. This issue was raised early on in the process and our committee worked hard to manage spending while meeting the requirements of the strings attached to federal funds.

We also want to return \$3.4B of our massive surplus back to Wisconsin tax payers. Approximately \$2.5B in Income Taxes, \$650M in Property Taxes and \$200M for Small Businesses by ending the Personal Property Tax (PPT). The PPT is burdensome on small businesses throughout the state. The cost of compliance (paying an accountant to calculate the tax) is often more than the tax itself.

Overall, I am very proud of our work on the state budget. My colleagues on both sides of the aisle have praised the smoothness and transparency of the process this year. We kept our word and focused on funding strategic priorities. We did not incorporate extraneous policy, nor did we end our work with a hodge-podge 999 motion. We met our deadlines and will deliver a budget bill to the Governor on time.

I am hopeful that after the legislature votes on this bill, Governor Evers will sign it without making too many changes with his powerful line-item veto authority. Our work, on your behalf, was focused and intentional.

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