

## AGRICULTURE, TRADE AND CONSUMER PROTECTION

<b>Budget Summary</b>							
Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	2021-23 Legislature	2021-23 Act 58	Act 58 Change Over <u>Base Year Doubled</u>	
						Amount	Percent
GPR	\$58,973,600	\$97,687,600	\$62,055,700	\$62,055,700	\$62,055,700	\$3,082,100	5.2%
FED	24,461,600	23,130,900	22,909,700	22,909,700	22,909,700	- 1,551,900	- 6.3
PR	57,785,200	62,000,700	60,382,300	60,382,300	60,382,300	2,597,100	4.5
SEG	<u>72,168,400</u>	<u>83,209,200</u>	<u>75,874,100</u>	<u>75,874,100</u>	<u>75,874,100</u>	<u>3,705,700</u>	5.1
TOTAL	\$213,388,800	\$266,028,400	\$221,221,800	\$221,221,800	\$221,221,800	\$7,833,000	3.7%
BR		\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000		

<b>FTE Position Summary</b>						
Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	2022-23 Legislature	2022-23 Act 58	Act 58 Change Over 2020-21 Base
GPR	199.40	215.40	201.40	201.40	201.40	2.00
FED	87.62	84.52	83.52	83.52	83.52	- 4.10
PR	218.77	227.87	217.87	217.87	217.87	- 0.90
SEG	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.00</u>
TOTAL	636.29	658.29	633.29	633.29	633.29	- 3.00

### Budget Change Items

### Departmentwide

#### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
Funding Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,012,800	0.00	-\$124,800	0.00	\$888,000	0.00
PR	737,200	- 3.00	- 113,400	0.00	623,800	- 3.00
SEG	806,900	0.00	0	0.00	806,900	0.00
FED	<u>- 1,546,300</u>	<u>- 6.00</u>	<u>- 56,200</u>	<u>0.00</u>	<u>- 1,602,500</u>	<u>- 6.00</u>
Total	\$1,010,600	- 9.00	-\$294,400	0.00	\$716,200	- 9.00

**Governor:** Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$187,400 GPR, -\$170,100 PR and -\$84,200 FED annually); (b) removal of non-continuing elements from the base (-\$212,900 PR each year with -3.0 PR positions, and -\$420,500 FED in 2021-22 and -\$639,000 FED in 2022-23 with -6.0 positions); (c) full funding of continuing position salaries and fringe benefits (\$560,600 GPR, \$770,500 PR, \$391,400 SEG, and -\$95,800 FED each year); (d) reclassifications and semi-automatic pay progression (\$11,600 PR in 2021-22 and \$17,400 PR in 2022-23, and \$50,700 SEG in 2021-22 and \$58,200 SEG in 2022-23); and (e) full funding of lease and directed moves costs (\$133,200 GPR, -\$33,400 PR, -\$42,400 SEG, and -\$63,400 FED each year).

**Joint Finance/Legislature:** Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by an additional \$62,400 GPR, \$56,700 PR, and \$28,100 FED annually.

**2. BUREAU OF LABORATORY SERVICES STAFFING [LFB Paper 155]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
PR	\$610,300	3.00	-\$406,800	- 2.00	\$203,500	1.00
SEG	229,200	0.00	- 152,800	0.00	76,400	0.00
GPR	50,700	0.00	- 33,800	0.00	16,900	0.00
FED	<u>50,700</u>	<u>0.00</u>	<u>- 33,800</u>	<u>0.00</u>	<u>16,900</u>	<u>0.00</u>
Total	\$940,900	3.00	-\$627,200	- 2.00	\$313,700	1.00

**Governor:** Provide \$270,500 PR, \$101,500 SEG, \$22,500 GPR, and \$22,500 FED in 2021-22, and \$339,800 PR, \$127,700 SEG, \$28,200 GPR, and \$28,200 FED in 2022-23 with 3.0 PR positions to support additional staff within the Bureau of Laboratory Services (BLS). BLS analyzes samples gathered during inspections and regulatory actions under the food safety, industrial hemp, and agrichemical management programs. The Bureau charges Department programs for its services, with the charges reflected as expenditures to those programs and as revenues to the laboratory. Funding of \$208,500 PR in 2021-22 and \$261,900 PR in 2022-23 would be directly associated with the 3.0 PR positions, while other funding requested reflects an equal amount of appropriation authority sufficient for the food safety, industrial hemp and agrichemical management programs to pay charges for Bureau services.

**Joint Finance/Legislature:** Reduce the recommended positions and funding to instead provide 1.0 PR position and \$90,200 PR, \$33,800 SEG, \$7,500 GPR, and \$7,500 FED in 2021-22, and \$113,300 PR, \$42,600 SEG, \$9,400 GPR, and \$9,400 FED in 2022-23.

**3. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES**

PR	\$650,000
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**Governor/Legislature:** Provide \$300,000 in 2021-22 and \$350,000 in 2022-23 for additional expenditures for information technology services throughout the Department. DATCP

information technology services are funded from assessments charged to appropriations of other DATCP programs. Total budgeted amounts for computer system equipment, staff, and services are \$3.5 million each year of the biennium.

#### 4. LATINX OUTREACH SPECIALIST

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
PR	\$156,800	1.00	-\$156,800	- 1.00	\$0	0.00

**Governor:** Provide \$69,400 in 2021-22 and \$87,400 in 2022-23 with 1.0 position to create a Latinx outreach specialist to increase DATCP outreach in diverse communities. The position would be funded from revenues received by separate appropriations to the Division of Trade and Consumer Protection for regulation of telemarketing and weights and measures. The appropriations would equally split the funding and position.

**Joint Finance/Legislature:** Provision not included.

#### 5. EQUITY OFFICER POSITION

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
GPR	\$77,900	0.50	-\$77,900	- 0.50	\$0	0.00

**Governor:** Provide \$32,000 in 2021-22 and \$45,900 in 2022-23 with 0.5 position to create an agency equity officer. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. [See "Administration -- General Agency Provisions."]

**Joint Finance/Legislature:** Provision not included.

#### 6. POSITION REALIGNMENT

**Governor/Legislature:** Transfer the following positions and associated salary and fringe benefit costs shown in the table between appropriations to align the funding sources of the positions with their current duties within the Department.

	<b>Funding</b>	<b>Positions</b>
PR	\$23,400	0.10
FED	- 11,000	- 0.10
SEG	<u>1,200</u>	<u>0.00</u>
Total	\$13,600	0.00

## DATCP Position Realignment

<u>Division/Appropriation</u>	<u>Fund</u>	<u>Annual Funding</u>	<u>Positions 2021-23</u>
<b><i>Food and Recreational Safety</i></b>			
Fruit and vegetable inspection	PR	-\$78,500	-1.20
Dairy trade regulation	PR	9,800	0.15
<b><i>Trade and Consumer Protection</i></b>			
Public warehouse regulation	PR	\$3,300	0.05
Federal funds; trade and consumer protection	FED	154,700	2.00
Telephone solicitation regulation	PR	65,700	1.00
<b><i>Agricultural Development</i></b>			
Federal funds; client assistance program	FED	-\$154,700	-2.00
<b><i>Agricultural Resource Management</i></b>			
Industrial hemp	PR	\$31,800	0.40
Agricultural impact statements	PR	-58,200	-0.80
Soil and water administration	SEG	600	0.00
<b><i>Management Services</i></b>			
General laboratory services	PR	\$37,800	0.50
Indirect cost reimbursements	FED	<u>-5,500</u>	<u>-0.10</u>
Total		\$6,800	0.00

The transfers would result in a net change of \$6,800 annually and affect funds by source annually as follows: (a) \$11,700 PR with 0.10 positions; (b) -\$5,500 FED with -0.10 positions; and (c) \$600 SEG.

### 7. PROGRAM REVENUE REESTIMATES

PR	- \$180,200
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**Governor/Legislature:** Reestimate program revenue appropriations associated with fruit and vegetable inspection (-\$50,000 annually), agricultural resource management services (-\$17,100 annually), and agricultural impact statements (-\$23,000 annually) to reflect anticipated revenues and expenditures in the 2021-23 biennium. These appropriations are continuing appropriations, meaning DATCP may expend all monies received for the purposes identified in the appropriation. The reestimates are intended to align budgeted expenditures for the year with anticipated revenues.

### 8. FEDERAL REVENUE REESTIMATES

FED	- \$217,600
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**Governor/Legislature:** Reestimate appropriations receiving federal revenue associated with: (a) the Client Assistance Program (-\$68,800 annually) received by the Division of Agricultural Development from the U.S. Department of Education; and (b) funding related to pesticide regulation (-\$40,000) received by the Bureau of Agrichemical Management from the U.S. Environmental Protection Agency.

**9. DEBT SERVICE REESTIMATE [LFB Paper 102]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$34,100	\$43,200	\$77,300
SEG	<u>315,500</u>	<u>- 915,500</u>	<u>600,000</u>
Total	\$349,600	- \$872,300	- \$522,700

**Governor:** Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -\$1,000 GPR in 2022-23 for debt service on past upgrades to the Wisconsin Veterinary Diagnostic Laboratory (WVDL); (b) \$102,800 GPR in 2021-22 and -\$67,700 GPR in 2022-23 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program (CREP), a state-federal land and water conservation program; and (c) -\$66,600 SEG in 2021-22 and \$382,100 SEG in 2022-23 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to landowners for structural best management practices installed under the soil and water resource management (SWRM) program.

**Joint Finance/Legislature:** Reestimate an additional -\$57,800 GPR and -\$342,100 SEG in 2021-22, and \$101,000 GPR and -\$573,400 SEG in 2022-23 for debt service. Under Act 58, debt service is budgeted as follows: (a) for WVDL upgrades, \$1,800 GPR in 2021-22 and \$800 GPR in 2022-23; (b) for CREP, \$1,268,900 GPR in 2021-22 and \$1,257,200 GPR in 2022-23; and (c) for SWRM grants, \$4,443,500 SEG in 2021-22 and \$4,660,900 SEG in 2022-23.

**Agricultural Assistance**

**1. AGRICULTURAL ASSISTANCE GRANT PROGRAMS AND STAFF [LFB Papers 160 thru 164]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	\$26,313,800	3.00	-\$26,313,800	- 3.00	\$0	0.00

**Governor:** Provide \$13,323,800 in 2021-22 and \$12,990,000 in 2022-23 with 3.0 positions for agricultural assistance programs, allocated as listed below. Funding of \$13,125,000 in 2021-22 and \$12,725,000 in 2022-23 would be provided for various grants in a new biennial appropriation, and remaining amounts of \$198,800 in 2021-22 and \$265,000 in 2022-23 would be provided for positions to support grant programs. Delete existing appropriations for Buy Local, Buy Wisconsin grants (\$200,000 each year), dairy industry promotion (\$200,000 each year), dairy

processor grants (\$200,000 each year), and farm-to-school grants (no base funding provided), and transfer their funding to the new biennial grants appropriation. While the Governor would provide an intended allocation for each grant program as shown in the table below, the new appropriation does not establish limitations on use of funding for these programs, and DATCP would retain discretion to allocate funding among these programs.

### Agricultural Assistance Grants Summary -- Governor

	Base	Governor		Biennium
		2021-22	2022-23	
<b>Grants</b>				
Food Security Grant Program		\$10,000,000	\$10,000,000	\$20,000,000
Meat Processor Grant Program		1,000,000	1,000,000	2,000,000
Dairy Processor Grant Program	\$200,000	800,000	800,000	1,600,000
Value-Added Agriculture Program		400,000	400,000	800,000
Buy Local, Buy Wisconsin	200,000	300,000	300,000	600,000
Farm-to-School Grant Program		200,000	200,000	400,000
Farm-to-Fork Grant Program		200,000	200,000	400,000
Something Special from Wisconsin		400,000	0	400,000
Dairy Promotion Grants	200,000	200,000	200,000	400,000
Small Farm Diversity Grants		125,000	125,000	250,000
Farm Business Consultant Grants		100,000	100,000	200,000
Resource Conservation and Regenerative Agriculture Grants Subtotal	\$600,000	\$13,725,000	\$13,325,000	\$27,050,000
<b>New Staff</b>				
Value-Added Agriculture Program (1.0 position)		\$68,000	\$90,600	\$158,600
Buy Local, Buy Wisconsin (1.0 position)		65,100	86,800	151,900
Farm-to-Fork Program (1.0 position)		65,700	87,600	153,300
Position Subtotal (3.0 positions)		\$198,800	\$265,000	\$463,300
Change to Base		\$13,323,800	\$12,990,000	\$26,313,800

*Food Security Grant Program.* Allocate \$10,000,000 each year for grants to eligible nonprofit food assistance organizations to support the purchase of food products made or grown in Wisconsin. Eligible organizations would include food banks, food pantries, and other organizations that provide food assistance. Authorize the Department to promulgate rules to administer the food security grant program, including issuing an emergency rule while a final rule is being promulgated. Allow the emergency rule to be issued without the finding of an emergency, preparation of a statement of scope, or submittal of a final draft rule to the Governor.

*Meat Processor Grant Program.* Allocate \$1,000,000 each year for grants to meat processing facilities to promote the growth of the meat industry in Wisconsin. Specify that eligible facilities are those that slaughter animals for human consumption or that process meat or meat products, excluding rendering plants. Authorize the Department to promulgate rules to administer the food security grant program, including issuing an emergency rule while a final rule is being promulgated. Allow the emergency rule to be issued without the finding of an emergency, preparation of a statement of scope, or submittal of a final draft rule to the Governor.

*Dairy Processor Grant Program.* Allocate \$800,000 each year for grants to dairy processors. The provision would repeal a separate \$200,000 annual appropriation for dairy processor grants and transfer those amounts to the new appropriation, for a total allocation of \$800,000 each year. Under current law, dairy processor grants provide funding to projects at dairy processing plants that would, among other goals, grow the processing plant, contribute to processor innovation, or improve production and profitability. Eligible projects may include plant modernization and expansion, food safety improvements, staff training, and hiring of professional consultants.

*Value-Added Agriculture Program.* Allocate \$468,000 in 2021-22 and \$490,600 in 2022-23 with 1.0 position for the value-added agriculture program, including \$400,000 each year in grants. Allow DATCP to provide education, technical assistance, and grants related to the promotion and implementation of agricultural practices that provide value-added agriculture products. Specify that activities include: (a) general market promotion of value-added agricultural products, including those produced using resource-conserving practices, as described in a separate section; (b) providing assistance related to organic farming practices, including business and market development assistance; (c) collaborating with organic producers and industry participants; and (d) providing grants to organic producers and industry participants for education or technical assistance related to organic farming, creating organic farming plans, assisting farmers in the transition to organic farming, or educating and training farmers on best practices related to grazing.

Define a value-added agricultural product as a product that: (a) has undergone a change in physical state; (b) is produced in a manner that enhances its value; (c) is physically segregated in a manner that enhances its value; (d) is a source of farm-based or ranch-based renewable energy; or (e) is aggregated and marketed as a locally produced farm product. Allow the Department to promulgate rules to administer the value-added agriculture program.

*Buy Local, Buy Wisconsin.* Allocate \$365,100 in 2021-22 and \$386,800 in 2022-23 with 1.0 position for the Buy Local, Buy Wisconsin program. Of the funding provided, \$300,000 each year would be for grants. This amount includes the \$200,000 each year transferred from the appropriation under current law for Buy Local, Buy Wisconsin grants, resulting in an increase of \$100,000 each year in grants relative to current law and the increase of 1.0 position. Under current law, the program seeks to increase the sale of Wisconsin food products to local purchasers. Grants may be provided for projects that create, expand, diversify, or promote: (a) local food marketing systems and market outlets; (b) local food and cultural tourism routes; or (c) production, processing, marketing, and distribution of Wisconsin food products for sale to local purchasers. Projects have included food processing and distribution improvements, creating and expanding farmers' markets, agritourism projects, and marketing and awareness campaigns.

*Farm-to-School Grant Program.* Allocate \$200,000 each year for farm-to-school grants. Further, create an additional preferred criterion for grant awards by requiring DATCP to give preference to proposals from school districts in which a high percentage of pupils are eligible for a free or reduced-price lunch. Current law specifies that DATCP must give preference to proposals that are innovative or provide models other school districts may adopt. Farm-to-school grants are intended to support the creation and expansion of farm-to-school programs, including: (a) promoting production, processing, marketing and distribution of food produced in Wisconsin for sale to schools in Wisconsin; (b) construction or improvement of facilities for use of food produced

in Wisconsin at schools in Wisconsin; (c) training for food service personnel, farmers, and distributors; and (d) nutritional and agricultural education in the classroom. Farm-to-school grants were created under 2009 Wisconsin Act 293, but have never been authorized funding.

*Farm-to-Fork Grant Program.* Allocate \$265,700 in 2021-22 and \$287,600 in 2022-23 with 1.0 position for the farm-to-fork program. Of the funding provided, \$200,000 each year would be for grants. Define a farm-to-fork program as one that connects entities that have cafeterias, other than school districts, to nearby farms to: (a) provide locally produced fresh fruit, vegetables, dairy products, and other nutritious, locally produced foods in meals and snacks, in order to develop healthy eating habits in the general public; (b) provide nutritional and agricultural education; and (c) improve farmers' incomes and direct access to markets.

Allow DATCP to award grants to businesses, universities, hospitals, and other entities to create and expand farm-to-fork programs. Specify that grants may support projects that include: (a) creating, expanding, diversifying, or promoting production, processing, marketing, and distribution of food produced in Wisconsin for sale to entities in Wisconsin other than schools; (b) construction or improvement of facilities, including purchases of equipment, intended to support consumption of food produced in Wisconsin in places in Wisconsin other than schools; (c) training for food service personnel, farmers, and distributors; and (d) nutritional and agricultural education. Require DATCP to consult with interested persons to establish grant priorities each year and specify that DATCP give preference to proposals that are innovative or provide models other entities may adopt. Require DATCP to promote agricultural development and farm profitability in awarding farm-to-fork grants by supporting the development and adoption of practices and agribusiness opportunities that involve the production of value-added agricultural products. Require a report at least once a year to the DATCP Secretary and appropriate standing committees of the Legislature on the need and opportunity for farm-to-fork programs. Authorize DATCP to promulgate rules to administer the farm-to-fork program.

*Something Special from Wisconsin.* Allocate \$400,000 in 2021-22 to support marketing efforts as part of the Something Special from Wisconsin program. Under current law, DATCP offers a marketing program for participants that sell products whose value is at least 50% attributable to Wisconsin ingredients, production, or processing activities. Participants that certify their Wisconsin-made status may affix the Something Special from Wisconsin logo on their products.

*Dairy Promotion Grants.* Retain an allocation of \$200,000 each year for grants for dairy promotion that were transferred from the separate appropriation under current law. Historically, the appropriation supported grants to dairy producers and scholarships for students pursuing education in dairy farming. Since 2018-19, the appropriation has been lapsed to the general fund, including in 2019-20 and 2020-21 under lapse requirements implemented following the COVID-19 pandemic.

*Small Farm Diversity Grants.* Allocate \$125,000 each year to agricultural producers that have been in operation less than one year and earned less than \$350,000 in gross cash farm income. Specify grants would be from \$5,000 to \$50,000 per recipient and require a 30% match. Limit eligible costs to those for: (a) business planning, feasibility research, and engineering designs for

new or expanded product lines; (b) start-up costs for new agricultural production; (c) research and development of food, feed, and fiber products that are innovative or add value to agricultural production; (d) development of on-farm processing of agricultural commodities; and (e) development of an agritourism venue. Specify the Department give preference to applicants that: (a) develop a business plan; (b) have a high probability for success; (c) feature research that is innovative and feasible; (d) are scalable for commercial use; and (e) demonstrate committed funding from other sources. Require recipients to submit annual reports on use of expenses and results of investments. Authorize DATCP to promulgate rules to administer the small farm diversity grant program.

*Farm Business Consultant Grants.* Allocate \$100,000 each year for DATCP to award grants to UW-Madison Division of Extension agricultural agents to help farmers hire business consultants and attorneys to examine farmers' farm business plans and create farm succession plans. Authorize DATCP to promulgate rules to administer the farm business consultant grant program. (An April 23, 2021, errata letter from the administration requested the provision limiting funding to UW-Madison Division of Extension be deleted to allow additional flexibility in grant awards.)

*Resource Conservation and Regenerative Agriculture.* Create a program to provide technical assistance and grants that support resource conservation and regenerative agriculture. Allow DATCP to provide technical assistance related to promoting soil health, water quality, and regenerative agricultural practices, including developing technical resources and connecting farmers with new technologies and practices. Allow DATCP to award grants of up to \$25,000 per recipient that support development of technology and practices to support conservation efforts, and development of market-based solutions to environmental and resource risk to modern farming systems. Define regenerative agricultural practices as techniques that build soil health and crop resiliency, improve water and nutrient retention, or sequester carbon, including no-till farming, managed grazing, cover cropping, and composting. The bill would not allocate funding from the biennial agricultural assistance grants appropriation for resource conservation and regenerative agriculture grants, although the Department would retain discretion to allocate funding under the appropriation to this program, which could include shifting proposed allocations of other grant programs or utilizing unexpended amounts from prior years.

**Joint Finance/Legislature:** Create a meat processor grant program by creating a biennial appropriation for grants to facilities that slaughter animals for human consumption, or that process meat or meat products, excluding rendering plants. Provide \$200,000 GPR each year in the Committee's supplemental appropriation for meat processor grants. DATCP could request release of the funding by the Committee under s. 13.10 of the statutes. The fiscal effect of this item is shown under "Program Supplements."

Repeal the dairy promotion appropriation and associated language directing the Department to provide financial assistance to dairy producers. Further, transfer \$200,000 GPR each year associated with dairy promotion grants to dairy processor grants, and specify that increased dairy processor grant funding be provided on a one-time basis during the 2021-23 biennium. As a result, dairy processor grants would have funding of \$400,000 each year in the 2021-23 biennium, including \$200,000 of base funding and \$200,000 in one-time funding. Buy Local, Buy Wisconsin grants would maintain base funding of \$200,000 each year in a separate appropriation. No other

funding or positions shown in the earlier table would be provided.

**Vetoes by Governor [A-1 and A-2]:** Retain the dairy promotion appropriation and associated Department duties to provide financial assistance to dairy producers. While statutory language is retained, no funding is provided, as a veto cannot restore funding removed by legislative action.

[Act 58 Sections: 26 and 336]

[Act 58 Vetoed Sections: 25 and 335]

**2. MEAT TALENT DEVELOPMENT TUITION GRANTS [LFB Paper 165]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,636,400	1.00	-\$2,636,400	- 1.00	\$0	0.00

**Governor:** Create an annual appropriation and provide \$1,306,700 in 2021-22 and \$1,329,700 in 2022-23 with 1.0 position to establish a grant program to cover up to 80% of the first \$9,375 in tuition costs (\$7,500 per grant) for an individual enrolling in a meat processing program at any higher education institution in Wisconsin. Of the funding provided, \$1,237,500 annually would be allocated to grants, with \$69,200 in 2021-22 and \$92,200 in 2022-23 supporting 1.0 position.

**Joint Finance/Legislature:** Provision not included.

**3. WISCONSIN INITIATIVE FOR AGRICULTURAL EXPORTS [LFB Paper 166]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,166,600	1.00	-\$2,166,600	- 1.00	\$0	0.00

**Governor:** Create a biennial appropriation and provide \$1,074,400 in 2021-22 and \$1,092,200 in 2022-23 with 1.0 position to establish and administer the Wisconsin Initiative for Agricultural Exports, which is intended to promote and increase exports of Wisconsin agricultural and agribusiness products. Specify that half of funding be allocated for promotion of dairy exports, and half of funding be allocated for promotion of vegetable, meat, and fish exports. (An April 23, 2021, letter from the administration requested modifying program language to allow the non-dairy allocation to apply to all agricultural products.)

**Joint Finance/Legislature:** Create a continuing appropriation for promotion of agricultural exports and allocate \$558,400 GPR each year in the Joint Finance Committee's supplemental appropriation. [See "Program Supplements."] Additional funding of \$441,600 each year from rural

development loan program repayments, as described under the separate item "Rural Development Loans and Grants," would result in a total of up to \$1,000,000 each year of the biennium for promotion of Wisconsin agricultural exports. Direct DATCP, in coordination with the Wisconsin Economic Development Corporation (WEDC), to submit a proposal to the Joint Committee on Finance by which DATCP and WEDC would allocate \$5,000,000 over five years to pursue an increase in dairy, meat, poultry, fish, crop, and other agricultural product exports by 25% over their 2021 levels by 2026.

**Veto by Governor [A-4]:** Delete the requirement that DATCP, in coordination with the Wisconsin Economic Development Corporation, submit a proposal to the Committee for promotion of agricultural product exports. The Department may still request release of funding from the Committee's supplemental appropriation for agricultural export promotion.

[Act 58 Section: 23]

[Act 58 Vetoed Section: 9102(1)]

**4. REGIONAL FARMER SUPPORT NETWORK [LFB Paper 167]**

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
GPR	\$784,000	5.00	-\$784,000	- 5.00	\$0	0.00

**Governor:** Provide \$347,400 in 2021-22 and \$436,600 in 2022-23 with 5.0 positions in the Division of Agricultural Development's general program operations appropriation to expand access to Wisconsin Farm Center services in the northwest, north, central, southwest, and northeast regions of Wisconsin. The Farm Center currently operates out of the Department's Madison office, and maintains a hotline that farmers may call for information, referrals, and support responding to crises. Farm Center services include technical assistance related to production, processing and marketing, as well as financial consultations, farm succession planning, mental health support and referrals, minority and veterans outreach, and mediation and arbitration.

**Joint Finance/Legislature:** Provision not included.

**5. FARMER MENTAL HEALTH ASSISTANCE [LFB Paper 168]**

GPR	\$200,000
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**Governor:** Provide \$100,000 annually to maintain expiring funding for farmer mental health assistance programming. Under 2019 Act 9 and subsequent action by the Joint Committee on Finance, DATCP was authorized \$100,000 each year of the 2019-21 biennium on a one-time basis to provide mental health assistance to farmers and their families. Funding has supported: (a) a contract for 24/7 counseling support for farmers with immediate need for mental health assistance; (b) in-person and virtual counseling sessions with mental health professionals; (c) development of a podcast addressing challenges facing Wisconsin farmers; (d) hosting workshops for farmers related to decision making, problem solving, planning, and family communication; (e)

hosting and facilitating virtual support groups for farmers and farm couples; and (f) hosting training sessions for agriculture industry professionals on how to identify the warning signs of suicidal ideation and encourage farmers to seek assistance.

**Joint Finance/Legislature:** Specify funding be provided on a one-time basis during the 2021-23 biennium.

**6. RURAL DEVELOPMENT LOANS AND GRANTS [LFB Paper 162]**

**Governor:** Expand the rural development loan program to also allow grants for rural economic and business development. Loans under the program were originally financed from federal funding, with principal and interest paid to DATCP. In recent years, the appropriation has not supported new loans, but continued to collect repayments on outstanding loans. DATCP reports remaining loans were paid off on March 1, 2021, and the appropriation balance now totals \$883,200.

**Joint Finance:** Modify the Department's rural development loan appropriation to allow DATCP, with approval from the Joint Committee on Finance, to expend the rural development loan appropriation balance for promotion of dairy exports.

**Assembly/Legislature:** Modify the appropriation to allow the Joint Committee on Finance to transfer the unencumbered balance of the appropriation to the Committee's supplemental GPR appropriation. Combined with funding allocated for agricultural export promotion, the Committee could vote to release a total of \$1,000,000 GPR each year from its supplemental appropriation for agricultural exports promotion. [See the previous entry "Wisconsin Initiative for Agricultural Exports."]

**Veto by Governor [A-3]:** Delete provision. The appropriation balance remains available for its current purpose of loans for rural development.

[Act 58 Vetoed Section: 24]

**7. FOOD WASTE REDUCTION GRANTS [LFB Paper 160]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$200,000	-\$200,000	\$0

**Governor:** Create an annual appropriation and provide \$100,000 annually for food waste reduction grants. Require the Department to provide grants for projects that seek to reduce or compost food waste and redirect food supplies to hunger relief organizations. Require DATCP give preference to proposals serving census tracts with household income below the state median (currently estimated at \$57,500 for a family of four) and lacking a grocery store. Require the Department to promulgate rules to administer the program.

**Joint Finance/Legislature:** Provision not included.

**8. AGRICULTURAL ECONOMIST**

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
GPR	\$152,800	1.00	-\$152,800	- 1.00	\$0	0.00

**Governor:** Provide \$65,500 in 2021-22 and \$87,300 in 2022-23 with 1.0 position for an agricultural economist. The position would be funded from Division of Management Services general program operations. Currently, DATCP does not employ an agricultural economist.

**Joint Finance/Legislature:** Provision not included.

**Environment**

**1. SOIL AND WATER RESOURCE MANAGEMENT GRANTS [LFB Paper 156]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
SEG	\$1,880,000	-\$1,380,000	\$500,000

**Governor:** Provide an additional \$940,000 annually from the nonpoint account of the segregated environmental fund for soil and water resource management (SWRM) grants. The administration indicates additional funding would be allocated as follows: (a) \$250,000 for producer-led watershed protection grants; (b) \$370,000 for regenerative agriculture grants; and (c) \$320,000 for grazing conservation grants. However, the Department would retain discretion in allocation among programs up to their statutory caps as described below.

*Producer-Led Watershed Protection Grant Program.* Increase the statutory cap on annual awards for the producer-led watershed protection grant program from \$750,000 to \$1,000,000 and allocate an additional \$250,000 annually for producer-led grants.

*Regenerative Agriculture and Carbon Sequestration Grant Program.* Create a regenerative agriculture and carbon sequestration grant program and allocate \$370,000 annually for grants. Limit grant awards to \$370,000 annually. Require the Department to award grants that provide cost-sharing for: (a) soil testing and carbon sequestration analysis; (b) updating nutrient management planning software; (c) studying the feasibility of a statewide carbon market; (d) assessing the market value of carbon sequestration; and (e) implementation of regenerative agricultural practices by agricultural producers. Require DATCP to: (a) study the feasibility of a

statewide carbon market and the market value of carbon sequestration; (b) evaluate existing tools for feasibility in measuring carbon credits created by producer-led watershed protection grant recipients; (c) facilitate cooperation among agricultural producers to generate carbon credits; and (d) provide technical assistance to agricultural producers related to participating in a carbon credit generation market. Authorize DATCP to promulgate rules to administer the regenerative agriculture and carbon sequestration grant program, including issuing an emergency rule without the finding of an emergency, preparation of a statement of scope, or submittal of a final draft rule to the Governor.

*Grazing Conservation Grant Program.* Create a grazing conservation grant program and allocate \$320,000 annually for grazing conservation grants. Limit grant awards to \$320,000 annually. Require the Department to award grazing conservation grants to: (a) provide education and training to farmers on best practices related to grazing and pasture maintenance; and (b) provide cost-sharing incentives to farmers to implement regenerative agricultural practices. Authorize DATCP to promulgate rules to administer the grazing conservation grant program, including issuing an emergency rule without the finding of an emergency, preparation of a statement of scope, or submittal of a final draft rule to the Governor.

Under current law, the SWRM grant appropriation supports: (a) cost-sharing for nutrient management planning and other management practices to prevent soil erosion and nutrient runoff to waters of the state; (b) producer-led watershed protection grants, which provide funding to producer-led groups for collaboration activities and cost-sharing to reduce nonpoint pollution; and (c) grants to project cooperators for nutrient management education, technical standards development, and nutrient management software development and maintenance. Under the bill, the appropriation would be budgeted \$5,365,000 each year.

**Joint Finance/Legislature:** Adopt provisions to increase the statutory cap on annual producer-led watershed protection grant awards from \$750,000 to \$1,000,000. Include provisions to increase producer-led watershed protection grants by an additional \$250,000 nonpoint SEG each year, relative to the agency base, but on a one-time basis during the 2021-23 biennium. Delete funding and provisions for the regenerative agriculture, carbon sequestration, and grazing conservation grant programs.

[Act 58 Section: 27]

## 2. COUNTY CONSERVATION STAFF [LFB Paper 157]

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$0	\$1,460,600	\$1,460,600
SEG	<u>7,308,000</u>	<u>- 4,386,800</u>	<u>2,921,200</u>
Total	<u>\$7,308,000</u>	<u>- \$2,926,200</u>	<u>\$4,381,800</u>

**Governor:** Provide \$3,600,000 in 2021-22 and \$3,708,000 in 2022-23 from the nonpoint account of the segregated environmental fund for additional grants to counties to support land and water conservation staff that perform work related to achieving state goals for soil conservation

and water quality. The bill would provide a total of \$12,564,100 in 2021-22 and \$12,672,100 in 2022-23 for county staffing grants, consisting of \$3,027,200 GPR each year, and remaining amounts from nonpoint SEG. (These totals do not include the amounts for climate change-focused staff discussed in the subsequent item.)

Grants are awarded in a tiered process, providing each county full funding for its first position, 70% funding for its second position, and 50% funding for subsequent positions as available funds allow. In the 2021 allocation, first positions at each county were fully funded, and approximately two-thirds of requested state cost-share amounts for second positions were funded. Under the 2021 allocation, fully funding the state share of first and second positions would have cost approximately \$10.7 million, and fully funding the state share of first, second, and third positions would have cost approximately \$13.0 million. Second positions were last fully funded in the 2010 allocation.

**Joint Finance/Legislature:** Modify provision to provide an additional \$1,377,300 nonpoint SEG and \$688,600 GPR in 2021-22, and \$1,543,900 nonpoint SEG and \$772,000 GPR in 2022-23 over the agency base for county conservation staffing grants on a one-time basis during the 2021-23 biennium. The provision deletes \$2,222,700 nonpoint SEG in 2021-22 and \$2,164,100 nonpoint SEG in 2022-23 from the Governor's recommendation, but substitutes a portion of the reduction with the GPR amounts noted.

Under Act 58, county conservation staffing grants are budgeted a total of \$11,030,000 in 2021-22 and \$11,280,000 in 2022-23, consisting of \$7,314,200 nonpoint SEG and \$3,715,800 GPR in 2021-22, and \$7,480,800 nonpoint SEG and \$3,799,200 GPR in 2022-23. Funding is anticipated to support the state's cost-share of second positions in all counties.

### 3. COUNTY CONSERVATION STAFF FOR CLIMATE CHANGE

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$3,600,000	- \$3,600,000	\$0

**Governor:** Create an appropriation and provide \$1,800,000 annually for grants to counties for conservation staff that focus primarily on climate change and climate change resiliency. Specify that a county delineate funding requested for climate change resiliency staff in its annual grant request for county conservation staff. Further, expand eligible activities under county conservation staffing grants to include activities related to climate change and climate change resiliency. Under current law, county conservation staffing grants support: (a) implementation of county land and water resource management plans; (b) conservation practice engineering, design, and installation; (c) nonpoint grant administration; (d) farmland preservation program administration; and (e) livestock regulation.

**Joint Finance/Legislature:** Provision not included.

**4. NITROGEN OPTIMIZATION GRANTS [LFB Paper 158]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$500,000	-\$500,000	\$0

**Governor:** Create a continuing appropriation and provide \$500,000 in 2021-22 for grants to agricultural producers in collaboration with eligible UW programs to conduct research projects on agricultural lands intended to reduce nitrate loading and improve water quality. Specify that agricultural producers receiving grants collaborate with an eligible UW program to monitor the project, collect data, and make recommendations for optimal use of nitrogen. Define eligible UW programs as the UW-Madison College of Agriculture and Life Sciences, the UW-Stevens Point Center for Watershed Science and Education, and UW-Madison Division of Extension. Specify that no grant recipient, with its collaborating program, may receive a grant of more than \$125,000, and that no more than 50% of a grant may be provided to a UW collaborating program.

**Joint Finance/Legislature:** Provision not included.

**5. BIODIGESTER PLANNING GRANTS**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
SEG	\$500,000	-\$500,000	\$0

**Governor:** Create an annual appropriation and provide \$250,000 each year of the 2021-23 biennium from the environmental management account of the environmental fund for grants to support planning for installation of regional biodigesters. Require the Department to promulgate rules to administer the grant program.

**Joint Finance/Legislature:** Provision not included.

**6. WATER STEWARDSHIP CERTIFICATION GRANTS**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	\$312,000	0.50	-\$312,000	- 0.50	\$0	0.00

**Governor:** Create a continuing appropriation with \$250,000 beginning in 2022-23 for grants to agricultural producers to reimburse payments made to the Alliance for Water Stewardship to receive certification of water stewardship. Additionally, provide \$26,600 in 2021-22 and \$35,400 in 2022-23 with 0.5 position for grant administration. Specify that grants awarded for water stewardship certification may not cover implementation costs necessary to meet the

certification standard.

The Alliance for Water Stewardship (AWS) is an independent nonprofit organization created by various national and international nonprofit conservation organizations and international governing bodies. AWS certification provides a detailed framework for program participants to engage in water stewardship projects. By standardizing the framework, AWS scoring criteria and resulting certification levels allow individuals, businesses, agricultural producers, and other organizations to demonstrate water stewardship.

**Joint Finance/Legislature:** Provision not included.

**7. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY**

BR	\$7,000,000
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**Governor/Legislature:** Provide \$7 million in additional bonding authority for cost-sharing grants in the soil and water resource management (SWRM) program. SWRM cost-sharing grants funded by bond revenues support landowner installation of structural best management practices at agricultural sites, such as those intended to reduce soil erosion from agricultural lands and to provide for manure storage and containment. DATCP has been authorized \$7 million in new bonding authority in each biennium beginning in 2007-09, and the Department typically provides \$3.5 million per year for grants to landowners.

In general, state law requires that agricultural landowners receive a cost-sharing offer of at least 70% of the cost of installing a structure or practice if the landowner is to be required to modify an existing structure or operation. Funding for these activities comes from both nonpoint SEG and DATCP general obligation bonding authority; nonstructural practices cannot be supported by bonding and are funded from nonpoint SEG.

[Act 58 Section: 111]

**8. FARMLAND PRESERVATION PLANNING GRANTS [LFB Paper 159]**

**Governor:** Expand the segregated working lands fund appropriation under section 20.115(7)(tm) of the statutes for farmland preservation planning grants to counties to also support activities associated with implementing county farmland preservation plans. Implementation activities are intended to include those that facilitate designation of agricultural enterprise areas and increase use of farmland preservation agreements. Specify that grants be provided on a reimbursement basis and that DATCP detail eligible costs through a contract with the grant recipient.

As of June 30, 2020, the working lands fund had a balance of \$114,400. The SEG appropriation affected by the provision has never been authorized funding. The administration reports it intended to similarly modify the GPR appropriation under 20.115(7)(dm) of the statutes, which also supports farmland preservation planning grants. The bill as introduced does not include this change. Under the bill, the GPR appropriation is authorized \$210,000 GPR each year. From 2017-18 to 2020-21, the GPR appropriation is expected to have lapsed a total of \$646,200 in

unexpended funding, or 77% of its authorized amount during that period.

**Joint Finance/Legislature:** Provision not included. Farmland preservation planning grants retain base funding of \$210,000 GPR annually under the terms provided by current law.

## Regulatory Programs

### 1. MEAT INSPECTION PROGRAM STAFF [LFB Paper 170]

	<u>Governor</u>		<u>Jt. Finance/Leg.</u>		<u>Net Change</u>	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>			
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$393,500	3.00	-\$131,200	- 1.00	\$262,300	2.00
FED	<u>393,500</u>	<u>3.00</u>	<u>- 131,200</u>	<u>- 1.00</u>	<u>262,300</u>	<u>2.00</u>
Total	\$787,000	6.00	-\$262,400	- 2.00	\$524,600	4.00

**Governor:** Provide \$177,600 GPR and \$177,600 FED in 2021-22, and \$215,900 GPR and \$215,900 FED in 2022-23 with 3.0 GPR and 3.0 FED positions for meat inspection program staff.

DATCP's meat safety program conducts inspection of animal and poultry slaughtering and processing in establishments not otherwise inspected by the U.S. Department of Agriculture (USDA). State-inspected facilities are typically smaller operations. The state-funded portion of the inspection program is supported by GPR, and USDA provides matching FED. State inspection programs by law must enforce standards that are "at least equal to" federal food-safety standards, including having sufficient levels of staffing to meet required inspections of processing establishments.

**Joint Finance/Legislature:** Increase base funding by \$118,400 GPR and \$118,400 FED in 2021-22, and \$143,900 GPR and \$143,900 FED in 2022-23 with 2.0 GPR and 2.0 FED four-year project positions for meat inspection staff. The provision deletes 2.0 positions and associated \$118,400 in 2021-22 and \$144,000 in 2022-23, split equally between GPR and FED, from the Governor's recommendation. Further, the provision converts the additional positions to project positions that expire on June 30, 2025.

### 2. MATCHING FUNDS FOR MEAT INSPECTION [LFB Paper 170]

GPR	\$177,000
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**Governor/Legislature:** Provide \$88,500 each year for additional supplies and services costs associated with the Department's meat inspection program. In general, meat inspection staff are supported by equal amounts GPR and FED, and FED amounts are adjusted regularly to reflect increasing costs over time. The Department reports funding is intended to ensure sufficient state matching funds for current meat inspection staffing and federal funding levels, whereas the

preceding item would provide 4.0 new positions on a matching basis.

**3. FOOD, LODGING AND RECREATION REGULATION**

PR	\$1,107,000
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**Governor/Legislature:** Provide \$553,500 in each year of the biennium for additional expenditures associated with the Division of Food and Recreational Safety, including \$253,500 each year associated with updates to the Division's data management system. The Division of Food and Recreational Safety regulates and collects license and other fees associated with: (a) food production, processing, and distribution, including dairy farms, food warehouses, restaurants, and grocery stores; and (b) lodging and recreation facilities, including hotels, campgrounds, and swimming pools. Total budgeted amounts from fees for food, lodging, and recreation regulation are \$11.4 million each year of the biennium under Act 58.

**4. DOG REGULATION AND RABIES CONTROL PROGRAM OVERDRAFT [LFB Paper 171]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR-Transfer	\$466,500	- \$466,500	\$0
PR-Transfer	<u>0</u>	<u>450,000</u>	<u>450,000</u>
Total	\$466,000	- \$16,500	\$450,000

**Governor:** Transfer \$466,500 in 2021-22 from the general fund to the dog licenses, rabies control, and related services program revenue appropriation. As of June 30, 2020, the appropriation had an unsupported overdraft of \$249,700. The administration indicates the amount reflects the anticipated 2020-21 year-end deficit. DATCP has initiated rulemaking to modify fees to address the ongoing imbalance in revenues and expenditures. Currently, DATCP is convening an advisory group of retail dog sellers, dog breeders, humane societies, animal control facilities, veterinarians, and breed rescue groups to assist in revising fees.

The appropriation supports: (a) regulation and licensing of animal shelters and control facilities, and dog breeders and sellers; (b) assisting local governments in administering dog licensing and rabies control laws; and (c) training and certification of humane officers. The appropriation receives revenues from: (a) fees imposed on dog sellers, shelters, and animal control facilities; (b) a portion of dog license fees paid by owners to local units of government; (c) training and certification fees associated with its humane officer training and certification program; and (d) training fees associated with rabies control programs.

**Joint Finance/Legislature:** Transfer \$450,000 in 2021-22 from the Veterinary Examining Board PR appropriation to the dog licenses, rabies control, and related services appropriation.

[Act 58 Sections: 22 and 9202(1)]

## 5. MARIJUANA REGULATION

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$454,500	3.00	-\$454,500	- 3.00	\$0	0.00

**Governor:** Create a program within the Division of Agricultural Resource Management to regulate the cultivation, processing, and testing of marijuana and tetrahydrocannabinol (THC) in Wisconsin. For these purposes, create a program revenue continuing appropriation within the Division authorized to expend all fees associated with administration of the program. Estimate the appropriation at \$203,400 in 2021-22 and \$251,100 in 2022-23 with 3.0 positions for administration of the program. Further, expand the authorization for the Department's hemp regulation appropriation to allow use of hemp program revenues to regulate marijuana. Agency regulatory functions, taxation, changes to controlled substances laws, and other items related to marijuana legalization are discussed in greater detail under "Marijuana-Related Provisions."

**Joint Finance/Legislature:** Provision not included.

## 6. INDUSTRIAL HEMP PROGRAM STAFF [LFB Paper 172]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	\$342,300	3.00	-\$342,300	- 3.00	\$0	0.00

**Governor:** Provide \$146,600 in 2021-22 and \$195,700 in 2022-23 with 3.0 permanent positions to maintain expiring project positions dedicated to industrial hemp regulation. Under 2019 Act 9, DATCP was authorized 3.0 PR project positions that expire on June 30, 2021. Positions are supported by a continuing appropriation authorized to expend all monies received from licensing, annual registration, and sampling fees paid by hemp growers and processors.

In 2018, the program's first year, DATCP issued 342 licenses and tested 309 samples. Participation increased in 2019 and 2020, with DATCP issuing 1,886 and 1,952 licenses, respectively, and testing approximately 2,200 samples each year. Standard budget adjustments delete \$212,900 PR and 3.0 PR positions each year associated with the expiring project positions. Prior to positions being provided under 2019 Act 9, DATCP administered the program using staff reassigned from other program areas.

**Joint Finance/Legislature:** Make no further changes to base staffing and funding for the program. (Under base funding and the item described under "Position Reallocation," the industrial hemp program would be authorized 2.0 positions in the 2021-23 biennium, with budgeted expenditures of \$198,200.) Require DATCP to study options for resolving the anticipated June 30, 2021, hemp program deficit of approximately \$460,000, including modifying fees, relinquishing operations to the U.S. Department of Agriculture, or restructuring program operations. Require

DATCP to report to the Joint Committee on Finance by March 30, 2022, on its recommendations for resolving the hemp program deficit.

**Veto by Governor [A-5]:** Delete provision.

[Act 58 Vetoed Section: 9102(2)]

**7. VETERINARY EXAMINING BOARD STAFF [LFB Paper 173]**

	Funding	Positions
PR	\$156,800	1.00

**Governor/Legislature:** Provide \$69,500 in 2021-22 and \$87,300 in 2022-23 with 1.0 position to support licensing and regulatory oversight functions of the Veterinary Examining Board. The Board was transferred to DATCP from the Department of Safety and Professional Services under 2015 Act 55 but has never been authorized permanent position authority to support its operations. The position would be funded from fees imposed on veterinarians and veterinary technicians regulated by the Board.

**8. BROADBAND CONSUMER PROTECTIONS**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$144,600	1.00	-\$144,600	- 1.00	\$0	0.00

**Governor:** Provide a number of requirements for broadband service providers related to access for low-income subscribers, discrimination, advertising standards, adequacy of service, and interruption of service. Provide \$64,300 in 2021-22 and \$80,300 in 2022-23 with 1.0 position to the Division of Trade and Consumer Protection to support enforcement of this provision. Funding would be derived from fees imposed on telemarketers.

*Discrimination.* Prohibit a broadband service provider from denying access to broadband service based on the race or income of residents in a service area. Specify that it is a defense for claims of discrimination based on income if at least 30% households that have access to broadband in a provider's territory are low-income. (The bill does not define low-income.) Authorize DATCP to promulgate rules to implement non-discrimination requirements. Allow the Department of Justice to represent DATCP in enforcement of this section and recover reasonable attorney fees if a court finds such discrimination. Further, allow an individual to bring suit against a provider for violation of this section, and recover reasonable attorney fees if a court finds such discrimination.

*Interruption of Service.* Require broadband service providers to repair outages of broadband service within 72 hours, except if such interruption is related to an emergency or system-wide outage. Require a provider to credit a customer for one day of service if service interruption caused by the provider exceeds four hours in a given day. For service interruptions not caused by the provider, require a provider to credit a customer for each hour of interruption, if such interruption exceeds four hours in a day. Require providers to notify customers prior to entering into an

agreement to provide service of their rights to refunds in the event of service interruption. Require providers to give notice of at least seven days for any scheduled maintenance that causes a slowdown or interruption of service. Require providers to give notice at least 10 days prior to disconnecting service, except if disconnected at the request of a customer.

*Adequacy of Service.* Authorize the Department to establish by rule minimum standards for broadband service. Require providers to disclose to potential customers any factors that cause service speed to vary, including the number of users and devices connected. Require providers to give notice of at least 10 days before any factor determining originally disclosed service speeds changes. Allow a customer to terminate service and receive a full refund if service does not meet standards established by the Department by rule within one month of notification of deficiency to the provider by the customer, beginning with contracts created, renewed, or modified after the effective date of the bill.

*Advertising and Rates.* Require providers to offer service consistent with its advertisements and representations to customers. Require providers to disclose factors that may influence service speed when it advertises its service speeds. Require providers to notify subscribers at least 30 days prior to increasing service rates.

*Rules and Penalties.* Authorize the Department to promulgate rules to administer this provision. Impose a penalty of not more than \$1,000 per violation and not more than \$10,000 per occurrence for violations of this provision. Specify a failure to notify in writing more than one subscriber of a rate increase constitutes a violation. Allow DATCP or district attorneys to bring action to enforce this provision, and authorize the Department of Justice to act on behalf of DATCP in enforcing this section.

**Joint Finance/Legislature:** Provision not included.

**9. REQUIRE LICENSE FOR RETAILERS OF VAPOR PRODUCTS**

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
GPR	\$102,400	1.00	-\$102,400	- 1.00	\$0	0.00

**Governor:** Require retailers of vapor products to obtain a license from the municipality in which they operate, as required of cigarette and tobacco product retailers under current law. Impose penalties and requirements for this provision consistent with current requirements for licensing of cigarette and tobacco product retailers. Vapor products are defined under current law as noncombustible products that produce vapor or aerosol for inhalation from the application of a heating element to a liquid or other substances, regardless of whether the product contains nicotine; the bill would modify this definition to include liquid sold separately for use in these devices. [See "General Fund Taxes -- Excise Taxes."]

Specify that this provision be effective 90 days after enactment of the bill. Provide \$102,400

beginning in 2022-23 with 1.0 position to the Division of Trade and Consumer Protection to support enforcement of this provision.

**Joint Finance/Legislature:** Provision not included.

## **10. PLACEMENT OF CIGARETTE, TOBACCO, AND NICOTINE**

**Governor:** Require retailers of cigarettes, nicotine products, and tobacco products to place such products in locations inaccessible to customers without assistance from the retailer. Exempt from this requirement products that are: (a) sold from a vending machine; (b) sold at a retail location receiving 75% or more of its revenue from sale of such products, and that prohibits entry by unaccompanied individuals younger than 21; or (c) cigars in an enclosed room that is not accessible to unaccompanied individuals younger than 21, that has separate ventilation, and that is under visual supervision or surveillance of the retailer. Impose penalties for violation of this provision consistent with current penalties for regulation of cigarettes, nicotine products, and tobacco products. Specify that this provision be effective on the first day of the seventh full month after enactment of the bill.

**Joint Finance/Legislature:** Provision not included.

## **11. UNFAIR DRUG PRICING AND ADVERTISING**

**Governor:** Prohibit unfair drug pricing practices in Wisconsin, defined as a drug pricing practice that causes, or is likely to cause, substantial injury to consumers that is not reasonably avoided by consumers or outweighed by benefits to consumers or competition. For the purposes of enforcing this provision, "drug" is defined as any drug regulated by the Pharmacy Examining Board as described under s. 450.01 (10) of the statutes, including prescription drugs, homeopathic drugs, supplements, or other substances used for the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or animals. Authorize DATCP to promulgate rules to enforce this provision. Additionally, authorize the Department to promulgate rules supporting its existing authority to regulate fraudulent drug advertising.

Specify that the Department, or a district attorney in consultation with the Department, may seek an injunction to enforce this section. Allow the Department to issue subpoenas or require documentation in investigation related to this provision. Further, allow a court to award damages to any person suffering monetary loss associated with violation of this provision.

**Joint Finance/Legislature:** Provision not included.

## **12. LANDLORD-TENANT PROTECTIONS**

**Governor:** Repeal current law prohibitions on local control related to regulation of residential rental practices, modify current law requirements related to disclosures by landlords, and repeal the authority for a landlord to terminate tenancy due to criminal activity.

Repeal prohibitions on local units of government from enacting ordinances that: (a) limit the types of information a landlord may obtain to consider a tenant; (b) prohibit a landlord from showing or renting a premises to a new tenant during the tenancy of an existing tenant; (c) impose requirements on security deposits, earnest money, or inspections that are more stringent than current law; (d) limit a tenant's responsibility for damage, waste, or neglect related to the premises; (e) require a landlord to disclose any information to tenants beyond current law requirements; (f) require a landlord to report information to the municipality beyond any required of all real property owners; (g) impose certain requirements or fees related to inspection of a rental premises; and (h) impose fees for occupancy or transfer of tenancy. Further, repeal the current prohibition on local units of government from imposing moratoria on eviction of commercial or residential tenants.

Modify provisions that require landlords, before entering into a rental agreement or accepting earnest money or a security deposit, to disclose to prospective tenants any building or housing code violation that represents a threat to the prospective tenant's health or safety, affects the dwelling unit and common spaces proposed to be rented, and that has not been corrected. Current law requires that: (a) such violations be a significant threat to the prospective tenant's health or safety; and (b) the landlord has actual knowledge of the violation. The bill would repeal the requirement that the landlord have knowledge of the violation and would repeal the condition that a violation be "significant" threat.

Repeal the authorization for a landlord to terminate a tenancy if the tenant, a member of the tenant's household, or a guest of the tenant, threatens the health or safety of other residents or the landlord, engages in criminal activity threatening the right to peaceful enjoyment of the premises, or engages in drug-related criminal activity. Specify that provisions in a lease related to termination for criminal activity contrary to current law do not render a lease invalid if the lease is for more than one year. Under current law, such provisions for termination due to criminal activity contrary to current law are invalid regardless of length of tenancy.

**Joint Finance/Legislature:** Provision not included.

### 13. ENFORCEMENT COST RECOVERY

PR	\$12,800
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**Governor/Legislature:** Provide \$6,400 in each year of the biennium for additional expenditures of revenue received from court proceedings to offset the Department's costs of enforcement of its statutorily-delegated regulatory authority. The appropriation is budgeted \$11,000 each year of the biennium, and had a balance of \$69,300 as of June 30, 2020.