



**JIM DOYLE**  
**GOVERNOR**  
**STATE OF WISCONSIN**

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March 16, 2007

TO THE HONORABLE MEMBERS OF THE SENATE:

I have approved Senate Bill 39 as 2007 Wisconsin Act 5 and have deposited it in the Office of the Secretary of State. I have exercised the partial veto in section 9248(1)(b) to effect a technical correction to the bill language.

Senate Bill 39, the fiscal year 2006-07 budget adjustment bill, addresses an anticipated budget gap in the state's general fund by making transfers and adjustments to various funds and appropriations. Specifically, the bill:

- Clarifies that the State of Wisconsin Investment Board and Department of Employee Trust Funds are subject to transfers to pay debt service on pension obligation bonds, but are not subject to lapses to the general fund for amounts otherwise in excess of actual debt service.
- Requires the Department of Administration to direct a lapse or transfer to the general fund of \$11.1 million from executive branch agencies, including the University of Wisconsin System. Of this amount, no more than \$130,700 may be allocated to the Department of Transportation.
- Creates 31.0 FTE positions and provides \$96,600 GPR for additional DNA analysis resources in the Department of Justice. This provision will enable the department to begin immediately to recruit and hire staff to address the current backlog.
- Reauthorizes 270.92 FTE positions that expire on April 1, 2007, needed for continued operation of state-owned power and waste water treatment plants.
- Transfers \$1.5 million from the agricultural management fund and \$1.5 million from the recycling fund to the general fund.
- Increases funding needed for the ongoing operations of the Department of Corrections by \$62.3 million, including the transfer of \$19.4 million from the Joint Committee on Finance supplemental appropriation.
- Based on caseload and spending reestimates, decreases funding appropriated for state foster care and adoption services at the Department of Health and Family Services by \$3.1 million, the state's share of Medical Assistance by \$69.7 million and for prescription drug assistance by \$15.7 million.

- Increases funding for the BadgerCare health care program by \$5.5 million.
- Directs a lapse to the general fund of \$8 million from the Office of the Commissioner of Insurance.
- Increases conservation funding for payment of debt service costs for state forest acquisitions by \$10.6 million.
- Increases funding for Public Defender Board's payment of private bar and investigator reimbursements by \$9.7 million.
- Increases the allocation for the Wisconsin Shares child care services program from federal Temporary Assistance for Needy Families (TANF) funding by \$30 million and decreases the allocation for the earned income tax credit by an equal amount. Funding for the earned income tax credit will increase by \$30 million GPR as a result. This action, in conjunction with administrative changes being implemented by the Department of Workforce Development, is expected to fully fund the Wisconsin Shares program in this fiscal year.
- Amends a provision in 2005 Wisconsin Act 25 that requires the elimination of 13 FTE attorney positions in the executive branch on June 30, 2007, instead, eliminating these positions on June 30, 2009.
- Authorizes an additional \$375 million to refund existing general obligation bonds at lower interest rates.
- Addresses an anticipated deficit in the transportation fund by authorizing the Joint Committee on Finance, in fiscal year 2006-07, to lapse to the transportation fund any amount requested by the Department of Transportation from the unencumbered balances of appropriations. As part of a plan submitted by the department to the committee, the department shall identify \$4 million in lapses from its state operations appropriation under s. 20.395(4)(aq) and shall make a corresponding reduction of in any amount requested for lapse from the state highways rehabilitation appropriation under s. 20.395(3)(cq).

I am partially vetoing section 9248(1)(b) because it is too restrictive and does not correctly reflect the intent of the Legislature, as stated in a letter sent to me by legislative leadership. Specifically, the partial veto would allow the department to identify \$4 million in lapses from any of its state operations appropriations by removing the requirement to identify the lapse from only the appropriation under s. 20.395(4)(aq), Wisconsin Statutes. The partial veto will not affect the requirement that the \$4 million identified to lapse from state operations appropriations reduce the amount that the department requests to lapse from the appropriation under s. 20.395(3)(cq), Wisconsin Statutes.

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The partial veto will not result in any changes to the fiscal impact of the act but will allow the Department of Transportation to submit a plan to the Joint Committee on Finance that identifies \$4 million in lapses from its state operations appropriations and allows the department to continue to operate its programs effectively and efficiently.

Respectfully submitted,

JIM DOYLE  
Governor