



# Tony Evers

OFFICE OF THE GOVERNOR

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To the Honorable Members of the Senate:

I have approved Senate Bill 70 as 2023 Wisconsin Act 19 and deposited it in the Office of the Secretary of State.

During my first term as Governor, I proudly signed two biennial budgets that made generational investments in key areas that had long been neglected while using my broad, constitutional veto authority to improve the budgets sent to me by Republicans in the Legislature. We have accomplished a great deal over the last four-plus years, making down payments and providing historic increases in support for kids, families, and communities across our state. We have invested in our shared priorities, including schools and education; delivering tax relief for working families; increasing access to affordable healthcare; fixing our roads and bridges; supporting our small businesses, veterans, farmers, and agricultural industries; expanding high-speed internet; addressing climate change and protecting our natural resources; and bolstering our workforce to maintain our economic momentum. As I take action on the first biennial budget of my second term, I am proud to build upon this important work today.

In Wisconsin's 175-year statehood, we have never begun a biennial budget process in a better fiscal position. Since I have been Governor, after 30 years of enduring Accepted Accounting Principles (GAAP) deficits, we have had three consecutive fiscal years with a positive GAAP balance and ended fiscal year 2021-22 with a record-setting \$4.64 billion balance. We attained—and have maintained—our state's first underlying AAA bond rating from a rating agency in decades. We have paid down existing debt; we have reduced our reliance on bonding by nearly \$400 million annually; we reduced our total long-term debt obligations by \$365 million in fiscal year 2021-22 alone compared to the prior year. Finally, we have aggressively refunded our existing debt to achieve overall present value savings of over \$465 million.

We have had the lowest unemployment rate in state history, and we have had the highest number of people employed ever in our state's history. Our Budget Stabilization ("rainy day") Fund is at the highest level ever—a record-setting \$1.8 billion, which is more than five times larger than it was when I took office. And, yes, we began this biennial budget process with the largest surplus in state history.

We have gotten to work these last four years making smart, strategic investments—and our economy shows it. So, we began this biennial budget process with an historic opportunity, and with it, historic responsibility—not to be careless or reckless, but to save where we can and stay well within our means while still investing in needs that have long been neglected to protect the future we are working hard to build together.

In many ways, Republicans in the Legislature have failed to meet this historic moment, sending my budget back to my desk absent critical investments in key areas

that they know—and publicly acknowledge—are essential to the success of our state, all while providing no real justification, substantive debate, or any meaningful alternative. That decision is, to put it simply, an abdication of duty.

State funding for high-speed broadband. Affordable and accessible child care. Substantial categorical aid increases for our schools. Fully funded universal school breakfasts and lunches. Investing in our University of Wisconsin and Wisconsin Technical College Systems. Targeted tax relief for caregivers, parents, seniors, and veterans and their spouses. BadgerCare expansion. Expanded paid family leave. Legalizing and taxing marijuana much like alcohol. Investments in community-driven solutions to our workforce challenges. These aren't controversial concepts; my budgets have always been about pragmatism and solutions, not wish lists or politics, from the beginning.

I understand that, in light of these short-sighted decisions, there are those who would have me veto this budget in its entirety—to send the Legislature back to the drawing board to start from scratch. Vetoing this budget in full would mean abandoning priorities and ideas that I have spent four years advocating for; it would mean leaving schools and communities in the lurch after rightfully securing historic increases for the first time in years; it would mean forgoing the first real and substantive Republican effort to address PFAS after years of inaction; it would mean forfeiting the one of the largest investments in workforce housing in state history; it would mean deserting our justice system and state workforces, our tourism industries, our farmers and producers, and our veterans, among others.

While Republicans in the Legislature might be perfectly comfortable abdicating the duty we share with the historic opportunity and responsibility before us in pursuit of political favor and partisan praise, I am not.

My allegiance has been and always will be to the people of this state—Wisconsinites to whom I have pledged to always try do the right thing and to make difficult decisions when it matters most. That pledge and my obligation as Governor are why I am enacting this budget with substantial improvements today.

In addition to the critical efforts to expand access to affordable housing statewide, address PFAS in our water, and make historic investments in communities across our state, I am also pleased this budget provides substantial and well-deserved increases in compensation for correctional officers, youth counselors, psychiatric care technicians, assistant district attorneys, and public defenders; uses our surplus funds to support our Capital Budget to reduce the need to authorize new bonding and future debt service costs; provides sizeable investments in tourism marketing and advertising initiatives; and includes the resources necessary to continue our work fixing our roads and making sure our infrastructure is built for a workforce and economy of the 21st century.

But even as I am glad the Legislature joined me in making critical investments in several key areas, the fact remains that this budget, while now improved through strategic vetoes, remains imperfect and incomplete.

Of urgent concern to me as Governor is that while this budget makes some critical investments to help support some portions of our state's workforce, Republicans returned this budget to me without critical components of my comprehensive plan to address the workforce challenges that have already plagued our state for generations and will continue to without further action.

The Legislature must make the substantial investments necessary to stabilize our state's child care industry and ensure child care is affordable and accessible so we can keep parents in our workforce. Failing to do so will cause calamitous consequences for employers, our workforce, and our state's economy. And, yes, that means the Legislature should also expand paid family leave; invest state resources in high-speed internet; provide targeted support for new, innovative, and high-need areas and industries across our workforce; and make substantial investments in education at every level, including our higher education institutions. These efforts, among other key provisions I included in my proposed biennial budget, are essential for maintaining our economic momentum and retaining and recruiting talented workers across our state.

So, today, I am giving the Legislature a second chance. I am using my broad, constitutional veto authority to ensure ample state resources are readily available for the Legislature to complete their work on this budget—to do the right thing, to rise to meet this moment of historic opportunity and responsibility, and to focus on passing real solutions for the urgent challenges facing our state.

The following is an abbreviated summary of items in this budget, which includes my vetoes ensuring state resources necessary remain readily available for the Legislature to finish its work on this biennial budget in the months ahead:

## **INVESTING IN WHAT'S BEST FOR KIDS**

### DEPARTMENT OF PUBLIC INSTRUCTION

Building on our historic progress in fully funding our public schools, this budget and 2023 Wisconsin Act 11 provide an overall increase of nearly \$1.2 billion in spendable authority for public school districts, including state categorical aids. This increase will be more than ten times larger than what the increase in spendable authority was for public school districts in the 2021-23 biennium.

While this is progress compared to the last biennium, this budget is well short of my proposed level of spending for our schools. We must continue to work to prioritize school funding during this biennium and into the future. This budget is an important step toward meeting our ultimate goals for our schools and our kids.

- The 2023-25 biennial budget increases the level of state support from 67.8 percent in fiscal year 2022-23 to an estimated 68.8 percent in fiscal year 2023-24 and 69.4 percent in fiscal year 2024-25. These will be the highest levels of state support for school districts since the calculation was initiated in fiscal year 1996-97 under the state's former "two-thirds" funding goal.

- This historic investment is generated by a \$325 per pupil increase on revenue limits in each fiscal year, in addition to an increase in the low revenue ceiling from \$10,000 to \$11,000 per pupil in the first year of the biennium. This is the largest increase in statewide revenue limit authority since revenue limits were first imposed on K-12 schools in 1993-94, and it is permanent and base-building.
- Through my veto, in future biennia and effectively in perpetuity, school districts will have continued, additive per pupil revenue adjustments of \$325 every year, sustaining school district spending for years to come. This veto provides school districts with a level of budgeting certainty that they have not experienced since the statutory indexing mechanism for the adjustments was deleted in 2009-10.
- These record-high per pupil revenue limit increases also have the potential to take the burden off community members when it comes to school funding, as it reduces the need for districts to seek operating referenda.
- Estimates show more than half of the state's 421 school districts would be able to use the low revenue ceiling increase in fiscal year 2024-25, meaning that countless students across the state will be able to attend schools that are better able to ensure that they have the staff, facilities, and resources they need to succeed.

- Every kid has the right to a quality education, regardless of their ability, yet Wisconsin, like many other states across the nation, has faced a special education staffing crisis. This budget:
  - Provides \$97 million GPR over the biennium to achieve a special education reimbursement rate of 33.3 percent each year, which is the highest reimbursement rate our state has seen in over 20 years; and
  - Invests \$4.6 million GPR over the biennium for high-cost special education aid, increasing the reimbursement rate of these programs from its current 39.5 percent to 45 percent in 2023-24 and 50 percent in 2024-25. This aid helps school districts pay a portion of their eligible special education costs for pupils with specific and elevated educational needs.
  
- Wisconsin’s strength lies in its diversity, which is why this budget provides \$3 million GPR over the biennium for bilingual-bicultural aid. This will be the largest biennial increase in bilingual-bicultural aid in at least 30 years, ensuring that English language learners are properly supported and receive an education that addresses their specific language needs.
  
- Wisconsin’s students can’t succeed in the classroom if they can’t get to school, which is why this budget provides \$5.9 million GPR over the biennium to increase the reimbursement rate for high-cost transportation aid to 75 percent in each year and increases the state reimbursement rate to districts transporting students 12 miles to and from school from \$375 to \$400,

beginning in fiscal year 2023-24. These investments will provide better access to school transportation to students in rural and isolated areas.

- I have been working to address literacy issues since long before being elected Governor, and improving reading outcomes remains a top priority for me. This budget makes a significant investment in improving our kids' reading skills by providing \$50 million GPR to fund a new literacy initiative.
- Earlier this year, I declared 2023 the Year of Mental Health in Wisconsin because I know our kids can only achieve their full and best potential when they can bring their full and best selves to the classroom. To address the mental health crisis facing our kids, this budget provides \$30 million GPR over the biennium to continue funding for school-based mental health modeled on my "Get Kids Ahead" initiative, helping schools provide needed mental health services to their pupils through community partnerships.
- The budget increases state funding by \$1.2 million GPR over the biennium to fully fund the state's sparsity aid program for eligible districts in both fiscal year 2023-24 and fiscal year 2024-25.
- The budget increases state funding by \$14 million SEG over the biennium for school library aids.

## DEPARTMENT OF CHILDREN AND FAMILIES

Doing what is best for our kids includes working to ensure kids and families have access to quality, affordable child care and every kid can grow up in a safe, nurturing home. The 2023-25 biennial budget makes critical investments to support the Department of Children and Families in achieving these goals.

- The Wisconsin Shares program has provided countless Wisconsin families access to quality child care, and this budget allocates over \$53 million in Temporary Assistance for Needy Families funds (TANF) in fiscal year 2023-24 and \$71.2 million TANF in fiscal year 2024-25. This funding will ensure the program meets the federal child care funding requirements, in addition to waiving copays for families under 100 percent of the federal poverty level.
- Wisconsin families deserve quality care for their kids, which is why this budget invests \$30 million TANF over the biennium into the state's YoungStar program so that child care providers have the resources to keep their doors open and keep improving their quality of care.
- As a result of a partial veto, this budget provides \$15 million in fiscal year 2023-24 at the Wisconsin Economic Development Corporation that can be used for grants to child care providers.

- The budget provides \$875,000 TANF over the biennium for Tribal child care contracts in order to support recruitment, retention, and expansion of child care providers in Tribal areas.
- The Wisconsin Early Education Shared Services Network (WEESN) has created cross-sector partnerships that strengthen early care and education programs throughout the state. This budget allocates \$2.5 million TANF in fiscal year 2024-25 to support the development and expansion of WEESN and the work it does to provide free administrative services to regulated child care programs across the state.
- Social emotional learning (SEL) plays a critical role in a child’s development, which is why this budget invests \$535,000 TANF annually for SEL training and technical assistance to child care providers with the goal of reducing instances of kids being removed from daycare for behavioral issues.
- This budget, as impacted by a partial veto, provides an additional \$5 million TANF in fiscal year 2024-25 for the TEACH and REWARD programs to ensure we can maximize funding for the approaches that will best develop and retain early childhood educators.
- This budget provides \$1.3 million TANF annually to increase funding for child care resource and referral services, which extend a vital lifeline to countless families across the state.

- This budget invests more than \$1.4 million TANF over the biennium to move the child care licensing application process online, making the licensing process more efficient and helping more providers open their doors.
- This budget provides an increase of \$5 million TANF in fiscal year 2023-24 to Boys and Girls Clubs so that they may continue to improve the social, academic, and employment skills of kids in our state.
- This budget provides additional funding to increase Caretaker Supplement benefit payments to \$275 for the first child and \$165 for each additional child. This adjustment will take effect July 1, 2023.
- This budget increases funding to child support agencies by \$5.9 million all funds in fiscal year 2023-24 and \$14.7 million all funds in fiscal year 2024-25 to allow the agencies to improve their systems of collecting delinquent child support.
- This budget provides more than \$22 million all funds in fiscal year 2024-25 to continue the Child Support Modernization IT project, which aims to implement a flexible, updated, and better supported child support system so that Wisconsin can continue meeting federal performance standards and more quickly and easily accommodate changes in the child support landscape.
- This budget increases foster care age-based rates by 5 percent.

- Kinship care is an integral part of the state’s child welfare system that helps maintain familial relationships when possible. To ensure this kind of care remains possible, this budget provides \$277,400 TANF in fiscal year 2023-24 and \$4.2 million TANF in fiscal year 2024-25 to re-estimate kinship care costs and increase payment rates from \$300 per month to \$375.
  - Further, this budget provides \$8,600 all funds in fiscal year 2023-24 and \$17,100 all funds in fiscal year 2024-25 to increase child-specific foster care payments from \$300 per month to \$375 per month.
  
- The Wisconsin Statewide Automated Child Welfare Information System (eWiSACWIS) is integral to the state’s child welfare system, which is why this budget allocates more than \$2.6 million all funds in each fiscal year to make necessary improvements to the system.
  
- This budget allocates nearly \$1.2 million FED in each year of the biennium to develop a youth justice data and reporting system.
  
- The Department of Children and Families received a one-time investment in the 2021-23 biennial budget to conduct trainings for congregate care providers. This budget continues to fund this training by providing the agency with \$200,000 all funds in each fiscal year.
  
- Ensuring the continued integrity and protection of child welfare and child care data is a priority for the state, which is why this budget allocates nearly

\$1.2 million all funds in each fiscal year to support the Department of Children and Families' critical cybersecurity efforts.

- This budget provides \$2 million FED in each year to the Department of Children and Families to distribute to Children's Wisconsin for a statewide, online parenting support program, namely the Positive Parenting Program (Triple P).
- This budget also provides \$500,000 GPR in each fiscal year to increase grants made by the Child Abuse and Neglect Prevention Board to support child well-being, including through the Positive Parenting Program (Triple P).
- This budget provides \$500,000 GPR in each fiscal year to increase grants made by the Child Abuse and Neglect Prevention Board to support family resource centers that serve families across the state.

## **STRENGTHENING OUR ECONOMY & FUTURE WORKFORCE**

### TAXES AND ECONOMIC DEVELOPMENT

Over the course of my first term, I have been proud of our efforts to support our workforce and deliver tax relief to working families, including enacting one of the largest tax cuts in state history, to deliver \$1.4 billion annually to taxpayers. This budget builds on this important work.

- This budget provides additional tax relief to working families by reducing the individual income tax rates for the bottom two income tax brackets to provide \$175 million of individual income tax reductions over the 2023-25 biennium. By cutting the bottom two tax rates further, this budget continues responsible individual income tax reductions, which now total nearly \$1.5 billion annually since 2019.
- To spur additional investment in this state, the state is increasing the refundable share of the research credit from 15 percent under current law to 25 percent beginning in tax year 2024. This increase will provide an incentive for critical research and development spending by Wisconsin businesses that will improve their competitiveness and help develop new products.
- We must continue to attract big events to Wisconsin. Recent successes include hosting the 2020 Democratic National Convention, the 2021 Ryder Cup, the 2024 Republican National Convention, and the 2025 NFL Draft. To keep this momentum, Wisconsin is investing \$10 million for the creation of an event and opportunity promotion fund administered by the Wisconsin Economic Development Corporation to attract large scale events.
- This budget fosters entrepreneurship by investing \$25 million in the Badger Fund of Funds program overseen by the Department of Administration. This significant investment is aimed at continuing to further develop Wisconsin's start-up business ecosystem. Improving Wisconsin's entrepreneurial environment is vital to the state's economic success, especially in high-growth

industries in medical and informational technologies. As a result of my partial veto, the additional \$25 million provided by this budget will be evergreen, allowing these new funds to continue to be invested in our state's entrepreneurs.

- Wisconsin is continuing to build on our successes in attracting and investing in our businesses through a provision in this budget incentivizing business investment by providing an income exclusion on commercial lending by excluding interest earned on commercial loans under \$5 million from state taxation.
- This budget provides \$590 million in property tax relief through increases in the existing School Levy Tax Credit over the upcoming biennium.
- This budget ensures that typical property tax bills in Wisconsin will be held below the rate of inflation over the coming biennium.
- In recent years, Wisconsin has been lagging behind midwestern states in the funds that we dedicate to tourism marketing. This budget provides \$34 million over the biennium to raise Wisconsin's profile across the country as a premier business, cultural, and recreational destination. This is the largest increase in state history in marketing and advertising funds for the Department of Tourism, and with this investment the department will be able to will run a competitive marketing campaign and keep pace with our neighboring states.

- Of these funds, \$3 million over the biennium will be used for grants to “Discover Green Bay” and “Visit Milwaukee” to help capture the attention of the thousands of folks that will attend the 2025 NFL Draft and 2024 Republican National Convention and to show all the wonderful entertainment opportunities Wisconsin has to offer.
  
- Tourism is an important part of our Wisconsin economy and art tourism is equally as important. That is why it is vital to fund the arts in this budget. Wisconsin will invest \$552,500 over the biennium in the Wisconsin Arts Board. This funding is crucial in order to maximize the federal match funding available through the National Endowment for the Arts grants. These funds will continue supporting the tremendous work of individuals and organizations engaged in the arts.

#### SUPPORTING OUR WORKFORCE

- Investing in the next generation of Wisconsin workers is critical to the future success of our state. This budget invests \$7 million over the biennium for the youth apprenticeship program, which gives high school juniors and seniors an opportunity for career exploration and skills development.
  
- Modernization of technology is crucial for the Department of Safety and Professional Services (DSPS) to continue offering efficient and quality service for professional licensing. This budget upgrades and enhances department information technology systems, subscriptions, and equipment by providing

\$6.7 million over the biennium. This will allow DSPS to continue effective operation of credentialing and building plan review and permitting software as well as call center functions, ultimately supporting job growth and economic development.

- The budget provides 7.0 FTE positions to allow DSPS to bolster the improvements the department already has made on license processing efficiency, which in turn helps our state's workforce and our economy by getting people into jobs and providing critical public services faster. These additional positions make progress toward the resources the department needs.
- In order to meet substantially increased public demand for assistance with license and credential application processes, the budget provides 6.0 FTE customer service positions to ensure more customer calls are answered in a timely fashion.
- The budget will increase capacity for DSPS to conduct building plan reviews by providing the department with \$465,200 and 3.0 FTE positions. This will help the department review building plans and related inspections quickly and accurately, which will keep building project workers in jobs and decrease project costs.
- The budget will provide DSPS with increased spending authority of \$100,000 in fiscal year 2023-24 to develop an assured provider pilot program to modernize the continuing education certification process for realtors.

- To continue support for the successful youth firefighter training grant program and increase the number of volunteer firefighters in the state, the budget provides DSPS with \$75,000 in each year of the biennium.

## HIGHER EDUCATION

- As part of the state's building program, the following University of Wisconsin (UW) System projects are enumerated:
  - UW-Eau Claire Science/Health Science Building
  - UW-Madison Camp Randall Sports Center Replacement
  - UW-Stout Heritage Hall
  - UW-Oshkosh Donner-Webster Residence Halls
  - UW-La Crosse Center for the Arts Parking Ramp and University Police Building addition
  - UW-Stevens Point Champions Hall
  - UW-Oshkosh Gruenhagen Conference Center
- In addition, the budget provides project planning funds for UW-Milwaukee and UW-Whitewater to ensure important building projects on those campuses continue to progress.
- The budget also sets aside \$32 million for the UW System in the Joint Committee on Finance supplemental appropriation, allowing the UW System to

request funding during this biennium. This funding is critical to maintaining affordable access to higher education for Wisconsinites, and I encourage the Legislature to promptly release these funds to the UW so that the system can continue its important mission of educating Wisconsinites and bolstering our workforce.

- As a result of my partial veto, the UW System retains 188 positions related to diversity, equity, and inclusion at campuses across the state.
- The Wisconsin Technical College System (WTCS) plays a critical role in bolstering our state's workforce or our economy. Wisconsin is increasing general aid to the system by providing \$9.38 million over the biennium to train Wisconsin's workforce of the future.
- The highest demanded industries require an additional investment in order to get Wisconsinites the skills and allow folks to fill good-paying, family-sustaining jobs. The budget bolsters the Workforce Advancement Training grants by providing an additional \$2 million over the biennium for skilled worker training. These grants are for high demand industries, and additional resources will help provide a relief valve for employers' demand for skilled workers.
- Providing a quality and affordable education to Wisconsin residents is one of the highest priorities of the WTCS. Books and other educational resources are expensive and cost prohibitive to many families. Wisconsin will invest \$3 million over the biennium to provide grants to technical colleges to create open

educational resources and course materials. This will allow students to access the material and will help to address the rising prices of textbooks and other resources for students.

- This budget strengthens the state’s health care workforce pipeline in the areas of dentistry and oral hygiene by providing \$20 million GPR in the Joint Committee on Finance supplemental appropriation for grants to technical colleges to expand and enhance related offerings.

#### AGRICULTURAL DEVELOPMENT

- Provides \$1 million GPR in each year to help build Wisconsin’s agricultural brand in international markets and increase agricultural exports through the Wisconsin Initiative for Agricultural Exports program (WIAE). This initiative aims to boost the export of dairy, meat, crop, and other agricultural products by 25 percent by June 2026 and allows the Department of Agriculture, Trade and Consumer Protection (DATCP) to have flexibility to respond and react to changing market conditions.
- Invests an additional \$300,000 GPR in each year to increase the available funding for the Dairy Processor Grant program. Increasing our state’s dairy processing capacity is critical for farmers to ensure their high-quality milk can be processed into numerous products like cheese, yogurt, and other products. This program provides grants up to \$50,000 to help foster innovation, improve profitability, and sustain the long-term viability of Wisconsin’s dairy processing

facilities. In May 2023, DATCP announced 21 dairy companies receiving a total of \$400,000 in Dairy Processor Grant awards.

- Bolsters the Meat Processor Grant program with an additional \$1.6 million in fiscal year 2023-24. This program strives to grow Wisconsin's meat industry and improve the long-term viability of the livestock sector through services to meat processing facilities. Meat Processor Grants are available to new or existing processors to facilitate changes and expansion to grow harvest capacity and/or increase product throughput. These facilities are crucial in producing various award-winning Wisconsin meat products like sausage and jerky.
- Allocates \$538,800 GPR in fiscal year 2023-24 and \$541,400 GPR in fiscal year 2024-25 to meet federal expenditure requirements for the meat inspection program. These inspections help ensure the meat products consumed by Wisconsinites are produced safely and match nutrition claims found on food labels.
- Provide \$100,000 GPR in each year for mental health assistance to farmers and farm families. Farming brings unique challenges including unpredictable weather, uncertain and volatile markets, and labor shortages. While stress is a part of life, prolonged and increasing amounts can negatively impact overall wellness, even leading to depression or anxiety. This crucial funding enables farmers and farm family members to attend in-person counseling services from a participating mental health provider in their local area at no cost.

## **SUPPORTING HEALTHIER WISCONSINITES**

I believe that every Wisconsinite should have access to quality, affordable healthcare, and that the health and well-being of our state and our economy depend on the health and well-being of our communities. Over the past four years, I have worked to expand access to healthcare, and the 2023-25 budget makes critical investments to continue safety net programs like FoodShare, increase Medicaid reimbursement rates for healthcare providers, improve access to mental and behavioral healthcare, and bolster the healthcare workforce.

### HEALTH SERVICES AND LONG-TERM CARE

This budget:

- Increases Medicaid funding for hospitals by \$236 million all funds over the biennium through increased base Medicaid reimbursement, Disproportionate Share Hospital payments, rural critical care supplemental payments, Medicaid reimbursement for hospital behavioral health units, and funding for graduate medical education.
- Increases Medicaid reimbursement rates by \$149 million all funds over the biennium for primary care services, emergency physicians, and chiropractic services.

- Provides \$5 million GPR in the Joint Committee on Finance supplemental appropriation to establish a general dentistry residency program for the Marquette Dental School.
- Increases allied health professional training grants by \$5 million GPR on a one-time basis over the biennium and expands grant eligibility to include training for registered nurses.
- Provides \$300,000 GPR over the biennium to support the Surgical Collaborative of Wisconsin and its work promoting best practice, better data collection, and stronger relationships between communities and the healthcare industry.
- Allocates funding to administer a certified public expenditure program for public ambulance service providers.
- Fully funds vital safety net programs such as Medicaid, SeniorCare, the Wisconsin Funeral and Cemetery Aids Program, and the Wisconsin Chronic Disease Program, ensuring Wisconsinites with the greatest need have access to care.
- Provides \$10 million GPR over the biennium in the Joint Committee on Finance supplemental appropriation to establish up to two crisis urgent care and observation centers that will do the following:
  - Serve as regional crisis receiving and stabilization facilities,

- Offer seamless transitions between levels of services offered at the centers,
- Arrange for the transfer to more appropriate treatment options as needed,
- Coordinate the connection to ongoing care, and
- Promote the effective sharing of information between providers to improve service delivery and patient outcomes.

Beyond providing access to these additional services, the centers will help reduce the amount of time law enforcement and first responders currently must dedicate to emergency detention cases by offering a dedicated first responder drop-off location that accepts custody of emergency detention cases and does not require that medical clearances be completed before drop-off.

- Allocates \$750,000 GPR annually for free and charitable clinics, allowing these clinics to continue providing their vital services to Wisconsinites in need of care.
- Provides \$2 million GPR over the biennium in the Joint Committee on Finance supplemental appropriation to establish a telemedicine crisis response pilot program in order to provide faster and more efficient care.
- Provides \$60.5 million all funds in fiscal year 2023-24 and \$67.7 million all funds in fiscal year 2024-25 for the administration of the Medicaid and FoodShare programs.

- Fully funds the county income maintenance consortia, the FoodShare Employment and Training program, and the Supplemental Security Income program and Caretaker Supplement.
- Provides \$230 million all funds in each fiscal year to reinsure high-cost individuals across all health insurance exchanges, in addition to fully funding the Wisconsin healthcare market. This provision helps stabilize the individual healthcare market and lower premiums for all Wisconsinites.
- Provides \$76,300 PR in fiscal year 2023-24 and \$101,600 PR in fiscal year 2024-25 to the Office of the Commissioner of Insurance to support 1.0 FTE PR position in the Division of Market Regulation. This position will manage the increased regulatory responsibilities in areas such as licensure application reviews and renewals, rate and form filings and reviews, consumer complaints, and expanded consumer outreach.
- Provides \$214,800 PR in fiscal year 2023-24 and \$286,400 PR in fiscal year 2024-25 to the Office of Commissioner of Insurance to support 3.0 FTE PR positions in the Division of Financial Regulation. These positions will manage increased regulatory duties and complexity, implement legislation, and continue to meet state accreditation requirements to maintain Wisconsin's reputation as a trusted insurance regulator.
- Restores funding for the Office of the Commissioner of Insurance's general program operations.

- Fully funds the Board on Aging and Long-Term Care’s Medigap Helpline, which provides seniors with information on the health insurance options available to them.
- Provides \$225.7 million all funds over the biennium to continue the 5 percent rate increase for home and community-based services that were implemented using the federal funds provided to the Department of Health Services through the American Rescue Plan Act. This continuation not only ensures that home and community-based care providers can stay in business, but Wisconsinites can continue to receive the vital care they need.
- Provides \$38.4 million all funds over the biennium to increase the direct care and services portion of the Family Care capitation rate, which will further support access to in-home care.
- Increases the amount of funding individuals living in skilled nursing facilities are able to retain for personal needs from \$45 to \$55 per month.
- Provides \$146.4 million all funds over the biennium and requires the Department of Health Services to implement a priced rate for nursing home support services based on the median facility cost plus 25 percent.
- Provides \$31.2 million all funds over the biennium to exclude provider incentive payments from the profit limitation in support services. Allowing these incentive

payments to be excluded means that providers can focus on the quality of care they provide, rather than the quantity of patients.

- Provides \$10 million all funds over the biennium to increase the ventilator dependent resident reimbursement rate for nursing home care from \$726 to \$926 per day. This \$200 per day increase makes it easier for nursing homes to provide the highest quality of care to their most complex residents.
- Provides \$2.5 million GPR in fiscal year 2023-24 and more than \$5 million GPR in fiscal year 2024-25 to increase funding for Aging and Disability Resource Centers, which serve as a vital bridge between Wisconsin families and systems of care.
- Provides \$5 million GPR in fiscal year 2023-24 in the Joint Committee on Finance supplemental appropriation to create a complex patient pilot program to assist hospitals in finding long-term care placements for complex patients.
- Provides \$1 million GPR in each year to increase funding for adult protective services.
- Provides \$2 million GPR in fiscal year 2024-25 to fund the WisCaregiver Career Program to help address the state's shortage of certified nursing assistants.

- Provides \$225,000 GPR annually to increase funding for home delivered meals that provide countless Wisconsinites across the state with the vital nutrition they need to thrive.
- Provides \$2.5 million GPR in each year in the Joint Committee on Finance supplemental appropriation to support the state's veterans homes, as needed, so that these vital facilities can retain staff, address building and operational needs, and provide the quality of care that our state's veterans deserve.
- Requires the Department of Veterans Affairs to contract with a vendor to study the Wisconsin Veterans Homes during the upcoming biennium to ensure that our state's veterans are receiving quality care.
- Allocates \$330,200 SEG in each year to increase funding for grants to county and Tribal veterans service offices by 25 percent, ensuring that Wisconsin's more than 300,000 veterans have access to vital services regardless of their ZIP code.
- Provides \$3.5 million GPR in each year of the biennium to the Medical College of Wisconsin to support the recruitment and training of psychiatry and behavioral health residents throughout Wisconsin.

## STATE BUILDING COMMISSION

Part of ensuring Wisconsinites have access to healthcare is ensuring we have the infrastructure needed to provide quality, affordable care. Using our state's historic GPR surplus, this budget:

- Provides \$17.7 million SEG to improve the patient admissions area at Winnebago Mental Health Institute. This project will create a new intake and assessment area and a new 12-patient bed wing, which will accommodate increasing admissions and provide space to more efficiently observe, diagnose, and determine placement of patients in the facility.
- Provides \$10.7 million SEG to assist with the cost of construction and equipment upgrades for the Marquette University School of Dentistry. The expansion will help increase the supply of dentists in the state, improving accessibility to dental care and improving dental health outcomes.
- Provides nearly \$4.8 million SEG from the state's historic surplus to assist with the expansion costs of the Children's Hospital Dental Center. This expansion will improve access to dental care for our kids, contributing to healthier kids with healthier smiles and reducing the burden on the state's urgent and emergency care departments, which will in turn lower overall dental care costs.

## HOUSING

Access to safe, reliable, and affordable housing is a critical part of supporting Wisconsinites' life-long health and well-being—from providing shelter from extreme weather and cold winters to ensuring individuals working to overcome a substance use disorder have a safe place to focus on recovery. To increase the supply of safe, affordable housing and help address the workforce shortages impacting our state, this budget:

- Provides \$50 million in one-time funds to the Wisconsin Housing and Economic Development Authority (WHEDA) which, as a result of a partial veto, can be used to support a housing rehabilitation program to offer grants or forgivable loans to low- to moderate-income households to renovate or repair their current home and address hazards like lead and mold.
- Invests \$275 million in one-time funds for the newly created Residential Housing Infrastructure Revolving Loan Fund at WHEDA to provide low-interest loans that support the creation of new affordable and senior housing.
- Provides \$100 million in one-time dollars to fund the newly created Main Street Housing Rehabilitation Revolving Loan Fund at WHEDA to provide low-interest loans to improve rental workforce housing on the second or third floor of existing buildings.

- Allocates \$100 million in one-time funding for the newly created Commercial-to-Housing Conversion Revolving Loan Fund at WHEDA to provide low-interest loans for the conversion of vacant commercial buildings to new residential developments of workforce or senior housing.
- Increases the limit on notes and bonds that WHEDA can issue that are secured by a capital reserve fund from \$800 million to \$1 billion to continue to finance projects supported with an allocation of state and federal housing tax credits.

## **BUILDING STRONG, SAFE COMMUNITIES**

As Governor, I have made fixing our roads, improving our infrastructure, and investing in our local communities a top priority, and this commitment remains unchanged in my second term. This budget continues to invest in these priorities.

## LOCAL GOVERNMENT AND SHARED REVENUE

For too long, the state has asked local communities to do more with less, forcing local partners to make difficult decisions to cut critical services, including fire and EMS. While the revenue Wisconsin sends back to our communities had been held flat for years, costs to operate local governments have increased. Local partners should have the resources they need to meet basic and unique needs alike. This budget, in combination with 2023 Wisconsin Act 12, finally addresses the dire need for increased shared revenue and funding to local emergency services.

- 2023 Wisconsin Act 12 is a historic piece of legislation that reflects a bipartisan compromise to address the dire need for increased shared revenue and funding to local emergency services. This budget funds the funding structure that was created in Act 12 and provides a \$275 million boost to state aid to localities by funding the supplemental county and municipal aid program. This momentous investment in local communities across Wisconsin includes a \$68 million increase in aid for counties and a \$207 million increase in aid for municipalities in fiscal year 2024-25, representing a 36 percent increase over current county and municipal aid entitlements.
- The legislation provides additional aid to counties and municipalities in fiscal year 2025-26 and beyond by linking both current and supplemental county and municipal aid to the growth rate in the state sales tax.
- The legislation seeks to incentivize local governments to provide the most efficient and cost-effective ways to deliver county and municipal services by providing up to \$300 million in innovation grants.
- The budget provides \$173.8 million in aid payments to local governments to hold them harmless from Act 12's repeal of the burdensome personal property tax.
- The budget provides \$4 million to boost utility aid payments to counties and municipalities for the presence of production plants that generate power using alternative energy or are located on or adjacent to brownfields.

- The budget improves our emergency services network by increasing funding for the Department of Military Affairs' Public Service Answering Point (PSAP) grants by \$12 million in fiscal year 2024-25. This budget also increases funding for the Next Generation 911 GIS grants by \$4.5 million in fiscal year 2024-25.
  
- This budget increases funding for Department of Justice law enforcement training grants by \$2.3 million by providing \$8.8 million annually from the new Local Government Fund.
  
- When a crisis occurs, we need our ambulance service providers to respond quickly and have all the necessary equipment to provide lifesaving care. This budget increases the Department of Health Services' emergency medical services funding assistance grant program by \$22.8 million by providing \$25 million annually from the new Local Government Fund.
  - The budget also expands the eligibility for the Department of Health Services' emergency medical services grants to include emergency medical responder departments and allows the use of grants to include nondurable and disposable medical supplies, equipment, and medications.
  
- The budget provides \$3.6 million in the Joint Committee on Finance supplemental appropriation to compensate counties and, as a result of a partial veto, municipalities impacted by a 2022 federal court decision that exempted

from property taxes property within certain reservations owned by a Tribe or Tribal member, regardless of any prior non-Tribal ownership.

## TRANSPORTATION AND INFRASTRUCTURE

The 2023-25 biennial budget makes key strategic investments in our state's critical infrastructure while wisely managing our state finances to save taxpayers money.

From increased support for local roads to new investments in important roads used for agricultural transport to bolstering transit funding, the 2023-25 biennial budget will ensure Wisconsin's infrastructure is more resilient and reliable. Specifically, this budget:

- Invests \$555.5 million from the General Fund to the Transportation Fund to fund transportation projects underway or under development, reducing Transportation Fund debt service payments into the future and saving Wisconsin taxpayers money.
- Supports the Transportation Fund with transfers of \$39.3 million in fiscal year 2023-24 and \$55.1 million in fiscal year 2024-25 from the General Fund calculated by estimating the sales tax revenue generated by the sale of electric vehicles. Since electric vehicle drivers do not buy gasoline for their vehicles and thus do not pay the gas tax, this innovative solution will help to improve the sustainability of the state's Transportation Fund and enable future road improvement projects as electric vehicle adoption continues to increase.

- Provides a 2 percent increase in general transportation aids (GTAs) for municipalities and counties in both calendar year 2024 and calendar year 2025. GTAs help local governments pay for road construction, maintenance, traffic operations, and critical support for local Wisconsin communities, and the investments in the 2023-25 biennial budget result in the largest amount of funding for the program in the state's history.
  
- Provides a 2 percent increase in mass transit aids funding to assist local transit systems in operating costs, which lowers local tax burden. The budget also provides a 4 percent increase in paratransit aids funding and increases funding for specialized transit aids for seniors and persons with disabilities, ensuring these Wisconsinites have equitable access to public transportation needed to travel to work, receive healthcare, or get an education.
  
- Provides additional, one-time funding for local roads through two programs:
  - First, the budget provides a new round of supplemental funding for the Local Roads Improvement Program (LRIP) at \$100 million in fiscal year 2023-24. LRIP assists local communities by paying for up to 50 percent of local projects that improve deteriorating county highways, town roads, and city and village streets, and this \$100 million supplement to the program will enable more local communities to complete more critical projects.
  
  - In addition, the budget includes \$150 million to fund the new Agricultural Roads Improvement Program (ARIP) created via 2023 Wisconsin Act 13. ARIP will enable local communities to make

targeted investments in eligible projects that support agriculture that would likely otherwise not receive funding from other state aid programs.

- Provides bonding authority and funding levels adequate to keep the following high priority projects on schedule:
  - The Blatnik Bridge replacement project in Superior in partnership with the Minnesota Department of Transportation;
  - The replacement of the I-94/90/39 bridges over the Wisconsin River;
  - The expansion of I-41 in the Fox River Valley;
  - The expansion of I-43 in southeast Wisconsin; and
  - The expansion of I-94 East-West in the city of Milwaukee.
  
- Allocates \$50 million for a third, southern bridge over the Fox River in Brown County, which will help ease traffic congestion and spur economic development for the region.
  
- Continues to invest in our Harbor Assistance Program to fund harbor improvements, such as dock reconstruction, mooring structure replacement, dredging, and construction of facilities to hold dredged material.
  
- Allocates funding to the Airport Improvement Program for aeronautics air traffic control system upgrades, as well as \$7 million to the Appleton International Airport to support a terminal expansion.

## STATE BUILDING COMMISSION

- The 2023-25 capital budget includes \$2,384,186,200 in funding or bonding authority for a robust state building program.
- Historically, the state funds these projects with a mix of bonding authority, existing agency funds, and contributions from gifts and grants. With the state's historic surplus due to sound financial management, over \$1.2 billion of the General Fund's existing balance is used as an investment in the state's capital needs. This investment avoids nearly \$500 million in future interest costs as borrowing won't be necessary for projects funded with this money.
- This budget provides \$32.6 million from the state's historic surplus and \$45.8 million of existing General Fund supported borrowing to build a Type 1 Juvenile Corrections Facility in Milwaukee County, which would allow justice-involved youth to be housed in a facility closer to family, setting them up for better outcomes when they return to our communities.

## STABILIZING OUR JUSTICE SYSTEM

### *Department of Corrections*

- In a historically tight labor market, the state has struggled to recruit and retain enough employees, especially at the Department of Corrections, which has grappled with low pay and high vacancies for many years. This budget:

- Increases the starting wage for correctional security positions to \$33 per hour to reduce staffing vacancies,
  - Supports the continuation of the \$5 per hour add-on at high vacancy facilities,
  - Increases the maximum-security add-on to \$3 per hour, and
  - Creates a \$1 per hour medium-security add-on.
- Additionally, one specific way the Department of Corrections is working to combat opioid use is through medication-assisted treatment, which uses medications, in combination with counseling and behavioral therapies, to treat opioid use disorders. This budget provides \$4,683,300 over the biennium to expand a medication-assisted treatment program.
- The Opening Avenues to Reentry Success (OARS) is a voluntary program that supports the prison-to-community transition of persons in the care of the Department of Corrections living with a serious and persistent mental health illness who are medium to high risk of reoffending. The program has been a success to aid in reentry for people in the department's care. This budget builds on the success of OARS and invests \$2,272,300 over the biennium in the program.

## *District Attorneys, Public Defenders and Courts*

Our justice system relies on honest, hardworking staff in district attorney and public defenders' offices across the state. Adequately staffing the different components of the justice system is vital to ensuring reasonable caseloads, reducing burnout, and meeting constitutional protections for justice-involved individuals. This budget:

- Provides \$8,121,200 in each year for market-based salary adjustments for assistant and deputy district attorneys, providing a competitive starting rate of \$36 per hour.
- Provides \$2,104,500 to allow a one-step pay progression for assistant and deputy district attorneys to increase retention of experienced attorneys.
- Provides \$926,200 to increase compensation for elected district attorneys, beginning with their new term in 2025.
- Provides an additional 4.4 FTE assistant district attorney positions across the state over the biennium.
- Provides market-based salary adjustments for assistant state public defenders to increase retention of experienced attorneys. This would result in \$8,148,600 in fiscal year 2023-24 and \$10,260,200 in fiscal year 2024-25. The funding would be sufficient for a starting rate of \$36 per hour and a one-step pay progression in fiscal year 2024-25.

- Improves the State Public Defender’s ability to recruit and retain private attorneys by providing \$8,797,200 in each year to increase the private bar reimbursement rate. This funding would be sufficient for a private bar rate of \$100 per hour and a travel rate of \$50 per hour.
- Provides \$2,469,400 in all funds over the biennium and an additional 8.0 FTE positions to support the creation of four additional circuit court branches beginning in fiscal year 2023-24.
- Provides \$2,644,200 over the biennium to implement new and ongoing cybersecurity initiatives and related maintenance for the court system.

*Department of Justice*

We know we can keep our communities safe by holding offenders accountable, reform our justice system, and save money, all at the same time by using evidence-based practices to help us make better decisions throughout the justice system. This budget:

- Invests \$1 million to expand Wisconsin’s Treatment Alternatives and Diversion (TAD) program, which reduces recidivism and costs by working with individuals outside of the traditional criminal justice system to receive treatment and care in a supportive, encouraging environment designed to accommodate specific needs.

- Converts \$1 million of program funding in each year from justice information system surcharge funding to general purpose revenue to address a current deficit of surcharge funding to ensure a steady funding source for TAD programming.
- Increases the program expenditure authority for the TAD program by \$232,200 in fiscal year 2023-24.
- Provides \$135,000 in fiscal year 2024-25 to create a grant to promote the protection of elders and support the elder abuse hotline to be administered by the Department of Justice.
- Provides \$136,400 over the biennium and 1.0 FTE position to continue providing training and resources for prosecutors on sexual assault cases.
- Provides \$155,800 in each year of the biennium and 2.0 FTE positions to serve as field prosecutors and assist with investigating and prosecuting drug-related offenses in the Division of Criminal Investigation's Wausau and Appleton field offices.
- Provides the Department of Justice with \$501,100 and 1.5 FTE positions over the biennium to investigate internet crimes against children, as well as increases expenditure authority by \$250,000 over the biennium for local law enforcement supporting the Internet Crimes Against Children Task Force.

- Provides an additional \$3,404,800 over the biennium to reimburse counties for eligible costs associated with providing services to crime victims and witnesses.
- Provides \$123,600 in fiscal year 2024-25 and 3.0 FTE positions for additional staff at the State Crime Laboratories to support the staffing resources needed to process samples in a timely manner.
- Extends the child in need of protection and/or services pilot program through June 30, 2025.

#### ADDITIONAL INVESTMENTS IN THE SAFETY OF OUR COMMUNITIES

- Provides \$45 million GPR in fiscal year 2023-24 to fund the replacement costs of the WISCOM system.
- Provides \$2 million GPR in the Joint Committee on Finance supplemental appropriation in fiscal year 2023-24 to provide predisaster flood resilience grants.
- Provides \$1 million GPR in the Joint Committee on Finance supplemental appropriation in fiscal year 2023-24 for disaster assistance to the town of Silver Cliff.
- Provides \$2 million GPR in fiscal year 2024-25 for grants for public safety interoperable communication system upgrades.

## **PROTECTING & CONSERVING OUR NATURAL RESOURCES**

Wisconsin has a proud and rich history of conservation and stewardship—from our expansive system of state parks and trails to our freshwater lakes and rivers. I continue to be committed to protecting our environment and improving water quality because these principles are vital to both promoting Wisconsinites' health and well-being and maintaining our economy's momentum.

### STATE PARKS

Wisconsin's system of state parks, forests, and trails is the gem of our state, boasting over 100 protected areas and serving over 20 million visitors annually. To ensure facilities in these recreational areas are well maintained, this budget:

- Provides \$29.0 million SEG in one-time funding for capital development projects in state parks and forests. This includes:
  - Nearly \$13.4 million SEG in fiscal year 2023-24 for state parks and forests maintenance and development projects, including \$4 million SEG to improve accessibility for visitors with special needs;
  - \$5.6 million SEG in fiscal year 2023-24 for state forest, parks, and riverway roads maintenance and development projects; and
  - \$10 million SEG in fiscal year 2023-24 for facilities repair and renovation projects at state parks, trails, and recreation areas.

- Provides \$1.5 million SEG in fiscal year 2024-25 as one-time funding to electrify campsites at state parks and eliminates the 35 percent cap on the number of campsites that can be electrified in the state park system. This will allow the Department of Natural Resources to better respond to campsite demand from visitors.

## FORESTRY

- Preserving our forestland and other outdoor spaces is not only important for Wisconsinites' health and well-being but also key to our state's economic success as Wisconsin's forestry industry is a critical facet of the state's economy. This budget increases funding for the Urban Forestry Grant program by \$175,000 SEG annually to combat emerging threats in urban forestry.

Urban Forestry Grants can take the form of:

- Regular grants to support new, innovative projects that will develop sustainable urban and community forestry programs;
  - Startup grants for communities that want to start or restart an urban forestry program; and
  - Catastrophic Storm grants that fund tree repair, removal, or replacement within urban areas following a catastrophic storm event for which the Governor has declared a state of emergency.
- Increases funding for the County Forest Administration Grant program by \$200,000 SEG in each year to support salaries for county forest administrators.

Up to 50 percent of the annual salary and fringe benefits for county forest administrators and assistant county forest administrators may be covered by the grant program, supporting Wisconsin counties in their forestry activities and planning.

- Increases funding for the Sustainable Forestry Grant program by \$50,000 SEG in each year to support sustainable forest management projects on county forest land, such as storm-related projects or hiring temporary staff to address short-term workload projects.
- Provides \$807,600 SEG in fiscal year 2023-24 and \$150,000 SEG in fiscal year 2024-25 as one-time funding to acquire and upgrade fire suppression equipment at the Department of Natural Resources to more effectively combat wildfires.

## CLEAN WATER

Over the last four years, my administration has worked to identify and remediate contamination in ground, surface, and drinking water and to improve water quality for all Wisconsinites. To continue building on this work, this budget:

- Provides \$7.5 million GPR in fiscal year 2023-24 for contaminated sediment removal from sites in the Great Lakes or its tributaries that are on Wisconsin's impaired waters list to continue protecting this resource.

- Provides \$4 million GPR for urban nonpoint source (UNPS) cost-sharing and the municipal flood control (MFC) program. The UNPS program offers competitive grants to local governments for the control of pollution from diffuse urban sources that is carried by storm water runoff, and the MFC program provides cost sharing to municipalities for activities such as property acquisition and removal of structures, floodproofing and flood elevation of structures, and flood mapping.
- Provides \$6.5 million GPR for grants to counties for capital projects that implement land and water resource management plans under the Targeted Runoff Management program, which can reimburse costs for agricultural or urban runoff management practices in targeted, critical geographic areas with surface water or groundwater quality concerns. The budget also provides an additional \$400,000 SEG in each year for noncapital projects under the Targeted Runoff Management program.
- Provides \$7 million GPR for grants to counties for implementation of land and water resource management plans, including cost-share grants to landowners that install conservation practices on their land, such as erosion prevention strategies, through the Soil and Water Resource Management program.
- Provides \$775,000 in fiscal year 2023-24 and \$121,000 in fiscal year 2024-25 to provide additional equipment in the Bureau of Laboratory Services at the Department of Agriculture, Trade and Consumer Protection.

- Provides \$4 million GPR for the repair, reconstruction, and removal of dams.
- Provides \$250,000 SEG in each year to support the Producer-Led Watershed Protection grant program. Funding from this program enables producers and producer-led groups to implement nonpoint source pollution abatement strategies to improve Wisconsin's soil and water quality.
- Provides \$1.8 million SEG in each year on a one-time basis to continue the commercial nitrogen optimization pilot program (NOPP) and cover crop insurance program. These programs were created by 2021 Wisconsin Act 223, which I signed into law in April 2022. NOPP grants aim to refine and enhance the understanding of new methods that optimize commercial nitrogen applied to agricultural fields, helping to protect soil and water resources, while the cover crop insurance program assists farmers with rebates of \$5 per acre of a cover crop planted for crop insurance premiums paid on those acres.
- Provides \$1 million GPR in fiscal year 2023-24 for financial assistance under the state well compensation program. The well compensation program provides financial support to private well owners to support the replacement, reconstruction, treatment, or abandonment of contaminated private wells.
  - In addition to this investment, in August 2022, my administration created a new well compensation grant program with \$10 million of the state's allocation of federal relief funds. This new program included expanded eligibility criteria to further the reach of the program and better meet the needs of Wisconsin's well owners. Unfortunately, the

Legislature rejected these same eligibility changes to the state-funded well compensation program included in my 2023-25 biennial budget proposal.

## **ADDITIONAL KEY PRIORITIES**

### TRIBAL NATIONS

I deeply value the government-to-government relationship between the 11 federally recognized Tribal Nations within Wisconsin's borders and the state of Wisconsin. With targeted allocations of Tribal gaming revenues to benefit our Tribal partners, the 2023-25 state budget:

- Provides one-time funding of \$11 million PR-S Tribal gaming revenues to the Joint Committee on Finance supplemental appropriation to fund general assistance grants to the federally recognized Tribes of Wisconsin in fiscal year 2023-24, continuing the grant program created following my recommendation in the 2021-23 state budget.
- Provides one-time funding of \$1.5 million PR-S Tribal gaming revenues annually for grants to nonprofit food assistance organizations that purchase and distribute food to Tribal elders and to entities supporting the growth and operation of participating food producers, with a focus on Indigenous-based and local food producers.

- Provides \$395,800 all funds in fiscal year 2023-24 and \$436,000 all funds in fiscal year 2024-25 to expand the scope of 2021 Wisconsin Act 132 by reimbursing Tribal Nations for subsidized guardianship placements in the same manner as Wisconsin's counties. This funding ensures parity between state residents who are Tribal citizens and non-Tribal citizens.
- Provides \$507,000 PR-S each year in Tribal gaming revenues to support child welfare services of the Menominee Indian Tribe of Wisconsin.
- Provides specific grants using Tribal gaming revenues, including:
  - An annual grant of \$110,100 to the Oneida Nation to support National Estuarine Research Reserve (NERR) system programming. The proposed Green Bay NERR would be the third NERR within the Great Lakes and will foster important educational opportunities for all Wisconsinites as well as partnership opportunities with Great Lakes Tribal Nations.
  - An annual grant of \$175,000 to the Oneida Nation to support Audubon Great Lakes (AGL) projects. This funding will enable the Nation and AGL to continue their successful bird monitoring and restoration efforts.
  - An annual grant of \$259,100 for the Oneida Nation's Healing to Wellness Court program, which is a voluntary program that provides culturally responsive and community-based support to break the cycle of substance abuse and its negative effects on the community.

- Provides one-time funding of \$109,300 PR-S annually in Tribal gaming revenues to continue funding programming at the University of Wisconsin (UW)-Green Bay that is developed with the Oneida Nation. This increase to base funding was included in the 2021-23 biennial budget but was also made one-time. This partnership supports STEM-related (science, technology, engineering, and mathematics) camps for hundreds of students and provides access to UW-Green Bay's college credit program for high school students.

### STATE EMPLOYEES

State employees are one of Wisconsin's greatest assets, providing critical and necessary services to the people of Wisconsin each and every day. The state must be able to offer competitive pay in order to fill vacancies, retain our workforce, and provide the quality service the people of Wisconsin expect and deserve. In recognition of this and the good work state employees do, the budget provides a robust compensation package. This budget:

- Provides \$221.2 million GPR over the biennium for a general wage adjustment for most state employees at state agencies and the University of Wisconsin System of 4 percent in July of 2023, and an additional 2 percent in July of 2024.
- Provides \$4 million GPR over the biennium for targeted market and parity wage adjustments for employees within certain classifications in state agencies to better align their wages to those paid by private and other public sector

employees. This adjustment will help the state remain competitive for skilled workers. This budget also provides \$1.2 million GPR in fiscal year 2024-25 to support market wage adjustments for employees within certain information technology-related classifications.

- Provides \$88.4 million GPR in fiscal year 2023-24 to adjust agency compensation budgets to reflect an additional biweekly payroll.
- Provides \$34.7 million in all funds, including \$7 million GPR, over the biennium to support the continuation of existing hourly add-ons to address critical recruitment and retention needs within specific classifications at several state agencies.
- Provides \$291.6 million GPR over the biennium to enhance the pay structure for correctional officers, sergeants, psychiatric care technicians, and youth counselors at the Department of Corrections and the Department of Health Services to address critical recruitment and retention needs. This funding will support:
  - Increasing the minimum starting hourly wage from \$20.29 to \$33, increasing to \$39 per hour for correctional officers with 25 or more years of experience.
  - Enhancing the existing pay progression for these classifications, plus supervisor parity.
  - Converting the existing \$4 per hour add-on to the base hourly wage.

- Provides other pay initiatives aimed at addressing the workforce shortages at the Department of Corrections, including \$52.4 million over the biennium to support several additional pay initiatives for correctional officers and sergeants, including:
  - Increasing the existing add-on for employees working within maximum security institutions from \$2 to \$3 per hour;
  - Implementing a \$1 per hour add-on for employees working within medium security institutions; and
  - Continuing the \$5 per hour add-on for correctional officers, sergeants, and agents working as officers within institutions with vacancy rates greater than 40 percent among security classifications.
  
- Extends the long-term service award program for protective positions within the Department of Corrections and the Department of Health Services and provides \$545,200 in fiscal year 2023-24.
  
- Provides \$6 million GPR over the biennium to institute a pay progression for probation and parole officers at the Department of Corrections and to modify the existing pay progressions for wardens at the Department of Natural Resources and the Wisconsin State Capitol Police.

## GENERAL GOVERNMENT

- This budget, as partially vetoed, provides \$10 million in one-time funding to the Joint Committee on Finance supplemental appropriation to fund the creation of an endowment at WisconsinEye. The funding would support a dollar-for-dollar match to ensure continued funding of WisconsinEye and eliminate the need for paid subscriptions to access content of public meetings, increasing transparency and access to government proceedings for Wisconsinites.
- This budget provides \$711,000 over the biennium to the Ethics Commission to fund the replacement of the existing website, which is out-of-date and has shown reliability issues.
- This budget provides \$400 million in fiscal year 2023-24 to pay debt service on appropriation obligation bonds issued to repurchase the rights to the state's tobacco settlement revenues.
- This budget provides ongoing funding to the Department of Employee Trust Funds to support ongoing operational expenses associated with the modernization of the department's insurance administration system. Additionally, it provides 7.0 FTE positions to support the long-term information technology modernization project, which includes the modernization of the insurance administration system and the pension administration system.

While this budget notably includes many items that address immediate needs and priorities, in addition to imminent needs and necessary investments I raised above, I would be remiss if I did not note where it falls incomplete:

The Legislature's budget left much to be desired when it comes to doing what is best for our kids by fully funding our public schools. Although I reached a compromise with legislative leaders to provide additional revenue limit authority and continuation of the state's two-thirds funding commitment in this biennium, I would have liked to see the Legislature do better for our kids and our schools by providing more significant increases in many categorical aids to our schools. This missed opportunity is especially disappointing in light of the significant resources that the Legislature dedicated to the School Levy Tax Credit—funding that could have instead been directed to our schools to be spent in classrooms, delivering for our kids while also helping to keep the pressures of school funding off the property tax. Further, the Legislature did not invest in any of the proposed initiatives to help Wisconsin schools recruit and retain our best and brightest teachers and staff—a huge mistake in the midst of a school staffing shortage. Additionally, we have work to do to ensure state investments we make in our kids and our schools can keep up with inflation.

I am glad this budget will ensure our school districts have predictable, long-term revenue limit authority increases, in part, to help meet rising costs in the future. I hope that as we continue to work together going forward, the Legislature will listen more closely to our school leaders, who have been clear about the need for increases in order for Wisconsin schools to have the resources to deliver a high-quality education for each and every one of our kids.

We know the importance of doing what we can as elected officials to make smart, prudent investments, and in some cases, that includes building or expanding the facilities necessary to benefit our economy and further bolster our workforce. I, along with many others across our state, remain chagrined regarding the Legislature's decision to reject important projects such as the University of Wisconsin-Madison's new engineering building and the completion of the University of Wisconsin-La Crosse's Prairie Springs Science Center, refusing to enumerate these projects in this biennial budget. This decision is, at best, short-sighted, at worst, purely political and petty. Any legislative discussions about "talent attraction" or being economically competitive ring hollow as long as the Legislature refuses to meaningfully invest in our Wisconsin Technical College and University of Wisconsin Systems, including our world-class research institution at UW-Madison, which are essential economic engines for our state.

The Legislature also rejected my budget recommendations to extend postpartum coverage for Medicaid-eligible mothers from 60 days to one year, which over 40 states have already implemented or are planning to implement in the near future. This extended timeline would have ensured that mothers and their newborns would retain health insurance during this critical time period. Additionally, I am also consistently befuddled and dismayed by the Legislature's continued refusal to adopt Medicaid expansion even as Republican legislators across the country are supporting efforts to do so. In Wisconsin, this would have resulted in more than \$1.6 billion in state savings due to additional federal funding that we could use to further invest in healthcare, education, our environment, or anywhere else. This is foolish.

As long as I am Governor, I will seek to expand BadgerCare because making sure every Wisconsinite has access to high-quality, affordable healthcare is the right thing to do.

Finally, I am disappointed with the Legislature's chosen course of action related to taxes. I am proud that 86 percent of Wisconsin taxpayers have seen an income tax cut of 15 percent or more, with 2.4 million taxpayers getting relief, under tax cuts I have signed into law. I also promised cutting taxes would be part of our agenda in this budget to help working families afford rising costs, but that it had to be real, responsible, and targeted to working Wisconsinites who need the extra breathing room. The Republican plan sent to my desk is neither real, nor responsible, nor meaningfully targeted to the middle class.

First, the income tax proposal forwarded to me could result in the state having to repay billions of dollars it received under the American Rescue Plan Act (ARPA) of 2021—a risk I am unwilling to take. Second, instead of supporting my 10 percent middle-class tax cut to provide over \$1.2 billion in targeted income tax relief over the biennium for working families, caregivers, parents, veterans with disabilities, and seniors, roughly half of this proposed tax plan would go to filers with incomes above \$200,000. Under this proposal, 11 taxpayers who make over \$75 million per year would receive an average cut of \$1.8 million per year. Third, this approach is frankly fiscally irresponsible going forward and would put us in a position where we would almost certainly have to reduce funding and ongoing commitments to our schools, healthcare providers, local municipalities, and many other priorities in the next budget.

In recent months, we have worked together to address critical needs, reach bipartisan consensus and compromise, and accomplish important work for the people of our state. I am optimistic that our work together can continue—and it must. I urge members of the Legislature to continue the work on this budget throughout the remainder of this legislative session so that we can bolster our state’s workforce, maintain our economic momentum, and, most importantly, do the right thing for Wisconsin.

Respectfully submitted,

A handwritten signature in black ink that reads "Tony Evers". The signature is written in a cursive, flowing style.

Tony Evers

Governor

July 5, 2023

**VETO MESSAGE**

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## **A. INVESTING IN WHAT'S BEST FOR KIDS**

### **1. Per Pupil Revenue Limit Adjustment**

*Sections 402, 403, 404, and 408*

These sections provide the formula resulting in per pupil revenue limit adjustments of \$325 in fiscal year 2023-24 and fiscal year 2024-25 for public school districts.

I am partially vetoing sections 402, 403, 404, and 408 to provide a \$325 per pupil revenue limit adjustment in each year from 2023 through 2425. I object to the failure of the Legislature to address the long-term financial needs of school districts. This veto makes no changes to the per pupil revenue limit adjustment provided in the 2023-24 and 2024-25 school years and provides school districts with predictable long-term spending authority increases.

I have repeatedly recommended restoring the inflationary indexing of the per pupil revenue limit adjustment, which was in place prior to fiscal year 2009-10. Providing increased and continuing resources to school districts through the per pupil revenue limit adjustment, as recommended by the Legislature's 2019 Blue Ribbon Commission on School Funding, should be something all Wisconsinites can support.

I have often said that what is best for our kids is what is best for our state. As a result of this veto, I am requesting the Department of Public Instruction provide and account for this per pupil revenue limit adjustment authority of \$179 plus \$146 for a total of \$325 in each year from 2023-24 until 2425.

### **2. High Poverty Aid**

*Sections 67, 394, 395, 396, 400, 401g, and 9334*

These sections repeal and remove funding from the existing aid for the high poverty school districts appropriation under s. 20.255 (2) (bb). School districts are eligible for this aid if at least half of their enrollment meets the income criteria for a free and reduced-price lunch in the federal school lunch program.

I am vetoing these sections to retain the appropriation that exists under current law in s. 20.255 (2) (bb) with zero dollars, and to retain the statutory references to high poverty aid. I object to eliminating this aid program without also providing sufficient increases in general equalization aid. The Legislature has chosen to provide greater investment in the school levy tax credit than general equalization aid in this budget. This is a less equitable funding model for school district costs and is in direct conflict with recommendations by the Legislature's 2019 Blue Ribbon Commission on School Funding. Through this veto, I am retaining the appropriation so that the state has a clear pathway to support high poverty school districts.

### **3. Lakeland STAR Academy**

*Sections 51 [as it relates to s. 20.255 (2) (ag)], 65, 66, 9134, and 9434*

These sections provide \$250,000 GPR in fiscal year 2023-24 and \$500,000 GPR in fiscal year 2024-25 in a newly created annual appropriation for grants to the Lakeland STAR Academy. Specifically, they require the Department of Public Instruction to provide a grant to the Lakeland UHS School District for the Lakeland STAR Academy. No payments could be made from this appropriation after June 30, 2025.

I am partially vetoing section 51 [as it relates to s. 20.255 (2) (ag)] and vetoing the remaining sections in their entirety to eliminate the grant program for Lakeland STAR Academy. I object to providing state grants to a specific school when the Legislature has failed to provide the needed level of state dollars in a number of critical programs that serve schools statewide, such as special education, school nutrition, or mental health categorical aid programs. There are hundreds of charter schools authorized by public school districts, and it is unfair and inequitable to single out one school for a state grant. As I have said before, every kid in Wisconsin should be able to get a great education in a public school regardless of what district they live in, and state funding decisions should not pick winners and losers among our kids.

### **4. Online Early Learning Pilot Sunset Date**

*Sections 51 [as it relates to s. 20.255 (3) (df)], 473, 474, 475, and 476*

These sections modify the repeal of the online early learning program; grant appropriation under s. 20.255 (3) (df) from July 1, 2023, to July 1, 2027, and make modifications for the service provider contract to continue until the new sunset date.

I am partially vetoing section 51 [as it relates to s. 20.255 (3) (df)] and vetoing the remaining sections in their entirety because I object to extending the existing sunset date on this program before the compiled annual reports regarding the program are submitted to the Legislature and made public. The program, which aims to provide prekindergarten online instruction in six school districts, has seen lower than expected participation and had less than 20 percent of children complete the final assessment in the only year in which that data is available. If the participating school districts find sufficient value from services provided by the contracted program administrator, they may utilize their significantly increased revenue limit authority to support such services in the future.

### **5. Child Care Fund**

*Sections 51 [as it relates to s. 20.192 (1) (bn)] and 61*

These sections create a continuing appropriation for the Wisconsin Economic Development Corporation to create a revolving loan fund for child care providers. Separately, \$15,000,000 GPR was placed in the Joint Committee on Finance's supplemental appropriation for this purpose.

I am partially vetoing these sections to remove references to revolving loans because I object to limiting the Wisconsin Economic Development Corporation's flexibility in disbursing these funds to child care providers given the Legislature's refusal to make substantial investments to bolster our state's child care industry and help keep child care providers open to support our state's workforce. By partially vetoing these sections to remove references to revolving loans, any funding made available under this

appropriation could be distributed as grants to child care providers instead of loans.

Wisconsin already has historically low unemployment and historically high workforce participation. Child care is an essential part of keeping workers in our state's workforce, which is critical to maintaining our state's economic momentum. As a result of the Legislature's inaction, more working families will struggle to find and afford quality child care, workers who cannot find or afford child care will be forced to leave our workforce, and employers will continue to struggle to retain and recruit workers across our state, especially in our rural communities.

I recommended providing more than \$303 million GPR over the biennium to address the longstanding, structural challenges of the child care industry in Wisconsin by continuing the successful Child Care Counts program. Investing in child care is what is best for our kids, it is what is best for our families, and it is also what is best for our state's workforce. The Legislature's decision to include less than a fraction of what I proposed to stabilize our child care industry for a revolving loan fund suggests a fundamental lack of appreciation for and understanding of the magnitude of the child care crisis facing our state and its implications for our state's workforce and our economy. By some estimates, failing to provide the necessary state funds to continue Child Care Counts will affect tens of thousands of Wisconsin's kids, could cause thousands of child care programs to close, and could result in hundreds of millions of dollars in losses to our workforce and economy. Given this, the Wisconsin Economic Development Corporation should have flexibility to utilize these funds in the way that will be most helpful to addressing our child care crisis.

While my actions today improve the Legislature's minimal effort, I also want to be clear: this is not a long-term solution to our state's longstanding child care crisis. The Legislature's work during this biennium to meaningfully support our state's child care industry remains incomplete.

## **6. REWARD Bonuses**

### *Section 282c*

This section specifies that the additional \$5,000,000 allocated for child care quality initiatives be spent on bonuses to child care workers under the REWARD program. Under current law, the Department of Children and Families has the flexibility to distribute funding between the child care scholarship program (TEACH) and the child care bonus program (REWARD) as needed.

I am vetoing this section because I object to placing additional constraints on the department in administering the TEACH and REWARD programs. Given the Legislature's failure to meaningfully address Wisconsin's child care needs, it is essential that the department have as much flexibility as possible with the funding available for child care related purposes. By vetoing this section, the department will have the necessary flexibility to use the new funding and base funding for both the TEACH and REWARD programs as needed to best retain early childhood educators.

## **B. STRENGTHENING OUR ECONOMY & FUTURE WORKFORCE**

### **7. Individual Income Tax Rate Reduction**

*Sections 328, 329, 332, 333, 336, and 337*

These sections reduce the individual income tax rates in the third and fourth income tax brackets from 5.30 percent to 4.40 percent and 7.65 percent to 6.50 percent, respectively, effective with tax year 2023.

I am vetoing these sections because I object to the Legislature's chosen course of action on individual income taxes on multiple grounds. First, states receiving federal funding under the State and Local Fiscal Recovery Fund (SLFRF) of the American Rescue Plan Act of 2021 are prohibited from utilizing these funds to either directly or indirectly offset tax reductions. The income tax proposal forwarded to me could result in the state having to repay billions of dollars it received under from the SLFRF, which is a risk to the state that I am unwilling to take.

Second, their plan is focused heavily on cuts benefiting the wealthiest individuals in our state as roughly one-half of their proposed tax cut would go to filers with incomes above \$200,000. The Legislature did this while ignoring my recommendations to provide over \$1.2 billion over the biennium of targeted income tax relief to the true middle-class as well as to family caregivers, veterans with disabilities, seniors who can no longer claim the Homestead Credit, and hard-working but low-wage earners who can no longer claim the Earned Income Tax Credit.

Third, this approach is fiscally irresponsible going forward and would put Wisconsin in a position where we would almost certainly have to reduce current funding and ongoing commitments to our schools, healthcare providers, local municipalities, and many other priorities in the next budget.

While my vetoes eliminate the Legislature's tax cuts for the top two individual income tax brackets, my action preserves the tax cuts in the bottom two brackets, with the rate on the lowest bracket dropping from 3.54 percent to 3.50 percent and the second bracket dropping from 4.65 percent to 4.40 percent. By enacting the tax cuts for the bottom two tax brackets into law, the cumulative annual amount of responsible individual income tax reductions that I have enacted since being sworn in as Governor has increased to \$1.5 billion annually.

The fiscal effect of this veto is an increase in general fund tax revenue of \$1,402,500,000 in fiscal year 2023-24 and \$1,333,600,000 in fiscal year 2024-25.

### **8. Withholding Table Update**

*Section 9137*

This section requires the Department of Revenue to update individual income tax withholding tables to reflect the tax rates, income brackets, and sliding scale standard deduction that are in effect for taxable year 2024. The adjustments made under this section would take effect on January 1, 2024. The withholding table update would therefore reflect the rate reductions included in the 2023-25 biennial budget and indexing adjustments to both income tax brackets and the sliding scale standard deduction.

I am vetoing this section in its entirety because I object to legislatively directing the Department of

Revenue to make these withholding table adjustments, as adjusting the withholding tables is already within its authority. This veto does not change anyone's tax liability. The secretary of the Department of Revenue has the ability under current law to make these adjustments as appropriate and will assess whether and when these updates should be made within the full context of revenue collection trends and other state priorities, as was done with the reduction in taxes in the 2021-23 biennium. The estimated fiscal effect of this veto is an increase in general fund tax revenues of \$603,400,000 in fiscal year 2023- 24.

## **9. Fund of Funds Program**

### *Sections 31, 32, 33, and 35*

These sections require the fund of funds program to repay the additional \$25 million provided to the fund of funds program under the bill and, thereafter, to pay 90 percent of gross investment returns for deposit in the general fund. Additionally, these sections require the Department of Administration to submit a report by March 1, 2024, assessing program performance and recommendations for improvement.

I am vetoing these sections because I object to payments that reduce the balance of assets available to the fund of funds for investment. These payments may undermine efforts to attract additional co-investors in the fund of funds program if such investors do not have confidence that the program will be able to continue into the future. Allowing the program to retain and reinvest the funds will improve the state's venture capital ecosystem and support increases in start-up funding across Wisconsin. Further, I object to the additional reporting requirement, since comprehensive reports under the current program were submitted in 2015 and 2018, and the program provides quarterly reports under current law.

## **10. Diversity, Equity, and Inclusion Positions**

### *Section 9147 (1)*

This section requires that 188.80 FTE GPR positions performing functions related to diversity, equity, and inclusion be deauthorized for the Board of Regents of the University of Wisconsin System.

I am vetoing this section because I object to this infringement on the Board of Regents' authority to manage the University of Wisconsin System and believe it is in the state's best interests to allow the system to preserve and continue its dedication to diversity, equity, and inclusion as it sees fit.

The Board of Regents is not an extension of any branch of government or political party; the Regents have long been entrusted with the independence and autonomy to not only make the decisions that are best for our students and our campuses but to protect the institutions that have defined our state for generations.

These positions function to improve the University of Wisconsin experience for all and work to help students, staff, and faculty from all backgrounds and experiences reach their full potential. Importantly, the University of Wisconsin System and the Board of Regents are also not alone in this important work—their commitments and efforts relating to diversity, equity, and inclusion mirror those that have been heralded by the private sector and corporate industry for years, including by business leaders and chambers of commerce in Wisconsin.

At a time when our University of Wisconsin System's enrollment is already declining as our state faces historically low unemployment and historically high workforce participation, the Legislature should be focused on efforts and investments that will support retaining and recruiting talented workers. This is a step in the opposite direction.

As a result of this veto, the Board of Regents retains position authority for these 188.80 FTE GPR positions performing functions related to diversity, equity, and inclusion at campuses across the University of Wisconsin System.

## **11. Washington County Branch Campus Transition**

### *Sections 51 [as it relates to s. 20.865 (4) (a)] and 9147 (2)*

These sections provide \$3,350,000 GPR in fiscal year 2023-24 in the Joint Committee on Finance's supplemental appropriation for release to the University of Wisconsin System after it develops and submits a plan to the Joint Committee on Finance to restructure the University of Wisconsin-Milwaukee at Washington County branch campus. Specifically, the plan would transition the Washington County branch campus to a joint operation of Washington County and the Moraine Park Technical College district board, rather than a University of Wisconsin System campus.

I am partially vetoing section 51 [as it relates to s. 20.865 (4) (a)] by lining out the amount under s. 20.865 (4) (a) and writing in a smaller amount that reduces the appropriation by \$3,350,000 in fiscal year 2023-24, and vetoing section 9147 (2) to remove the plan requirement. I object to the Legislature singling out only one of our state's branch campuses when many campuses are facing challenges, in part due to the Legislature's repeated failure to provide an adequate level of funding for the University of Wisconsin System. I further object to the Legislature determining a matter that is within the purview of the discretion and responsibility of the University of Wisconsin Board of Regents and the University of Wisconsin-Milwaukee, as well as the Wisconsin Technical College System Board and Moraine Park Technical College. As a result of this veto, these entities may collaborate if they so choose, but they will not be treated differently than other counties or campuses. I further request that the Department of Administration secretary not allot these funds.

## **12. Visit Milwaukee Earmark**

### *Section 9143 (3)*

This provision requires the Department of Tourism to award a grant of \$10 million GPR in fiscal year 2023-24 to the Greater Milwaukee Convention & Visitors Bureau, Inc., also known as "Visit Milwaukee." Funding for the grant is provided in the department's appropriation under s. 20.380 (1) (b).

I am partially vetoing this provision because I object to the Legislature providing this level of funding to Visit Milwaukee when they have failed to adequately fund so many important priorities for our state, from child care to higher education. As vetoed, this provision requires a grant of \$1,000,000 to Visit Milwaukee, instead of \$10,000,000; retains the remaining \$9,000,000 for general marketing purposes; and removes the requirement of awarding the grant in fiscal year 2023-24. This will provide greater flexibility to the department to use its expertise to maximize available funding to increase tourism. By engaging individuals with Wisconsin's many entertainment and recreational options throughout the state, we will raise Wisconsin's profile across the country as a premier business, cultural, and recreational destination.

### **13. Talent Attraction and Retention Initiatives**

#### *Section 9149*

This section creates a requirement specifying that the Wisconsin Economic Development Corporation (WEDC) must expend at least \$4,000,000 during the 2023-25 biennium from its existing appropriations on initiatives for talent attraction and retention, of which \$2,000,000 must be expended in consultation with the Department of Veterans Affairs for the attraction and retention of veterans in Wisconsin's workforce. Additionally, this section requires WEDC to evaluate and report program outcomes related to these talent attraction and retention initiatives to the Assembly Committee on Jobs, Economy and Small Business Development and the Senate Committee on Economic Development and Technical Colleges on or before September 1, 2024, relating to fiscal year 2023-24, and on or before September 1, 2025, relating to fiscal year 2024-25.

I am vetoing this section because I object to the Legislature restricting WEDC in program areas where it already makes such investments and has full authority to collaborate with state agencies, including the Department of Veterans Affairs.

Addressing our state's longstanding workforce challenges is a top priority for my administration, as was reflected in my recommendations and investments in this biennial budget, many of which the Legislature removed. Thankfully, WEDC, the Department of Workforce Development, and the Department of Veterans Affairs have not sat around idly, awaiting the Legislature's directive to conduct talent and attraction efforts or implement efforts to support veterans in our workforce—this is work we have been doing for some time without prompting by the Legislature. If the Legislature were serious about supporting my administration's ongoing efforts to meaningfully address our state's workforce challenges and retain and recruit talented workers, they would provide new funding to expand and bolster these very efforts.

Talent attraction and retention will continue to remain a top priority for my entire administration, and this veto will allow WEDC to continue its efforts with more flexibility and collaboration in its approach than it would have had under the requirements proposed by the Legislature. I further object to these requirements because they ignore the important assistance to veterans provided by the Department of Workforce Development. With its existing funding and authority, I expect WEDC to continue to work on vital talent attraction and retention initiatives, including those aimed at attracting and retaining veterans. Additionally, I object to the creation of an unnecessary reporting requirement by the Legislature.

### **14. Vibrant Spaces Grant Program**

#### *Section 436*

This section prohibits the Wisconsin Economic Development Corporation (WEDC) from expending its funds on the Vibrant Spaces Grant program, as constituted under WEDC's policies and procedures on May 1, 2023, or any similar program.

I am vetoing this section because I object to the Legislature's micromanaging of WEDC activities. Programs developed and administered by WEDC are approved by its board of directors, which includes members of the Legislature. If the board wishes to approve or deny any specific program proposed by WEDC, the board has the ability to do so.

## **C. SUPPORTING HEALTHIER WISCONSINITES**

### **15. Medicaid Coverage of Gender-Affirming Care**

*Sections 308, 309, 310, and 311*

These sections prohibit, to the extent permitted by federal law, Medicaid payment for puberty-blocking medicine used for the purposes of gender dysphoria or gender transition and gender-affirming surgery.

I am vetoing these sections because I object to perpetuating hateful, discriminatory, and anti-LGBTQ policies and rhetoric, including those targeted at the transgender and gender nonconforming community. Gender-affirming care for transgender and gender nonconforming people with gender dysphoria is recognized as the standard treatment by most major medical associations. Reducing access to gender-affirming care would only magnify the inequities in health outcomes already faced by the LGBTQ community. I support LGBTQ Wisconsinites and will continue to do everything in my power to protect their rights and keep them safe.

### **16. Housing Rehabilitation**

*Sections 51 [as it relates to s. 20.490 (6) (d)] and 134*

These sections create GPR continuing appropriations for the Wisconsin Housing and Economic Development Authority (WHEDA) to create revolving loan funds, including one for housing rehabilitation projects.

I am partially vetoing these sections because I object to the Legislature providing funding for housing rehabilitation only through a revolving loan program rather than as a grant or a forgivable loan program. Unlike the other housing-related revolving loan programs that the Legislature funded in this bill, this program is targeted to homeowners and not developers. These homeowners already struggle to afford rehabilitation or renovation projects in their homes to deal with lead, mold, and other safety or structural issues. By partially vetoing these sections, the funds in the appropriation could be distributed as grants or forgivable loans to homeowners that WHEDA determines most need the assistance.

### **17. Family Care Managed Care Organizations Report**

*Section 244*

This section requires the Department of Health Services to collect and make publicly available the financial summaries of the managed care organizations for the Family Care program, the Family Care Partnership program, and the Program for the All-Inclusive Care for the Elderly. Specifically, the department is required to report the executive leadership salaries for the organizations, as well as the amounts retrieved by the state under the contractual risk corridors.

The section further requires the managed care organizations for these programs to track and report to the department the total authorized and total provided care plan hours by service category. Finally, the section requires the department to report this information to the Joint Committee on Finance by April 1 of each year.

I am vetoing this section because I object to the Legislature dictating this level of specificity in statute, and because I object to imposing these administratively burdensome requirements on the department. Finally, I object to the Legislature not providing any resources for the department to perform this work.

## **18. Newborn Screening Program Card Fee**

### *Section 438m*

This section specifies that the newborn screening card fee imposed by the Department of Health Services cannot be less than \$159.25. This section also requires that at least \$110.75 from each newborn screening card sold be credited to the Wisconsin State Laboratory of Hygiene.

I object to this section because the fee increase does not meet the funding needs of the newborn screening program and does not distribute the revenues collected equitably between the two agencies. I am, therefore, partially vetoing this section to increase the minimum newborn screening card fee to \$195 and to specify that at least \$75 from each newborn screening card sold be credited to the Wisconsin State Laboratory of Hygiene. Newborn screening is an important tool in caring for our youngest Wisconsinites, and it is important that the program have an adequate level of funding. As a result of this veto, the amount of the fee will be closer to reflecting the needs of the program. I am also directing the Department of Health Services to work with the Wisconsin State Laboratory of Hygiene to determine an appropriate total fee to meet the needs of both agencies, as well as determining the share of the fee to be credited to the Wisconsin State Laboratory of Hygiene.

## **19. Study for a Master Plan for the Veterans Homes**

### *Section 9148 (1)*

This section requires the Department of Veterans Affairs to contract with an entity during the 2023-25 biennium to complete a study of the Wisconsin Veterans Home campus at King. The study is intended to provide a framework to guide decision making at King and must be completed by January 1, 2025.

I am partially vetoing this section to remove the specific reference to the campus at King because I object to the limited nature of the study. In my budget, I proposed a comprehensive analysis of the long-term care needs of all Wisconsin veterans, not just those who may choose to live at King. My partial veto will allow the department to complete a more thorough review of the needs of our veterans homes, which will include but is not limited to a plan for the King campus.

## **20. Medical College of Wisconsin Psychiatry and Behavioral Health Residency Program Reporting Requirements**

### *Section 1*

This section requires the Medical College of Wisconsin to include in its biennial report to the Governor and Legislature program data for its newly created Psychiatry and Behavioral Health Residency Program.

I am vetoing this section because I object to adding requirements to a report that is already administratively burdensome.

## **D. BUILDING STRONG, SAFE COMMUNITIES**

### **21. Grants for Local Projects**

#### *Section 8*

This section establishes criteria for the disbursement of \$50,000,000 pertaining to grants for local projects under a grant program established and operated by the State Building Commission.

I am partially vetoing this section because I object to imposing unnecessary administrative burdens, limitations, and steps on the program. I am partially vetoing this section to remove the requirement for approval by the Joint Committee on Finance because it adds an additional and administratively burdensome step to the existing and long relied upon process of evaluation of the State Building Program, including release of non-state grants, through the State Building Commission. I am also partially vetoing this section to remove the requirement that a grant administered under this program should not exceed \$4,000,000 because it will severely inhibit the scope and economic opportunities of projects under this program and is not in line with the past practice of the state with regard to the amounts awarded to past non-state grant recipients. Finally, I am partially vetoing this section to remove the requirement that grants be submitted to the State Building Commission on behalf of a nonstate entity applicant by the municipality in which the construction project is or will be located because it will insert an unnecessary step in the grant awarding process and this requirement is inconsistent with State Building Commission past practice.

### **22. Type 1 Juvenile Correctional Facility and the National Guard Challenge Academy**

#### *Sections 9104 (8) and 9104 (9)*

These provisions allocate funding for a new Type 1 Juvenile Correctional Facility and the Wisconsin National Guard Challenge Academy.

I am partially vetoing these provisions to remove the gross square footage specifications because I object to preemptively requiring a metric, such as a specific gross square footage, in the early stages of construction design. Including this metric in the bill is not consistent with prior budget acts.

### **23. State Capitol Fiber and Cable Upgrades**

#### *Section 9104 (11)*

This provision allocates funding to develop plans and specifications for fiber and cable upgrades at the State Capitol.

I am partially vetoing this provision because the Department of Administration is already working with the chief clerk of each house of the Legislature and the Legislative Technology Services Bureau in developing plans and specifications for the project. I object to specifying this requirement in the bill because it is not necessary.

## **24. Lac Courte Oreilles Decision – Aid Payments**

*Sections 152, 163, 164, and 9451*

These sections create two annual PR appropriations to make payments to counties impacted by the 2022 federal court decision that exempted from property taxes property covered under the 1854 Treaty of La Pointe that is owned by a Tribe or Tribal member within certain reservations in Wisconsin, regardless of any prior non-Tribal ownership. Included in these sections is a provision that sunsets the two PR appropriations created for the purpose of disbursing these payments on July 1, 2025. A separate provision in the budget bill places \$3,613,000 in the Joint Committee on Finance PR supplemental appropriation from which funds may be allocated for making these payments.

I am partially vetoing section 163 to remove the provision that restricts the payments to only counties because I object to excluding municipalities impacted by the federal court decision from the opportunity to receive aid payments. I have heard from local elected officials who are impacted by this court decision, and I believe it is important to maintain flexibility as we continue conversations with local stakeholders on the best way to address both local needs and the impact on property taxpayers. I am also vetoing sections 152, 164, and 9451 that sunset the two appropriations on July 1, 2025, because I object to unnecessarily limiting the availability of the funds to the 2023-25 biennium. With my vetoes, the state will have flexibility to potentially provide assistance to both counties and municipalities, and the appropriation framework will remain in place to potentially allow these payments to continue beyond the 2023-25 biennium.

## **25. Town of Sanborn Levy Limits**

*Sections 315, 320, and 9144 (12)*

These sections include provisions that prohibit the town of Sanborn from imposing a property tax levy above five mills, prohibit the town from requesting a chargeback of property tax refunds issued by the town, and remove the town's ability to use the levy limit debt service exclusion for debt service on general obligation bonds issued after July 1, 2005.

I am vetoing these sections because I object to such distinct and constraining limits on local control for one specific municipality in perpetuity. While I share the concern regarding impacts to local property taxpayers, this approach of restricting local control may unnecessarily hinder the town of Sanborn's flexibility to address its own unique fiscal circumstances as well as unanticipated future expenses needed to maintain quality of service for the local community. These decisions are best left to local residents and town officials who know best how to balance the needs of their own community.

## **26. Annual Transfer of Local Government Fund Balance**

*Section 39 [as it relates to the creation of s. 16.5186 (3)]*

This section requires the Department of Administration to transfer from the general fund to the newly created local government fund the funding amount for the innovation planning grants account and innovation account and an amount equal to 20 percent of sales and use taxes, which will fund new and existing shared revenue programs beginning in fiscal year 2024-25, as outlined under 2023 Wisconsin Act 12. The budget bill also specifies that, in fiscal year 2025-26 and thereafter, the amount transferred from the general fund to the local government fund for these programs will be equal to the amount

transferred the year before, plus an amount necessary to allow both existing and supplemental county and municipal aid funding levels to increase by the percentage change in estimated sales tax collections.

This section also requires the Department of Administration to transfer back to the general fund the unencumbered balance of the local government fund at the end of each fiscal year (other than amounts credited to the innovation grants account, the innovation planning grants account, and a required reserve amount). I am partially vetoing this section to remove the provision requiring the local government fund to transfer the unencumbered balance back to the general fund at the end of each fiscal year because I object to diverting any funds transferred to the local government fund away from our local governments. While the combination of 2023 Wisconsin Act 12 and this budget have resulted in historic investments in county and municipal aids, we should honor our commitment to send 20 percent of the state's sales tax revenue back to local communities to support public safety, law enforcement, and other county and municipal needs. We should work together to invest these funds back into communities large and small across Wisconsin.

The fiscal effect of this veto is a reduction in GPR-earned of \$17,173,200 in fiscal year 2024-25 and an increase in the local government fund's ending balance of this same dollar amount.

## **27. Innovation Grants and Innovation Planning Grants Appropriations**

### *Sections 167 and 168*

These sections create two continuing SEG appropriations for the distribution of innovation grants and innovation planning grants, created under 2023 Wisconsin Act 12 and funded from the newly created local government fund, to be awarded to counties and municipalities. Separate provisions of the budget bill transfer a total of \$303 million from the general fund to the local government fund to provide funding for these two appropriations. Included in these sections are provisions that require any unencumbered balances in these appropriations to lapse back to the general fund at the end of the fourth fiscal year after the date that the Department of Revenue has promulgated rules pertaining to these programs.

I am partially vetoing these sections to remove the provisions that lapse the unencumbered balances of both the innovation grants appropriation and the innovation planning grants appropriation back to the general fund because I object to depriving the local government fund of revenues that could be used to either extend these programs in the future or to increase other state aids to counties and municipalities. While the combination of 2023 Wisconsin Act 12 and this budget have made the first progress in increasing county and municipal aids in over 20 years, the needs of our local governments have not been fully addressed. Consequently, the unencumbered balances of the innovation grant and innovation planning grant appropriations should remain in the local government fund to provide the state with the necessary budget flexibility to address unmet county and municipal needs.

## **28. Municipal Sales Tax Appropriation**

### *Section 156*

This section creates a continuing PR appropriation under the Department of Revenue for the administration of municipal sales taxes. Under 2023 Wisconsin Act 12, the city of Milwaukee is allowed to adopt a 2.0 percent local sales tax if approved by two-thirds of the common council. This appropriation would receive 1.75 percent of the local sales tax collections in the city to support

department costs associated with administering the local sales tax. Included in this section is a provision that requires any unencumbered balance in this appropriation to lapse to the general fund at the end of each fiscal year.

I am partially vetoing this section to remove the provision that lapses the unencumbered balance of the municipal sales tax administrative appropriation to the general fund. I am vetoing this lapse provision because I object to transferring local sales tax collections in excess of the department's administrative costs within a state fiscal year to the general fund for an unspecified purpose. The city of Milwaukee sales tax has been authorized by the state for a specific purpose, namely to address Milwaukee's significant and unique financial challenges. While it is reasonable for the state to receive funds necessary to accomplish its work administering this local sales tax, the state should not financially benefit from the city's sales tax beyond the amount required for this work. These local sales tax dollars, paid locally in the community, should be returned to the city of Milwaukee for local purposes if they exceed the state's administrative needs. As a result of my veto, unencumbered department administrative fee collections over the department's costs will remain in this appropriation and thus could be later distributed to the city of Milwaukee for the purposes provided for this local tax under 2023 Wisconsin Act 12. The distribution of excess department administrative fee collections back to the local entity imposing the tax from which the fee is derived is consistent with the treatment of the Milwaukee exposition taxes, premier resort area taxes, and the previous football and baseball stadium taxes.

## **29. Increases in Mileage Aid Payments**

### *Section 377m [as it relates to s. 86.30 (2) (a) 3.]*

This section increases the mileage aid payments in the general transportation aids program to \$2,789 in calendar year 2024 and \$2,845 in calendar year 2025 – thereby providing 2 percent increases to the mileage reimbursement rate in both of these calendar years. This section also includes 2 percent increases in calendar year 2024 and calendar year 2025 for the general transportation aids program for both counties and municipalities.

I am partially vetoing the section to delete the mileage aid payment increases because I object to providing further increases to mileage aid when the disparate impact of 2011 Wisconsin Act 32 on the mileage aid versus share of cost aid components of the general transportation aids formula remains unaddressed. The nearly 6.0 percent reduction signed into law by 2011 Wisconsin Act 32 fell entirely on share of cost awardees in the formula. As a result of my veto, this disparate treatment based on the formula component that a locality relies upon is reduced. My veto also retains the 2 percent increases in funding for both calendar year 2024 and calendar year 2025 for the general transportation aids program as provided by this section.

## **30. Dignitary Protection Unit**

### *Section 387*

This section requires the Department of Transportation to maintain a dignitary protection unit. The section further identifies Justices of the Supreme Court of Wisconsin as state officers eligible for protection by the dignitary protection unit.

Ensuring the safety of all public officials and institutions, including our judges and our courts, must be a top priority. Under current law, the department may already assign state traffic officers to protect state

officers, including Justices of the Supreme Court. I support ensuring that state traffic officers may be assigned to protect Justices of the Supreme Court, and I believe more can be done to bolster this important work, including providing the necessary resources to meet the Legislature's intent. I am vetoing this section as I object to creating redundant directives for the Division of State Patrol that would ultimately limit its flexibility to respond to the dynamic public safety needs of Wisconsin. Further, I object to the fact that this section does not provide additional resources for the State Patrol if the intent is that it provide additional officer assignments.

I welcome the Legislature to continue to work on this critically important issue in partnership with my administration and our courts during this biennium to ensure appropriate security can be provided and properly funded to protect the Justices of the Supreme Court.

### **31. Freight Rail Preservation Program**

#### *Section 9144 (1)*

This provision requires the Department of Transportation to conduct a cost-benefit analysis of the freight rail preservation program and further requires the department to submit a report of this analysis to the Joint Committee on Finance no later than June 30, 2025.

I am vetoing this provision because I object to the Legislature mandating analyses when the department is already able to undertake such actions at its own discretion. I also object to this additional reporting requirement. In lieu of the actions that would have been required under this provision, I am directing the department to update the department's Intermodal Facility Study.

### **32. Mississippi River Parkway Commission Administrative Support**

#### *Section 9144 (11)*

This provision requires the Department of Transportation to assign the equivalent of a 0.1 FTE position from the duties of the bicycle and pedestrian coordinator position to the Mississippi River Parkway Commission for the purpose of providing administrative support to the commission.

I am vetoing this provision because I object to this level of micromanaging of the department. In addition, I am vetoing this section because I object to a legislative mandate of such a limited scale.

### **33. Fee for Identification Stickers for Electric Vehicles**

#### *Section 460*

This section creates a \$1 fee to pay for the costs of manufacture and distribution of stickers or decals to identify both hybrid electric vehicles and nonhybrid electric vehicles. These stickers or decals are intended to alert emergency personnel of the unique safety concerns of these vehicles.

I am vetoing this section to eliminate the \$1 fee that this section would charge the owners of these vehicles because I object to this unnecessary fee. Because of existing registration fees for these vehicles, including an increase to the registration fee for nonhybrid electric vehicles in this budget bill, there is no need to set this fee to cover Department of Transportation costs for these stickers. In

addition, a fee of this magnitude would simply be an irritant to state residents owning these vehicles.

### **34. Opening Avenues to Reentry Success Program**

#### *Section 9108 (2)*

This provision directs that \$2,272,300 GPR from the appropriation under s. 20.410 (1) (ds) in the 2023- 25 biennium be utilized to expand the original Opening Avenues to Reentry Success (OARS) program.

I am vetoing this provision because I object to preventing the Department of Corrections from funding the continuation of the Opening Avenues to Reentry Success 2 (OARS2) pilot program. With this veto, the Department of Corrections will be able to both expand the OARS program and continue the OARS2 pilot program. I continue to be supportive of both the OARS and OARS2 programs and request that the Department of Corrections utilize these additional funds for those programs.

### **35. Community Reentry Centers**

#### *Section 100*

This section would create a new appropriation under s. 20.410 (1) (df) for the Department of Corrections to establish and operate community reentry centers.

I am partially vetoing this section because I object to including an unworkable appropriation in the budget. My partial veto will remove the reference to s. 301.098 because there is no s. 301.098 under current law nor does this bill create it. While pending legislation on this topic was prepared for the Legislative Council Study Committee on Increasing Offender Employment Opportunities and introduced in the Legislature, there is no language in this bill to identify it.

### **36. Law Enforcement Overtime Grants**

#### *Sections 123 and 423*

These sections would eliminate the law enforcement overtime grants program and repeal the corresponding law enforcement overtime grants appropriation under s. 20.455 (2) (jc).

I am vetoing these sections because I object to eliminating a program that supports efforts to help keep our kids, our communities, and our state safe by helping our police departments with overtime costs. My budget recommended providing expenditure authority for the Department of Justice to issue law enforcement overtime grants and retaining the appropriation will allow the program to potentially be funded in the future.

### **37. Consolidated Court Automation Programs**

#### *Section 51 [as it relates to s. 20.680 (2) (j)]*

This section provides \$12,349,500 PR in fiscal year 2023-24 and \$12,248,500 PR in fiscal year 2024-25 in the appropriation under s. 20.680 (2) (j) for the consolidated court automation program. Although there is no language in the budget bill to identify it, the dollar amounts reflect a Joint Committee on Finance motion increasing this appropriation by \$2,188,000 PR in each fiscal year to reestimate expenditure authority.

I am partially vetoing section 51 [as it relates to s. 20.680 (2) (j)] by lining out the amounts under s. 20.680 (2) (j) and writing in a smaller amount to reduce the appropriation by \$2,188,000 PR in each fiscal year because I object to a funding reestimate of this size. I am also requesting the Department of Administration secretary not allot these funds. It is important that reestimates accurately reflect anticipated revenues in order to avoid a deficit in the appropriation. The effect of this veto is to delete the funding increase added by the Legislature and instead implement my recommendation regarding expenditure authority estimates for the consolidated court automation program. As a continuing program revenue appropriation, the expenditure authority for the court information systems appropriation under s. 20.680 (2) (j) may continue to be adjusted under current law procedures.

## **E. PROTECTING & CONSERVING OUR NATURAL RESOURCES**

### **38. Unobligated Stewardship Authority**

#### *Section 194*

This section sets aside \$2,500,000 in unobligated bonding authority from fiscal years 2021-22 and 2022-23 from the Warren Knowles-Gaylord Nelson Stewardship 2000 program for drilling new wells, facility maintenance, upgrades and renovations, and construction of new buildings at the Les Voigt State Fish Hatchery and the Brule State Fish Hatchery.

I am partially vetoing this section to remove the specific fiscal years and the specific projects because I object to having unobligated Stewardship bonding authority available only for earmarks at the discretion of the Legislature. Due to the Legislature's obstruction through the Joint Committee on Finance anonymous objection process, many valuable Stewardship projects have been delayed or denied leaving unused and unobligated bonding authority at the end of each year. It is my sincere desire that we work together to fix this broken system for approval of beneficial conservation projects. This veto will allow the Department of Natural Resources to access all unobligated Stewardship bonding authority to invest in critical projects that will protect, preserve, and provide access to Wisconsin's natural resources.

### **39. Echo Lake Dam**

#### *Sections 51 [as it relates to s. 20.370 (4) (jc)] and 75*

These sections create a new continuing appropriation and provide \$1,000,000 GPR in the 2023-25 biennium for providing a grant to the city of Burlington for the restoration of a dam on Echo Lake.

I am partially vetoing section 51 [as it relates to s. 20.370 (4) (jc)] and vetoing section 75 in its entirety because I object to providing additional state funding for a project that already received a \$1,000,000 grant under the Municipal Dam Grant Program during the 2021-23 grant period.

### **40. Department of Natural Resources Position Reallocations**

#### *Section 9132 (1)*

This provision directs the Department of Natural Resources to reallocate 1.0 FTE existing position as a conservation warden supervisor and 2.0 FTE existing positions as conservation wardens, for the purpose of all-terrain vehicle and utility terrain vehicle law enforcement.

I am partially vetoing this provision to remove the specific number of FTE and job classifications because I object to the Legislature requiring the Department of Natural Resources to reassign a set number of existing positions to specific job classifications. This

veto will allow the department to determine how to best allocate positions for conservation purposes. The department will report any reallocations to the Department of Administration and the Legislative Fiscal Bureau for inclusion in the final Chapter 20 schedule.

**41. Pattison and Amnicon Falls State Parks Earmarks**

*Section 9132 (3)*

This provision earmarks \$2,161,300 SEG for development and maintenance projects at Amnicon Falls and Pattison State Parks. The provision specifies projects that the Department of Natural Resources must complete at both properties.

I am vetoing this provision because I object to limiting the department's flexibility to prioritize projects based on areas of highest need. This veto will provide the department the ability to utilize the funding for development and maintenance projects throughout the state park system.

**42. Tribal Gaming Transfer**

*Section 144*

This section increases the annual transfer of Tribal gaming revenue to the conservation fund from \$3,000,000 to \$4,000,000.

I am vetoing this section because I object to this additional transfer of Tribal gaming revenue to the conservation fund. I believe Tribal gaming revenue should be retained for investments in Tribal communities and that those communities should be partners in any discussion that increases the transfer to the conservation fund.

**43. Steve Creek Dam**

*Section 76*

This section creates a new continuing appropriation in the 2023-25 biennium for providing a grant to Pierce County for repairs of a dam on Steve Creek. It should be noted that there is no body of water known as Steve Creek in Pierce County; however, there is a dam on Steve Creek in Price County. It appears from the motion that was adopted by the Joint Committee on Finance that the intent of this provision was to provide Price County with a grant.

I am partially vetoing this section to eliminate the reference to Pierce County because I object to providing funding to a county for a project that is located in a different county. With this veto, I am directing the Department of Natural Resources to work with Price County to issue this grant.

**44. Lake Mallalieu Dredging Grant**

*Sections 51 [as it relates to s. 20.370 (4) (jf)] and 78*

These sections create a new continuing appropriation and provide \$2,000,000 GPR in the 2023-25 biennium for providing a grant to the Lake Mallalieu Association for dredging Lake Mallalieu.

I am partially vetoing section 51 [as it relates to s. 20.370 (4) (jf)] and partially vetoing section 78 to remove the word dredging because I object to limiting the grant recipient to spending these funds only on the physical dredging of the lake. The association will likely incur ancillary costs related to the project, such as costs related to studies and permitting, and it is my intent to allow the grant to be utilized for these costs in addition to the physical dredging of the lake.

**45. Division Administrator Positions at the Department of Natural Resources**

*Section 430*

This section reduces the number of division administrator positions in the Department of Natural Resources from ten to nine.

I am vetoing this section because I object to reducing the number of division administrators at the Department of Natural Resources. As a result of this veto, the Department of Natural Resources retains the position authority for this 1.0 FTE PR unclassified position for appointment as a division administrator that would otherwise have been eliminated as a result of the Legislature's action.

**46. Board of Commissioners of Public Lands Deputy Director Position**

*Section 196*

This section eliminates the ability of the executive secretary of the Board of Commissioners of Public Lands to appoint a deputy director.

I am vetoing this section because I believe that the executive secretary should have the ability to appoint a deputy director if they so choose, and object to the Legislature eliminating that option. As a result of this veto, the Board of Commissioners of Public Lands retains the position authority for this 1.0 FTE GPR position for appointment as a deputy director that would otherwise have been eliminated as a result of the Legislature's action.

## **F. ADDITIONAL KEY PRIORITIES**

### **47. Tribal Grants Sunset**

*Sections 142, 149, 9101 (2), and 9401 (1)*

These provisions create an appropriation at the Department of Administration and require the department to use it to distribute grants to federally recognized American Indian Tribes or bands in this state. The Joint Committee on Finance has reserved \$11,000,000 of Tribal gaming revenues to supplement this appropriation in fiscal year 2023-24. In addition, the appropriation is repealed on July 1, 2025.

I am vetoing sections 142, 149, and 9401 (1) and partially vetoing section 9101 (2) to retain the creation of the appropriation but remove the sunset for the appropriation, because I object to ending this program. A similar grant program in the 2021-23 biennium was also funded with Tribal gaming revenues and has proven valuable to the Tribal Nations, allowing each Tribe and band to use the funding in the way it deems best to meet the needs of its members. The language of this appropriation is general and would allow grants that offer similar flexibility to be made to each Tribe and band. While this veto does not establish ongoing funding for these grants in subsequent biennia, it at least preserves the framework of this program that both the Legislature and I agree upon.

### **48. Legislative Human Resources Office**

*Section 19*

This section creates the Legislative Human Resources Office and establishes duties of the office and the director. Under the language of this section, the office would “have all of the rights and privileges pertaining to human resources records as are enjoyed by executive branch agencies, including those under s. 230.13 and subchapter II of ch. 19,” which address public records.

I am partially vetoing this section because I object to including unnecessary language in the statutes. If the intent of the Legislature was to treat the records of the office the same as human resources offices of executive branch agencies, this language is unnecessary and may create inconsistency in how human resources records are treated by the office. By partially vetoing this section to remove reference to the treatment of records, it will be clear that the office is simply subject to the state’s Public Records Law in the same manner as all authorities as defined under the Public Records Law, including executive branch agencies.

### **49. WisconsinEye**

*Section 20*

This section creates an endowment fund for the WisconsinEye Public Affairs Network, Inc. The Joint Committee on Finance has reserved \$10,000,000 in its GPR supplemental appropriation to supplement a new biennial appropriation if a request for funding is made jointly by the Department of Administration and WisconsinEye. As a condition of receiving the payment, WisconsinEye must raise a match of at least an equal amount of nonstate funding sources for the endowment fund. If WisconsinEye ever

ceases operation, it shall pay back the state's investment. Finally, it is also prohibited from charging any fee for access to recorded content of public meetings.

I am partially vetoing this section to expand the prohibition on charging fees for WisconsinEye content because I object to any fees being charged, given the significant contribution of state resources. It is important that the public have free access to all WisconsinEye content in order to ensure full transparency of legislative and other public proceedings.

## **50. Promotion of the U.S.S. Wisconsin Columbia-Class Submarine**

### *Section 9148 (2)*

This provision allows the Department of Veterans Affairs to issue a one-time grant of \$16,540 from Veterans Museum base resources to a private nonprofit organization to promote and support recognition of the Columbia-class submarine to be known as the U.S.S. Wisconsin.

I am vetoing this provision because I object to the Legislature asking the Veterans Museum to prioritize this grant above other funding needs like museum operations or planning for the museum's future. If the Legislature believes this grant is a priority, it should have provided separate funding to accomplish it.

## **51. Restore an Appropriation for Agency Operations**

### *Section 54*

This section repeals a PR-S appropriation from the Supervision of the Insurance Industry program within the Office of the Commissioner of Insurance, which receives money from other state agencies and money received by the office from the office for general program operations.

I am vetoing this section because I object to removing the agency's ability to receive funds from other agencies and itself, which would result in limiting the office's ability to carry out its administrative duties.