

2025-27 Wisconsin
State Budget

December, 2024

Overview of State Agency Major Request Items

LEGISLATIVE FISCAL BUREAU
State of Wisconsin

Summary of 2025-27 Budget Requests

Overview of State Agency Major Request Items

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INTRODUCTION

This document, prepared by the Legislative Fiscal Bureau, provides an overview of the 2025-27 budget requests which state agencies have submitted for inclusion in the executive budget document. Its purpose is to highlight the major changes which have been requested and, thus, is not a comprehensive summary of each proposed modification. The document generally contains only those items with a fiscal effect in excess of \$250,000 or which represent a significant policy change. The document reflects budget requests that were submitted as of November 27, 2024.

Immediately following this introduction is a Table of Contents, Key to Abbreviations, and User's Guide. In addition, four summary tables are presented. The tables reflect comparative 2025-27 funding and position requests with current levels.

The major portion of the document presents summaries of the various state agency budget requests. The agency summaries are arranged alphabetically and contain a funding and position table as well as a brief narrative description and fiscal effect, if any, of each major requested item. In some cases, statutory modifications have been requested. Although statutory language is generally not available, the summaries of these items, where included, are based on our understanding of the agency's request.

In addition to the agency budget requests, 2015 Act 201 requires executive branch agencies to submit two additional proposals. The first would be to maintain state operations appropriations for the two years of the next biennium at the base level and the second would be a 5% reduction for each year of the biennium. Excluded are appropriations funded with federal revenues, debt service, and standard budget adjustments. A listing of the items of the "Base Level Plan" and "5% Budget Reduction Plan" is included at the end of the summary of each agency budget request.

Also, 2017 Act 212 requires that each state agency submit a biennial base budget review report to the Department of Administration that contains the following information: (a) a description of each of the agency's appropriations; (b) an accounting of all expenditures, by quarter, of the previous three fiscal years; (c) an analysis of whether each appropriation contributes to the mission of the agency; (d) a determination of the minimum amount of funding required for each appropriation to address the agency's objectives; and (e) a description of the agency's mission or guiding principles. The act requires that the report submitted no later than May 15 in each even numbered year. The agency reports under 2017 Act 212 can be found at: (<http://openbook.wi.gov/ExpenditureDetailReport.aspx>)

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KEY TO ABBREVIATIONS

Revenues

BR	Bond revenues which are available from the contracting of public debt (general obligation bonds), from debt which is to be repaid only from pledged or project revenues (revenue bonds), or from debt where repayment is backed by the state's moral obligation pledge and subject to annual appropriation by the Legislature (appropriation obligation bonds).
GPR-Earned	Departmental revenues which are collected by individual state agencies and deposited in the general fund.
REV	Revenue.

Appropriations

GPR	Appropriations financed from general purpose revenues available in the state's general fund.
FED	Appropriations financed from federal revenues.
PR	Appropriations financed from program revenues, such as user fees or product sales.
PR-S	Program Revenue-Service. Appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
SEG	Appropriations financed from segregated revenues.
SEG-Local	Appropriations financed from local revenues which are administered through a state segregated fund.
SEG-S	Segregated Revenue-Service. Segregated appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
Lapse	Budgeted amounts that are unspent at the end of a fiscal period which revert back to the fund from which they were appropriated.

Other

2023 Wisconsin Act 19	The 2023-25 biennial budget act.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to less than 1,040 hours per appointment in a 12-month period.
2024-25 Adjusted Base	The 2024-25 authorized funding level for an agency or program. The adjusted base equals 2024-25 appropriations and any supplements. This base serves as the beginning point for calculating budget changes for 2025-27.
2024-25 Base Year Doubled	The 2024-25 base multiplied by two. This produces the biennial base level against which 2025-27 budget levels may be compared.

USER'S GUIDE

The following explanation of entries is keyed to the accompanying sample entry (page 3).

- ① Name of agency.
- ② Listed in this column are the funding sources for the amounts shown in Columns 3 through 5, both dollar amounts and positions. (Only the funding sources which are included in the agency's budget are shown.)
- ③ Figures in these columns represent the agency's adjusted budget base. The adjusted budget base equals appropriated levels for 2024-25 (the second year of the 2023-25 biennium) and any authorized supplements or position changes. The 2024-25 adjusted budget base represents the beginning level for all agency requests for calculating budget changes for 2025-27.
- ④ Figures in these columns represent, by fiscal year, the agency budget and FTE position requests, by fund source.
- ⑤ These columns indicate the increase or decrease, by amount and percentage, of 2025-27 requested amounts over the 2024-25 adjusted base year doubled (to provide a two-year to two-year comparison). For positions, the increase or decrease is based on the 2026-27 requested level compared to the 2024-25 authorized level.
- ⑥ Indicates the start of the summary of major fiscal or programmatic agency request items. In general, only items with a net fiscal effect in excess of \$250,000, or statutory language requests resulting in significant policy changes (with or without a fiscal effect) have been included. For some agencies only a table is included as there are no major request items.
- ⑦ Title of the request item.
- ⑧ The box, which follows the title, highlights the funding and position change to the agency's base as a result of the item. For every item which has a fiscal and/or position change, a box with that information will be presented.
- ⑨ Brief narrative explaining the request item.
- ⑩ 2015 Act 201 Plan. Under Act 201, executive branch agencies are required to submit plans to: (a) maintain state operations appropriations for 2025-27 at the base level; and (b) reduce base level state operations appropriations for 2025-27 by 5%. The plans, as submitted, are shown here.

WISCONSIN TECHNICAL COLLEGE SYSTEM 1

Budget Summary						FTE Position Summary				
2	3		4		5		3	4		5
	2024-25	Request		2025-27 Change Over		2024-25		Request		
Fund	Adjusted Base	2025-26	2026-27	Amount	%	2024-25	2025-26	2026-27	Number	%
GPR	\$587,442,900	\$614,120,400	\$620,120,400	\$59,355,000	5.1%	23.25	27.25	27.25	4.00	17.2%
FED	33,440,400	32,851,800	32,851,800	- 1,177,200	- 1.8	26.75	22.75	22.75	- 4.00	- 15.0
PR	<u>4,744,000</u>	<u>4,762,600</u>	<u>4,762,600</u>	<u>37,200</u>	0.4	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$625,627,300	\$651,734,800	\$657,734,800	\$58,215,000	4.7%	55.00	55.00	55.00	0.00	0.0%

Major Request Items 6

1. STANDARD BUDGET ADJUSTMENTS 7

8	
GPR	-\$67,400
FED	- 177,200
PR	<u>- 20,000</u>
Total	- \$264,600

Request adjustments to the base totaling -\$33,700 GPR, -\$88,600 FED, and -\$10,000 PR annually for: (a) full funding of continuing position salaries and fringe benefits (\$140,200 GPR, \$34,300 FED, and \$27,400 PR annually); and (b) full funding of lease and directed moves costs (-\$173,900 GPR, -\$37,400 FED, and -\$122,900 PR annually).

2. STATE AID FOR TECHNICAL COLLEGES 7

8	
GPR	\$45,000,000

Request \$20,000,000 in 2025-26 and \$25,000,000 in 2026-27 above base level funding of \$109,574,900 for state aid for technical colleges. The agency indicates this funding will provide technical colleges with the flexibility to expand their capacity and meet the unique, local needs of their communities.

2015 Act 201 Plan

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	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce funding for text materials	PR	-\$115,500	-\$115,500
2. Reduce funding for auxiliary services	PR	-15,200	-15,200
3. Reduce funding for interagency projects state operations	PR	-500	-500
4. Reduce funding for inter-agency and intra-agency programs	PR	-57,900	-57,900
5. Reduce funding for services for district boards	PR	<u>-49,900</u>	<u>-49,900</u>
Total		-\$239,000	-\$239,000

TABLE 1**Summary of All Funds Appropriations Requests by Agency**

<u>Agency</u>	<u>2024-25 Adjusted Base</u>	<u>Request</u>		<u>2025-27 Change Over Base Year Doubled</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>Percent</u>
Administration	\$641,086,200	\$657,087,700	\$657,612,700	\$32,528,000	2.5%
Agriculture, Trade and Consumer Protection	117,536,100	128,324,400	128,292,400	21,544,600	9.2
Appropriation Obligation Bonds	336,940,900	323,449,500	260,102,300	-90,330,000	-13.4
Board for People with Developmental Disabilities	1,700,000	1,885,500	1,796,400	281,900	8.3
Board of Commissioners of Public Lands	1,740,000	2,515,700	2,541,700	1,577,400	45.3
Board on Aging and Long-Term Care	4,244,500	5,328,700	5,453,600	2,293,300	27.0
Building Commission	46,620,000	46,620,000	46,620,000	0	0.0
Child Abuse and Neglect Prevention Board	4,435,900	4,376,700	4,376,700	-118,400	-1.3
Children and Families	1,559,703,000	1,614,430,400	1,612,493,100	107,517,500	3.4
Circuit Courts	126,155,000	122,114,900	122,147,400	-8,047,700	-3.2
Corrections	1,725,014,800	1,963,988,900	1,985,581,400	499,540,700	14.5
Court of Appeals	13,182,600	12,936,800	12,947,100	-481,300	-1.8
District Attorneys	71,567,500	93,299,600	101,376,300	51,540,900	36.0
Educational Communications Board	22,410,500	22,662,300	22,674,500	515,800	1.2
Elections Commission	6,886,800	8,275,700	8,535,000	3,037,100	22.1
Employee Trust Funds	64,130,100	81,108,200	80,946,200	33,794,200	26.3
Employment Relations Commission	1,104,400	1,127,800	1,129,100	48,100	2.2
Environmental Improvement Fund	11,199,000	11,199,000	11,199,000	0	0.0
Ethics Commission	1,577,100	4,472,600	4,127,600	5,446,000	172.7
Financial Institutions	21,957,300	21,972,100	21,972,100	29,600	0.1
Fox River Navigational System Authority	125,400	131,700	131,700	12,600	5.0
Governor	4,726,300	4,834,400	4,834,400	216,200	2.3
Health Services	16,696,172,900	18,160,394,600	19,134,065,600	3,902,114,400	11.7
Higher Educational Aids Board	144,695,900	144,687,600	144,680,600	-23,600	<-0.1
Historical Society	42,724,500	47,093,100	46,739,800	8,383,900	9.8
Insurance	316,179,100	317,116,400	317,137,800	1,896,000	0.3
Investment Board	102,814,700	102,814,700	102,814,700	0	0.0
Judicial Commission	363,500	379,300	379,600	31,900	4.4
Judicial Council	0	124,500	158,000	282,500	N.A.
Justice	203,092,700	223,963,000	228,526,000	46,303,600	11.4
Kickapoo Reserve Management Board	1,158,800	1,149,800	1,172,400	4,600	0.2
Labor and Industry Review Commission	3,179,700	3,212,500	3,212,500	65,600	1.0
Legislature	100,590,500	102,287,800	102,274,500	3,381,300	1.7
Lieutenant Governor	521,000	492,800	492,800	-56,400	-5.4
Lower Wisconsin State Riverway Board	276,100	284,000	284,000	15,800	2.9
Medical College of Wisconsin	13,850,500	13,850,500	13,850,500	0	0.0
Military Affairs	205,647,400	237,495,100	237,498,200	63,698,500	15.5
Miscellaneous Appropriations	228,892,000	239,816,300	246,379,900	28,412,200	6.2
Natural Resources	602,652,800	616,051,700	613,225,600	23,971,700	2.0
Program Supplements	332,100	332,100	332,100	0	0.0

TABLE 1 (continued)**Summary of All Funds Appropriations Requests by Agency**

<u>Agency</u>	2024-25 <u>Adjusted Base</u>	Request		2025-27 Change Over Base Year Doubled	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>Percent</u>
Public Defender	\$134,278,100	\$140,347,000	\$151,625,200	\$23,416,000	8.7%
Public Instruction	8,892,647,700	10,607,437,000	11,561,726,400	4,383,868,000	24.6
Public Service Commission	35,254,900	39,115,600	38,643,500	7,249,300	10.3
Revenue	261,406,700	268,314,400	268,502,400	14,003,400	2.7
Safety and Professional Services	75,543,400	80,262,200	80,816,000	9,991,400	6.6
Secretary of State	291,800	614,300	701,800	732,500	125.5
Shared Revenue and Tax Relief	3,766,402,700	3,836,439,000	3,865,241,500	168,875,100	2.2
State Fair Park Board	23,336,800	41,440,300	44,440,300	39,207,000	84.0
State Treasurer	133,000	222,300	245,300	201,600	75.8
Supreme Court	38,150,000	43,348,800	43,447,300	10,496,100	13.8
Tourism	19,990,200	20,499,700	20,599,500	1,118,800	2.8
Transportation	3,569,041,200	3,757,866,700	3,758,823,600	378,607,900	5.3
University of Wisconsin System	7,944,851,700	8,343,567,000	8,402,982,000	856,845,600	5.4
Veterans Affairs	158,875,100	173,343,600	173,445,000	29,038,400	9.1
Wisconsin Economic Development Corporation	45,870,000	45,870,000	45,870,000	0	0.0
Wisconsin Technical College System	625,627,300	651,734,800	657,734,800	58,215,000	4.7
Workforce Development	<u>401,167,700</u>	<u>415,618,700</u>	<u>412,397,400</u>	<u>25,680,700</u>	3.2
TOTAL	\$49,440,055,900	\$53,809,729,800	\$55,817,357,300	\$10,746,975,300	10.9%

TABLE 2**Summary of All Funds Full-Time Equivalent Position Requests by Agency**

<u>Agency</u>	<u>2024-25</u>	<u>Request</u>		<u>2026-27 Over 2024-25</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Number</u>	<u>%</u>
Administration	1,509.28	1,494.28	1,440.78	-68.50	-4.5%
Agriculture, Trade and Consumer Protection	647.29	641.29	636.29	-11.00	-1.7
Board for People with Developmental Disabilities	8.60	8.60	7.00	-1.60	-18.6
Board of Commissioners of Public Lands	9.70	10.70	10.70	1.00	10.3
Board on Aging and Long-Term Care	46.50	54.50	54.50	8.00	17.2
Child Abuse and Neglect Prevention Board	7.00	7.00	7.00	0.00	0.0
Children and Families	818.40	818.40	817.40	-1.00	-0.1
Circuit Courts	551.00	552.75	552.75	1.75	0.3
Corrections	10,162.52	10,162.52	10,162.52	0.00	0.0
Court of Appeals	75.50	75.50	75.50	0.00	0.0
District Attorneys	499.30	579.10	579.10	79.80	16.0
Educational Communications Board	51.50	51.50	51.50	0.00	0.0
Elections Commission	36.00	46.00	46.00	10.00	27.8
Employee Trust Funds	287.20	296.20	296.20	9.00	3.1
Employment Relations Commission	6.00	6.00	6.00	0.00	0.0
Ethics Commission	8.00	27.00	27.00	19.00	237.5
Financial Institutions	141.54	141.54	141.54	0.00	0.0
Governor	37.25	37.25	37.25	0.00	0.0
Health Services	6,777.54	6,765.54	6,760.54	-17.00	-0.3
Higher Educational Aids Board	11.50	11.50	11.50	0.00	0.0
Historical Society	184.55	183.55	189.55	5.00	2.7
Insurance	142.83	142.83	142.83	0.00	0.0
Investment Board	298.00	298.00	298.00	0.00	0.0
Judicial Commission	2.00	2.00	2.00	0.00	0.0
Judicial Council	0.00	1.00	1.00	1.00	N.A.
Justice	759.84	802.25	798.25	38.41	5.1
Kickapoo Reserve Management Board	4.00	5.00	5.00	1.00	25.0
Labor and Industry Review Commission	18.70	18.70	18.70	0.00	0.0
Legislature	787.97	791.97	791.97	4.00	0.5
Lieutenant Governor	5.00	5.00	5.00	0.00	0.0
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	0.00	0.0
Military Affairs	625.00	623.00	622.00	-3.00	-0.5
Natural Resources	2,539.92	2,530.92	2,493.92	-46.00	-1.8
Public Defender	619.85	695.45	695.45	75.60	12.2
Public Instruction	656.27	660.27	653.27	-3.00	-0.5

TABLE 2 (continued)**Summary of All Funds Full-Time Equivalent Position Requests by Agency**

<u>Agency</u>	<u>2024-25</u>	<u>Request</u>		<u>2026-27 Over 2024-25</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Number</u>	<u>%</u>
Public Service Commission	192.75	190.75	183.75	-9.00	-4.7%
Revenue	1,184.80	1,202.30	1,202.30	17.50	1.5
Safety and Professional Services	257.89	283.89	283.89	26.00	10.1
Secretary of State	2.00	5.00	5.00	3.00	150.0
State Fair Park Board	54.00	54.00	54.00	0.00	0.0
State Treasurer	1.00	2.00	2.00	1.00	100.0
Supreme Court	233.10	241.50	241.50	8.40	3.6
Tourism	34.00	34.00	34.00	0.00	0.0
Transportation	3,302.93	3,308.93	3,264.93	-38.00	-1.2
University of Wisconsin System	38,239.40	38,446.40	38,453.40	214.00	0.6
Veterans Affairs	1,240.50	1,247.50	1,247.50	7.00	0.6
Wisconsin Technical College System	55.00	55.00	55.00	0.00	0.0
Workforce Development	<u>1,597.75</u>	<u>1,576.75</u>	<u>1,574.75</u>	<u>-23.00</u>	-1.4
TOTAL	74,732.67	75,197.13	75,042.03	309.36	0.4%

Full-Time Equivalent Positions by Funding Source

<u>Fund</u>	<u>2024-25</u>	<u>Request</u>		<u>2026-27 Over 2024-25</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Number</u>	<u>%</u>
GPR	35,463.80	36,055.88	36,071.88	608.08	1.7%
FED	11,540.51	11,436.61	11,265.51	-275.00	-2.4
PR	22,833.81	22,780.59	22,780.59	-53.22	-0.2
SEG	<u>4,894.55</u>	<u>4,924.05</u>	<u>4,924.05</u>	<u>29.50</u>	<u>0.6</u>
TOTAL	74,732.67	75,197.13	75,042.03	309.36	0.4%

TABLE 3

Summary of General Fund Appropriations Requests by Agency

<u>Agency</u>	<u>2024-25 Adjusted Base</u>	<u>Request</u>		<u>2025-27 Change Over Base Year Doubled</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>Percent</u>
Administration	\$30,966,300	\$31,137,100	\$31,134,300	\$338,800	0.5%
Agriculture, Trade and Consumer Protection	32,993,900	37,180,600	37,220,200	8,413,000	12.7
Appropriation Obligation Bonds	336,940,900	323,449,500	260,102,300	-90,330,000	-13.4
Board for People with Developmental Disabilities	132,100	114,200	114,200	-35,800	-13.6
Board of Commissioners of Public Lands	1,614,100	35,000	40,000	-3,153,200	-97.7
Board on Aging and Long-Term Care	1,967,300	2,546,600	2,643,400	1,255,400	31.9
Building Commission	44,283,000	44,283,000	44,283,000	0	0.0
Child Abuse and Neglect Prevention Board	1,995,000	1,995,000	1,995,000	0	0.0
Children and Families	466,467,800	483,583,100	483,781,000	34,428,500	3.7
Circuit Courts	125,922,300	121,777,600	121,777,600	-8,289,400	-3.3
Corrections	1,574,696,200	1,784,243,000	1,805,146,600	439,997,200	14.0
Court of Appeals	13,182,600	12,936,800	12,947,100	-481,300	-1.8
District Attorneys	67,636,600	88,988,600	97,075,600	50,791,000	37.5
Educational Communications Board	6,774,700	6,888,800	6,889,100	228,500	1.7
Elections Commission	5,213,100	6,567,500	6,879,200	3,020,500	29.0
Employee Trust Funds	12,900	12,200	8,000	-5,600	-21.7
Employment Relations Commission	958,800	982,200	983,500	48,100	2.5
Environmental Improvement Fund	6,699,000	6,699,000	6,699,000	0	0.0
Ethics Commission	1,033,900	4,436,400	4,091,400	6,460,000	312.4
Governor	4,726,300	4,834,400	4,834,400	216,200	2.3
Health Services	5,576,169,400	5,192,222,600	5,523,481,600	-436,634,600	-3.9
Higher Educational Aids Board	142,878,500	142,870,200	142,863,200	-23,600	<-0.1
Historical Society	27,318,800	31,262,900	30,667,000	7,292,300	13.3
Insurance	16,535,000	30,851,300	30,851,300	28,632,600	86.6
Judicial Commission	363,500	379,300	379,600	31,900	4.4
Judicial Council	0	124,500	158,000	282,500	N.A.
Justice	84,380,000	133,139,400	140,287,500	104,666,900	62.0
Labor and Industry Review Commission	167,600	165,800	165,800	-3,600	-1.1
Legislature	97,973,400	99,556,400	99,542,700	3,152,300	1.6
Lieutenant Governor	521,000	492,800	492,800	-56,400	-5.4
Medical College of Wisconsin	13,603,000	13,603,000	13,603,000	0	0.0
Military Affairs	39,139,400	39,785,600	39,785,600	1,292,400	1.7
Miscellaneous Appropriations	196,521,000	207,513,200	214,137,400	28,608,600	7.3
Natural Resources	99,220,700	100,294,500	100,304,000	2,157,100	1.1
Program Supplements	332,100	332,100	332,100	0	0.0
Public Defender	132,777,800	138,836,600	150,114,100	23,395,100	8.8
Public Instruction	7,868,908,000	9,558,044,100	10,510,795,900	4,331,024,000	27.5
Revenue	212,334,600	217,011,700	217,017,600	9,360,100	2.2
Shared Revenue and Tax Relief	1,926,612,100	1,973,004,500	1,980,775,200	100,555,500	2.6
State Fair Park Board	2,440,300	2,440,300	2,440,300	0	0.0
Supreme Court	20,660,900	21,987,400	21,925,600	2,591,200	6.3
Tourism	8,330,200	8,991,900	9,091,700	1,423,200	8.5
Transportation	\$192,499,200	\$193,505,500	\$196,524,300	5,031,400	1.3
University of Wisconsin System	1,346,632,600	1,745,282,400	1,804,697,400	856,714,600	31.8
Veterans Affairs	2,019,300	2,025,300	2,025,300	12,000	0.3
Wisconsin Technical College System	587,442,900	614,120,400	620,120,400	59,355,000	5.1
Workforce Development	61,045,900	64,690,400	66,117,800	8,716,400	7.1
TOTAL	\$21,381,044,000	\$23,495,224,700	\$24,847,342,100	\$5,580,478,800	13.1%

TABLE 4**Summary of General Fund Full-Time Equivalent Position Requests by Agency**

<u>Agency</u>	<u>2024-25</u>	<u>Request</u>		<u>2026-27 Over 2024-25</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Number</u>	<u>%</u>
Administration	59.87	59.87	59.87	0.00	0.0%
Agriculture, Trade and Consumer Protection	201.40	201.40	201.40	0.00	0.0
Board of Commissioners of Public Lands	8.70	0.00	0.00	-8.70	-100.0
Board on Aging and Long-Term Care	21.13	26.88	26.88	5.75	27.2
Children and Families	232.91	232.91	232.91	0.00	0.0
Circuit Courts	551.00	551.00	551.00	0.00	0.0
Corrections	9,615.22	9,622.92	9,622.92	7.70	0.1
Court of Appeals	75.50	75.50	75.50	0.00	0.0
District Attorneys	460.80	546.80	546.80	86.00	18.7
Educational Communications Board	25.94	25.94	25.94	0.00	0.0
Elections Commission	25.75	35.75	35.75	10.00	38.8
Employment Relations Commission	6.00	6.00	6.00	0.00	0.0
Ethics Commission	4.70	27.00	27.00	22.30	474.5
Governor	37.25	37.25	37.25	0.00	0.0
Health Services	2,690.43	2,778.36	2,778.36	87.93	3.3
Higher Educational Aids Board	11.50	11.50	11.50	0.00	0.0
Historical Society	112.65	112.65	121.65	9.00	8.0
Judicial Commission	2.00	2.00	2.00	0.00	0.0
Judicial Council	0.00	1.00	1.00	1.00	N.A.
Justice	412.28	482.38	482.38	70.10	17.0
Labor and Industry Review Commission	0.80	0.80	0.80	0.00	0.0
Legislature	768.17	772.17	772.17	4.00	0.5
Lieutenant Governor	5.00	5.00	5.00	0.00	0.0
Military Affairs	82.48	82.48	82.48	0.00	0.0
Natural Resources	219.77	219.77	219.77	0.00	0.0
Public Defender	614.85	690.45	690.45	75.60	12.3
Public Instruction	247.29	256.29	256.29	9.00	3.6
Revenue	950.15	952.15	952.15	2.00	0.2
Supreme Court	115.50	123.90	123.90	8.40	7.3
Tourism	33.00	33.00	33.00	0.00	0.0
University of Wisconsin System	17,697.49	17,904.49	17,911.49	214.00	1.2
Wisconsin Technical College System	23.25	27.25	27.25	4.00	17.2
Workforce Development	<u>151.02</u>	<u>151.02</u>	<u>151.02</u>	<u>0.00</u>	0.0
TOTAL	35,463.80	36,055.88	36,071.88	608.08	1.7%

State Agency 2025-27 Budget Request Summaries

ADMINISTRATION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$30,966,300	\$31,137,100	\$31,134,300	\$338,800	0.5%	59.87	59.87	59.87	0.00	0.0%
FED	143,830,500	142,335,300	139,284,700	-6,041,000	-2.1	138.30	116.80	63.30	-75.00	-54.2
PR	414,449,800	430,982,500	434,561,400	36,644,300	4.4	1,298.56	1,300.06	1,300.06	1.50	0.1
SEG	<u>51,839,600</u>	<u>52,632,800</u>	<u>52,632,300</u>	<u>1,585,900</u>	1.5	<u>12.55</u>	<u>17.55</u>	<u>17.55</u>	<u>5.00</u>	39.8
TOTAL	\$641,086,200	\$657,087,700	\$657,612,700	\$32,528,000	2.5%	1,509.28	1,494.28	1,440.78	-68.50	-4.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$151,000 GPR, -\$584,100 FED, \$3,918,100 PR, \$83,400 SEG, and -15.0 FED positions in 2025-26 and \$148,200 GPR, -\$3,634,700 FED, \$3,869,700 PR, \$82,900 SEG, and -68.5 FED positions in 2026-27. Adjustments are for: (a) turnover reduction (-\$120,800 FED and -\$2,582,900 PR annually); (b) removal of noncontinuing elements from the base (-\$585,600 FED and -15.0 FED positions in 2025-26 and -\$3,634,500 FED and -68.5 FED positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$302,800 GPR, \$204,500 FED, \$6,932,200 PR, and \$108,400 SEG annually); (d) reclassifications and semiautomatic pay progression (\$40,300 PR in 2025-26 and \$46,800 PR in 2026-27); (e) overtime (\$549,000 PR annually); (f) night and weekend differential pay (\$28,600 PR annually); and (g) full funding of lease and directed moves costs (-\$151,800 GPR, -\$82,200 FED, -\$1,049,100 PR, and -\$25,000 SEG in 2025-26 and -\$154,600 GPR, -\$83,900 FED, -\$1,104,000 PR, and -\$25,500 SEG in 2026-27).

	Funding	Positions
GPR	\$299,200	0.00
FED	-4,218,800	-68.50
PR	7,787,800	0.00
SEG	<u>166,300</u>	<u>0.00</u>
Total	\$4,034,500	-68.50

2. OVERTIME AND NIGHT AND WEEKEND DIFFERENTIAL BASE BUDGETS

PR	\$1,418,400
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Request \$709,200 annually to establish budgets for overtime and standby pay and night and weekend differential pay for the Division of Enterprise Technology (\$574,300 annually) and Division of Personnel Management (\$134,900 annually). The request is based on average actual expenditures for such purposes in 2022-23 and 2023-24.

3. OVERTIME AND NIGHT AND WEEKEND DIFFERENTIAL REESTIMATE PR \$403,200

Request \$201,600 annually for an ongoing increase to the Division of Facilities and Transportation Services' overtime and night and weekend differential expenditure authority under the facility operations and maintenance; police and protection functions appropriation. The increase is based on the difference between funding provided in standard budget adjustments for the same purposes and average actual expenditures in 2022-23 and 2023-24.

4. POSITION REALLOCATIONS

Request -\$911,100 FED, \$201,300 PR, \$709,800 SEG, -6.5 FED positions, 1.5 PR positions, and 5.0 SEG positions annually.

	Funding	Positions
FED	-\$1,822,200	- 6.50
PR	402,600	1.50
SEG	<u>1,419,600</u>	<u>5.00</u>
Total	\$0	0.00

Positions and funding would be deleted from the following DOA appropriations: (a) services to nonstate governmental units (-\$78,500 PR and -0.50 PR position annually); (b) employee development and training services (-\$118,300 PR and -1.00 PR position annually); (c) federal aid (-\$803,700 FED and -5.50 FED positions annually); (d) risk management administration (-\$42,800 PR and -0.45 PR position annually); (e) housing and community development federal aid, state operations (-\$107,400 FED and -1.00 FED position annually); and (f) general program operations, Indian gaming (-\$50,800 PR and -0.25 PR position annually).

Positions and funding would be provided to the following DOA appropriations: (a) plat and proposed incorporation and annexation review (\$42,800 PR and 0.45 PR position annually); (b) materials and services to state agencies and certain districts (\$107,400 PR and 1.00 PR position annually); (c) legal services, relocation assistance (\$144,700 PR and 0.75 PR position annually); (d) general program operations, Division of Personnel Management (\$196,800 PR and 1.50 PR positions annually); and (e) general program operations, utility public benefits (\$709,800 SEG and 5.00 SEG positions annually).

5. RISK MANAGEMENT INSURANCE PREMIUM COSTS PR \$13,587,900

Request \$5,519,400 in 2025-26 and \$8,068,500 in 2026-27 for the risk management administration appropriation to provide for actual and estimated increases in the cost of excess property and liability insurance premiums. The requested increase is based on 2024-25 excess insurance premium expenditures adjusted by the average rate of growth for excess insurance premiums from 2020-21 to 2024-25.

The risk management program is self-funded to insure state agencies against property, liability, and worker's compensation losses. The state also purchases excess insurance coverage from private insurance carriers for property and liability losses greater than the state's self-funded limits. Premiums for excess property and liability insurance are dependent on loss experience, general insurance market conditions, and risk exposure.

6. ENTERPRISE TECHNOLOGY SERVICES SUPPORT

PR	\$7,397,600
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Request \$3,698,800 annually to provide the Division of Enterprise Technology an ongoing increase for supplies and services. According to the request, in the 2025-27 biennium, funding would be used for annual technology contract renewals that continue to increase in costs, maintaining current technology for systems management, and ongoing expenditures associated with log data archival requirements to address audit findings of the Legislative Audit Bureau. The source of funding for the requested increase is assessments to state agencies for IT services.

7. LIMITED-TERM EMPLOYEE COSTS

PR	\$2,537,000
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Request \$1,268,500 annually for limited-term employee (LTE) costs for all annual PR appropriations for which such costs exceeded the average budgeted amounts in 2022-23 and 2023-24. Increases for LTE expenditure authority would be provided to appropriations under the following programs: (a) supervision and management (\$619,000 annually); (b) risk management (\$19,200 annually); (c) attached divisions and other bodies (\$80,100 annually); (d) facilities management (\$530,500 annually); and (e) Division of Gaming (\$19,700 annually).

8. IT RESOURCES FOR SAFETY AND PROFESSIONAL SERVICES

PR	\$1,387,900
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Request \$695,400 in 2025-26 and \$692,500 in 2026-27 to provide contractual IT services for the Department of Safety and Professional Services (DSPS). Under 2013 Act 20, IT functions for DSPS were transferred to DOA, which recovers costs by assessing DSPS for services provided. According to the request, in the 2025-27 biennium, existing contractors will continue to be needed to upgrade, improve, and maintain DSPS IT systems. The request includes one-time costs of \$149,400 in 2025-26 and \$146,500 in 2026-27 for maintaining IT equipment.

9. BUILDING MAINTENANCE FOR STATE CRIME LAB AND AIR FLEET HANGAR

PR	\$1,081,100
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Request \$1,081,100 in 2026-27 to increase expenditure authority for the Division of Facilities and Transportation Services to support the ongoing maintenance of the new Milwaukee State Crime Lab and Wisconsin Air Services Hangar. The source of funding is rental charges to state agencies occupying state-owned space. In 2022, the Building Commission approved the Department of Justice's request to acquire the new crime lab at the Milwaukee Regional Medical Center for a total of \$99,500,000. The Division anticipates the building will become operational in August, 2026, and requests funding for ongoing operational expenses.

The request would also provide maintenance costs for the new Wisconsin Air Services Hangar at the Dane County Regional Airport. Construction of the hangar was approved by the Building Commission in the 2023-25 Capital Budget for \$4,675,000 and was enumerated as part of the 2023-25 state building program in 2023 Act 19. Examples of operational maintenance costs would include structural inspections, roof and door maintenance, HVAC upkeep, utilities, and pest

control. The Department estimates final completion of the project in the Spring of 2026.

10. NATOW CONTRACT TRANSFER

PR	\$400,000
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Request an inter-agency transfer of \$200,000 annually from the Department of Tourism's tourism marketing; gaming revenue appropriation to DOA's American Indian economic development; technical assistance appropriation. This allocation supports operations of Native American Tourism of Wisconsin (NATOW) and is supported by tribal gaming revenues. Further, request to transfer management of NATOW's marketing contract to DOA's Division of Intergovernmental Relations. The contract outlines services provided by NATOW, such as promotion of tribal tourism and management of tribal tourism assistance grants.

11. CAPITOL POLICE RESOURCES

PR	\$240,800
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Request \$120,400 annually to provide an ongoing increase to the supplies and services budget for the Division of Capitol Police. The request would be used for repairing and replacing service items including police gear, uniforms, safety equipment, and communication devices. Additionally, the funding would be used for upgrading equipment for field duties on a regular basis such as mobile data computers, squad cameras, and medical supplies. The request also includes the cost to upfit vehicles on a regular basis in a manner suitable to law enforcement functions.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce expenditure authority for services to nonstate governmental units; entity contracts.	PR	-\$400,000	-\$400,000
2. Reduce expenditure authority for information technology and communications services; nonstate entities.	PR	-11,000,000	-11,000,000
3. Reduce expenditure authority for transportation and records.	PR	-400,000	-400,000
4. Reduce expenditure authority for enterprise resource planning system.	PR	-2,073,400	-2,073,400
5. Reduce expenditure authority for postage costs.	PR	-300,000	-300,000
6. Reduce expenditure authority for financial services.	PR	-600,000	-600,000
7. Reduce expenditure authority for risk management costs.	PR	-120,000	-120,000
8. Reduce expenditure authority for general program operations; utility public benefits.	SEG	<u>-5,478,200</u>	<u>-5,478,200</u>
Total		-\$20,371,600	-\$20,371,600
	PR	(-\$14,893,400)	(-\$14,893,400)
	SEG	(-\$5,478,200)	(-\$5,478,200)

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$32,993,900	\$37,180,600	\$37,220,200	\$8,413,000	12.7%	201.40	201.40	201.40	0.00	0.0%
FED	12,735,800	12,201,400	12,108,400	- 1,161,800	- 4.6	96.77	88.77	83.77	- 13.00	- 13.4
PR	33,075,100	35,654,400	35,665,800	5,170,000	7.8	218.62	220.62	220.62	2.00	0.9
SEG	<u>38,731,300</u>	<u>43,288,000</u>	<u>43,298,000</u>	<u>9,123,400</u>	11.8	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.00</u>	0.0
TOTAL	\$117,536,100	\$128,324,400	\$128,292,400	\$21,544,600	9.2%	647.29	641.29	636.29	-11.00	- 1.7%
BR		\$10,000,000								

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$220,600 GPR, -\$197,900 PR and -\$101,500 FED annually); (b) removal of non-continuing elements from the base (-2.0 GPR positions and -8.0 FED positions in 2025-26 and -2.0 GPR positions and -\$131,800 FED with -13.0 FED positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$878,800 GPR, \$695,800 PR, -\$323,900 FED, and \$480,000 SEG annually); (d) reclassifications and semi-automatic pay progression (\$3,400 GPR, \$41,900 PR, and \$42,900 SEG in 2025-26 and \$4,000 GPR, \$53,300 PR, and \$50,900 SEG in 2026-27; and (e) full funding of lease and directed moves costs (-\$5,100 PR and -\$21,300 FED annually, -\$19,000 GPR and -\$43,000 SEG in 2025-26, and -\$18,800 GPR and -\$41,000 SEG in 2026-27).

	Funding	Positions
GPR	\$1,286,000	- 2.00
FED	- 1,025,200	- 13.00
PR	1,080,800	0.00
SEG	<u>969,800</u>	<u>0.00</u>
Total	\$2,311,400	- 15.00

2. COUNTY CONSERVATION STAFF AND SUPPORT

Request additional ongoing funding of \$1,727,300 SEG from the nonpoint account of the environmental fund and \$1,413,200 GPR for county conservation staff and support grants in both 2025-26 and 2026-27. 2023 Wisconsin Act 19 provided one-time increases of \$1,332,100 nonpoint SEG and \$666,100 GPR in 2023-24 and \$1,500,200 nonpoint SEG and \$750,100 GPR in 2024-25, for total funding of \$10,962,300 in 2023-24 and \$11,214,400 in 2024-25.

GPR	\$2,826,400
SEG	<u>3,454,600</u>
Total	\$6,281,000

County conservation staff are responsible for implementing state nonpoint source standards and other programs at the local level. By statute, it is the state's goal to provide annual funding for an average of three staff members per county, including 100% funding for the first position, 70%

funding for the second position, and 50% funding for a third or subsequent position. In 2025, funding is expected to support first positions and 80% of county requests for second positions. County conservation staffing grants would be budgeted \$12,104,600 each year under the request, including \$4,440,400 GPR and \$7,664,200 nonpoint SEG.

3. SOIL AND WATER RESOURCE MANAGEMENT BONDING

BR	\$10,000,000
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Request \$10 million in bonding authority for cost-sharing grants in the soil and water resource management (SWRM) program. SWRM cost-sharing grants funded by bond revenues support landowner installation of structural best management practices at agricultural sites, such as those intended to reduce soil erosion from agricultural lands and to provide for manure storage and containment. DATCP has been authorized \$7 million in new bonding authority in each biennium beginning in 2007-09, with the exception of the 2023-25 biennium. 2023 Act 19 instead provided \$7,000,000 GPR for grants in 2023-25. The Department typically provides \$3.5 million per year for grants to landowners. Principal and interest payments on the bonds are supported by the nonpoint account of the segregated environmental fund.

4. NITROGEN OPTIMIZATION PILOT PROGRAM AND COVER CROP INSURANCE REBATES

SEG	\$3,600,000
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Request \$1,000,000 nonpoint SEG annually to support the commercial nitrogen optimization pilot program and \$800,000 nonpoint SEG annually to support the cover crop insurance rebate program. 2021 Wisconsin Act 223 established a commercial nitrogen optimization pilot program and a cover crop insurance rebate program administered by DATCP to implement strategies that optimize the application of commercial nitrogen and to encourage broader use of cover crops to benefit Wisconsin soils, surface water, and groundwater. The act did not appropriate funding, but the Joint Committee on Finance approved supplemental funding of \$2,400,000 nonpoint SEG in 2022-23 for DATCP to begin implementing the programs.

2023 Act 19 provided \$1,000,000 nonpoint SEG annually on a one-time basis for the nitrogen optimization pilot program and \$800,000 nonpoint SEG annually on a one-time basis for cover crop rebates, which would continue on an ongoing basis under the request. DATCP awarded \$1,583,300 to 20 nitrogen optimization projects in 2023 and \$1,000,000 to 18 projects in 2024. In addition, DATCP provided \$684,600 in rebates in 2023 and \$800,000 in rebates in 2024.

5. PRODUCER-LED WATERSHED PROTECTION GRANTS

SEG	\$500,000
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Request an increase of \$250,000 nonpoint SEG in ongoing funding each year of the biennium for the producer-led watershed protection grant program (PLWPG). Base funding for the program is \$750,000 annually. 2021 Act 58 and 2023 Act 19 provided increases of \$250,000 annually in each of the 2021-23 and 2023-25 biennia on one-time bases, bringing total PLWPG program funding to \$1,000,000 annually in recent biennia. DATCP reports that the additional funds would meet anticipated demand for the program.

6. MEAT PROCESSING GRANT PROGRAM

GPR	\$1,600,000
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Request an increase of \$800,000 annually in the 2025-27 biennium for the meat processing plant grant program. The program has base funding of \$200,000 GPR annually, and 2023 Act 19 provided an increase of \$1,600,000 in 2023-24, for funding of \$1,800,000 in 2023-24 and \$200,000 in 2024-25. The grant program intends to grow Wisconsin's meat industry by funding projects in facilities that slaughter animals for human consumption, or that process meat or meat products, excluding rendering plants.

7. DAIRY PROCESSING PLANT PROGRAM

GPR	\$600,000
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Request an increase of \$300,000 annually for the dairy processing plant grant program. The program has base funding of \$200,000 GPR annually, and 2023 Act 19 provided an increase of \$300,000 per year on a one-time basis, for funding of \$500,000 annually during the 2023-25 biennium. The grant program funds projects intended to improve capacity, production, and profitability of dairy processors in Wisconsin.

8. TRIBAL FOOD SECURITY PROGRAM

PR	\$3,000,000
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Request \$1,500,000 tribal gaming PR 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. 2023 Act 19 provided \$1,500,000 tribal gaming PR annually on a one-time basis to start the program. DATCP reports that funding has supported grants to Feeding America Eastern Wisconsin and Hunger Task Force, Inc. DATCP requires a minimum of 90% of grant funding to be spent on food acquisition, and funds must support tribal members and serve multiple tribal nations in Wisconsin.

9. FARMER MENTAL HEALTH ASSISTANCE

GPR	\$200,000
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Request \$100,000 annually to maintain funding for the Farmer Wellness Program. Beginning in 2019, DATCP was authorized \$100,000 each year on a one-time basis to provide mental health assistance to farmers and their families. DATCP reports funding has supported in-person and virtual counseling sessions with mental healthcare professionals, administration of the 24/7 Wisconsin Farmer Wellness Helpline, development of a podcast addressing challenges facing Wisconsin farmers, and workshops and trainings related to recognizing and addressing farmer stress and suicidal ideation. DATCP intends to use ongoing funding to continue developing the program, with a focus on expanding virtual counseling resources.

10. MEAT INSPECTION FUNDING

GPR	\$1,082,800
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Request \$541,400 annually for DATCP's meat safety program. The meat safety program conducts inspections of livestock and poultry slaughtering and processing establishments not otherwise inspected by the U.S. Department of Agriculture (USDA). State inspection programs by

law must enforce standards that are "at least equal to" federal food safety standards. Inspections are performed at 225 Wisconsin-licensed meat establishments.

The USDA Food Safety and Inspection Service (FSIS) provides funding on a matching basis to states, and generally requires an equal match from state sources for each federal dollar received. In 2024-25, DATCP's meat inspection appropriation is authorized \$5,827,800 GPR, \$541,400 of which is one-time funding provided by 2023 Act 19 to satisfy federal match requirements in the 2023-25 biennium. Under the adjusted base plus standard budget adjustments, the GPR appropriation supporting the meat inspection program would have total funding of \$5,391,600 annually in the 2025-27 biennium. DATCP reports that the difference remaining to meet the projected needs of the program would be \$541,400 annually.

11. MEAT INSPECTION POSITIONS

Request \$116,600 GPR and \$116,600 FED in 2025-26 and \$155,400 GPR and \$155,400 FED in 2026-27 with 2.0 GPR and 2.0 FED project positions to extend expiring meat and safety inspector-entry project positions. Under 2021 Act 58, the biennial budget act, DATCP was authorized 2.0 GPR and 2.0 FED project positions that expire on June 30, 2025.

	Funding	Positions
GPR	\$272,000	2.00
FED	<u>272,000</u>	<u>2.00</u>
Total	\$544,000	4.00

Timely and comprehensive inspections ensure the safety of Wisconsin meat products and increase consumer confidence. Inspection staff are expected to ensure adequate service levels and response times at state-inspected facilities and allow the Department sufficient capacity to support additional inspection and licensing duties associated with new facilities entering the industry. DATCP tracks inspection staff activities for operational and federal compliance purposes. DATCP reports that completion rates of assigned inspection duties declined from over 95% in 2019 and 2020, to less than 92% as of June, 2023. DATCP reports that vacancies in meat inspector project positions have correlated with reductions in the number of completed inspection tasks.

12. BUREAU OF LABORATORY SERVICES

Request funding increases for the program revenue and segregated appropriations that support DATCP's Bureau of Laboratory Services (BLS). Funding would include \$150,000 PR annually for general laboratory services, \$70,600 PR annually for food, lodging, and recreational facilities fees, and \$79,500 SEG annually for agrichemical management general program operations.

PR	\$441,200
SEG	<u>159,000</u>
Total	\$600,200

BLS tests samples of dairy, meat, animal feed, fertilizer, pesticides, and groundwater to identify contamination, measure compliance with state standards, and ensure health and safety for Wisconsin consumers. The Bureau charges DATCP programs for its services, with the charges reflected as expenditures to those programs and as program revenues to the laboratory's biennial operations appropriation. 2023 Act 19 provided \$339,000 SEG from the agrichemical management fund and \$315,000 PR from food, lodging, and recreational facilities fees in 2023-24 to support laboratory equipment acquisition. BLS operations would be budgeted at \$4.6 million PR annually under the request.

13. AGRICHEMICAL MANAGEMENT PROGRAM

SEG	\$250,000
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Request \$125,000 SEG annually in ongoing funding for the Bureau of Agrichemical Management. DATCP reports that costs to perform regulatory functions, such as laboratory testing and travel, within the agrichemical management program have increased in recent years. DATCP reports that testing expenses increased from approximately \$1.5 million in 2019-20 to \$2 million in 2023-24, with environmental testing being the primary reason for this increase. In addition, DATCP reports travel is necessary to administer and monitor agrichemical management programs.

14. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES

PR	\$200,000
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Request \$100,000 in each of 2025-26 and 2026-27 for additional expenditures for information technology services throughout the Department. DATCP information technology services are funded from assessments charged to appropriations of other DATCP programs. Adjusted base funding for computer system equipment, staff, and services is \$3,914,400 annually in the 2025-27 biennium.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
1. Reestimate expenditures in various continuing (all monies received) appropriations.	PR	-\$1,772,000	-\$1,772,000
2. Provide for minor position transfers and expenditure authority changes, as included in the agency request, including 2.0 FED positions converted to PR.	GPR	30,300	30,300
	PR	174,000	174,000
3. Increase animal health program expenditure authority.	GPR	50,000	50,000
	SEG	10,000	10,000
4. Increase agricultural development expenditure authority for administration of the farm-to-school program.	GPR	16,800	16,800
5. Increase central administrative services funding for laboratory equipment and service charges and computer system equipment, staff and services.	GPR	85,000	85,000
	PR	250,000	250,000
6. Increase meat inspection program funding with 2.0 project positions as included in the agency request.	GPR	658,000	658,000
7. Increase funding for the Bureau of Land and Water Resources.	SEG	85,000	85,000
8. Increase agrichemical management expenditure authority.	SEG	204,500	204,500
9. Increase weights and measures expenditure authority.	PR	50,000	50,000
10. Increase food, lodging, and recreation expenditure authority.	GPR	90,800	90,800
	PR	<u>67,600</u>	<u>67,600</u>
Total		\$0	\$0
	GPR	(\$930,900)	(\$930,900)
	PR	(\$-1,230,400)	(\$-1,230,400)
	SEG	(\$299,500)	(\$299,500)

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reestimate expenditures in various continuing (all monies received) appropriations.	PR	-\$5,837,300	-\$5,837,300
2. Provide for minor position transfers and expenditure authority changes, as included in the agency request, including 2.0 FED positions converted to PR.	GPR	30,300	30,300
	PR	174,000	174,000
3. Increase animal health program expenditure authority.	GPR	50,000	50,000
	SEG	10,000	10,000
4. Increase agricultural development expenditure authority for administration of the farm-to-school program.	GPR	16,800	16,800
5. Increase central administrative services funding for laboratory equipment and service charges and computer system equipment, staff and services.	GPR	85,000	85,000
	PR	250,000	250,000
6. Increase meat inspection program funding with 2.0 project positions as included in the agency request.	GPR	658,000	658,000
7. Increase funding for the Bureau of Land and Water Resources.	SEG	85,000	85,000
8. Increase agrichemical management expenditure authority.	SEG	204,500	204,500
9. Increase weights and measures expenditure authority.	PR	50,000	50,000
10. Increase food, lodging, and recreation expenditure authority.	GPR	90,800	90,800
	PR	<u>67,600</u>	<u>67,600</u>
Total		-\$4,065,300	-\$4,065,300
	GPR	(\$930,900)	(\$930,900)
	PR	(-\$5,295,700)	(-\$5,295,700)
	SEG	(\$299,500)	(\$299,500)

APPROPRIATION OBLIGATION BONDS

Budget Summary					FTE Position Summary	
	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		There are no positions associated with these debt service appropriations.
Fund		2025-26	2026-27	Amount	%	
GPR	\$336,940,900	\$323,449,500	\$260,102,300	-\$90,330,000	- 13.4%	

Major Request Items

1. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- PENSION BONDS

GPR	-\$57,951,700
GPR-Lapse	<u>21,821,200</u>
Net GPR	-\$36,130,500

Request no change in 2025-26 and a decrease of \$57,951,700 in 2026-27 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued to pay the state's Wisconsin Retirement System unfunded prior service liability as well as the accumulated sick leave conversion credit program liability. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds in the second year of each biennium must equal the maximum possible payment that could be made in that second year or the following year. The maximum payment in 2027-28 is less than in 2026-27, so the appropriation for 2026-27 can be set equal to the estimated payment amount for that year.

Any moneys not needed to pay the actual amount of debt service lapse (revert) to the general fund and are shown as a GPR-Lapse. In 2024-25, it was estimated that \$10,910,600 would lapse to the general fund. DOA anticipates no lapses in 2025-26 and 2026-27. The net effect of these adjustments would be a decrease in net expenditures of \$36,130,500, as shown in Table 1 below.

TABLE 1

Pension Bonds

	Base Year <u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	Change to Base Year Doubled
GPR	\$216,734,200	\$216,734,200	\$158,782,500	-\$57,951,700
GPR-Lapse	<u>-10,910,600</u>	<u>0</u>	<u>0</u>	<u>21,821,200</u>
Net GPR	\$205,823,600	\$216,734,200	\$158,782,500	-\$36,130,500

2. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- TOBACCO BONDS

GPR	- \$32,378,300
GPR-Lapse	- 12,454,800
Net GPR	- \$44,833,100

Request decreases of \$13,491,400 in 2025-26 and \$18,886,900 in 2026-27 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued in 2009 to finance the outstanding bonds of the Badger Tobacco Asset Securitization Corporation, under which the state regained the rights to its tobacco settlement payments. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for the repayment of the bonds in the second year of each biennium must equal the maximum possible payment that could be made in that year or the following year. The maximum payment in 2027-28 exceeds the payment in 2026-27, so to conform with the bond agreement, the appropriation for 2026-27 is set equal to the amount needed for 2027-28, and the excess funding in 2026-27 will lapse.

In 2024-25, it was estimated that \$14,049,600 would lapse to the general fund. DOA anticipates lapses of \$31,200 in 2025-26 and \$40,522,800 in 2026-27. The net effect of these adjustments would be a decrease in net expenditures of \$44,833,100, as shown in Table 2 below.

TABLE 2

Tobacco Bonds

	Base Year <u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	Change to Base Year Doubled
GPR	\$120,206,700	\$106,715,300	\$101,319,800	-\$32,378,300
GPR-Lapse	<u>-14,049,600</u>	<u>-31,200</u>	<u>-40,522,800</u>	<u>-12,454,800</u>
Net GPR	\$106,157,100	\$106,684,100	\$60,797,000	-\$44,833,100

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary						FTE Position Summary				
Fund	2024-25	Request		2025-27 Change Over		2024-25	Request		2026-27	
	Adjusted Base	2025-26	2026-27	Base Year Doubled	%		2025-26	2026-27	Over 2024-25	%
GPR	\$132,100	\$114,200	\$114,200	-\$35,800	- 13.6%	0.00	0.00	0.00	0.00	N.A.
FED	<u>1,567,900</u>	<u>1,771,300</u>	<u>1,682,200</u>	<u>317,700</u>	10.1	<u>8.60</u>	<u>8.60</u>	<u>7.00</u>	<u>- 1.60</u>	- 18.6%
TOTAL	\$1,700,000	\$1,885,500	\$1,796,400	\$281,900	8.3%	8.60	8.60	7.00	- 1.60	- 18.6%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

Request an increase of \$185,500 (-\$17,900 GPR and \$203,400 FED) in 2025-26 and \$96,400 (-\$17,900 GPR and \$114,300 FED) in 2026-27 and a reduction of 1.60 FED positions in 2026-27 to reflect the following standard budget adjustments: (a) removal of non-continuing elements from the base (-\$89,100 FED and -1.60 FED positions in 2026-27); (b) full funding of continuing position salaries and fringe benefits (\$183,600 annually); and (c) full funding of lease and directed moves costs (-\$17,900 GPR and \$19,800 FED annually).

	Funding	Positions
GPR	-\$35,800	0.00
FED	<u>317,700</u>	<u>- 1.60</u>
Total	\$281,900	- 1.60

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Shift rent and overhead supplies and services to the Board's federal core grant. Reduce scope of programs and information available to people with developmental disabilities and their families funded by the federal core grant.	GPR	-\$6,600	-\$6,600

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$1,614,100	\$35,000	\$40,000	-\$3,153,200	-97.7%	8.70	0.00	0.00	-8.70	-100.0%
FED	52,700	52,700	52,700	0	0.0	0.00	0.00	0.00	0.00	0.0
PR	0	2,334,800	2,355,800	4,690,600	0.0	0.00	9.70	9.70	9.70	0.0
SEG	<u>73,200</u>	<u>93,200</u>	<u>93,200</u>	<u>40,000</u>	27.3	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	0.0
TOTAL	\$1,740,000	\$2,515,700	\$2,541,700	\$1,577,400	45.3%	9.70	10.70	10.70	1.00	10.3%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request an increase of \$117,700 (\$97,700 GPR and \$20,000 SEG) annually in the 2025-27 biennium for adjustments to the base budget for full funding of continuing position salaries and fringe benefits.

GPR	\$195,400
SEG	<u>40,000</u>
Total	\$235,400

2. TRANSITION FUNDING FROM GPR TO PR

Convert the GPR appropriation for Board of Commissioners of Public Lands (BCPL) general operations to instead be supported by PR. Request funding reductions of \$2,284,800 GPR in 2025-26 and \$2,305,800 GPR in 2026-27, reductions of 9.70 GPR positions annually, and corresponding PR funding and position increases.

	Funding	Positions
GPR	\$4,590,600	9.70
PR	<u>- 4,590,600</u>	<u>- 9.70</u>
Total	\$0	0.00

BCPL manages the Common School Fund, Normal School Fund, University Fund, and the Agricultural College Fund and distributes the interest earnings of the trust funds to each fund's beneficiary. For instance, BCPL distributes interest income from the Common School Fund to public school libraries. BCPL also manages school trust lands, from which it generates revenues through land and timber sales. Prior to the 2019-21 biennium, BCPL general operations were supported by PR generated through these activities. If the appropriation were converted to PR, BCPL would again deduct its own expenses related to the administration of the trust funds and lands from the annual interest revenues they generate.

It should be noted all GPR amounts described in this section would be converted to PR under the request. The sole remaining GPR funding under the request would be that provided for aids in lieu of taxes paid to municipalities on BCPL land holdings.

3. FINANCIAL AND LAND ASSET MANAGEMENT

GPR	\$820,000
PR	<u>100,000</u>
Total	\$920,000

Request \$460,000 (\$410,000 GPR and \$50,000 PR) annually in the 2025-27 biennium to fund the following: (a) a portfolio management platform and consulting services related to management of trust fund financial assets (\$240,000 GPR annually); (b) land appraisal, deferred maintenance of roads, supplies, and contracts with third-party foresters, for managing BCPL land holdings and forests (\$170,000 GPR annually); and (c) a new PR appropriation to plant trees on unproductive timber land (\$50,000 PR annually).

In 2015, BCPL was provided statutory authority that allowed the Board to diversify the types of financial instruments in which it can invest, such as equities, real estate, and infrastructure. BCPL indicates that this diversifying of assets has increased the complexity of managing the portfolio. In addition to procuring a new platform to manage investments, BCPL would utilize private investment analysts and advisors for portfolio review and asset selection or allocation.

According to BCPL, timber sales have increased and average approximately \$1,000,000 per year. The request would support timber marketing, the administration of timber sales, forest road improvements, and appraisals of parcels offered for sale in BCPL's continuing consolidation of land holdings (land banking). Additionally, BCPL reports after timber harvesting, some lands need to be replanted to become productive again. The request would dedicate an appropriation to these activities.

4. ACCOUNTANT POSITION

	Funding	Position
GPR	\$130,200	1.00

Request \$55,900 in 2025-26 and \$74,300 in 2026-27 for salary and fringe benefits and 1.0 position annually to hire an accountant. BCPL manages approximately \$1.5 billion in trust funds and currently has one accountant position. BCPL indicates that preferred accounting practices necessitate a second accountant so that each is performing separate tasks related to their volume of transactions.

5. SALARY ADJUSTMENTS

GPR	\$176,500
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Request \$84,800 in 2025-26 and \$91,700 in 2026-27 for salaries and fringe benefits to increase compensation for BCPL's vacant deputy secretary position and two employees on the Board's investment committee. The deputy secretary position oversees finance, accounting, legal, and other functions at BCPL. BCPL reports it has been unable to fill the deputy secretary position since 2021. Also, according to BCPL, the compensation of the two employees on the Board's Investment Committee is less than comparable positions in accounting and finance. BCPL intends for the request to support additional compensation for the positions.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce agency operations, including: (a) expending less on due-diligence reports on trust fund investments; (b) limiting software updates; (c) closing fewer land sales, to reduce costs for appraisals, surveys, and closing; and (d) reducing timber sales.	GPR	-\$79,000	-\$79,000
	SEG	<u>-3,700</u>	<u>-3,700</u>
 Total		 -\$82,700	 -\$82,700
	GPR	(-\$79,000)	(-\$79,000)
	SEG	(-\$3,700)	(-\$3,700)

BOARD ON AGING AND LONG-TERM CARE

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$1,967,300	\$2,546,600	\$2,643,400	\$1,255,400	31.9%	21.13	26.88	26.88	5.75	27.2%
PR	<u>2,277,200</u>	<u>2,782,100</u>	<u>2,810,200</u>	<u>1,037,900</u>	22.8	<u>25.37</u>	<u>27.62</u>	<u>27.62</u>	<u>2.25</u>	8.9
TOTAL	\$4,244,500	\$5,328,700	\$5,453,600	\$2,293,300	27.0%	46.50	54.50	54.50	8.00	17.2%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$537,400 (\$229,900 GPR and \$307,500 PR) in 2025-26 and \$516,600 (\$233,600 GPR and \$283,000 PR) in 2026-27 and a reduction of 1.0 PR project position beginning in 2025-26 to reflect the following standard budget adjustments: (a) removal of non-continuing elements from the base (-\$76,300 PR in 2025-26 and -\$101,800 PR in 2026-27, and -1.0 PR project position beginning in 2025-26); (b) full funding of continuing position salaries and fringe benefits (\$219,900 GPR and \$377,200 PR annually); (c) reclassification and semi-automatic pay progression (\$3,400 GPR in 2025-26 and \$6,600 GPR in 2026-27); and (d) full funding of lease and directed moves costs (\$6,600 GPR and \$6,600 PR in 2025-26 and \$7,100 GPR and \$7,600 PR in 2026-27).

	Funding	Positions
GPR	\$463,500	0.00
PR	<u>590,500</u>	<u>- 1.00</u>
Total	\$1,054,000	- 1.00

2. OMBUDSMAN AND ADMINISTRATIVE STAFF

Request \$546,800 (\$349,400 GPR and \$197,400 PR) in 2025-26 and \$692,500 (\$442,500 GPR and \$250,000 PR) in 2026-27 to fund 9.00 positions (5.75 GPR and 3.25 PR positions), beginning in 2025-26.

	Funding	Positions
GPR	\$791,900	5.75
PR	<u>447,400</u>	<u>3.25</u>
Total	\$1,239,300	9.00

Five of the positions would be assigned to the ombudsman program, including four ombudsman positions to reduce caseloads for the current ombudsman staff and one position to serve as a training lead to perform public education and outreach relating to the program.

Four of the positions would perform administrative functions and would include: one executive assistant; one communications specialist; one program and policy analyst to collaborate with other agencies on issues and policies impacting the populations served by BOALTC; and one operations program associate to staff the ombudsman program intake line.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce state operations funding which would increase waiting times for services and decrease the number of persons who can be directly served by the advocacy and information programs of the Board.	PR	-\$212,300	-\$212,300

BUILDING COMMISSION

Budget Summary					FTE Position Summary	
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		There are no positions for the Building Commission.
		2025-26	2026-27	Amount	%	
GPR	\$44,283,000	\$44,283,000	\$44,283,000	\$0	0.0%	
PR	1,312,800	1,312,800	1,312,800	0	0.0	
SEG	<u>1,024,200</u>	<u>1,024,200</u>	<u>1,024,200</u>	<u>0</u>	0.0	
TOTAL	\$46,620,000	\$46,620,000	\$46,620,000	\$0	0.0%	

Other than the SEG funding for bonding services, funding under the Building Commission is used for debt service. Debt service (principal and interest payments) modifications for the 2025-27 biennium are generally not included in individual state agency budget requests. Any modifications will be included in the Governor's 2025-27 budget recommendations.

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$1,995,000	\$1,995,000	\$1,995,000	\$0	0.0%	0.00	0.00	0.00	0.00	N.A.
FED	661,500	656,200	656,200	- 10,600	- 0.8	1.00	1.00	1.00	0.00	0.0%
PR	1,764,400	1,710,500	1,710,500	- 107,800	- 3.1	6.00	6.00	6.00	0.00	0.0
SEG	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$4,435,900	\$4,376,700	\$4,376,700	- \$118,400	- 1.3%	7.00	7.00	7.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	- \$10,600
PR	<u>- 107,800</u>
Total	- \$118,400

Request a decrease of \$59,200 (-\$5,300 FED and -\$53,900 PR) annually to reflect: (a) full funding of continuing position salaries and fringe benefits (-\$5,300 FED and -\$54,500 PR annually); and (b) full funding of lease and directed move costs (\$600 PR annually).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Eliminate all base LTE salary funding.	PR	-\$2,200	-\$2,200
2. Reduce technical support and training available to grantees.	PR	-17,300	-17,300
3. Reduce supplies funding, resulting in less technical support available to grantees.	PR	-23,200	-23,200
4. Reduce frequency of services, such as state mailings, training programs, and fee-supported publications.	PR	<u>-8,000</u>	<u>-8,000</u>
Total		-\$50,700	-\$50,700

CHILDREN AND FAMILIES

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$466,467,800	\$483,583,100	\$483,781,000	\$34,428,500	3.7%	232.91	232.91	232.91	0.00	0.0%
FED	910,291,000	944,928,300	943,163,700	67,510,000	3.7	405.98	406.08	405.08	- 0.90	- 0.2
PR	127,016,600	129,991,400	129,620,800	5,579,000	2.2	179.51	179.41	179.41	- 0.10	- 0.1
SEG	<u>55,927,600</u>	<u>55,927,600</u>	<u>55,927,600</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$1,559,703,000	\$1,614,430,400	\$1,612,493,100	\$107,517,500	3.4%	818.40	818.40	817.40	- 1.00	- 0.1%

Major Request Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request \$204,900 (-\$69,500 GPR, -\$349,800 FED, and \$624,200 PR) in 2025-26 and \$206,300 (-\$63,100 GPR, -\$359,500 FED, and \$628,900 PR) in 2026-27 to reflect the following standard budget adjustments: (a) turnover (-\$363,500 GPR, -\$684,600 FED, and -\$369,400 PR annually); (b) removal of noncontinuing elements (-\$19,900 FED and -1.0 FED position in 2026-27); (c) full funding of continuing salaries and fringe benefits (-\$58,400 GPR, \$480,400 FED, and \$1,121,900 PR annually); (d) overtime (\$737,900 GPR, \$20,700 FED, and \$4,200 PR annually); (e) night and weekend salary differentials (\$130,200 GPR, \$11,300 FED, and \$1,300 PR annually); and (f) full funding of lease and directed moves costs (-\$515,700 GPR, -\$177,600 FED, and -\$133,800 PR in 2025-26 and -\$509,300 GPR, -\$167,400 FED, and -\$129,100 PR in 2026-27).

	Funding	Positions
GPR	- \$132,600	0.00
FED	- 709,300	- 1.00
PR	<u>1,253,100</u>	<u>0.00</u>
Total	\$411,200	- 1.00

These amounts do not include adjustments for the administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program, which are included in separate entries under "TANF and Economic Support Programs."

2. ADJUSTMENTS TO PROGRAM REVENUE AND FEDERAL APPROPRIATIONS

FED	\$4,186,600
PR	<u>6,184,400</u>
Total	\$10,371,000

Request \$4,186,600 (\$2,153,600 FED and \$3,209,500 PR) in 2025-26 and \$5,007,900 (\$2,173,700 FED and \$2,834,200 PR) in 2026-27 reflect the net effect of adjustments to several program revenue and federal appropriations, as summarized in the following table.

Program Revenue and Federal Funding Reestimates

	Source	Base	2025-26			2026-27		
			Reestimate	Other Items	Total	Reestimate	Other Items	Total
Children and Family Services								
Federal Program Aids	FED	\$12,001,800	\$966,900	\$0	\$12,968,700	\$966,900	\$0	\$12,968,700
Federal Project Aids	FED	3,900,000	124,800	0	\$4,024,800	124,800	0	4,024,800
Federal Aid; Milwaukee Child Welfare Services General Program Operations	FED	4,622,900	610,000	36,500	\$5,269,400	610,000	-552,600	5,326,800
State Foster Care and Adoption Operations	FED	11,398,300	60,300	-92,200	11,366,400	80,400	53,600	11,532,300
Economic Support								
Federal Project Activities and Administration	FED	1,039,100	130,400	101,300	1,270,800	130,400	92,100	1,261,600
Community Services Block Grant	FED	9,046,700	261,200	11,600	9,319,500	261,200	15,900	9,323,800
Child Support State Operations	PR	19,385,400	493,000	26,600	19,905,000	657,400	26,700	20,069,500
Interagency and Intra-Agency Programs	PR	4,066,900	133,500	52,400	4,252,800	193,800	74,800	4,335,500
General Administration								
Administrative and Support Services	PR	28,007,800	2,583,000	915,100	31,505,900	1,583,000	1,422,800	31,013,600
Interagency and Intra-Agency Programs	PR	19,986,400	0	0	19,986,400	400,000	0	20,386,400
Subtotal FED			\$2,153,600			\$2,173,700		
Subtotal PR			<u>3,209,500</u>			<u>2,834,200</u>		
Total			\$5,363,100			\$5,007,900		

3. TRANSFER HEAD START STATE SUPPLEMENT PROGRAM GPR \$12,528,200

Request that the administrative responsibilities for the Head Start program and related funding of \$6,264,100 annually be transferred from the Department of Instruction to the Department of Children and Families (DCF). Head Start is a federal program that promotes school readiness for children under the age of five from low-income families. Participating families engage in a variety of educational and health activities.

The Head Start state supplement supports quality improvement efforts and expands Head Start enrollment for children who may be on waiting lists to access federally funded programming. The current state supplement provides funding to 40 grantees.

4. PROGRAM FUNDING TO SUPPORT PREVIOUSLY APPROVED GENERAL WAGE ADJUSTMENTS FOR PR-S SERVICES GPR \$1,832,000
FED 654,800
Total \$2,486,800

Request \$1,243,400 (\$916,000 GPR and \$327,400 FED) annually to fund increases in charges DCF programs pay for centralized services due to general wage adjustments (GWAs) approved for PR-S funded positions between 2018 and 2024.

Several DCF administrative functions, such as budgeting, information technology, legal services, the Office of the Secretary and the Inspector General, are partially funded by charges assessed to DCF programs that use these centralized services. As costs of program revenue-service supported positions have increased due to GWAs, charges to DCF programs have increased to support higher costs of these centralized services. This item would provide DCF programs funding to support higher costs of these centralized services that resulted from recent GWAs.

TANF and Economic Support Programs

1. OVERVIEW OF TANF-RELATED REVENUES AND EXPENDITURES

This item presents a summary of the DCF estimates of revenue available to fund economic support and TANF-funded programs in the 2023-25 biennium, and how funding for these programs would be budgeted in the 2025-27 biennium under the Department's budget request.

"TANF" refers to the federal temporary assistance for needy families program. The table on the following page shows revenues and expenditures for TANF-related programs. The first column shows actual expenditures and revenues for 2023-24. The next column shows the estimated revenues and expenditures for 2024-25. The third column shows the adjusted base, based on current law appropriations and TANF allocations. The fourth and fifth columns show the amounts requested by the Department for 2025-26 and 2026-27. The final columns show the change in revenue and expenditures under the Department's request compared to the adjusted base.

Revenues. DCF estimates total revenues for TANF-related programs at \$670.9 million in 2025-26 and \$674.6 million in 2026-27. State funding includes \$174.7 million (\$161.1 million GPR (the state's TANF maintenance of effort amount, \$4.5 million PR, and \$9.2 million SEG) annually. The program revenue includes the state's share of overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, and child care licensing fees. The segregated revenue is from the utility public benefits fund. Ongoing federal funding is estimated at \$496.2 million in 2025-26 and \$499.9 million in 2026-27. Federal funds include monies from the TANF block grant, the child care and development block grant, and recoveries of overpayments to Wisconsin Works (W-2) recipients.

The opening balance of unused TANF funding carrying over from 2023-24 into 2024-25 is estimated to have increased by \$58.3 million year over year. The biggest factor in the TANF balance increase was the child care development fund. Due to underspending in federal-funded child care programs in 2022-23 and previous years, a large balance of Child Care and Development (CCDF) Funding was unused and set to expire. DCF ultimately spent \$71.9 million more CCDF funds than originally budgeted for 2023-24 under 2023 Act 19, and thus TANF funding was reduced for these programs.

Expenditures. Under the DCF request, the total amount that would be budgeted for TANF-related programs would be \$827.7 million in 2025-26 and \$825.3 million in 2026-27. These amounts include all funds, and represent a increase from the base budget of \$27.7 million in 2025-26 and \$25.4 million in 2026-27. The changes in funding represent reestimates, and changes in the amounts that would be budgeted for some current programs, and decreased funding for other programs. Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2025-27 biennium would be \$181.9 million, which could be carried over into the 2027-29 biennium.

Summary of TANF Budget

	2023-24	2024-25	Adjusted Base Est.	DCF Request		Change to Base	
	Actual	Estimate		2025-26	2026-27	2025-26	2026-27
Opening Balance (Carryover)	\$552,189,600	\$610,452,600		\$489,302,700	\$332,590,400		
Revenue							
GPR Appropriations Base Funding	161,920,300	161,070,100	\$161,070,100	161,070,100	161,070,100	\$0	\$0
FED -- TANF Block Grant	312,846,000	312,846,000	311,009,600	307,336,800	311,009,600	-3,672,800	0
FED -- CCDF	244,537,600	184,594,200	172,614,100	184,594,200	184,594,200	11,980,100	11,980,100
FED -- CCDF & TANF Recoveries	2,485,600	4,287,600	4,287,600	4,287,600	4,287,600	0	0
PR -- Child Support Collections	1,670,600	2,749,000	2,749,000	2,749,000	2,749,000	0	0
PR -- Child Care Fees	1,680,000	1,500,000	1,551,700	1,500,000	1,500,000	-51,700	-51,700
PR -- Social Services Block Grant	100,000	100,000	100,000	100,000	100,000	0	0
PR -- Public Assistance Recoveries	21,500	160,600	160,600	160,600	160,600	0	0
SEG -- Public Benefits Fund (SEG)	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>0</u>	<u>0</u>
Total Revenues	\$734,401,400	\$676,447,200	\$662,682,400	\$670,938,000	\$674,610,800	\$8,255,600	\$11,928,400
Expenditures							
<i>Child Care</i>							
Direct Child Care Services	\$361,684,900	\$428,779,700	\$428,779,700	\$438,582,000	\$439,635,000	\$9,802,300	\$10,855,300
Quality Care for Quality Kids	27,351,700	46,018,700	46,018,700	48,685,300	48,685,300	2,666,600	2,666,600
Child Care Admin. and Licensing	42,724,000	45,570,300	48,269,900	49,989,800	50,313,400	1,719,900	2,043,500
<i>Employment Programs</i>							
W-2 Benefits	24,331,100	29,000,000	29,000,000	28,333,000	25,127,300	-667,000	-3,872,700
W-2 Worker Supplement	317,200	2,700,000	2,700,000	2,700,000	2,700,000	0	0
W-2 Service Contracts	54,387,900	57,071,200	57,071,200	62,288,500	61,161,600	5,217,300	4,090,400
Transitional/Transform Milwaukee Jobs	8,423,600	9,500,000	9,500,000	12,475,000	12,475,000	2,975,000	2,975,000
Children First	401,200	1,140,000	1,140,000	1,140,000	1,140,000	0	0
<i>Child Welfare Programs</i>							
Kinship Care Benefits & Assessments	30,516,500	35,661,000	35,661,000	38,855,200	39,272,800	3,194,200	3,611,800
Child Welfare Safety Services	6,493,800	10,314,300	10,314,300	10,314,300	10,314,300	0	0
Child Welfare Prevention Services	6,716,100	6,789,600	6,789,600	6,789,600	6,789,600	0	0
Child Abuse Prevention Grant	474,100	500,000	500,000	500,000	500,000	0	0
Substance Abuse Prevention Grant	282,000	500,000	500,000	500,000	500,000	0	0
<i>Housing Programs</i>							
Emergency Assistance	3,282,100	6,000,000	6,000,000	8,409,200	8,175,000	2,409,200	2,175,000
Homeless Grants	403,500	500,000	500,000	500,000	500,000	0	0
Case Mgt. Services for Homeless Families	0	500,000	500,000	500,000	500,000	0	0
<i>Grant Programs</i>							
Boys & Girls Clubs of America	5,704,900	2,807,000	2,807,000	2,807,000	2,807,000	0	0
GED Test Assistance	240,800	241,300	241,300	241,300	241,300	0	0
Adult Literacy	118,100	118,100	118,100	118,100	118,100	0	0
Legal Services	500,000	500,000	500,000	500,000	500,000	0	0
Families and Schools Together	232,800	250,000	250,000	250,000	250,000	0	0
Jobs for America's Graduates	957,600	1,000,000	1,000,000	1,000,000	1,000,000	0	0
Wisconsin Community Services	371,200	400,000	400,000	400,000	400,000	0	0
Fostering Futures	506,600	560,300	560,300	560,300	560,300	0	0
Skills Enhancement Grants	282,400	500,000	0	0	0	0	0
<i>Administrative Support</i>							
Public Assistance & TANF Admin.	18,375,600	19,424,300	19,569,000	25,188,500	25,618,300	5,619,500	6,049,300
Local Fraud Prevention	132,100	605,500	605,500	605,500	605,500	0	0
<i>Funding Transfers to Other Agencies</i>							
DHS -- SSI Caretaker Supplement	4,548,100	10,990,400	10,990,400	5,762,100	5,762,100	-5,228,300	-5,228,300
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	14,653,500	0	0
DOR -- Earned Income Tax Credit	<u>61,725,000</u>	<u>65,002,000</u>	<u>65,002,000</u>	<u>65,002,000</u>	<u>65,002,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$676,138,400	\$797,597,200	\$799,941,500	\$827,650,200	\$825,307,400	\$27,708,700	\$25,365,900
Year-End Closing Balance	\$610,452,600	\$489,302,700		\$332,590,400	\$181,893,800		

2. DIRECT CHILD CARE SUBSIDIES - OVERVIEW

Federal funding to support the Wisconsin Shares child care subsidy program is available under the federal TANF block grant and the Child Care Development Fund (CCDF), which is comprised of funding the state receives under the federal Social Security Act and the Child Care and Development Block Grant (CCDBG).

The following table summarizes the funding that would be allocated, by statute, for direct child care services under the Department's request. This includes the base funding allocated for direct child care services and contracts with counties and tribes for the following funding changes requested by DCF: (a) the estimated cost to continue subsidies under current law; (b) the cost to increase maximum reimbursement rates to the 75th percentile under the most recent child care price survey; (c) the cost to waive copayments by families with income less than 100% of the federal poverty level (FPL); and (d) the minimum cost of implementing a federal rule change requiring all copayments to be set to no more than 7% of a participating family's income.

<u>Base Amount</u>	<u>2025-26</u>	<u>2026-27</u>
Current Law Direct Subsidies	\$413,424,700	\$413,424,700
County Contracts	14,855,000	14,855,000
Tribal Contracts	<u>500,000</u>	<u>500,000</u>
Base Allocation	\$428,779,700	\$428,779,700
 <u>Agency Request</u>		
Reestimate Direct Subsidies	-\$25,291,400	-\$25,290,600
Increase Reimbursement Rates	32,917,000	32,917,000
100% FPL Copayment Waiver	2,176,700	2,176,700
7% Copayment Cap	<u>0</u>	<u>1,052,200</u>
Net Change in Allocation	\$9,802,300	\$10,855,300
 Total Allocation	 \$438,582,000	 \$439,635,000

3. DIRECT CHILD CARE SUBSIDIES - REESTIMATE

FED	- \$50,582,000
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Request a decrease of \$25,291,400 in 2025-26 and a decrease of \$25,290,600 in 2025-27 to reflect estimates of the cost of subsidies under current law. DCF indicates that, although the caseload in Milwaukee County has recovered after the COVID-19 pandemic, caseloads and authorized hours outside of Milwaukee have continued to decline. Overall, the statewide average monthly caseload in 2019-20 was 36,582. For comparison, in 2023-24, the average monthly caseload was 31,890.

4. DIRECT CHILD CARE SUBSIDIES - INCREASE REIMBURSEMENT RATES

FED	\$65,834,000
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Request \$32,917,000 annually for direct child care subsidies to increase reimbursement rates. DCF estimates that the requested funding would fully pay the price of at least 75 percent of the slots for children within the licensed capacity of all child care providers (the 75th percentile).

The most recent market rate survey conducted by DCF in April, 2024, indicates that the current statewide the maximum rates were at the 50th percentile.

5. DIRECT CHILD CARE SUBSIDIES - COPAYMENT WAIVER

FED	\$4,353,400
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Request \$2,176,700 annually for direct child care subsidies to implement a waiver of copayments for all families with income at or below 100% of the federal poverty level (FPL). Participating families are required to pay a portion of child care costs subsidized under Wisconsin Shares. DCF specifies the minimum or estimated copayment amounts in a schedule based on family size, income level, and other factors. There are several exceptions to the copay schedules, including that foster care parents, subsidized guardians, interim caretakers, and kinship care parents who have court-ordered placement of a child are not subject to copay requirements. Pursuant to a final rule implemented by the federal Administration for Children and Families (ACF) effective on April 30, 2024, states are encouraged (but not required) to waive copayments for families at or below 150% of the FPL.

6. DIRECT CHILD CARE SUBSIDIES - COPAYMENT CAP

FED	\$1,052,200
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Request \$1,052,200 in 2026-27 to implement a Wisconsin Shares policy that would limit a participating family's copayment to be no more than 7% of family income. The change is intended to comply with an ACF rule effective April 30, 2024, which now requires a cap on copayments at 7% of a participating family's income. Previously, ACF had established the 7% of income standard as a benchmark to determine whether child care was affordable and whether the copayment was a barrier to families receiving CCDF assistance. DCF indicates that statutory changes will be necessary to implement the change.

7. QUALITY CARE FOR QUALITY KIDS - CHILD CARE FOUNDATIONAL TRAINING

FED	\$4,333,200
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Request \$2,166,600 annually to subsidize workforce training for child care providers. Potential child care workers that lack higher education credits are required to complete child care foundational trainings to ensure that they have the knowledge, skills, and abilities needed to provide care and education to young children. The trainings are offered by various providers throughout the state at an estimated cost of \$200 per training in 2024. Previously, DCF allocated federal funding received under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act to pay 100% of the costs of these trainings. DCF indicates that the requested funding would subsidize 100% of the costs for more than 10,830 training courses in 2025-26 and 2026-27.

8. QUALITY CARE FOR QUALITY KIDS - TRIBAL TRAINING AND TECHNICAL ASSISTANCE

FED	\$1,000,000
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Request \$500,000 annually to increase funding for tribal training and technical assistance. DCF contracts with the Supporting Families Together Association (SFTA) to provide training and

technical assistance for child care providers, including \$70,000 annually for the tribal and rural providers. Services include foundational trainings, onboarding new staff, mandatory reporting training, regulatory requirements, and basic health and safety topics.

The requested funding would support the following: (a) two annual conferences (\$50,000 annually); (b) staff to provide training and technical assistance (\$200,000 annually); (c) grants to implement individualized plans for child care programming (\$200,000 annually); and (d) the Wisconsin Inter-Tribal Child Care Association (\$50,000 annually).

9. CHILD CARE -- STATE ADMINISTRATION

FED	\$3,680,100
PR	81,300
Total	\$3,761,400

Request \$1,717,900 (\$1,699,300 FED and \$18,600 PR) in 2025-26 and \$2,043,500 (\$1,980,800 FED and \$62,700 PR) in 2026-27 for state administration of child care programs, including the following.

Child Care Audits. Request \$504,000 FED in one-time funding in 2025-26 to improve audit processing. DCF conducts audits of child care programs to prevent fraud and correct payment mistakes. Referrals for audit are received through either a mailbox or automatically generated program integrity reports. If the referral is screened in for further review, an auditor is assigned to review the case and issue stipulations for the child care provider to correct violations. DCF indicates that it has a caseload backlog of over 400 audits.

CARES Cost Allocation Adjustment. Request \$618,800 (\$671,300 FED and -\$52,500 PR) in 2025-26 and \$753,400 (\$762,200 FED and -\$8,800 PR in 2026-27 to reflect a cost adjustment between DCF and the Department of Health Services (DHS) for the Client Assistance for Re-employment and Economic Support (CARES) system.

General Wage Adjustments. Request \$713,300 FED and \$46,300 PR annually to support increased salary and fringe costs in DCF's cost pools attributed to general wage adjustments approved by the Joint Committee on Employment Relations between 2018 and 2024 related to the administration of child care programs, as discussed under "Departmentwide -- General Wage Adjustments."

Standard Budget Adjustments and Other Adjustments. Request an increase in CCDF funding by \$755,300 FED and \$24,800 PR in 2025-26 and by \$755,300 FED and \$25,200 PR in 2026-27 to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$988,800 FED and \$67,900 PR annually); and (b) full funding of lease and directed moves costs (-\$20,000 FED and -\$43,100 PR in 2025-26 and -\$20,000 FED and -\$42,700 PR in 2026-27). In addition, request a reduction in CCDF funding to reflect a realignment of funding and positions within the Department (-\$213,500 FED annually). Finally, request a decrease of \$944,600 FED in 2025-26 and a decrease of \$250,000 FED in 2026-27 to reflect reestimates of costs associated with health insurance, retirement, and reserves.

10. WISCONSIN WORKS BENEFITS

FED	- \$4,539,700
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Request decrease of \$667,000 in 2025-26 and a decrease of \$3,872,700 in 2026-27 to reflect estimates of base year caseloads and benefit payments under Wisconsin Works. The estimate is based on a projected caseloads and paid placements, assuming that the request for proposals for the new contract for regional administration of the W-2 program will cause caseloads to increase above current levels until peaking in October, 2025, and thereafter declining through the end of 2026. Total TANF funding for these benefits would be \$28,333,000 in 2025-26 and \$25,127,300 in 2026-27.

11. WISCONSIN WORKS AGENCY CONTRACTS

FED	\$9,307,700
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Request \$5,217,300 in 2025-26 and \$4,090,400 in 2026-27 to fund W-2 administrative contracts, including the costs of case management, work support services, education and training, and agency administration. DCF contracts on a calendar year basis with eight service providers to provide Wisconsin Works (W-2) benefits and services to participants in eight geographic regions, four of which are in the City of Milwaukee. The increase in funding reflects: (a) a 3.4% inflation adjustment applied on the base contract (\$2,102,300 in 2025-26 and \$1,940,400 in 2026-27); (b) increasing total annual funding for jobs access loans to \$2,500,000 (\$2,821,200 in 2025-26 and \$2,000,000 in 2026-27); and (c) a 5.0% increase to cost reimbursements to W-2 agencies to cover the expected increase in eligibility determination costs for emergency assistance due to increasing caseload (\$293,800 in 2025-26 and \$150,000 in 2026-27). Under the DCF request, \$62,288,500 in 2025-26 and \$61,161,600 in 2026-27 would be budgeted to support these contracts.

12. TRANSFORM MILWAUKEE AND TRANSITIONAL JOBS

FED	\$5,950,000
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Request \$2,975,000 annually to fund projected costs of expanding eligibility for the Transform Milwaukee (TMJ) and Transitional Jobs (TJ) subsidized jobs programs. DCF requests statutory changes to remove the following two eligibility restrictions for these programs: (a) the requirement that individuals be unemployed for at least four weeks prior to participating in the program; and (b) the requirement that program participants cannot be eligible for unemployment insurance benefits. DCF indicates that from May, 2023 through April, 2024, 190 applicants were ineligible for TMJ or TJ due to having been employed within the prior four weeks, and 157 were ineligible because they were eligible for unemployment insurance benefits. The estimated cost of expanding eligibility is based on 350 additional eligible participants at a historical cost per participant of \$8,500.

The target populations for these subsidized job programs include individuals who are at least 18 years old but younger than 25 years old, parents with a child support order, parents under a reunification plan, parents who are ex-offender, and childless older youth under age 25. The programs also target services toward older youth in foster care between the ages of 18 and 24 who were in out-of-home care after age 16. To participate in TMJ, an eligible participant must reside in Milwaukee County, while participants in TJ must reside in a participating county.

13. KINSHIP CARE REESTIMATE

FED	\$6,806,000
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Request \$3,194,200 in 2025-26 and \$3,611,800 in 2026-27 to reflect projected costs of kinship care payments and assessments under current law. Effective July 1, 2025, provisions of 2023 Act 119 provided eligibility for kinship care benefits to relatives (including first cousins once removed), like-kin, and extended family members of children who fall within the definition of Indian children for the purpose of federal law. Act 119 allowed for an earlier effective date if DCF determined that sufficient TANF funding was allocated under the 2023-25 budget bill. DCF indicates that it plans to expand the program beginning January 1, 2025, by reallocating TANF funding from the allocation for child welfare services supported by targeted safety support funding. The requested funding would maintain the cost to continue the program during the 2025-27 biennium. The monthly payment would remain unchanged at \$375.

The base TANF allocation for kinship care is \$35,661,000. With the requested funding, the allocation would increase to \$38,855,200 in 2025-26 and \$39,272,800 in 2026-27.

14. EMERGENCY ASSISTANCE

FED	\$4,584,200
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Request \$2,409,200 in 2025-26 and \$2,175,000 in 2026-27 to reflect projected increases in average costs and caseloads under the emergency assistance program. The emergency assistance program provides assistance to needy families with children in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. The cost projections reflect rule changes that increased the maximum benefits available under the program and the processing time of applications.

The actual payment amount a family receives for emergencies other than an energy crisis is calculated as the lower of the following two amounts: (a) the maximum payment amount per group member multiplied by the number of members in the group; or (b) the total financial need. Effective April, 2024, DCF increased the maximum payment amounts by administrative rule. The maximum payment amounts per group member are as follows: (1) \$600 per group member when the group is two members; (2) \$400 per group member when the group is three members; (3) \$300 per group member when the group is four members; (4) \$240 per group member when the group is five members; and (4) \$220 per group member when the group is six or more members. The payment for energy crisis is the maximum payment amount for the group (\$750) or the amount needed to obtain or maintain essential utility service, whichever is lower.

With the funding increase, total funding allocated for emergency assistance would be \$6,137,400 in 2023-24 and \$6,279,900 in 2024-25.

15. STATE ADMINISTRATION OF WISCONSIN WORKS AND OTHER RELATED TANF PROGRAMS

FED	\$11,668,800
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Request \$5,619,500 in 2025-26 and \$6,049,300 in 2026-27 to support the costs of administering TANF-related programs, including the following.

ACCESS System Improvements for Emergency Assistance. Request \$1,944,000 in 2025-26 and \$2,040,000 in 2026-27 to support information technology upgrades and improvements to the ACCESS system used by the Emergency Assistance program for accepting and processing benefit applications. The enhancements are intended to address the most common reasons for application denial and are expected to: (a) improve the application experience with expedited processing; (b) decrease the applicant's verification burden; and (c) increase the overall approval rate to assist more eligible individuals in need.

Information Technology Backlog Resources. Request \$1,700,200 in 2025-26 and \$1,800,300 in 2026-27 to fund vendor contract costs to develop information technology systems. The additional funding would offset a backlog in a number of IT projects that would take advantage of existing system capabilities, improve customer and worker experiences, and bring its public-facing system development in line with other states.

BRITS Enhancements and CRES Development. Request \$587,000 in 2025-26 and \$599,000 in 2026-27 to maintain the information technology team working on improvements to the Benefit Recovery Investigative Tracking System (BRITS) and Central Recoveries Enhanced System (CRES). DCF and DHS use BRITS to investigate error and fraud allegations and DCF recovers established debts using CRES. BRITS interfaces with CRES to collect delinquent debts utilizing lien, levy, state and federal tax offsets. The funding would enhance the BRITS system and migrate the CRES system from Oracle to the BRITS structured query language platform.

Determine Requirements for EA Inclusion into BRITS. Request \$125,800 in 2025-26 and \$83,700 in 2026-27 to determine the requirements and costs needed to include EA into BRITS for establishing and collecting overpayments. Under current law, W2 agencies must collect all incorrectly paid EA benefits. By administrative rule Effective October 1, 2024, DCF is responsible to recover any established debts. However, EA claim and management functionality is not included in the BRITS 2024 release, and so initially a process outside of the BRITS system will be used for establishment of claims, noticing, and collection processing of EA overpayments. The requested funding would be used to determine the costs and requirements for adding EA to the BRITS system. Development and implementation would begin during the 2027-29 biennium.

CARES Cost Allocation Adjustment. Request \$863,500 in 2025-26 and \$913,500 in 2026-27 to estimate the cost adjustment between DCF and DHS for the Client Assistance for Re-employment and Economic Support (CARES) system.

General Wage Adjustment. Request \$241,000 annually to support increased salary and fringe costs in DCF's cost pools attributed to general wage adjustments approved by the Joint Committee on Employment Relations between 2018 and 2024 related to the administration of TANF-related programs, as discussed under "Departmentwide -- General Wage Adjustments."

Standard Budget and Other Adjustments. Request \$474,400 annually to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$449,400 annually); and (b) full funding of lease and directed moves costs (\$25,000 annually). In addition, DCF requests a decrease in funding of \$316,400 in 2025-26 and a decrease of \$102,600 in 2026-27 to reflect reestimates of staff costs associated with health insurance, retirement, and reserves.

16. CARETAKER SUPPLEMENT

FED	- \$10,456,600
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Request a funding decrease of \$5,228,300 in 2025-26 and \$5,228,300 in 2026-27 to reflect an estimate of program costs for the caretaker supplement program, a program administered by the DHS that provides monthly cash payments to individuals who receive supplemental security income (SSI) payments with dependent children. Under the program, in addition to state and federal SSI benefits, SSI recipients with dependent children receive a caretaker supplement of \$275 per month for the first child and \$165 per month for each additional child. The decrease in TANF funding (matched with a request for GPR funding by DHS) is requested to enable the state to continue to meet federal SSI maintenance of effort requirements.

Under the DCF request, a total of \$5,762,100 in 2025-26 and 2026-27, funded from TANF, would be budgeted to fund caretaker supplement payments and program administration costs.

17. CHILD CARE FEE REVENUE ADJUSTMENT

FED	\$184,700
PR	- 184,700
Total	\$0

Request an increase of FED TANF funding of \$70,300 in 2025-26 and \$114,400 in 2026-27 and a decrease of PR from child care fees in corresponding amounts to reflect the following: (a) a reestimate child care fee revenue (\$51,700 FED and -\$51,700 PR annually); and (b) replacing child care fee revenue with TANF for TANF-related items (\$18,600 FED and -\$18,600 PR in 2025-26 and \$62,700 FED and -\$62,700 PR in 2026-27).

Child Welfare and Juvenile Justice

1. MILWAUKEE CHILD WELFARE REESTIMATE

GPR	\$23,831,800
FED	36,700
PR	- 1,642,000
Total	\$22,226,500

Request \$11,560,300 (\$12,245,000 GPR, \$136,300 FED and -\$821,000 PR) in 2025-26 and \$10,666,200 (\$11,586,800 GPR, -\$99,600 FED and -\$821,000 PR) in 2026-27 to reflect reestimates of the cost of Division of Milwaukee Child Protective Services (DMCPS) aids payments and contracted services. Base funding for these costs is \$115,676,500 (\$73,301,200 GPR, \$18,774,000 PR, and \$23,601,300 FED).

This item includes: (a) increased funding for payments for youth in out-of-home care, including foster care, group homes, residential care centers, and assessment centers; (b) increased funding for contracted services; (c) reductions in funding for services supported by program revenues to reflect declining program revenue collections; and (d) an adjustment to base GPR and FED funding for DMCPS services to reflect revised estimates of Title IV-E claiming rates.

2. STATE OUT OF HOME CARE AND ADOPTIONS REESTIMATE

GPR	- \$3,630,900
FED	<u>9,654,100</u>
Total	\$6,023,200

Request \$2,185,900 (-\$2,240,300 GPR and \$4,426,200 FED) in 2025-26 and \$3,837,300 (-\$1,390,600 GPR and \$5,227,900 FED) in 2026-27 to reflect a reestimate of adoption assistance, subsidized guardianship, and state foster care payments. The state claims federal matching funding for these costs under Title IV-E of the Social Security Act.

The state adoption assistance program funds payments to families who adopt children with special needs. Basic maintenance payments are based on uniform foster care rates specified in statute, and additional payments are based on each child's individual needs.

The subsidized guardianship program funds payments to court-appointed guardians who provide permanent care for children with whom they have a familial or other significant emotional relationship. Subsidies are capped at the level of the foster care maintenance payment the guardian was receiving prior to the guardianship agreement.

The state foster care program provides temporary care for children in the custody of the state. Custody may be transferred from local child welfare agencies (or DMCPs) for children who are awaiting adoption and whose parents' parental rights have been terminated, including children who have been placed in out-of-home care for 15 of the most recent 22 months.

DCF provides pre-adoption services under the public adoptions program including case management, identification of potential adoptive families, and training, and provides postadoption supports, services, and information under the Wisconsin adoption and permanency support program.

The following table summarizes, by source, base funding for these payments and services, funding increases requested by DCF, and total funding that would be budgeted for these programs under the DCF request.

State Out-of-Home Care Cost Reestimates

	2025-26			2026-27		
	GPR	FED IV-E	Total	GPR	FED IV-E	Total
Adoption Assistance						
Base Funding	\$41,880,400	\$45,965,800	\$87,846,200	\$41,880,400	\$45,965,800	\$87,846,200
Reestimate	<u>-1,457,500</u>	<u>4,893,300</u>	<u>3,435,800</u>	<u>-962,800</u>	<u>5,515,800</u>	<u>4,553,000</u>
Subtotal	\$40,422,900	\$50,859,100	\$91,282,000	\$40,917,600	\$51,481,600	\$92,399,200
Subsidized Guardianship						
Base Funding	\$5,945,700	\$3,378,000	\$9,323,700	\$5,945,700	\$3,378,000	\$9,323,700
Reestimate	<u>-98,100</u>	<u>-260,100</u>	<u>-358,200</u>	<u>360,600</u>	<u>-27,400</u>	<u>333,200</u>
Subtotal	\$5,847,600	\$3,117,900	\$8,965,500	\$6,306,300	\$3,350,600	\$9,656,900
State Foster Care						
Base Funding	\$4,220,200	\$2,229,000	\$6,449,200	\$4,220,200	\$2,229,000	\$6,449,200
Reestimate	<u>-684,700</u>	<u>-402,000</u>	<u>-1,086,700</u>	<u>-788,400</u>	<u>-455,500</u>	<u>-1,243,900</u>
Subtotal	\$3,535,500	\$1,827,000	\$5,362,500	\$3,431,800	\$1,773,500	\$5,205,300
State Adoption Services						
Base Funding	\$3,900,600	\$2,058,800	\$5,959,400	\$3,900,600	\$2,058,800	\$5,959,400
Reestimate	<u>0</u>	<u>195,000</u>	<u>195,000</u>	<u>0</u>	<u>195,000</u>	<u>195,000</u>
Subtotal	\$3,900,600	\$2,253,800	\$6,154,400	\$3,900,600	\$2,253,800	\$6,154,400
Total						
Base Funding	\$55,946,900	\$53,631,600	\$109,578,500	\$55,946,900	\$53,631,600	\$109,578,500
Reestimate	<u>-2,240,300</u>	<u>4,426,200</u>	<u>2,185,900</u>	<u>-1,390,600</u>	<u>5,227,900</u>	<u>3,837,300</u>
Total Funding	\$53,706,600	\$58,057,800	\$111,764,400	\$54,556,300	\$58,859,500	\$113,415,800

3. YOUTH AIDS FUNDING MODIFICATIONS

Request funding modifications of \$697,200 GPR annually for the youth aids appropriation [s. 20.437(1)(cj)] and -\$697,200 GPR annually for the community intervention program (CIP) appropriation [s. 20.437(1)(cm)].

Further, request modifications to youth aids statutory provisions. The Department indicates that requested modifications would consist of the youth aids-related provisions included in 2023 Assembly Bill 43/Senate Bill 70 as introduced, described below. The Department indicates that current youth aids funding includes a -\$72,000 structural imbalance (contractual and statutory obligations exceed appropriated funds). According to DCF, the requested modifications are intended to increase total youth aids, eliminate the structural imbalance, and provide more flexibility in distribution and use of youth aids funding.

Requested modifications would allow youth aids funding currently statutorily allocated for aftercare services (\$2,124,800), alcohol and other drug abuse services (\$1,333,400), and emergency funding (\$250,000) to instead be allocated in the same manner as base funding for youth aids.

The CIP appropriation would be renamed the youth justice system improvements program (YJSIP) appropriation. The CIP is defined under s. 48.528 of the statutes and utilizes appropriation

s. 20.437(1)(cm) to provide funding to counties for early intervention services for first offenders and for intensive community-based intervention services for seriously chronic offenders. The CIP statutes would be repealed and the YJSIP appropriation would be modified to instead allow funding to be used for the following purposes: (a) programs that enhance prevention, early intervention, diversion, and innovative delivery of services to reduce the number of justice-involved youth or promote successful outcomes for all youth; (b) emergencies related to community youth and family aids; and (c) activities of DCF specified under existing statute including: (1) development of procedures to implement youth aids; (2) development of standards for the delivery of community-based juvenile delinquency-related services; (3) provision of consultation and technical assistance to aid counties in the implementation and delivery of community-based juvenile delinquency-related services; and (4) establishment of information systems and monitoring and evaluation procedures to report periodically to the Governor and Legislature on the statewide impact of youth aids.

In addition, the requested modifications would include the repeal of the current statutory provision related to youth aids which allows DCF to: (a) carry forward \$500,000 or 10% percent, whichever is greater, of its funds allocated for youth aids and not encumbered or carried forward by counties by December 31, to the next two calendar years; (b) transfer moneys from or within youth aids to accomplish the carry forward; and (c) allocate these transferred moneys to counties with persistently high rates of juvenile arrests for serious offenses during the next two calendar years to improve community-based juvenile delinquency-related services. Instead, statutes would allow DCF to transfer unexpended funds in youth aids to YJSIP (the renamed CIP).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
This plan would: (a) reduce funding available to replace the statewide child support data system; and (b) reduce spending from appropriations that support various information technology projects, including those that support the W-2 and child care program			
1. Increase the following appropriations:			
Children and Family Services -- General Program			
Operations	GPR	\$180,300	\$180,300
Milwaukee Child Welfare Services -- General Program			
Operations	GPR	647,700	647,700
Economic Support -- General Program Operations	GPR	49,600	49,600
General Administration -- General Program Operations	GPR	38,400	38,400
General Administration -- Administrative and Support Services	GPR	2,640,600	804,700
General Administration -- Interagency and Intra-agency Programs	PR	0	400,000

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
2. Decrease the following appropriations:			
Children and Family -- Interagency and Intra-agency Programs	PR	-\$43,800	-\$43,800
Economic Support -- Child Support State Operations	PR	-2,000,000	-2,000,000
Economic Support -- Child Care Licensing and Certification	PR	-76,500	-76,900
General Administration -- Interagency and Intra-agency Programs	PR	<u>-1,436,300</u>	<u>0</u>
Total		\$0	\$0
	GPR	(\$3,556,600)	(\$1,720,700)
	PR	(-\$3,556,600)	(-\$1,720,700)

5% Budget Reduction Plan

This plan would: (a) reduce funding for investigating child abuse and neglect in Milwaukee County; (b) reduce funding available to replace the statewide child support data system; and (c) reduce spending from appropriations that support various information technology projects, including those that support the W-2 and child care programs.

1. Increase the following appropriations:			
Children and Family Services -- General Program Operations	GPR	\$180,300	\$180,300
Economic Support -- General Program Operations	GPR	49,600	49,600
General Administration -- General Program Operations	GPR	38,400	38,400
2. Decrease the following appropriations:			
Milwaukee Child Welfare Services -- General Program Operations	GPR	-1,500,000	-1,500,000
Children and Family -- Interagency and Intra-agency Programs	PR	-43,800	-43,800
Economic Support -- Child Support State Operations	PR	-2,616,100	-2,000,000
Economic Support -- Child Care Licensing and Certification	PR	-76,500	-76,900
General Administration -- Administrative and Support Services	PR	-2,000,000	-2,000,000
General Administration -- Interagency and Intra-agency Programs	PR	<u>0</u>	<u>-615,700</u>
Total		-\$5,968,100	-\$5,968,100
	GPR	(-\$1,231,700)	(-\$1,231,700)
	PR	(-\$4,736,400)	(-\$4,736,400)

CIRCUIT COURTS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$125,922,300	\$121,777,600	\$121,777,600	-\$8,289,400	- 3.3%	551.00	551.00	551.00	0.00	0.0%
PR	<u>232,700</u>	<u>337,300</u>	<u>369,800</u>	<u>241,700</u>	51.9	<u>0.00</u>	<u>1.75</u>	<u>1.75</u>	<u>1.75</u>	N.A.
TOTAL	\$126,155,000	\$122,114,900	\$122,147,400	-\$8,047,700	- 3.2%	551.00	552.75	552.75	1.75	0.3%

Major Request Items

1. STANDARD BUDGET ADJUSTMENT

GPR	-\$8,289,400
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Request an adjustment to the base of -\$4,144,700 annually for full funding of continuing position salaries and fringe benefits.

2. CIRCUIT COURT PAYMENT SUPPORT AND COURT INTERPRETER PROGRAM SUPPORT POSITIONS AND APPROPRIATION

	Funding	Positions
PR	\$241,700	1.75

Request the creation of a new annual circuit court support programs appropriation [s. 20.625(1)(kb)] for circuit court support services. All moneys received from the circuit court under its sum sufficient GPR appropriation s. 20.625(1)(a) [circuit courts] or annual PR appropriation (1)(k) [court interpreters] and all monies transferred from any state agency or received for circuit court services provided by the court would be credited to this appropriation account. A new appropriation would require statutory language.

The new appropriation would fund: (a) a 0.75 program associate position (\$35,300 in 2025-26 and \$45,800 in 2026-27) to support the court interpreter program; and (b) 1.0 financial auditor position (\$69,300 in 2025-26 and \$91,300 in 2026-27) to support the circuit court costs program.

Specifically, the program associate position would be responsible for data entry and review, processing and logging registration payments, maintaining program databases, proctoring the oral and written exam for interpreter certification, planning events, and preparing training materials. The request does not specify what registration payments would be for. According to the Director of State Courts, the additional 0.75 position would allow the court interpreter program manager to focus more attention on program-related questions, challenges, and additional needs to assist with an interpreter shortage and language access challenges across the state. The financial auditor position would audit the annual cost reports (including interpreter costs) that counties are required

to submit to the Director of State Courts Office for the circuit court support payment program. In addition, the financial auditor would identify cost control methods for county circuit court costs, prepare financial reports, and assist in meeting statutory timelines for payments to counties. These duties align with s. 758.19(5)(am) of the statutes, which permits the Director of State Courts to audit all financial transactions submitted by counties related to the operation of circuit courts.

Under current law, the annual court interpreters appropriation is intended to provide payments to counties for interpreter costs, with the unencumbered balance on June 30 transferred to the Department of Justice penalty surcharge, receipts appropriation. In 2024-25, the court interpreter base budget is \$232,700 PR. The request does not specify how much of the funding would be transferred from this source.

CORRECTIONS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$1,574,696,200	\$1,784,243,000	\$1,805,146,600	\$439,997,200	14.0%	9,615.22	9,622.92	9,622.92	7.70	0.1%
FED	2,670,600	2,899,000	2,899,000	456,800	8.6	3.00	3.00	3.00	0.00	0.0
PR	<u>147,648,000</u>	<u>176,846,900</u>	<u>177,535,800</u>	<u>59,086,700</u>	20.0	<u>544.30</u>	<u>536.60</u>	<u>536.60</u>	<u>- 7.70</u>	<u>- 1.4</u>
TOTAL	\$1,725,014,800	\$1,963,988,900	\$1,985,581,400	\$499,540,700	14.5%	10,162.52	10,162.52	10,162.52	0.00	0.0%

Major Request Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$87,816,300 GPR, \$228,400 FED, and \$4,616,500 PR annually. Adjustments are for: (a) turnover reduction (-\$14,714,500 GPR and -\$583,000 PR annually); (b) full funding of continuing position salaries and fringe benefits (-\$4,948,900 GPR, \$228,400 FED, and \$1,708,200 PR annually); (c) overtime (\$94,976,000 GPR and \$2,717,500 PR annually); and (d) night and weekend differential (\$12,503,700 GPR and \$773,800 PR annually). It should be noted that costs associated with overtime and night and weekend differential are removed in the calculation of full funding of salaries and fringe benefits.

GPR	\$175,632,600
FED	456,800
PR	<u>9,233,000</u>
Total	\$185,322,400

In addition, request minor transfers within the Department of Correction's adult general program operations appropriation, the services for community corrections appropriation, the purchased services for offenders appropriation, the Becky Young community corrections; recidivism reduction community services appropriation, the interagency and intra-agency programs appropriation, the juvenile correctional services reimbursement claims of counties containing juvenile correctional facilities appropriation, and the juvenile correctional services appropriation.

2. OVERTIME SUPPLEMENT

Request \$58,732,000 GPR and \$939,400 PR annually as an overtime supplement. Under standard budget adjustments each budget cycle, funding associated with overtime is removed in the calculations of full funding of salaries and fringe

GPR	\$117,464,000
PR	<u>1,878,800</u>
Total	\$119,342,800

benefits. The budget instructions related to overtime specify that the same dollar amounts only be restored through the standard budget adjustment for overtime. As a result, the request would provide overtime in the amount provided for the prior biennium, adjusted by the new variable fringe rate (\$94,976,000 GPR and \$2,717,500 PR). Based on 2023-24 actual hours of overtime worked and rates of pay that reflect the provisions approved by the Joint Committee on Employment Relations in the 2023-25 compensation plan, the request would provide supplemental funding of \$58,732,000 GPR and \$939,400 PR annually. In total, the request would provide \$153,708,000 GPR and \$3,656,900 PR annually to fund costs associated with overtime.

3. PROGRAM REVENUE ADJUSTMENTS

PR	\$9,300,900
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Request \$4,556,400 in 2025-26 and \$4,744,500 in 2026-27 associated with funding adjustments identified in the table below. The table identifies the program revenue appropriations or components of appropriations that would be affected by this item, by program area, the base funding amounts for these appropriations, the funding changes that would be made to the appropriations under this item, other items in the Department of Corrections' request, and the total funding that would be budgeted for these purposes under the Department's request. Note that these items are independent from one another and could be approved in-whole or in-part.

Purpose	2024-25 Base	2025-26			2026-27		
		Funding Adjustment	Other Agency Budget Requests	Total	Funding Adjustment	Other Agency Budget Requests	Total
Badger State Logistics	\$9,292,400	\$875,000	\$11,000	\$10,178,400	\$875,000	\$11,100	\$10,178,500
Prison Industries	26,235,300	2,775,000	319,200	29,329,500	2,775,000	323,100	29,333,400
Correctional Farms	10,366,300	25,000	291,000	10,682,300	25,000	292,500	10,683,800
Telephone Company Commissions	4,404,600	1,000,000	0	5,404,600	1,000,000	0	5,404,600
General Operations	8,273,600	150,000	-7,700	8,415,900	150,000	-7,700	8,415,900
Global Positioning System							
Devices - Sex Offenders	453,600	20,000	26,400	500,000	20,000	34,900	508,500
Juvenile Alternate Care Services	3,666,400	70,900	0	3,737,300	247,700	0	3,914,100
Juvenile Utilities & Heating	761,700	<u>-359,500</u>	0	402,200	<u>-348,200</u>	0	413,500
Total PR Adjustments		\$4,556,400			\$4,744,500		

4. REALIGNMENT OF FUNDING AND POSITIONS

	Funding	Positions
GPR	\$1,206,400	7.70
PR	<u>-1,206,400</u>	<u>-7.70</u>
Total	\$0	0.00

Request adjustments to funding and positions between appropriations to reflect various organizational modifications within the Department. The adjustments include a reallocation of:

- (a) \$90,500 GPR from the general program operations appropriation (Bureau of Personnel and Human Resources) to the services for community corrections appropriation (Bureau of Personnel and Human Resources) to more accurately reflect budgeted human resource services by appropriation;
- (b) 8.0 GPR positions and associated funding (\$865,800 GPR) from the general program operations appropriation to the services for community corrections appropriation related to a previous transfer of positions;
- (c) 7.70 PR positions and associated funding (\$603,200 PR) to GPR positions and funding to account for a decrease in PR revenue, but an ongoing utilization of the positions;
- (d) \$692,900 GPR and 6.0 GPR positions to match the reallocation of positions (and

associated funding) from the Divisions of Community Corrections and Juvenile Corrections to the Office of the Secretary in calendar year 2021; (e) \$115,300 GPR and 1.0 GPR position from the juvenile corrections general program operations appropriation to the adult corrections general program operations appropriation to reflect the reallocation of the position from the Division of Juvenile Corrections to the Division of Management Services; and (f) \$2,210,300 GPR to align funding between the general program operations, the services for community corrections, and the purchased services for offenders appropriations to reflect actions in the 2021-23 budget. Note that these items are independent from one another and could be approved in-whole or in-part.

5. RENT

Request \$970,200 GPR and -\$4,300 PR in 2025-26 and \$1,096,900 GPR and \$7,600 PR in 2026-27 for departmentwide rent expenses and related supplies and services expenses.

GPR	\$2,067,100
PR	<u>3,300</u>
Total	\$2,070,400

6. INFORMATION TECHNOLOGY COST TO CONTINUE

Request \$2,303,700 annually to assist with rising information technology (IT) costs. Specifically, requested funding would be used to cover increased expenses for: (a) Microsoft 365 subscription charges (\$207,200 annually); (b) IT contractors (\$1,785,200 annually); and (c) the electronic medical records system (\$311,300 annually).

GPR	\$4,607,400
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7. VILLAGE OF OREGON CHARGE FOR WASTEWATER TREATMENT FACILITY PROJECT

Request \$2,483,200 in 2025-26 and \$275,900 in 2026-27 for one-time payments to the Village of Oregon. The Village is updating its wastewater treatment facility and notified the Department that it will be assessed a portion of the costs for properties serviced by the wastewater treatment facility (including Oakhill Correctional Institution, Oregon Correctional Center, Oregon Farm, and the Grow Academy). The Department would make the payments from the adult correctional services general program operations appropriation.

GPR	\$2,759,100
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Adult Facilities

1. ADULT CORRECTIONAL FACILITY POPULATIONS

Estimate an average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 23,584 in 2025-26 and 23,887 in 2026-27. From this projection the following table identifies the adjusted estimated distribution of this population.

	November 15, 2024 <u>Actual Population</u>	<u>Average Daily Population</u>	
		<u>2025-26</u>	<u>2026-27</u>
Institutions*	20,053	20,553	20,800
Centers	2,684	2,735	2,735
Contract Beds**	<u>296</u>	<u>296</u>	<u>352</u>
Total	23,033	23,584	23,887

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (406 on November 15, 2024, and 412 for 2025-26 and 2026-27).

** Contract bed populations include inmates held in federal facilities, adult inmates in Division of Juvenile Corrections facilities, and in Wisconsin County jails.

2. POPULATION AND INFLATIONARY COST INCREASES -- ADULT CORRECTIONAL FACILITIES GPR \$75,383,500

Request \$31,132,600 in 2025-26 and \$44,250,900 in 2026-27 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) \$7,183,000 in 2025-26 and \$9,600,300 in 2026-27 for food costs; (b) \$3,279,000 in 2025-26 and \$3,605,800 in 2026-27 for variable non-food costs, such as inmate wages, bedding, clothing, kitchen utensils, and other supplies; and (c) \$20,670,600 in 2025-26 and \$31,044,800 in 2026-27 for inmate non-food health services. The request for inmate health services assumes that the per capita adult inmate cost will increase from an estimated \$5,825 in 2024-25 to \$6,179 in 2025-26 and \$6,554 in 2026-27. Health care costs include supplies and services, pharmaceutical costs, third party administrator costs, and contracting costs with the University Hospital, the UW Medical Foundation, Waupun Memorial Hospital, St. Agnes Hospital, and other community hospitals.

3. CONTRACT BED FUNDING GPR \$20,849,400

Request \$9,607,100 in 2025-26 and \$11,242,300 in 2026-27 related to prison contract beds. The Department projects a total need of 268 contract prison beds in 2025-26 and 324 in 2026-27. In addition, the Department projects a need of 600 annual contract beds the Division of Community Corrections would use for extended supervision sanctions, and 28 annual beds the Department of Corrections would use for inmates in federal facilities, adult inmates in Division of Juvenile Corrections facilities, and temporary lock-ups of inmates from correctional centers. Base funding for the contract bed appropriation is \$26,594,900.

4. INSTITUTIONAL REPAIR AND MAINTENANCE GPR \$3,000,000

Request \$1,500,000 annually for repair and maintenance costs associated with services, materials, and parts to keep adult facilities operational. Base funding for institutional repair and maintenance is \$5,917,700.

Community Corrections

1. COST OF SERVICES INCREASE FOR THE DIVISION OF COMMUNITY CORRECTIONS AND REENTRY UNIT GPR \$10,708,000

Request \$4,213,200 in 2025-26 and \$6,494,800 in 2026-27 for the Division of Community Corrections (DCC) and the Office of the Secretary, Reentry Unit to fund inflationary and other cost increases in contracted community services. The requested funding is associated with a 5% increase in the respective DCC and reentry budgets as well as an increase for the residential services program.

2. ONGOING FUNDING FOR COMMUNITY REENTRY CENTERS GPR \$8,000,000

Request \$4,000,000 annually to support the creation and ongoing operations of community reentry centers. Under 2023 Act 233, the Department is required to contract with at least one non-profit organization, for-profit entity, or public agency to establish a community reentry center(s) that offers individuals being released from state correctional institutions an initial point of contact for health, identification, financial, housing, employment, education, and supervision services. On June 6, 2024, the Joint Committee on Finance transferred \$4,000,000 provided in the Joint Committee on Finance's supplemental appropriation to the Department's annual community reentry centers appropriation in 2024-25 for this purpose. However, the funding was one-time.

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES

Under the Department's request, the juvenile correctional facility average daily population (ADP) is estimated to be 83 annually as shown in the table below. The juvenile facilities include Lincoln Hills School (LHS) (males), Copper Lake School (CLS) (females), the Mendota Juvenile Treatment Center (MJTC), and the Grow Academy, an agriculture science-based experiential education program held at a facility in Oregon, Wisconsin.

<u>Facility</u>	<u>November 15, 2024 Actual Population</u>	<u>Average Daily Population</u>	
		<u>2025-26</u>	<u>2026-27</u>
Lincoln Hills School	45	49	49
Copper Lake School	18	8	8
Mendota Juvenile Treatment Center	25	21	21
Grow Academy	<u>4</u>	<u>5</u>	<u>5</u>
Total Juvenile Correctional Facilities	92	83	83

2. STATUTORY DAILY RATES

Request the statutory daily rate to be \$2,305 in 2025-26 and \$2,361 in 2026-27 for juvenile correctional services provided or purchased by the Department that would be charged to counties and paid through counties' youth aids allocations, or paid by the state through the serious juvenile offender appropriation. The current daily rate for 2024-25 is \$1,268. Under current law, daily rates for juvenile care in a given biennium are specified in statute by fiscal year for juvenile correctional facilities. Further, the daily rate for the juvenile correctional facilities currently includes a statutorily specified \$6 add-on to address the juvenile operations appropriation deficit.

3. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE PR \$39,202,500

Request \$19,407,200 in 2025-26 and \$19,795,300 in 2026-27 related to payments to the Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center. Funding for MJTC in 2024-25 is \$1,365,500 GPR and \$4,068,600 PR. However, DHS has increased the daily rate that is charged to the Division of Juvenile Corrections (DJC) due, in part, to increased staffing at MJTC as well as compensation increases for correctional security positions in the 2023-25 compensation plan. In 2023-24, through a passive review request submitted by the Department of Administration on behalf of Corrections and approved by the Joint Committee on Finance, DJC received an increase in expenditure authority of \$10,187,500 PR for the juvenile correctional services appropriation, including \$3,000,000 PR for increased MJTC costs, and is expected to make a similar request in 2024-25.

4. SERIOUS JUVENILE OFFENDER FUNDING GPR \$15,926,300

Request \$5,093,600 in 2025-26 and \$10,832,700 in 2026-27 related to providing juvenile institution care, alternate care, and community supervision for serious juvenile offenders (SJO). Increased costs are associated with an increase in the statutory daily rate for the estimated populations. The estimated ADP for the SJO population would be 71 in 2025-26 and 82 in 2026-27. Base funding for the program is \$25,204,700 GPR annually. The following ADPs for the SJO appropriation are projected for the 2025-27 biennium:

Average Daily Population

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>		
	<u>October, 2024</u>	<u>2025-26</u>	<u>2026-27</u>
Juvenile Corrections Facilities	26	26	30
Community Supervision Program	<u>41</u>	<u>45</u>	<u>52</u>
Total ADP	67	71	82
Alternate Care*	13	18	21

* A subset of the community supervision program (corrective sanctions and aftercare supervision) program that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

5. POPULATION AND INFLATIONARY COSTS

PR	\$583,700
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Request modifications to population-related funding for juvenile corrections by \$245,700 in 2025-26 and \$338,000 in 2026-27, as follows: (a) \$137,400 in 2025-26 and \$158,500 in 2026-27 for food costs at juvenile correctional facilities; (b) \$18,700 annually for variable non-food costs (such as clothing, laundry, and personal items); and (c) \$89,600 in 2025-26 and \$160,800 in 2026-27 for juvenile health costs.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce state funding and 934.54 positions for services for the Division of Community Corrections and require counties to support utilized services.	GPR	-\$81,715,600	-\$81,715,600

COURT OF APPEALS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$13,182,600	\$12,936,800	\$12,947,100	-\$481,300	- 1.8%	75.50	75.50	75.50	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$481,300
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Request adjustments to the base totaling -\$245,800 in 2025-26 and -\$235,500 in 2026-27 associated with: (a) full funding of continuing position salaries and fringe benefits (-\$360,300 annually); and (b) full funding of lease and directed moves costs (\$114,500 in 2025-26 and \$124,800 in 2026-27).

DISTRICT ATTORNEYS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$67,636,600	\$88,988,600	\$97,075,600	\$50,791,000	37.5%	460.80	546.80	546.80	86.00	18.7%
PR	<u>3,930,900</u>	<u>4,311,000</u>	<u>4,300,700</u>	<u>749,900</u>	9.5	<u>38.50</u>	<u>32.30</u>	<u>32.30</u>	<u>- 6.20</u>	- 16.1
TOTAL	\$71,567,500	\$93,299,600	\$101,376,300	\$51,540,900	36.0%	499.30	579.10	579.10	79.80	16.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$2,592,800 GPR, \$684,200 PR, and -4.2 PR positions in 2025-26, and \$2,592,800 GPR, \$673,900 PR, and -4.2 PR positions in 2026-27. Adjustments are for: (a) turnover reduction (-\$1,468,700 GPR annually); (b) removal of non-continuing elements from the base (-\$430,300 PR in 2025-26 and -\$440,600 PR in 2026-27 and -4.2 PR positions annually); (c) full funding of continuing position salaries and fringe benefits (\$3,966,200 GPR and \$1,114,500 PR annually); and (d) night and weekend differential pay (\$95,300 GPR annually).

	Funding	Positions
GPR	\$5,185,600	0.00
PR	<u>1,358,100</u>	<u>- 4.20</u>
Total	\$6,543,700	- 4.20

2. ADDITIONAL GPR PROSECUTOR POSITIONS

Request \$10,430,900 GPR in 2025-26, \$13,044,400 GPR in 2026-27, and 86.0 GPR positions annually, to provide additional prosecutors to District Attorney offices across the state. In addition, modify funding and position authority by -\$304,100 PR and -2.0 PR positions annually. Of the requested amounts, \$786,800 GPR in 2025-26 and \$1,352,200 GPR in 2026-27 would be for pay progression associated with new positions.

	Funding	Positions
GPR	\$23,475,300	86.00
PR	<u>- 608,200</u>	<u>- 2.00</u>
Total	\$22,867,100	84.00

a. *New State Prosecutor Positions.* Request \$6,628,200 GPR in 2025-26, \$8,906,000 GPR in 2026-27, and 54.5 GPR positions annually, to provide additional assistant district attorneys (ADAs) requested by the following 20 offices:

<u>County</u>	<u>Requested GPR ADA Positions</u>	<u>Existing Prosecutor Position Authority</u>	<u>Resulting Prosecutor Position Authority</u>
Adams	1	2	3
Brown	5	17	22
Chippewa	1	6	7
Clark	1	2	3
Dane	8	30	38
Eau Claire	2	11	13
Fond Du Lac	3.5	9	12.5
Grant	2	2	4
Marinette	1	3	4
Milwaukee	3	122.5	125.5
Monroe	2	5	7
Outagamie	3	12	15
Racine	4	20	24
Richland	0.2	1.8	2
Sauk	1	7	8
St. Croix	1	7	8
Trempealeau	1	2	3
Walworth	3	6	9
Washington	1.2	6.6	7.8
Waukesha	10.6	20	30.6

*Note that the number of authorized prosecutor positions includes GPR-funded and PR-funded positions. The amount may be subject to change as position authority for certain PR-funded positions expires and position authority for new PR-funded positions is authorized.

b. *Convert PR- and FED-Funded ADA Position Authority.* Request \$3,802,700 GPR and -\$304,100 PR in 2025-26 and \$4,138,400 GPR and -\$304,100 PR in 2026-27 and 31.5 GPR and -2.0 PR positions, to convert funding for certain prosecutor positions from program revenue to general purpose revenue. These positions include two 0.5 (1.0 total) ADA positions in Fond du Lac County, 1.0 ADA position in Milwaukee County and 1.0 ADA position in Outagamie County. The remaining 28.5 requested positions are associated with converting positions from federal American Rescue Plan Act funding to GPR in 17 counties. The federally-funded positions and 1.0 PR position in Milwaukee County are not in the agency's base budget. The request indicates that federal and county grant funding currently supporting the positions may not be available during the 2025-27 biennium.

3. PAY PROGRESSION

GPR	\$15,602,700
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Request \$5,033,100 in 2025-26 and \$10,569,600 in 2026-27 to support pay progression for ADAs and deputy district attorneys (DDAs). The ADA and DDA pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary (\$76,378 as of June 30, 2024) and the highest annual salary (\$158,122 as of June 30, 2024). The value of one hourly salary step equals \$4,805 annually. Notwithstanding the creation of a 17-step hourly salary pay progression plan, the supervising DAs

are authorized to: (a) deny annual salary increases to individual ADAs and DDAs; and (b) increase the salary of individual ADAs and DDAs by up to 10% per year. Funding requested is approximately equal to 10% of budgeted base salaries for such positions.

4. RESTORE TURNOVER

GPR	\$2,937,400
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Request \$1,468,700 GPR annually to restore the turnover reduction applied in standard budget adjustments. The District Attorneys indicate that historically, the District Attorneys have been able to meet the budgeted turnover reduction due to retirement of experienced workers, and that in recent biennia those cost savings have not materialized.

5. SALARY ADJUSTMENTS FOR ASSISTANT DISTRICT ATTORNEY VACANCIES

GPR	\$1,328,400
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Request \$573,600 annually to account for the hiring of ADA vacancies at a rate higher than the current minimum of the pay range. In August, 2024, at the time of agency request development, there were 17.7 GPR positions vacant, which were budgeted at the minimum of the pay range (\$36.72 per hour) in accordance with budget instructions issued by the Department of Administration. However, the Prosecutor's office indicates that for multiple reasons, such as transfers between agencies and allowances for hiring above the minimum, the ADA positions will be filled at rates in excess of the minimum. The District Attorneys indicate that historically, the District Attorneys have been able to meet these salary needs due to retirement of experienced workers, and that in recent biennia those cost savings have not materialized.

6. SUPPLIES AND SERVICES

GPR	\$586,800
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Request \$293,400 annually to support the costs of various Department of Administration (DOA) assessments including charges for personnel services, financial services, DOA overhead, risk management, and the state accounting system. As part of the District Attorneys salary and fringe benefits appropriation, \$927,100 annually is allocated to supplies and services. Payments for special prosecutors (\$259,700 in 2023-24) are made from the appropriation's supplies and services allocation.

7. ADDITIONAL DEPUTY DISTRICT ATTORNEY APPOINTMENTS

GPR	\$442,400
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Request \$221,200 annually for the appointment of one DDA for prosecutorial units having a population of between 55,000 and 199,999. Under current law, prosecutorial units having a population between 100,000 and 199,999 may appoint one DDA. This request would require a statutory change and would allow nine additional counties, based upon 2023 population estimates, to each appoint one DDA.

8. SURPLUS POSITION FUNDING

GPR	\$371,200
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Request \$184,900 in 2025-26 and \$186,300 in 2026-27 to increase the salary and fringe benefits budget to support the use of surplus positions. District Attorney offices use surplus positions on a temporary, short-term basis for circumstances such as staff taking a leave of absence. The District Attorneys indicate that historically, the District Attorneys have been able to meet the surplus position costs due to the existence of position vacancies, and that in recent biennia those cost savings have not materialized. The request is based on the average costs of surplus positions for 2022-23 and 2023-24.

9. COUNTY-FUNDED POSITION SUPPORT

GPR	\$356,200
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Request \$212,800 in 2025-26 and \$143,400 in 2026-27 to fund the DA county-funded PR positions authorized where salary and fringe benefit costs are in excess of the county funding provided. The District Attorneys indicate that this expense is currently absorbed by the state.

10. PROFESSIONAL LIABILITY INSURANCE

GPR	\$350,000
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Request \$175,000 annually for professional liability insurance to provide representation and liability protection when a grievance is filed with the Office of Lawyer Regulation and no representation or indemnification is provided by the state to the prosecutor.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce expenditure authority for salaries and fringe benefits.	GPR	-\$3,300,000	-\$3,300,000
2. Reduce expenditure authority for gifts and grants.	PR	<u>-263,100</u>	<u>-263,100</u>
Total		-\$3,563,100	-\$3,563,100
	GPR	(-\$3,300,000)	(-\$3,300,000)
	PR	(-\$263,100)	(-\$263,100)

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$6,774,700	\$6,888,800	\$6,889,100	\$228,500	1.7%	25.94	25.94	25.94	0.00	0.0%
PR	<u>15,635,800</u>	<u>15,773,500</u>	<u>15,785,400</u>	<u>287,300</u>	0.9	<u>25.56</u>	<u>25.56</u>	<u>25.56</u>	<u>0.00</u>	0.0
TOTAL	\$22,410,500	\$22,662,300	\$22,674,500	\$515,800	1.2%	51.50	51.50	51.50	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$224,500
PR	<u>273,100</u>
Total	\$497,600

Request changes to the adjusted base budget of \$112,100 GPR and \$130,600 PR in 2025-26 and \$112,400 GPR and \$142,500 PR in 2026-27 including: (a) \$19,300 GPR and \$117,900 PR annually for full funding of continuing salaries and fringe benefits; (b) \$11,100 GPR and \$23,000 PR in 2025-26 and \$11,100 GPR and \$27,500 PR in 2026-27 for reclassifications and semiautomatic pay progression; (c) \$73,500 GPR and \$12,000 PR annually for overtime; (d) \$8,700 GPR and \$3,400 PR annually for night and weekend differential pay; and (e) -\$500 GPR and -\$25,700 PR in 2025-26 and -\$200 GPR and -\$18,300 PR in 2026-27 for lease and directed moves costs.

2. SUPPLIES AND SERVICES 5% INCREASE

GPR	\$4,000
PR	<u>14,200</u>
Total	\$18,200

Request \$2,000 GPR and \$7,100 PR annually to increase the following appropriations' supplies and services funding by 5%: \$1,200 GPR annually for general program operations (with base appropriation funding of \$3,479,300 GPR annually), \$800 for transmitter operations (base funding \$16,000 GPR); and \$7,100 PR annually for emergency weather warning system operations (base funding of \$153,000 PR).

2015 Act 201 Plan

		<u>Amount</u>		
		<u>2025-26</u>	<u>2026-27</u>	
	<u>Fund</u>			
5% Budget Reduction Plan				
1.	ECB indicates that the general operations appropriation supports the salaries of technical and administrative personnel that make broadcast network operations possible and the agency ended fiscal year 2023-24 with \$0 in GPR-earned. Therefore, ECB indicates that no cuts in GPR are possible.	GPR	\$1,200	\$1,200
2.	Reducing GPR for transmitter site operation or air conditioning could lead to repair or network failure and is not feasible.	GPR	800	0
3.	Reduce outreach and related expenditures that help generate program revenue.	PR	<u>-1,001,400</u>	<u>-1,002,200</u>
Total			-\$999,400	-\$1,001,000
		GPR	(\$2,000)	(\$1,200)
		PR	(-\$1,001,400)	(-\$1,002,200)

ELECTIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$5,213,100	\$6,567,500	\$6,879,200	\$3,020,500	29.0%	25.75	35.75	35.75	10.00	38.8%
FED	1,200,500	1,274,500	1,222,100	95,600	4.0	7.25	7.25	7.25	0.00	0.0
PR	473,100	433,600	433,600	- 79,000	- 8.3	3.00	3.00	3.00	0.00	0.0
SEG	100	100	100	0	0.0	0.00	0.00	0.00	0.00	N.A.
TOTAL	\$6,886,800	\$8,275,700	\$8,535,000	\$3,037,100	22.1%	36.00	46.00	46.00	10.00	27.8%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling -\$33,700 GPR, -\$152,800 FED, and -\$47,500 PR in 2025-26, -\$33,700 GPR, -\$281,400 FED, and -\$47,500 PR in 2026-27, and -4.0 FED positions annually. Adjustments are for: (a) removal of noncontinuing elements from the base (-\$176,800 FED in 2025-26, -\$303,000 FED in 2026-27, and -4.0 FED positions annually); (b) full funding of continuing position salaries and fringe benefits (-\$73,000 GPR, \$15,900 FED, and -\$51,700 PR annually); (c) reclassifications and semiautomatic pay progression (\$37,700 GPR, \$9,100 FED, and \$6,000 PR in 2025-26 and \$37,700 GPR, \$6,700 FED, and \$6,000 PR in 2026-27); and (d) full funding of lease and directed moves costs (\$1,600 GPR, -\$1,000 FED, and -\$1,800 PR annually). In addition, request minor transfers within the continuing elections security appropriation (transferring \$130,600 FED in 2025-26 and \$223,800 FED in 2026-27 from permanent position salaries to project position salaries, with an overall net change of \$0).

	Funding	Positions
GPR	- \$67,400	0.00
FED	- 434,200	- 4.00
PR	<u>- 95,000</u>	<u>0.00</u>
Total	- \$596,600	- 4.00

2. OFFICE OF ELECTION TRANSPARENCY AND COMPLIANCE

Request \$925,600 in 2025-26, \$1,067,400 in 2026-27, and 10.0 positions annually to create and operate an Office of Election Transparency and Compliance. According to the Commission, the Office would: provide assistance and research to the Commission regarding complaints filed under statute pertaining to violations of election law; provide assistance and research to the Commission on polling place procedures, election processes, and elections systems relating to state and federal accessibility requirements; fulfill open records requests in accordance with state law; and respond to public inquiries and legislative inquiries and requests for information and assistance.

	Funding	Positions
GPR	\$1,993,000	10.00

Requested funding includes: (a) \$575,600 in 2025-26 and \$767,400 in 2026-27 in salaries and fringe benefits for 10.0 positions to staff the Office; (b) \$300,000 annually for post-election audits of voting equipment and polling place accessibility and database audits; and (c) \$50,000 in 2025-26 for one-time purchase of computers and office supplies. Requested position authority would include: (a) 1.0 policy initiatives advisor (intended to be an unclassified position); (b) 4.0 program and policy analysts; (c) 2.0 information systems (IS) data services senior positions; (d) 1.0 IS systems development senior position; (e) 1.0 legislative liaison; and (f) 1.0 communications specialist senior position. Note that the authorization of an unclassified position would require statutory language under s. 230.08 of the statutes.

3. CONVERT FEDERAL PROJECT POSITIONS TO FEDERAL PERMANENT POSITIONS

	Funding	Positions
FED	\$479,800	4.00

Request \$176,800 in 2025-26, \$303,000 in 2026-27, and 4.0 positions annually to convert 4.0 project positions into permanent positions for ongoing elections administration and elections security infrastructure efforts. The current project positions assist with statewide voter registration system security and provide elections security support and training to local elections officials. The project positions are authorized until November 11, 2025, at which point the positions cannot be extended any further (s. 230.27(1) of the statutes specifies that no project position may exist for more than four years). The Commission indicates that the job responsibilities of the 4.0 positions would not change and the need for the permanent positions extends beyond the current biennium as "election security is an ongoing effort with ever-changing threats and corresponding solutions that need to be maintained indefinitely."

Requested funding would be provided from the Commission's federal Help America Vote Act (HAVA) Election Security grant. As of August 2, 2024, the Commission had approximately \$6.5 million in HAVA funding available. The Commission indicates that Wisconsin's HAVA funding would not be depleted until approximately May, 2028 (the estimation includes expenditures related to the requested positions). Note that a corresponding amount of funding and positions was removed from the Commission's base budget as a standard budget adjustment for noncontinuing elements.

4. FUNDING FOR LIMITED-TERM EMPLOYEES

GPR	\$416,200
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Request \$138,800 for 8.0 limited-term employees (LTEs) in 2025-26 and \$277,400 for an additional 4.0 LTEs (12.0 total) in 2026-27 to assist the Commission in administering and enforcing Wisconsin election law. According to the Commission, the agency's workload and responsibilities have increased without additional permanent positions in recent years. The Commission currently has 4.0 LTEs that assist staff with WisVote customer service, document preparation and case material organization for litigation and administrative hearings, administrative support in tracking and resolving complaints, records management, and coordination of the agency's public education information program, among other duties. Requested funding includes costs related to the existing 4.0 LTEs, which are not currently funded from a specific, designated allocation in the agency's base budget.

5. CLERK TRAINING AND LEARNING MANAGEMENT SYSTEM AND ELECTIONS COMMISSION WEBSITE

GPR	\$312,000
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Request \$156,000 annually for the ongoing maintenance and hosting of the Clerk Training and Learning Management System ("ElectEd") and the Elections Commission's website. The state currently contracts with a vendor to support and host both online services. Ongoing costs to maintain and host the websites are not included in the Commission's base budget. According to the Commission, having ElectEd and the Election's Commission website on the same platform allows for easier management and ensures that new security updates are implemented quickly and simultaneously. Funding would be used to maintain the websites' performance and security and provide upgrades as needed.

6. FUNDING FOR ELECTRONIC REGISTRATION INFORMATION CENTER COSTS

GPR	\$156,700
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Request \$37,700 in 2025-26 and \$119,000 in 2026-27 for Electronic Registration Information Center (ERIC) costs associated with: (a) an increase in ERIC membership dues (\$37,700 annually); and (b) mailing costs for eligible but unregistered individuals (\$81,300 in 2026-27).

The Elections Commission is statutorily required [s. 6.36(1)(ae)] to join ERIC, a consortium of states that shares data to improve voter registration databases. Member states are provided reports to identify voters who may have moved, voters who may have died, duplicate voter records, and voters who appear to be eligible to vote but are not registered. The membership agreement requires states to contact voters in the latter category (eligible but not registered) once every two years, ahead of the fall general election. While the Commission was recently granted an exemption by ERIC from this requirement, it is still required to conduct voter outreach.

7. VOTER IDENTIFICATION TRAINING APPROPRIATION MODIFICATION

Modify the voter identification training appropriation [s. 20.510(1)(c)] to broaden the language so that funds may be used for all elections training purposes, rather than just voter identification training. The modified appropriation would be titled, "County and municipal clerk training" and funds would be used for training of county and municipal clerks regarding the administration of elections as outlined in Chapters 5 through 10 and 12 of the statutes, including voter identification requirements provided in 2011 Act 23. In 2024-25, the annual voter identification training appropriation base budget is \$82,600 GPR.

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
		<u>Fund</u>	
Base Level Plan			
1.	Reduce spending authority for general program operations.	GPR	-\$17,000
2.	Increase spending authority for materials and services.	PR	8,000
3.	Increase spending authority for elections security and maintenance.	PR	<u>9,000</u>
Total			\$0
		GPR	(-\$17,000)
		PR	(\$17,000)
5% Budget Reduction Plan			
1.	Reduce spending authority for general program operations.	GPR	-\$139,100
2.	Reduce estimate of spending for investigations.	GPR	-25,000
3.	Eliminate spending authority for voter identification training.	GPR	-82,600
4.	Eliminate spending authority for materials and services.	PR	-1,000
5.	Reduce spending authority for elections security and maintenance.	PR	<u>-36,700</u>
Total			-\$284,400
		GPR	(-\$246,700)
		PR	(-\$37,700)

EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%			2025-26	2026-27	Number
GPR	\$12,900	\$12,200	\$8,000	-\$5,600	-21.7%	0.00	0.00	0.00	0.00	0.0%
SEG	<u>64,117,200</u>	<u>81,096,000</u>	<u>80,938,200</u>	<u>33,799,800</u>	26.4	<u>287.20</u>	<u>296.20</u>	<u>296.20</u>	<u>9.00</u>	3.1
TOTAL	\$64,130,100	\$81,108,200	\$80,946,200	\$33,794,200	26.3%	287.20	296.20	296.20	9.00	3.1%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	\$497,200
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Request adjustments to the base totaling \$248,600 annually for: (a) turnover reduction, -\$718,400 annually; (b) full funding of continuing position salaries and fringe benefits, \$1,390,700 annually; (c) overtime, \$45,800 annually; (d) night and weekend differential pay, \$72,500 annually; and (e) full funding of lease and directed moves costs, -\$542,000 annually.

2. REPLACEMENT PENSION ADMINISTRATION SYSTEM

SEG	\$28,400,000
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Request \$14.2 million annually for pension administration system (PAS) implementation to replace existing information technology systems used to administer Wisconsin Retirement System benefits. Specifically, funding would support software, vendor project management services, documentation, testing, implementation, integration, training, warranty, and support for the PAS. The pension administration system is anticipated to replace several legacy systems, including systems for issuing benefit payments, administering disability and duty disability benefits, storing retirement account information, calculating retirement benefits, and producing retirement system statistics. The Department is currently in the process of selecting a PAS vendor and contract negotiations are expected to begin in the spring or summer of 2025. The Department's PAS consultant, Linea Solutions, assisted with the development of a cost estimate for the project. The total cost of implementation of the PAS is estimated at \$67.2 million to \$82.1 million over a five-to seven-year implementation period. Based on this estimate, the Department seeks \$14.2 million annually during the 2025-27 biennium.

3. RISK MANAGEMENT AND INFORMATION SECURITY

	Funding	Positions
SEG	\$3,933,500	4.00

Request \$2,105,000 in 2025-26, \$1,828,500 in 2026-27, and 4.0 positions annually (1.0

administrative manager, 2.0 information systems technical service specialists, and 1.0 auditor-advanced) to reduce agency risk and improve information security management. The Department would create an Enterprise Risk Management (ERM) program to increase oversight of agency risk, including information/cybersecurity, fraud, sustainability of benefits, actuarial valuation, funding status, financial reporting, legal/compliance, third-party administrator and vendor management, business continuity, disaster recovery, and incident response. According to ETF, many of the Department's functions currently include risk management activities. However, ETF aims to create an enterprise-wide risk management program to establish a common framework to manage risk across the Department. Under the request, ETF would create an Office of Enterprise Risk Management.

The 1.0 administrative manager would function as ETF's chief risk officer and report to the Secretary's Office. Supplies and services associated with the position in 2025-26 (\$428,600) would include one-time funding of \$420,000 for a consultant to assist with the development of an ERM program. Duties of the chief risk officer would include providing enterprise risk management, strategic planning, vendor management, and business continuity program planning work. Additionally, the chief risk officer would work to identify, evaluate, mitigate, and monitor risks relevant to ETF.

The 2.0 IS technical service specialists would work in the Bureau of Information Security Management within the Division of Technology, Security, and Data Services. According to ETF, \$1.2 million annually of the supplies and services associated with the positions (\$1,217,100 in 2025-26 and \$1,213,800 in 2026-27) would include funding for additional software and vendor services aimed at improving ETF's IT security capabilities and addressing high-priority IT security risks, including security incident and fraud detection management, application security management, and vendor risk management and data protection. The new IS technical services specialists would help operate and manage these software and vendor services in addition to assisting with current operational activities as ETF expands its online services through modernization projects.

The 1.0 auditor-advanced position would work within the Office of Internal Audit (OIA) to address increased demand for OIA services, including third-party administrator (TPA) contract compliance audits, internal reviews focused on ETF staff oversight of external vendors, and reviews of the implementation of the insurance administration system and pension administration system IT modernization projects.

4. SERVICE LEVELS TO MEET MEMBER DEMAND

	Funding	Positions
SEG	\$353,600	2.00

Request \$155,500 in 2025-26, \$198,100 in 2026-27, and 2.0 trust fund specialist positions annually to expand the service capacity of ETF to meet growth since the early 2010s in the number of employers and members (retirees and inactive members in particular). Additionally, the Department anticipates a compounded increase in demand for its services as it transitions members to a new online portal associated with the forthcoming insurance and pension administration systems. The Department would assign the requested positions to the call center to manage the anticipated increase in volume and length of calls.

5. RESOURCES FOR MEMBER LOCATION

	Funding	Positions
SEG	\$353,600	2.00

Request \$155,500 in 2025-26, \$198,100 in 2026-27, and 2.0 trust fund specialist four-year project positions to provide additional resources to help locate members of the Wisconsin Retirement System who are deemed "missing participants." The Department maintains contact information for all WRS members (approximately 692,000 participants), but in some cases this information may become outdated. A participant is classified as missing if their annual statement of benefits is returned as undeliverable and ETF is unable to find a current address for the participant. Currently, the number of missing participants totals 29,000 WRS members (15% of the total number of inactive participants). The Department has a fiduciary and legal responsibility under state and federal law to make a reasonable effort to locate missing participants.

6. SUPPORT FOR ACTUARIAL FUNCTIONS

	Funding	Position
SEG	\$261,900	1.00

Request \$114,200 in 2025-26, \$147,700 in 2026-27, and 1.0 actuarial analyst position annually to provide a dedicated employee with actuarial expertise to improve accuracy in actuarial duties relating to retirement and insurance programs administered by the Department for state and local employees. The actuarial analyst would be responsible for: ensuring accurate data is maintained and utilized for actuarial valuations; providing leadership in actuarial functions and projects; managing the work of consulting actuaries; providing support for actuarial research and analysis; and overseeing data quality of financial data in support of the Department's data management program.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce funding for information technology resources and delay modernization efforts.	SEG	-\$3,205,900	-\$3,205,900

EMPLOYMENT RELATIONS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$958,800	\$982,200	\$983,500	\$48,100	2.5%	6.00	6.00	6.00	0.00	0.0%
PR	145,600	145,600	145,600	0	0.0	0.00	0.00	0.00	0.00	N.A.
TOTAL	\$1,104,400	\$1,127,800	\$1,129,100	\$48,100	2.2%	6.00	6.00	6.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$48,100
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Request adjustments to the base totaling \$23,400 in 2025-26 and \$24,700 in 2026-27. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (\$24,200 annually); (b) full funding of lease and directed moves costs (-\$800 in 2025-26 and \$500 in 2026-27); and (c) minor transfers within the same alpha appropriation (\$2,500 annually from permanent property to supplies and services).

2015 Act 201 Plan

5% Budget Reduction Plan	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Remove funding associated with 1.0 FTE staff attorney position.	GPR	-\$55,200	-\$55,200

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary					FTE Position Summary	
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		
		2025-26	2026-27	Amount	%	
GPR	\$6,699,000	\$6,699,000	\$6,699,000	\$0	0.0%	Positions for the Environmental Improvement Fund program are provided under the Department of Administration and Natural Resources.
SEG	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>0</u>	0.0	
TOTAL	\$11,199,000	\$11,199,000	\$11,199,000	\$0	0.0%	
BR		\$725,903,000				

Major Request Item

1. BONDING AND DEBT SERVICE COSTS

BR	\$725,903,000
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Request \$725,903,000 in revenue obligation bonding for the environmental improvement fund (EIF). The EIF includes the clean water fund and the safe drinking water loan program. The EIF uses federal capitalization grants, state general obligation and revenue obligation bonding, and loan repayments to finance improvements to municipal wastewater treatment systems and public drinking water systems. State bonding authorized to date includes: (a) \$659.8 million in general obligation bonding for the clean water fund; (b) \$75.0 million in general obligation bonding for the safe drinking water loan program; and (c) \$2.6 billion in total revenue obligation bonding for both programs.

For the first time, the EIF did not have sufficient funding capacity to meet demand in the state fiscal year 2023-24. Demand in 2024-2025 is again anticipated to exceed loan capacity and is expected to use all or nearly all remaining unused revenue bonding authority. The request for increased revenue obligation bonding reflects anticipated further increases in demand and project costs through the 2025-27 biennium.

The programs have transitioned to using primarily state revenue obligation bonding and loan repayments as the source of sufficient state matches to federal funding. The Departments of Administration and Natural Resources, which administer the program, indicate the additional bonding authority would be sufficient to finance anticipated projects through June 30, 2027.

While no change is included for sum-sufficient debt service on EIF general obligation bonds, a reestimate will be included in the Governor's budget. Debt service payments from 2022-23 through the 2024-25 estimated amounts are shown in the table. Clean water fund debt service is also paid from a sum-certain SEG appropriation supported by a portion of repayments from municipalities or loans funded from general obligation bonds.

Environmental Improvement Fund Debt Service Expenditures

	<u>GPR Clean Water Fund Program</u>	<u>SEG Clean Water Fund Program</u>	<u>Safe Drinking Water Loan GPR</u>	<u>Total</u>
2022-23 Actual	\$2,744,900	\$7,000,000	\$3,732,100	\$13,477,000
2023-24 Actual	2,047,500	6,000,000	3,301,200	11,348,700
2024-25 Estimated	1,329,200	4,500,000	3,361,400	9,190,600

ETHICS COMMISSION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$1,033,900	\$4,436,400	\$4,091,400	\$6,460,000	312.4%	4.70	27.00	27.00	22.30	474.5%
PR	<u>543,200</u>	<u>36,200</u>	<u>36,200</u>	<u>- 1,014,000</u>	- 93.3	<u>3.30</u>	<u>0.00</u>	<u>0.00</u>	<u>- 3.30</u>	- 100.0
TOTAL	\$1,577,100	\$4,472,600	\$4,127,600	\$5,446,000	172.7%	8.00	27.00	27.00	19.00	237.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$7,600
PR	<u>9,800</u>
Total	\$17,400

Request adjustments to the base of \$3,800 GPR and \$4,900 PR annually for: (a) full funding of continuing position salaries and fringe benefits (-\$9,400 GPR and -\$5,200 PR annually); and (b) reclassifications and semiautomatic pay progression (\$13,200 GPR and \$10,100 PR annually).

2. ACT 126 RESOURCES

	Funding	Positions
GPR	\$4,767,000	19.00

Request \$2,526,000 in 2025-26, \$2,241,000 in 2026-27, and 19.0 positions annually to manage estimated caseload increases resulting from 2023 Act 126, which takes effect on July 1, 2025. Act 126 requires that campaign finance committees and conduits register and report directly to the Ethics Commission rather than local filing officers. This change is estimated by the agency to add at least 30,500 registrants for the Commission to process; a responsibility previously managed by local filing officers.

Under current law, while campaign finance committees and conduits are required to register, they are exempt from filing reports with the Commission if they do not accept contributions, do not make expenditures, and do not incur debt exceeding \$2,500 in aggregate during a calendar year. The Commission estimates that 75% of new registrants will fall under this exemption, resulting in an estimated total of approximately 7,600 new active registrants (those that file reports). In comparison, the Commission currently is responsible for advising, auditing, and performing other duties for 1,293 active registrants.

This request would increase the agency's staffing from 8.0 FTE to 27.0 FTE through the addition of the following positions:

Ethics Specialists (13). These specialists will administer campaign finance, lobbying, and ethics laws; advise registrants on how to register and file reports; conduct audits for each registrant; and provide administrative support to local campaign offices. Currently, the Commission has four ethics specialists.

Attorneys (3). One of the attorneys is requested to perform a supervisory role, with the other two being classified as attorneys. These attorneys would revise and draft administrative rules, negotiate and draft settlement agreements resulting from audit findings, ensure training materials are accurate, and file civil lawsuits to enforce laws administered by the Commission. Currently, the Commission has one attorney.

Trainers (2). One permanent and one two-year project position are requested to conduct training sessions across Wisconsin's 72 counties for local candidates, clerks, and election offices. The Commission plans to hold 80 in-person sessions in the first year of the biennium, decreasing this number by half in subsequent years while expanding online training offerings. Funding is also requested for travel and per diem expenses for trainers.

Office Management Specialist (1). This position would handle budgetary responsibilities, procurement, accounts receivable, and serve as a liaison between the Commission and other agencies.

Additionally, the request includes funding for expanded office space, including one-time funding of \$285,000 for construction and moving expenses, as well as increased rent, and costs for additional IT equipment to support the new positions. The Commission also seeks a \$24,045 increase in salary for the Assistant Administrator to account for the expanded workload and supervisory responsibilities.

3. LOBBYING PROGRAM ADMINISTRATION AND REVENUE

	Funding	Positions
GPR	\$1,023,900	3.30
PR	<u>- 1,023,900</u>	<u>- 3.30</u>
Total	\$0	0.00

Request \$511,900 GPR, -\$511,900 PR, 3.3 GPR positions, and -3.3 PR positions annually to eliminate reliance on program revenue for lobbying regulation. Rather, the Commission requests to deposit all collected PR from the lobbying administration appropriation to the general fund and utilize the Commission's GPR appropriation for general program operations to fund all costs of lobbying regulation. The request notes a potential appearance for a conflict of interest since the Commission collects lobbying fees while actively regulating lobbying licensees. Additionally, the Commission projects sometime in the next two to four years that the lobbying PR appropriation will be in a deficit without an increase to statutory lobbying fees.

Under current law, the PR appropriation for lobbying administration receives revenue from fees charged by the Commission for lobbyist licenses, principal registrations, verified statements of exemption, lobbyist authorizations, and registrations of interest in legislative proposals.

4. CAMPAIGN FINANCE INFORMATION WEBSITE CONTINUATION GPR \$347,000

Request \$196,000 in 2025-26 and \$151,000 in 2026-27 for an extension of the maintenance agreement for the Commission's new campaign finance information system. Funding in 2026-27 is requested as an ongoing increase to the agency's supplies and services budget. The Commission was approved to work with a vendor to construct a new campaign finance information system during the last biennium, which would include a build phase in 2023-24 and a two-year maintenance phase in 2024-25 and 2025-26. Unanticipated events delayed the build phase until 2024-25 and the request would extend the maintenance phase through the 2025-27 biennium at the previously approved rate (\$135,000 annually).

Requested funding would also be used for reconciling duplicated data in the old system (\$20,000 in 2025-26) and the creation of an online payment page for campaign finance filing fees (\$25,000 in 2025-26 and \$15,000 2026-27).

5. CONTINUING IT CONTRACTOR POSITION GPR \$314,600

Request \$164,800 in 2025-26 and \$149,800 in 2026-27 for continuing one IT contract position for administering the Commission's reporting applications. In the 2023-25 biennium, the Commission received approval for one-time funding to hire an IT contractor to supplement the increased workload for the previously authorized IT contractor while the new website was created. The request would fund the contractor on an ongoing basis for \$149,800 annually with an additional one-time cost of \$15,000 in 2025-26 for replacing the current staff's monitors and renewing software licensing.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce spending authority for investigations.	GPR	-\$30,000	-\$30,000
2. Reduce spending authority for materials and services.	PR	-2,500	-2,500
3. Reduce spending authority for lobbying administration.	PR	<u>-46,400</u>	<u>-46,400</u>
Total		-\$78,900	-\$78,900
	GPR	(-\$30,000)	(-\$30,000)
	PR	(-\$48,900)	(-\$48,900)

FINANCIAL INSTITUTIONS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
PR	\$20,991,500	\$20,961,900	\$20,961,900	-\$59,200	-0.1%	138.54	138.54	138.54	0.00	0.0%
SEG	<u>965,800</u>	<u>1,010,200</u>	<u>1,010,200</u>	<u>88,800</u>	4.6	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>	0.0
TOTAL	\$21,957,300	\$21,972,100	\$21,972,100	\$29,600	0.1%	141.54	141.54	141.54	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

PR	-\$59,200
SEG	<u>88,800</u>
Total	\$29,600

Request adjustments to the base totaling -\$29,600 PR and \$44,400 SEG annually for: (a) turnover reduction (-\$333,600 PR annually); (b) full funding of continuing position salaries and fringe benefits (\$435,600 PR and \$46,600 SEG annually) and (c) full funding of lease and directed moves costs (-\$131,600 PR and -\$2,200 SEG annually).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce spending authority for the payday lending appropriation.	PR	-\$800,000	-\$800,000
2. Reduce spending authority for tuition trust fund and college savings program appropriations.	SEG	-263,300	-263,300
3. Reduce spending authority for the investor education and training appropriation.	PR	<u>-34,500</u>	<u>-34,500</u>
Total		-\$1,097,800	-\$1,097,800
	PR	(-\$834,500)	(-\$834,500)
	SEG	(-\$263,300)	(-\$263,300)

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary					FTE Position Summary	
Fund	2024-25 Adjusted Base	<u>Request</u>		<u>2025-27 Change Over</u> Base Year Doubled		There are no state authorized positions for the Fox River Navigational System.
		2025-26	2026-27	Amount	%	
SEG	\$125,400	\$131,700	\$131,700	\$12,600	5.0%	

Major Request Item

- 1. FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY OPERATING SUPPORT** SEG \$12,600

Request \$6,300 conservation fund SEG annually to increase funding for property upkeep and services on the Fox River lock system. Funding would be used to support operational costs, such as insurance, and to purchase fuel and construction materials. The state transfer to the Fox River Navigational System Authority (FRNSA) is funded from the water resources account of the conservation fund, which is primarily supported by fuel taxes attributed to motorboats.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce the state transfer for FRNSA operations.	SEG	-\$6,300	-\$6,300

GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$4,726,300	\$4,834,400	\$4,834,400	\$216,200	2.3%	37.25	37.25	37.25	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENT

GPR	\$216,200
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Request an adjustment to the base of \$108,100 annually for full funding of continuing position salaries and fringe benefits.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce expenditure authority for supplies and services.	GPR	-\$236,300	-\$236,300

HEALTH SERVICES

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$5,576,169,400	\$5,192,222,600	\$5,523,481,600	-\$436,634,600	- 3.9%	2,690.43	2,778.36	2,778.36	87.93	3.3%
FED	8,512,649,000	10,422,156,700	11,033,360,700	4,430,219,400	26.0	1,493.02	1,481.02	1,476.02	- 17.00	- 1.1
PR	1,979,032,400	1,911,911,700	1,990,574,900	- 55,578,200	- 1.4	2,592.09	2,504.16	2,504.16	- 87.93	- 3.4
SEG	<u>628,322,100</u>	<u>634,103,600</u>	<u>586,648,400</u>	<u>- 35,892,200</u>	- 2.9	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	0.0
TOTAL	\$16,696,172,900	\$18,160,394,600	\$19,134,065,600	\$3,902,114,400	11.7%	6,777.54	6,765.54	6,760.54	- 17.00	- 0.3%

Major Request Items

Medical Assistance and SSI

1. OVERVIEW OF MEDICAL ASSISTANCE

This item presents several summary tables relating to the funding that would be provided for medical assistance (MA) benefits under the Department's request.

The MA program is supported by general purpose revenue (GPR), federal Medicaid matching funds (FED), three segregated funds (the MA trust fund, the hospital assessment trust fund, and the critical access hospital assessment trust fund), and various program revenue (PR) sources, such as drug manufacturer rebates.

Table 1 shows, by year and fund source, the total amounts that would be budgeted for MA benefits in each year of the 2025-27 biennium under the Department's request, compared to the base level funding for the program. Two request items would affect MA benefits funding. The cost-to-continue item reflects the Department's estimates of MA costs in the 2025-27 biennium, without eligibility or other program changes. In addition, the Department is requesting statutory and funding changes to implement full Medicaid expansion, as described under Item #3. The table shows separately the two types of funding changes associated with this initiative--ongoing changes associated with enhanced federal matching funds for the expansion population, and the non-recurring funding shift between GPR and FED appropriations associated with a two-year federal incentive for states that adopt full expansion.

TABLE 1**Summary of MA Benefits Funding**

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Base Funding	\$4,449,078,700	\$7,559,619,700	\$1,379,293,700	\$602,943,600	\$13,990,935,700
Cost-to-Continue Request	\$380,966,900	\$644,187,200	-\$44,314,000	\$5,941,200	\$986,781,300
Full Medicaid Expansion	-211,634,900	519,365,500	0	0	307,730,600
Expansion Fed. Incentive	<u>-624,601,000</u>	<u>575,741,500</u>	<u>0</u>	<u>0</u>	<u>-48,859,500</u>
Change to Base	-\$455,269,000	\$1,739,294,200	-\$44,314,000	\$5,941,200	\$1,245,652,400
Total	\$3,993,809,700	\$9,298,913,900	\$1,334,979,700	\$608,884,800	\$15,236,588,100
2026-27					
	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Base Funding	\$4,449,078,700	\$7,559,619,700	\$1,379,293,700	\$602,943,600	\$13,990,935,700
Cost-to-Continue Request	\$723,252,100	\$1,089,547,400	\$19,816,000	-\$41,512,300	\$1,791,103,200
Full Medicaid Expansion	-212,196,100	631,119,800	0	0	418,923,700
Expansion Fed. Incentive	<u>-663,543,700</u>	<u>611,315,000</u>	<u>0</u>	<u>0</u>	<u>-52,228,700</u>
Change to Base	-\$152,487,700	\$2,331,982,200	\$19,816,000	-\$41,512,300	\$2,157,798,200
Total	\$4,296,591,000	\$9,891,601,900	\$1,399,109,700	\$561,431,300	\$16,148,733,900

Table 2 shows actual and projected average monthly enrollment by major eligibility group under the Department's request. For parents and childless adults, the Department's baseline projection, used for the MA cost-to-continue reestimate, is shown separately from the impact of the proposal to implement full Medicaid expansion.

TABLE 2

Actual and Projected Monthly Average Enrollment by Group

	Actual	Projected	Estimates	
	<u>June 2024</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Elderly, Blind, Disabled MA				
Elderly	86,762	87,793	89,724	91,698
Disabled, Non-Elderly Adults	136,503	136,847	137,484	138,126
Disabled Children	<u>37,161</u>	<u>37,362</u>	<u>37,736</u>	<u>38,113</u>
EBD Total	260,426	262,002	264,945	267,938
BadgerCare Plus				
Children	502,666	500,713	500,069	502,569
Parents				
<i>Baseline</i>	<i>212,278</i>	<i>197,411</i>	<i>184,168</i>	<i>185,089</i>
<i>Medicaid Expansion</i>	<u><i>0</i></u>	<u><i>0</i></u>	<u><i>44,318</i></u>	<u><i>61,434</i></u>
Total Parents	212,278	197,411	228,486	246,523
Childless Adults				
<i>Baseline</i>	<i>194,577</i>	<i>177,650</i>	<i>169,569</i>	<i>169,739</i>
<i>Medicaid Expansion</i>	<u><i>0</i></u>	<u><i>0</i></u>	<u><i>21,602</i></u>	<u><i>29,826</i></u>
Total Childless Adults	194,577	177,650	191,171	199,565
Pregnant Women	<u>19,677</u>	<u>18,118</u>	<u>18,085</u>	<u>18,103</u>
BadgerCare Plus Total	929,198	893,892	937,812	966,760
Other Full Benefit MA				
Foster Care/Subsidized Adoption	20,694	20,925	21,487	21,702
Well Woman	<u>289</u>	<u>299</u>	<u>299</u>	<u>299</u>
Total Full Benefit Enrollment	1,210,607	1,177,118	1,224,543	1,256,700
Limited Benefit Groups				
Family Planning Only	27,879	28,306	28,340	28,340
Medicare Cost Sharing Assistance	<u>17,157</u>	<u>17,856</u>	<u>17,920</u>	<u>17,920</u>
Total Enrollment	1,255,643	1,223,279	1,270,802	1,302,959

Table 3 shows actual and projected SEG revenues to the MA trust fund (MATF) under the Department's request assumptions, as well as anticipated MATF expenditures. MATF revenues are used for the nonfederal share of MA benefits, offsetting an equal amount of GPR.

TABLE 3

**Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2023-24 through 2026-27**

	Actual <u>2023-24</u>	Projection <u>2024-25</u>	<u>Estimates</u>	
			<u>2025-26</u>	<u>2026-27</u>
Beginning Balance	\$350,914,000	\$192,824,400	\$39,586,500	\$0
Provider Assessments				
Hospital Assessment*	\$167,771,700	\$148,202,300	\$148,355,100	\$149,074,900
Nursing Home/ICF-IID Bed Assessment	54,979,300	56,024,300	56,307,000	56,589,700
Critical Access Hospital Assessment*	1,093,700	813,100	547,700	303,000
Federal Funds Deposited to MA Trust Fund				
County Nursing Home Cert. Pub. Expenditures	\$674,900	\$0	\$0	\$0
UW Intergovernmental Transfer	28,448,200	15,683,200	15,683,200	15,683,200
UW Certified Public Expenditures	1,950,300	650,100	650,100	650,100
Other				
Transfer from Permanent Endowment Fund	\$98,049,000	\$87,145,900	\$77,812,900	\$69,916,500
Interest Earnings	<u>16,121,100</u>	<u>5,320,000</u>	<u>0</u>	<u>0</u>
Total Available	\$720,002,200	\$506,663,300	\$338,942,500	\$292,217,400
Expenditures				
MA Benefits	\$527,177,800	\$467,076,800	\$338,942,500	\$292,217,400
Year-End Balance	\$192,824,400	\$39,586,500	\$0	\$0

* Assessment revenue is first deposited in separate trust funds and a portion is used to make supplemental hospital payments. The amounts shown are the transfers to the MA trust fund after these supplemental payments are made.

Table 4 shows the actual and projected federal medical assistance percentage (FMAP) rates applicable to MA benefit expenditures in each fiscal year from 2024-25 through 2026-27. FMAP rates are established for each federal fiscal year, which runs from October to September, but the table shows the FMAP rates weighted for the corresponding state fiscal years. In addition to the FMAP for regular Medicaid (Title 19 of the federal Social Security Act), the table also shows the higher rate applicable to expenditures for children eligible under the Children's Health Insurance Plan (CHIP or Title 21).

TABLE 4

**Federal Medical Assistance Percentage (FMAP) Rates
By State Fiscal Year**

<u>State Fiscal Year</u>	<u>Title 19 (Most MA Services)</u>	<u>Title 21 (Children's Health Insurance Plan)</u>
2024-25		
State	39.51%	27.66%
Federal	60.49	72.34
2025-26		
State	39.50%	27.65%
Federal	60.50	72.35
2026-27		
State	39.39%	27.57%
Federal	60.61	72.43

Table 5 shows the annual income levels, by household size, at various percentages of the 2024 federal poverty level (FPL). The current income eligibility threshold for BadgerCare Plus adults is 100%, whereas the standard for full Medicaid expansion (in the Department's request) is 138%. The other percentages shown, 160%, 200%, and 240%, are used for the different eligibility tiers in the SeniorCare program.

TABLE 5

**Annual Household Income at Various Percentages of the
2024 Federal Poverty Level, By Household Size**

<u>Household Size</u>	<u>Percentage of FPL</u>				
	<u>100%</u>	<u>138%</u>	<u>160%</u>	<u>200%</u>	<u>240%</u>
One	\$15,060	\$20,783	\$24,096	\$30,120	\$36,144
Two	20,440	28,207	32,704	40,880	49,056
Three	25,820	35,632	41,312	51,640	61,968
Four	31,200	43,056	49,920	62,400	74,880
Five	36,580	50,480	58,528	73,160	87,792

2. MEDICAL ASSISTANCE COST-TO-CONTINUE

Request \$986,781,300 (\$380,966,900 GPR, \$644,187,200 FED, -\$44,314,000 PR, and \$5,941,200 SEG) in 2025-26 and \$1,791,103,200 (\$723,252,100 GPR, \$1,089,547,400 FED, \$19,816,000 PR, and -\$41,512,300 SEG) in 2026-27 to fund projected MA benefits costs under a cost-to-continue

GPR	\$1,104,219,000
FED	1,733,734,600
PR	- 24,498,000
SEG	<u>- 35,571,100</u>
Total	\$2,777,884,500

scenario (no program changes to benefits or eligibility). The requested funding increases are based on the Department's projections of caseload changes and changes in the use and cost of providing medical and long-term care services. The cost-to-continue estimate is developed using projections for enrollment and average cost per beneficiary for all service categories, among other factors. The Department's estimate for the 2025-27 biennium builds on program projections for the remainder of 2024-25.

The following table shows the base level of funding for MA benefits, the requested funding increase under the cost-to-continue scenario, and the resulting funding for MA (without other benefit and eligibility changes), by fund source.

Medical Assistance Cost-to-Continue Request

Fund Source	Base	Requested Change		Total Funding	
		2025-26	2026-27	2025-26	2026-27
GPR	\$4,449,078,700	\$380,966,900	\$723,252,100	\$4,830,045,600	\$5,172,330,800
FED	7,559,619,700	644,187,200	1,089,547,400	8,203,806,900	8,649,167,100
PR	1,379,293,700	-44,314,000	19,816,000	1,334,979,700	1,399,109,700
SEG	<u>602,943,600</u>	<u>5,941,200</u>	<u>-41,512,300</u>	<u>608,884,800</u>	<u>561,431,300</u>
Total	\$13,990,935,700	\$986,781,300	\$1,791,103,200	\$14,977,717,000	\$15,782,038,900

The major assumptions underlying the Department's request estimate are described below, generally focusing on the program's GPR and SEG funding sources.

Baseline Expenditure Trends in 2024-25. The Department currently projects that the 2023-25 biennial GPR appropriation for MA benefits has sufficient budget authority for projected MA expenditures in the biennium. However, the Department projects that 2024-25 GPR expenditures will exceed the GPR base funding level (the 2024-25 GPR appropriation). Since the Department's cost-to-continue reestimate builds off the 2024-25 expenditure projection, a portion of the Department's request is associated with providing the difference between the base level funding and the 2024-25 actual expenditure baseline. Over the biennium, this adjustment accounts for \$145.2 million of the cost-to-continue GPR funding increase.

In addition to differences between the base level of funding and anticipated expenditures in 2024-25, this adjustment accounts for differences between budgeted assumptions and current projections in anticipated MA trust fund revenues and changes (both positive and negative) to other non-benefit costs (such as Medicare Part D clawback payments and Medicare premiums paid on behalf of enrollees) and revenues (estate recovery and managed care risk corridor recoveries).

Program Enrollment. The cost-to-continue estimate relies on caseload assumptions for the major eligibility categories for the remainder of 2024-25, as well as the two years of the 2025-27 biennium. The Department assumes that enrollment for BadgerCare Plus children and parent groups will increase by 0.5% annually, while the childless adult and pregnant women categories will increase by 0.1% annually. Enrollment of foster children and disabled children is expected to increase by 1.0% annually, while enrollment of elderly individuals and disabled adults is expected to increase by 2.2% annually and 0.8% annually, respectively. These assumptions pertain to overall

enrollment in the program. The Department makes separate projections for eligibility and enrollment in specific programs, such as Family Care, IRIS, and the Children's Long-Term Support programs (described below).

Managed Care Capitation Rates and Enrollment. The Department assumes that monthly managed care capitation rates will increase by 2% annually in 2025, 2026, and 2027 for payments to health maintenance organizations (HMOs) for acute care services under BadgerCare Plus and SSI Medicaid. The Department assumes that enrollment in HMOs for BadgerCare Plus adults and children will remain at the current percentage of total program enrollment in each category. For SSI Medicaid HMOs, the Department assumes that HMO enrollment will increase by 0.5% annually.

Cost and Utilization of Services. For some acute care services delivered on a fee-for-service basis, the Department develops a per person average cost estimate, by service category and eligibility subcategory, and multiplies these averages by the estimated enrollment in the relevant category. The Department uses this approach for over 20 fee-for-service categories and over 50 eligibility subgroups. The major service categories for which cost and utilization estimates are performed in this manner include inpatient and outpatient hospital services, prescription drugs, physician/clinic services, outpatient mental health and substance use treatment, dental services, ambulance services, and durable medical equipment. In addition to these acute care services, the Department uses this cost estimation method for some home care services delivered on a fee-for-service basis, including personal care services, hospice, and private duty nursing services. For the purposes of these estimates, the Department generally bases the changes to the per person average cost for each service and eligibility group on prior year trends; the magnitude of the year-to-year changes varies widely.

Other Fee-For-Service Category Estimates. For some other service categories, the Department develops estimates on a total cost basis, without performing separate calculations for an enrollment effect and an average cost effect. The acute care service categories for which the Department uses this approach include psychosocial rehabilitation services delivered under the comprehensive community services (CCS) benefit, crisis intervention services, and residential substance use disorder treatment. For these categories, DHS assumes a 12% annual growth rate in expenditures for CCS, a 5% annual growth rate for crisis intervention expenditures, and a 5% annual growth rate for residential substance abuse treatment.

Family Care. The Department assumes that monthly managed care capitation rates will increase by 3% annually in the 2025-27 biennium for long-term care services provided under Family Care. Additionally, DHS estimates that enrollment will increase by 2% per year for Family Care. As such, on an all funds basis, costs for Family Care are estimated at \$2.95 billion in 2025-26 and \$3.1 billion in 2026-27, up from \$2.8 billion in 2024-25. These amounts primarily reflect capitation payments made to the managed care organizations but also include cash payments, the largest of which is the direct care workforce funding.

Further, the Department's request assumes that state funding will be used in 2025-27 to continue the home and community based services (HCBS) minimum fee schedule, currently funded with federal HCBS funding provided under the American Rescue Plan Act (ARPA) in the

2023-25 biennium. The request would provide \$516.0 million (\$203.5 million GPR and \$312.5 million FED) in the 2025-27 biennium to continue this initiative.

IRIS. The Department assumes that monthly enrollment in IRIS (Include, Respect, I Self-Direct), an alternative to Family Care for long-term care services, will increase by 7% in 2025-26 and 6% in 2026-27. Average IRIS enrollment is expected to reach 27,629 in 2024-25, 29,480 in 2025-26, and 31,320 in 2026-27. Average, per beneficiary costs are expected to increase by approximately 3% in 2025-26 and 6% in 2026-27, with total costs, on an all funds basis, estimated at \$1.38 billion in 2025-26 and \$1.56 billion in 2026-27, up from \$1.26 billion in 2024-25.

Children's Long-Term Support Program (CLTS). The Department anticipates increases in enrollment in the CLTS waiver program as counties continue to enroll children in the program. Average monthly program enrollment is expected to be 26,100 in 2025-26, and 27,850 in 2026-27, compared to estimated average monthly program enrollment of 24,250 in 2024-25 and actual enrollment of 23,170 as of June, 2024. Annual per beneficiary costs are anticipated to be \$15,096 in 2025-26 and \$15,132 in 2026-27 (including administrative costs), compared to \$15,048 in 2024-25. CLTS costs, on an all funds basis, are estimated at \$362.7 million in 2025-26 and \$388.1 million in 2026-27, compared to \$346.0 million in 2024-25.

Nursing Home Reimbursement. The Department projects that fee-for-service nursing home bed days will decrease by approximately 2% per year. After accounting for intensity and inflationary cost growth, the average effective nursing home per diem rate is expected to increase by 3.0% annually in the 2025-27 biennium. On an all funds basis, total nursing home payments, excluding payments to the Veterans Homes and State Centers for Individuals with Intellectual Disabilities, are estimated at \$737.8 million in 2025-26 and \$746.3 million in 2026-27, compared to an estimated \$730.1 million in 2024-25.

Prescription Drug Manufacturer Rebates. The MA program receives drug rebates from drug manufacturers based on formulas established under federal Medicaid law. These rebates are used to offset GPR and FED MA benefit costs. Over the past three calendar years, the drug rebate revenue has equated to an average of 66.7% of gross drug expenditures. The Department projects that the rebate percentage will decrease to 64.6% of gross drug expenditures, a change that the Department attributes to the impact of new federal disincentives for drug price increases in the Medicare program, which, in turn, has an impact on the drug rebate calculation. Total rebate revenues are estimated at \$1,178.2 million in 2025-26 and \$1,242.4 million in 2026-27.

Medicare Premiums for Dual Eligibles and Medicare Part D Clawback Payments. Estimates of premium payments for Medicare dual eligibles are based on out-year projections developed by the federal Medicare Board of Trustees, presented in its 2024 report. Medicare Part B premiums are anticipated to increase by 5.9% in 2025, 1.0% in 2026, and 11.0% in 2027, while Medicare Part A premiums are projected to increase by 1.0% in 2025, 3.9% in 2026, and 5.5% in 2027. The program pays monthly Part B premiums for approximately 135,000 dual eligible members, and Part A premiums for approximately 8,000 dual eligibles. Medicare premium payments (all funds) are estimated at \$344.0 million in 2025-26 and \$371.8 million in 2026-27. The Medicare Part D clawback is a GPR payment made to the federal government to offset a portion of federal prescription drug coverage under Medicare Part D, in lieu of prescription drug

coverage that, prior to Part D, was provided through MA for dual eligible members. The per beneficiary payment is indexed to the growth in per capita expenditures on prescription drugs. As with the Medicare premium estimates, the Department relied on projections developed by the Medicare Trustee, which anticipates an increase in per capita drug expenditures of 8.6% in 2025, 2.5% in 2026, and 11.2% in 2027. Total clawback payments are estimated at \$385.9 million GPR in 2025-26 and \$411.4 million GPR in 2026-27.

3. FULL MEDICAID EXPANSION

GPR	- \$1,711,000,300
FED	<u>2,340,468,100</u>
Total	\$629,467,800

Request funding changes for medical assistance benefits and program enrollment services to reflect the effect of adopting full Medicaid expansion, effective on July 1, 2025, as follows: (a) for MA benefits, increases of \$258,871,100 in 2025-26 and \$366,695,000 in 2026-27, which is the net effect of GPR funding decreases of \$836,235,900 in 2025-26 and \$875,739,800 in 2026-27, and FED funding increases of \$1,095,107,000 in 2025-26 and \$1,242,434,800 in 2026-27; and (b) for MA enrollment services conducted by county income maintenance consortia, increases of \$1,942,000 (\$485,500 GPR and \$1,456,500 FED) in 2025-26 and \$1,959,700 (\$489,900 GPR and \$1,469,800 FED) in 2026-27.

To meet the standard for full Medicaid expansion under federal law, a state must establish the income eligibility threshold at 138% of the federal poverty level (FPL) for adults ages 19 through 64. (By federal statute, the full expansion threshold is 133% of the FPL. However, federal income counting rules include a standard 5% disregard to account for various household expenditures, effectively making the threshold equivalent to 138% of the FPL.) Wisconsin does not meet this standard, since the state currently has an income eligibility threshold of 100% of the FPL for parents and childless adults. The Department requests statutory changes necessary to implement the full expansion eligibility thresholds.

Under the Affordable Care Act (ACA), states that adopt full Medicaid expansion are eligible to receive a 90% federal matching rate (the medical assistance percentage, or FMAP) for Medicaid benefit costs associated with adults age 19 to 64 who are considered "newly eligible" for coverage. An eligibility group is determined to be "newly-eligible" if members of the group were not eligible to receive full Medicaid benefits as of December 1, 2009. For Wisconsin, parents would not be considered to be "newly eligible" since the state covered parents up to 200% of the FPL on that date. However, childless adults would meet the "newly-eligible" definition since they were not eligible for full coverage on that date. Furthermore, although the state has provided full benefits coverage to childless adults up to 100% of the FPL since 2014, all childless adults would be considered "newly-eligible" with the adoption of full Medicaid expansion, and so their costs would be eligible for the enhanced FMAP if the state adopts the full Medicaid expansion eligibility standards.

Under a provision of the American Rescue Plan Act of 2021 (ARPA), any non-expansion state that adopts full Medicaid expansion becomes eligible for a temporary 5.0 percentage point increase to the state's standard FMAP. This federal incentive matching rate is applicable for the two years following implementation, and applies to most Medicaid expenditures that would otherwise be subject to the standard FMAP.

The funding adjustments for MA benefits under the Department's request reflect both the ongoing changes associated with the state qualifying for the 90% FMAP for childless adults, and the two-year ARPA incentive provision. The following table shows the fiscal changes for each of these components, as well as the requested funding for enrollment services.

Components of Requested Fiscal Changes with Full Medicaid Expansion

	<u>2025-26</u>	<u>2026-27</u>	<u>Biennium</u>
MA Benefits Funding			
Full Expansion, 90% FMAP Effect			
GPR	-\$211,634,900	-\$212,196,100	-\$423,831,000
FED	519,365,500	631,119,800	1,150,485,300
Two-Year ARPA Incentive			
GPR	-\$624,601,000	-\$663,543,700	-\$1,288,144,700
FED	575,741,500	611,315,000	1,187,056,500
Total MA Benefits Change			
GPR	-\$836,235,900	-\$875,739,800	-\$1,711,975,700
FED	<u>1,095,107,000</u>	<u>1,242,434,800</u>	<u>2,337,541,800</u>
All Funds	\$258,871,100	\$366,695,000	\$625,566,100
Enrollment Services Funding			
GPR	\$485,500	\$489,900	\$975,400
FED	1,456,500	1,469,800	2,926,300
All Requested Funding Changes			
GPR	-\$835,750,400	-\$875,249,900	-\$1,711,000,300
FED	<u>1,096,563,500</u>	<u>1,243,904,600</u>	<u>2,340,468,100</u>
All Funds	\$260,813,100	\$368,654,700	\$629,467,800

The Department projects that by adopting the full expansion eligibility limits, the number of parents enrolled would increase, after a 12-month phase-in period, by 61,000 and the number of childless adults enrolled would increase by 30,000, for a total increase of 91,000.

4. SENIORCARE REESTIMATE

Request a funding reduction of \$35,724,100 (-\$1,120,400 GPR, -\$1,924,500 FED, and -\$32,679,200 PR) in 2025-26 and a reduction of \$29,971,000 (\$392,100 GPR, -\$750,100 FED, and -\$29,613,000 PR) in 2026-27 to reflect a reestimate of the cost of paying benefits under the SeniorCare program. SeniorCare provides pharmacy benefits for Wisconsin residents over the age of 65 who are not eligible for full Medicaid benefits.

GPR	-\$728,300
FED	-2,674,600
PR	<u>-62,292,200</u>
Total	-\$65,695,100

The program is supported with a combination of GPR, federal funds that the state receives under a Medicaid demonstration waiver (FED), and PR from rebate payments that the Department

of Health Services (DHS) collects from drug manufacturers. Total SeniorCare expenditures are expected to be lower in the 2025-27 biennium than the base funding level. The Department now estimates that total SeniorCare expenditures in 2024-25 will be \$111.2 million, or \$39.1 million below the base funding level. Thus, while the Department anticipates that program expenditures will increase in the 2025-27 biennium relative to current levels, total expenditures are still expected to be below the 2024-25 appropriation base.

Although total program expenditures will decrease relative to the base, the requested changes vary by fund source. In particular, the percentage of program costs funded by manufacturer rebates has declined, which is reflected in the disproportionate reduction in PR funding under the Department's request. The following table shows base level funding, the Department's requested funding changes, and the resulting funding for the program, by fund source.

SeniorCare Reestimate

Fund Source	Base	Requested Change		Total Funding	
		2025-26	2026-27	2025-26	2026-27
GPR	\$23,449,700	-\$1,120,400	\$392,100	\$22,329,300	\$23,841,800
FED	21,905,500	-1,924,500	-750,100	19,981,000	21,155,400
PR	<u>104,947,000</u>	<u>-32,679,200</u>	<u>-29,613,000</u>	<u>72,267,800</u>	<u>75,334,000</u>
Total	\$150,302,200	-\$35,724,100	-\$29,971,000	\$114,578,100	\$120,331,200

The reduction in the current SeniorCare expenditure level, relative to the 2023 Act 19 projections is largely attributable to lower-than-anticipated program enrollment. As with the medical assistance program, SeniorCare was subject to a freeze on program disenrollment during the public health emergency for the COVID-19 pandemic, and then an eligibility redetermination period largely coinciding with the 2023-24 state fiscal year. At the time of budget deliberations, it was anticipated that eligibility redetermination would not significantly affect SeniorCare enrollment. However, enrollment declined by 20% between June of 2023 and June of 2024.

SeniorCare has four income eligibility categories: (a) less than 160% of the federal poverty level (FPL); (b) 160% of FPL to 200% of FPL; (c) 200% of FPL to 240% of FPL; and (d) greater than 240% of FPL. Each of these eligibility tiers has different requirements for deductibles. Persons in the last category, known as "spend-down" eligibility, do not receive benefits until they have out-of-pocket drug expenses in an annual period that exceed the difference between their annual income and 240% of the FPL, plus the deductible. The Department's budget request assumes that enrollment in the program's two lowest eligibility tiers will remain at current levels, enrollment in the third tier will grow by 1% annually, and enrollment at the spend-down level will grow by 10% annually. The following table shows projected average monthly enrollment in 2024-25, 2025-26, and 2026-27, along with the enrollment in each category in June of 2024 for comparison.

SeniorCare Enrollment Estimates

<u>Income Category</u>	<u>June, 2024</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Less than 160% of FPL	19,900	19,900	19,900	19,900
160% of FPL to 200% of FPL	13,400	13,400	13,400	13,400
200% of FPL to 240% of FPL	10,000	10,100	10,200	10,300
Greater than 240% of FPL	<u>51,400</u>	<u>54,200</u>	<u>59,700</u>	<u>65,700</u>
 Total Enrollment	 94,700	 97,600	 103,200	 109,300

5. SSI STATE SUPPLEMENTS REESTIMATE

PR	- \$10,456,600
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Request a decrease of \$5,228,300 annually to reflect estimates of the cost of funding supplemental security income (SSI) state supplements payments in the 2025-27 biennium.

The state SSI program provides cash benefits to low-income residents who are elderly, blind, or disabled to supplement federal SSI payments. In 2024, the state basic supplemental payments are \$83.78 per month for single individuals, \$132.05 for couples with two eligible recipients, and \$130.43 for couples with one eligible recipient. Some SSI beneficiaries who require 40 hours of supportive home care or other care per month or live in small community-based residential facilities or other assisted living settings also qualify for an exceptional expense benefit (\$95.99 per month for single individuals, \$345.36 for couples). Recipients with dependent children may also receive a caretaker supplement, primarily supported by federal temporary assistance for needy families (TANF) funds transferred as program revenue from the Department of Children and Families. Eligible caretakers receive \$275 per month for the first child and \$165 per month for each additional child.

DHS complies with a federal maintenance-of-effort (MOE) requirement to "pass along" annual federal benefit cost-of-living increases by demonstrating that total GPR expenditures for state supplements do not decrease from one calendar year to the next. The state's current MOE is \$160,398,300. DHS expects the MOE to remain at that level throughout the 2025-27 biennium. To maintain this level of GPR expenditures, beginning in fiscal year 2021-22, DHS has been budgeted GPR funding to support a portion of the caretaker supplement, in lieu of TANF funding.

The following table summarizes the funding that would be provided for SSI supplemental payments under the DHS request.

**State SSI Supplemental Payments
DHS Request**

	<u>Base</u>	<u>Agency Request</u>		<u>Change to Base</u>		
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-27</u>
SSI State Supplements						
GPR	\$150,725,600	\$141,823,000	\$141,823,000	-\$8,902,600	-\$8,902,600	-\$17,805,200
Caretaker Supplement						
GPR	\$9,672,700	\$18,575,300	\$18,575,300	\$8,902,600	\$8,902,600	\$17,805,200
PR	<u>10,298,300</u>	<u>5,070,000</u>	<u>5,070,000</u>	<u>-5,228,300</u>	<u>-5,228,300</u>	<u>-10,456,600</u>
All Funds	\$19,971,000	\$23,645,300	\$23,645,300	\$3,674,300	\$3,674,300	\$7,348,600
Total SSI-Related Payments						
GPR	\$160,398,300	\$160,398,300	\$160,398,300	\$0	\$0	\$0
PR	<u>10,298,300</u>	<u>5,070,000</u>	<u>5,070,000</u>	<u>-5,228,300</u>	<u>-5,228,300</u>	<u>-10,456,600</u>
All Funds	\$170,696,600	\$165,468,300	\$165,468,300	-\$5,228,300	-\$5,228,300	-\$10,456,600
Caretaker Supplement Administration (PR)						
	\$692,100	\$692,100	\$692,100	\$0	\$0	\$0

6. AGING AND DISABILITY RESOURCE CENTERS AND TRIBAL RESOURCE SPECIALISTS

GPR	\$4,845,700
FED	<u>3,803,500</u>
Total	\$8,649,200

Request \$2,883,100 (\$1,615,200 GPR and \$1,267,900 FED) in 2025-26 and \$5,766,100 (\$3,230,500 GPR and \$2,535,600 FED) in 2026-27 to increase base allocations for the aging and disability resource centers (ADRCs) and Tribal aging and disability resource specialists (ADRS).

Of these amounts, \$2,513,200 (\$1,382,200 GPR and \$1,131,000 FED) in 2025-26 and \$5,026,400 (\$2,764,500 GPR and \$2,261,900 FED) in 2026-27 would increase base allocations at the ADRCs to account for the anticipated increase in the number of older residents in the state. The remaining \$369,900 (\$233,000 GPR and \$136,900 FED) in 2025-26 and \$739,700 (\$466,000 GPR and \$273,700 FED) in 2026-27 would increase base allocations for the tribes, allowing DHS to allocate \$90,000 GPR per tribe, sufficient for 1.0 FTE Tribal ADRS.

ADRCs provide a variety of services as part of their core contract with DHS. Services include: (a) providing information and assistance to individuals in need of long-term care services; (b) benefits counseling; (c) short-term service coordination; (d) conducting functional screens; and (e) enrollment counseling and processing. ADRCs serve older adults and people with disabilities, as well as the families and caregivers who work with and care for them. Services provided at ADRCs are free to Wisconsin residents.

7. WISCONSIN CHRONIC DISEASE PROGRAM

GPR	- \$595,200
FED	<u>- 52,900</u>
Total	- \$648,100

Request a decrease of \$359,700 (-\$326,700 GPR and -\$33,000 PR) in 2025-26 and a decrease of \$288,400 (-\$268,500 GPR and -\$19,900 PR) in 2026-27 to reflect estimates of the amounts needed to fully fund the Wisconsin chronic disease program (WCDP) in the 2025-27 biennium. WCDP funds services for individuals with chronic renal disease, hemophilia, and adult cystic fibrosis that are not covered by other public or private health insurance plans. Enrollees in WCDP are responsible for deductibles and coinsurance based on their household income and size, and copayments on prescription medications. The Department receives rebate revenues from drug manufactures for medications dispensed through WCDP, budgeted as program revenue.

Base funding for the program is \$3,536,500 (\$3,012,700 GPR and \$523,800 PR), but expenditures in recent years have been below this level. DHS estimates total program costs will be \$3,176,800 (\$2,686,000 GPR and \$490,800 PR) in 2025-26 and \$3,248,100 (\$2,744,200 GPR and \$503,900 PR) in 2026-27. This estimate includes \$500,000 GPR above trend levels in both years as a contingency that would be available if costs exceed the Department's forecast.

Medicaid and FoodShare Administration

1. MEDICAID AND FOODSHARE CONTRACTS

GPR	\$57,122,800
FED	<u>128,964,500</u>
Total	\$186,087,300

Request \$85,235,500 (\$28,576,200 GPR and \$56,659,300 FED) in 2025-26 and \$100,851,800 (\$28,546,600 GPR and \$72,305,200 FED) in 2026-27 to increase funding for contractual services and information technology systems costs for the administration of the MA and FoodShare programs. The following table summarizes GPR and FED funding that would be budgeted for contracted services for MA and FoodShare, and the funding increases DHS requests to support these costs.

**Funding for Medicaid and FoodShare Administrative Contracts
Summary of DHS Request**

	2025-26			2026-27		
	GPR	FED	Total	GPR	FED	Total
Contracts Appropriations						
FoodShare Electronic Benefit Contracts	\$4,237,200	\$4,237,200	\$8,474,400	\$4,378,500	\$4,378,500	\$8,757,000
MMIS -- Operations	42,529,500	91,859,700	134,389,200	44,712,500	97,325,200	142,037,700
MMIS Modules and Related Contracts	8,693,700	30,128,100	38,821,800	9,809,200	42,177,600	51,986,800
CARES	51,609,800	102,940,900	154,550,700	51,375,400	101,394,800	152,770,200
Major External Contracts	27,117,300	38,902,700	66,020,000	23,416,500	37,643,600	61,060,100
Telecommunications	1,946,500	3,314,800	5,261,300	2,388,800	4,086,600	6,475,400
Minor and Other Contracts	<u>1,556,600</u>	<u>1,186,400</u>	<u>2,743,000</u>	<u>1,580,100</u>	<u>1,209,400</u>	<u>2,789,500</u>
Subtotal	\$137,690,600	\$272,569,800	\$410,260,400	\$137,661,000	\$288,215,700	\$425,876,700
Costs Funded from Other Appropriations	<u>-\$3,500,000</u>	<u>\$0</u>	<u>-\$3,500,000</u>	<u>-\$3,500,000</u>	<u>\$0</u>	<u>-\$3,500,000</u>
Total Funding Requested for Contracts Appropriations	\$134,190,600	\$272,569,800	\$406,760,400	\$134,161,000	\$288,215,700	\$422,376,700
Base Funding -- Contracts Appropriation	<u>\$105,997,800</u>	<u>\$216,293,900</u>	<u>\$322,291,700</u>	<u>\$105,997,800</u>	<u>\$216,293,900</u>	<u>\$322,291,700</u>
Funding Request for Contracts Appropriations	\$28,192,800	\$56,275,900	\$84,468,700	\$28,163,200	\$71,921,800	\$100,085,000
General Program Operations Appropriations						
Benefits Recovery Investigation Tracking System	<u>\$383,400</u>	<u>\$383,400</u>	<u>\$766,800</u>	<u>\$383,400</u>	<u>\$383,400</u>	<u>\$766,800</u>
Total DHS Request	\$28,576,200	\$56,659,300	\$85,235,500	\$28,546,600	\$72,305,200	\$100,851,800

Major services and projects that would be funded under the Department's request are described below.

CARES. This item includes increases in GPR funding for programming services DHS purchases from Deloitte for the Client Assistance for Re-employment and Economic Support (CARES) system. The CARES system is used by county and state staff for eligibility determinations and managing cases for the state's public assistance programs. Under the Department's request, funding for these programming services would increase from \$67.8 million (\$22.0 million GPR and \$45.7 million FED) budgeted in 2024-25 to \$84.3 million (\$27.4 million GPR and \$56.9 million FED) in 2025-26 and \$90.8 million (\$29.5 million GPR and \$61.3 million FED) in 2026-27. The funding increase would support: (a) increases in the number of contracted programming hours, from 440,100 budgeted in 2024-25 to 520,400 in 2025-26 and 532,700 in 2026-27; and (b) estimated increases in hourly rates for programming services, from \$154.00 per hour in 2024-25 to \$162.00 per hour in 2025-26 and \$170.50 per hour in 2026-27.

This item also includes additional funding to support ongoing and new CARES projects to improve workflows for income maintenance (IM) staff, comply with changes in federal requirements, and improve Medicaid recipients' interactions with public assistance programs. These projects include: (a) enabling recipients to access the online eligibility portal, using mobile devices; (b) creating a "caseworker policy assistant," for use by IM staff; (c) the integration of the Katie Beckett program into the CARES system; (d) converting federally-required recipient surveys from paper to electronic formats; (e) integration of federally-required FoodShare quality control

measures into CARES; (f) centralization of all enrollment operations into a single system, as required by CMS; (g) development of an incarceration notification system to enable DHS to receive timely notification from the Department of Corrections and county jails and suspend or reinstate Medicaid coverage; and (h) the creation of an integrated data hub, to support outreach across programs.

Fiscal Agent and MMIS. This item includes additional funding to support contracts for services provided by the MA program's fiscal agent and contract vendor for the state's Medicaid management information system (MMIS), Gainwell Technologies. DHS will continue to "modularize" MMIS, which will enable various functions of MMIS to be modified without disrupting the entire system. In the 2025-27 biennium, DHS intends to fund contracts to support: (a) MMIS functions used the DHS Office of the Inspector General (program integrity); (b) user acceptance testing to ensure that the modules meet the Department's business needs; (c) enterprise data warehouse and data analytics functions; (d) an enterprise project management office that provides organizational support to the Department and assistance in the re-procurement of the MMIS and CARES contracts; and (e) a care management module that will replace systems containing IRIS program information used by IRIS consultant agencies and IRIS fiscal employer agents.

Other Projects. Several other projects would be funded under this item, including: (a) costs to support the summer electronic benefits transfer program, a permanent federal program that provides FoodShare benefits to SNAP households with school-age children during summer months when children do not receive meals at school; (b) a new system to manage the Division of Medicaid Services contract costs; (c) integration of the human services reporting system into the ForwardHealth provider portal; (d) the creation of a documentation system to facilitate audits of nursing homes conducted by the Bureau of Rate Setting; and (e) improvements to the direct care workforce (DCW) documentation portal to eliminate the need for DHS staff to manually reconcile amounts Family Care managed care organizations (MCOs) pay DCW providers with DCW payments Medicaid pays to each MCO.

BRITS. Finally, DHS requests \$765,000 (\$383,400 GPR and \$383,400 FED) annually in several Division of Medicaid Services operations appropriations to support the Department's share of costs relating to the benefits recovery investigation tracking system (BRITS) administered by the Department of Children and Families.

2. FOODSHARE EMPLOYMENT AND TRAINING

GPR	- \$11,434,600
FED	<u>222,900</u>
Total	- \$11,211,700

Request a reduction of \$10,815,100 (-\$10,652,100 GPR and -\$163,000 FED) in 2025-26 and a reduction of \$396,600 (-\$782,500 GPR and \$385,900 FED) in 2026-27 to fund costs associated with participation in the FoodShare employment and training (FSET) program under the federal ABAWD (able-bodied adult without dependents) policy.

ABAWD Work Requirement. Under federal law, able-bodied adults who are able to work, are 18 to 54 years of age, are not pregnant, and do not reside with any children under the age of 18, are required to meet a work requirement of at least 20 hours per week as a condition of

receiving supplemental nutrition assistance program benefits. This work requirement can be met through paid work, volunteer work, in-kind work, or participation in FSET or a similar job training program. Individuals who do not meet this work requirement are limited to three months of FoodShare benefits in a 36-month period. In addition to individuals participating in FSET to meet the ABAWD work requirement, FSET participation is open to all FoodShare members age 16 and older.

Enrollee Expenditures. The Department estimates that total per enrollee per month expenses will be \$337.49 in 2024-25, \$345.24 in 2025-26, and \$351.97 in 2026-27. These total expenses are primarily based on payments to the FSET program's vendors, but also include \$1,252,600 annually, which funds administrative expenses relating to the FSET program. Excluding the amounts for administrative expenses, DHS estimates average per enrollee per month payments to the FSET vendors of \$334.61 in 2025-26 and \$341.42 in 2026-27.

Enrollment and Carry Over Funding. DHS estimates that FSET funding for 2025-27 will be offset by unspent funding that will carry over from 2024-25, resulting from higher than anticipated 100% federal funding in federal fiscal year (FFY) 2024 and lower than anticipated average monthly FSET enrollment in the 2023-25 biennium.

Following the unwinding of federal flexibilities associated with the SARS-CoV-2 federal public health emergency, the ABAWD policy was reimplemented in Wisconsin over a six-month period from October, 2023, through March, 2024. Despite the reimplementation, ABAWDs living in the cities of Milwaukee and Racine; the counties of Adams, Forest, Iron, and Menominee; and tribal members living on tribal lands, have been exempt from the ABAWD requirement through FFY 2024 due to high local unemployment. DHS assumes that the Department will continue to seek to exempt qualifying areas but also that economic conditions will improve in those areas and that they will no longer qualify for exemptions in FFY 2026 and FFY 2027.

As such, DHS estimates that average monthly FSET enrollment will be 9,432 in 2024-25, 9,823 in 2025-26, and 9,895 in 2026-27.

The following table summarizes the Department's caseload, cost, and funding estimates for the FSET program in for the 2025-27 biennium. As shown, the Department's request would allow DHS to retain \$2 million GPR in reserve to address potential shortfalls over the biennium.

**FSET Expenses and Funding Estimates
Fiscal Years 2024-25 through 2026-27**

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Total Annual Administrative Expenses	\$1,252,600	\$1,252,600	\$1,252,600
Total Annual Vendor Expenses	36,946,300	39,443,000	40,540,800
Average Monthly Enrollment	9,432	9,823	9,895
Per Enrollee Per Month Vendor Expenses	<u>326.43</u>	<u>334.61</u>	<u>341.42</u>
Total Program Expenses (Total Annual Vendor + Administrative Expenses)	\$38,198,900	\$40,695,600	\$41,793,400
100% Federal Funding Offset	4,063,600	4,063,600	4,063,600
Total Program Expenses After FED Offset	\$34,135,300	\$36,632,000	\$37,729,800
50% GPR Expenses	17,067,700	18,316,000	18,864,900
50% FED Expenses	17,067,600	18,316,000	18,864,900
Existing GPR Funding			
GPR Base Funding	\$19,647,400	\$19,647,400	\$19,647,400
Projected GPR Carry Over	<u>8,741,000</u>	<u>11,320,700</u>	<u>2,000,000</u>
GPR Change (Agency Request)		-\$10,652,100	-\$782,500
GPR Surplus/Deficit (Available GPR - 50% GPR Expenses)	\$11,320,700	\$2,000,000	\$2,000,000

3. INCOME MAINTENANCE -- FUNDING FOR CONSORTIA AND TRIBAL AGENCIES

GPR	\$1,090,600
FED	<u>1,635,900</u>
Total	\$2,726,500

Request \$960,000 (\$384,000 GPR and \$576,000 FED) in 2025-26 and \$1,766,500 (\$706,600 GPR and \$1,059,900 FED) in 2026-27 to increase base contracts for income maintenance (IM) consortia and tribal IM agencies by 2% in 2025-26 and an additional 2% in 2026-27. The DHS request indicates that if the Governor's 2025-27 budget recommendations provide for a general wage adjustment for state employees that exceeds 2% per year, then DHS requests that the percent increase for IM consortia and tribal IM agencies match the higher increase proposed for state employees.

For calendar year (CY) 2025, IM contracts are estimated to be \$39,920,600 (\$15,968,200 GPR and \$23,952,400 FED). The estimate assumes a 40% GPR/60% FED funding split based on a federally-approved random moment sampling (RMS) method that documents IM worker activity for the purpose of claiming federal funds. The requested funding increase is calculated by increasing the CY 2025 allocations by 2% each year, then converting the calendar year increases (for the IM consortia) and the federal fiscal year increases (for the tribal IM agencies) to state fiscal years increases. Base funding for IM contracts is \$15,743,900 GPR, which is \$224,300 less than the CY 2025 GPR base allocation.

Eligibility and caseload management functions related to MA, FoodShare, Wisconsin Shares, and other public assistance programs are performed by county employees in all counties (except Milwaukee County) by ten regional, multi-county IM consortia. In Milwaukee County, these functions are performed by DHS employees. In nine tribal jurisdictions, tribal agency staff provide these services. IM services are funded from a combination of state, federal, and local funds.

4. FUNERAL AND CEMETERY AIDS

GPR	- \$1,612,600
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Request a reduction of \$910,700 in 2025-26 and a reduction of \$701,900 in 2026-27 to reflect reestimates of the cost of payments under the Wisconsin funeral and cemetery aids program (WIFCAP). Under the program, DHS reimburses costs incurred by funeral homes, cemeteries, and crematories for services they provide to certain deceased individuals who were eligible for MA or Wisconsin Works benefits at the time of their death. DHS is required to pay up to \$1,000 for cemetery and crematory expenses and up to \$1,500 for funeral and burial expenses that are not covered by the decedent's estate or other persons. The program does not provide any reimbursement if the total cemetery expenses exceed \$3,500 or total funeral expenses exceed \$4,500.

Base funding for the program is \$8,323,900. The Department estimates that reimbursement payments will total \$6,913,200 in 2025-26 and \$7,122,00 in 2026-27, based on historical trends in WIFCAP eligible populations, program participation, and average reimbursement payments. However, due to inconsistency in program trends, the DHS request includes an additional \$500,000 annually that would be available if program costs exceed projections.

Care Treatment Facilities and Contracted Services

1. VARIABLE NONFOOD SUPPLIES AND SERVICES

GPR	\$38,222,800
PR	- 19,404,500
Total	\$18,818,300

Request a reduction of \$2,708,900 (\$12,683,900 GPR and -\$15,392,800 PR) in 2025-26 and an increase of \$21,527,200 (\$25,538,900 GPR and -\$4,011,700 PR) in 2026-27 to adjust funding for variable nonfood costs at the Department's seven care and treatment facilities. Nonfood supplies and services include medical services, medical supplies, prescription drugs, clothing, laundry, and cleaning supplies.

Of the variable nonfood expenditure categories, medical services is the largest, accounting for about 80% of the total. The Department's estimates for this expenditure category use the average per person cost by facility in 2023-24, inflated by a growth factor to reflect prevailing cost trends in medical services expenditures over the past three to five years. The resulting per person cost estimate is then multiplied by the projected average daily population for each facility to arrive at the final cost estimate for medical services.

Due to the Department's increased use of contract staffing over the last three to four years (which the Department classifies as a variable medical services), the growth in medical services costs has been well in excess of the general inflation rate over this period. The Department's estimate for medical services costs uses these growth rates based on the assumption that these costs will continue to increase in the 2025-27 biennium at a similar rate. The annual growth factors used for medical services costs are as follows: (a) 28.3% for the Mendota Mental Health Institute (MMHI); (b) 27.2% for the Winnebago Mental Health Institute (WMHI); (c) 27.0% for the Sand Ridge Secure Treatment Center (SRSTC); (d) 23.3% for the Wisconsin Resource Center (WRC); (e) 2.2% for the Central Wisconsin Center (CWC); (f) 0.8% for Northern Wisconsin Center (NWC); and (g) 16.7% for Southern Wisconsin Center (SWC).

For other variable nonfood supplies and services categories, the Department's estimate generally uses an annual inflation rate of 2.2%, although DHS uses higher rates in the prescription drug category for some facilities to reflect recent trends, including a 33.2% annual growth rate at the SRSTC, a 9.3% growth rate at WRC, and a 7.0% growth rate at NWC.

When all variable nonfood supplies and services categories are combined, the Department's estimate projects that per person costs will increase, relative to the 2023-24 actual costs, by approximately 22% at the Mendota MHI, by between 25% and 30% per year for the Winnebago MHI and SRSTC, by approximately 15% WRC and SWC, and by 2% each at CWC and NWC. In addition, the Department projects that average daily populations will generally increase at the facilities (with the exception of the state centers), which also contributes to the increase in total projected costs.

To calculate the funding adjustments for the budget request, the base level funding for each facility is subtracted from the total cost estimates for each year. These adjustments are negative in some cases (particularly in 2025-26), since the base funding levels (the amounts budgeted for 2024-25) are high in relation to current expenditure levels. Consequently, although the Department projects that variable nonfood expenditures will continue to increase relative to current levels, the sum of those increases will remain below the total base funding level in the first year of the biennium (although at the facility and fund source level, there would be a mix of some increases and some decreases).

Another factor affecting the Department's requested funding adjustments is a shift in the mix of patients at the Winnebago MHI. The base level of funding for Winnebago reflects the assumption that 16% of the total population are GPR-funded forensic patients and 84% of the total are PR-funded civil patients. Under the request, the Department assumes that 32% of all patients at Winnebago will be GPR-funded forensic patients and 68% will be PR-funded civil patients. This assumption results in a relative increase in the GPR funding and a relative decrease in PR funding needed to support supplies and services costs at that facility. A separate budget request item ("Mental Health Institutes Fund Source Reallocation," summarized below), would make a similar adjustment for facility positions and for salary and fringe benefits funding.

The following table shows the Department's estimate of the cost for variable nonfood supplies and services, by facility and fiscal year, and the requested funding changes in comparison to the base level of funding.

	Base Funding	2025-26		2026-27	
		Estimate	Change	Estimate	Change
Mendota MHI Total*	\$18,711,900	\$16,504,400	-\$2,207,500	\$21,359,500	\$2,647,600
GPR	17,537,000	14,941,300	-2,595,700	18,316,200	779,200
PR	1,174,900	1,563,100	388,200	3,043,300	1,868,400
Winnebago MHI Total	\$43,708,900	\$51,872,800	\$8,163,900	\$65,350,900	\$21,642,000
GPR	7,126,500	16,652,200	9,525,700	20,978,900	13,852,400
PR	36,582,400	35,220,600	-1,361,800	44,372,000	7,789,600
Sand Ridge STC (GPR)	\$9,158,000	\$14,758,000	\$5,600,000	\$18,827,800	\$9,669,800
Wis. Resource Center (GPR)	\$6,979,200	\$7,133,100	\$153,900	\$8,216,700	\$1,237,500
Central Wis. Center (PR)	\$23,615,500	\$14,227,100	-\$9,388,400	\$14,544,700	-\$9,070,800
Northern Wis. Center (PR)	1,768,900	221,400	-1,547,500	225,000	-1,543,900
Southern Wis. Center (PR)	6,719,000	3,235,700	-3,483,300	3,664,000	-3,055,000
Total, All Facilities	\$110,661,400	\$107,952,500	-\$2,708,900	\$132,188,600	\$21,527,200
GPR	40,800,700	53,484,600	12,683,900	66,339,600	25,538,900
PR	69,860,700	54,467,900	-15,392,800	65,849,000	-4,011,700

* Includes the Mendota Juvenile Treatment Center.

2. ELECTRONIC HEALTH RECORDS

GPR	\$1,964,300
PR	<u>988,800</u>
Total	\$2,953,100

Request \$1,443,000 (\$961,100 GPR and \$481,900 PR) in 2025-26 and \$1,510,100 (\$1,003,200 GPR and \$506,900 PR) in 2026-27 for projected increased costs to maintain the electronic health records systems used for patients and residents at the Department's care and treatment facilities.

3. FOOD AT DHS FACILITIES

Request \$558,300 (\$413,000 GPR and \$145,300 PR) in 2025-26 and \$836,900 (\$516,600 GPR and \$320,300 PR) in 2026-27 for projected increases in food costs at the Department's seven care and treatment facilities. The Department projects facility food costs by inflating actual 2023-24 per person food expenditures at each of the facilities, using an inflation index for food, as reported by the U.S. Bureau of Labor Statistics, and multiplying these inflated costs by the projected average daily population at each of the facilities. Base funding for food costs is \$6,481,900 (\$4,293,300 GPR and \$2,188,600 PR).

GPR	\$929,600
PR	<u>465,600</u>
Total	\$1,395,200

4. MENTAL HEALTH INSTITUTES FUND SOURCE REALLOCATION

	Funding	Positions
GPR	\$24,610,400	87.93
PR	<u>- 24,610,400</u>	<u>- 87.93</u>
Total	\$0	0.00

Request increases of \$12,305,200 GPR and 87.93 GPR positions annually and corresponding decreases of \$12,305,200 PR and 87.93 PR positions annually to reallocate the funding source for services provided at the state mental health institutes. The funding and position adjustments reflect the Department's estimated changes in the percentage of patients whose care will be funded with GPR and PR, respectively, in the 2025-27 biennium. The state is responsible for the cost of caring for forensic patients, funded with GPR, while the Department collects PR assessments from counties or health insurers for the cost of care of civil patients, including emergency detention. For the 2025-27 biennium, the Department anticipates that the split between forensic and civil patients at the Winnebago Mental Health Institute will change from 16% forensic/84% civil in 2024-25 to 38% forensic/62% civil beginning in 2025-26, a shift that accounts for most of the fiscal effect under this item.

5. CONTRACTED COMMUNITY SERVICES FOR FORENSIC AND SEXUALLY VIOLENT PERSONS PROGRAMS

GPR	\$10,047,500
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Request \$3,742,500 in 2025-26 and \$6,305,000 in 2026-27 to fund contracts for community-based mental health services for the treatment and monitoring for its forensic and sexually violent persons programs.

The funding in this item pertains to six contracted programs: (a) supervised release services; (b) conditional release services; (c) competency restoration services; (d) outpatient competency examinations; (e) Department of Corrections community supervision services; and (f) court liaison services. For the first five of these services, the Department's estimates generally use a caseload growth factor, based on recent trends, and an annual cost growth adjustment to the per client costs. For the cost adjustment, the estimate uses 2.2% inflationary rate except for conditional release (7.4%) and the DOC contracts (5.0%), which are based on actual cost trends over the past four to six years. For court liaison services, the estimate adjusts the contract total by the 2.2% inflationary rate, rather than calculating the cost on a per-client basis.

In addition to the estimated contract costs, this item would reduce funding for limited-term employee (LTE) salaries, reflecting a reestimate of the cost for providing supportive living needs for individuals on supervised release. Unlike the other funding in this item, the funding for LTE salaries is provided in the general operations appropriation for the DHS facilities.

The following table summarizes the funding changes included in this item. The total requested change shown in the table does not match the requested funding under this item because the Department inadvertently counted the LTE salary cost twice in the calculation of the total cost.

Estimated Cost of Contracted Services and Requested Change

<u>Program</u>	<u>Base</u>	<u>Requested Change</u>		<u>Total Funding</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
Supervised Release	\$8,532,200	\$13,300	\$313,700	\$8,545,500	\$8,845,900
Conditional Release	5,832,800	1,738,400	2,512,000	7,571,200	8,344,800
Competency Restoration	5,256,900	870,100	1,718,200	6,127,000	6,975,100
Outpatient Competency Exams	4,279,800	969,200	1,462,500	5,249,000	5,742,300
DOC Community Supervision	1,818,700	66,700	206,600	1,885,400	2,025,300
Court Liaison Services	<u>269,100</u>	<u>-20,600</u>	<u>-15,100</u>	<u>248,500</u>	<u>254,000</u>
Total Contract Cost	\$25,989,500	\$3,637,100	\$6,197,900	\$29,626,600	\$32,187,400
LTEs for Supervised Release	\$110,600	-\$5,200	-\$3,500	\$105,400	\$107,100
Total	\$26,100,100	\$3,631,900	\$6,194,400	\$29,732,000	\$32,294,500

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request \$81,812,200 (\$21,979,000 GPR, \$23,279,600 FED, \$36,713,300 PR, and -\$159,700 SEG) in 2025-26 and \$80,329,800 (\$21,331,700 GPR, \$22,661,500 FED, \$36,498,000 PR, and -\$161,400 SEG) in 2026-27 and -12.00 FED positions in 2025-26 and -17.00 FED positions in 2026-27 to reflect the net effect of the following standard budget adjustments: (a) turnover (-\$4,692,600 GPR, -\$2,374,900 FED, and -\$3,347,500 PR annually); (b) removal of noncontinuing elements from the base (-\$1,109,600 FED and -12.0 FED positions in 2025-26 and -\$1,137,300 FED and -17.0 FED positions in 2026-27); (c) full funding of continuing positions (\$10,313,800 GPR, \$25,909,900 FED, \$27,146,600 PR, and -\$147,300 SEG annually); (d) overtime (\$15,610,200 GPR and \$11,229,300 PR annually); (e) night and weekend differential pay (\$2,279,300 GPR, \$101,400 FED, and \$2,265,000 PR annually); and (f) full funding of lease and directed moves (-\$1,531,700 GPR, \$752,800 FED, -\$580,100 PR and -\$12,400 SEG in 2025-26 and -\$2,179,000 GPR, \$162,400 FED, -\$795,400 PR and -\$14,100 SEG in 2026-27).

	Funding	Positions
GPR	\$43,310,700	0.00
FED	45,941,100	- 17.00
PR	73,211,300	0.00
SEG	<u>- 321,100</u>	<u>0.00</u>
Total	\$162,142,000	- 17.00

2. FEDERAL APPROPRIATIONS -- FUNDING ADJUSTMENTS

FED	\$178,123,400
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Request \$89,061,700 annually to reflect the net effect of funding adjustments to certain appropriations funded from federal revenue.

The following table shows the base funding amount for each appropriation, the funding

change under this item, the net funding changes to these appropriations under other items in the DHS request, and the total amount that would be budgeted for the appropriations under the DHS budget request.

Federal Appropriation Funding Adjustments

	Base	2025-26			2026-27		
		This Item	Other Items	Total	This Item	Other Items	Total
Public Health							
Medical Assistance State Administration	\$8,776,800	\$1,806,200	-\$24,600	\$10,558,400	\$1,806,200	-\$24,600	\$10,558,400
Federal Program Operations -- Aging Programs	1,647,600	41,800	524,000	2,213,400	41,800	524,000	2,213,400
Federal Project Operations	48,588,400	47,300,600	13,645,900	109,534,900	47,300,600	13,642,500	109,531,500
Federal Project Aids	60,675,000	27,552,000	0	88,227,000	27,552,000	0	88,227,000
Maternal and Child Health Block Grant	7,450,000	1,421,000	0	8,871,000	1,421,000	0	8,871,000
Programs for the Elderly -- Aids	36,217,200	5,918,800	0	42,136,000	5,918,800	0	42,136,000
Care and Treatment Services							
Federal Project Aids	16,289,700	403,300	0	16,693,000	403,300	0	16,693,000
Federal Program Aids	835,100	11,900	0	847,000	11,900	0	847,000
Community Mental Health Block Grant -- Operations	3,272,100	275,900	77,200	3,625,200	275,900	62,000	3,610,000
Community Mental Health Block Grant -- Local Assistance	2,513,600	361,400	0	2,875,000	361,400	0	2,875,000
Quality Assurance							
Federal Program Operations	517,800	27,800	2,100	547,700	27,800	2,100	547,700
Medicare -- State Administration	9,307,300	944,300	73,900	10,325,500	944,300	73,900	10,325,500
Disability and Elder Services							
Social Services Block Grant -- Local Assistance	21,155,200	-150,800	0	21,004,400	-150,800	0	21,004,400
General Administration							
Indirect Cost Reimbursements	5,319,100	2,453,800	264,600	8,037,500	2,453,800	264,600	8,037,500
Federal Program Operations	2,598,100	33,500	-353,800	2,277,800	33,500	-353,800	2,277,800
FoodShare Administration	994,800	213,200	33,300	1,241,300	213,200	33,300	1,241,300
Office of the Inspector General -- Local Assistance	2,000,000	<u>447,000</u>	0	2,447,000	<u>447,000</u>	0	2,447,000
Total		\$89,061,700			\$89,061,700		

3. PROGRAM REVENUE APPROPRIATIONS -- FUNDING ADJUSTMENTS PR \$11,070,700

Request \$5,491,300 in 2025-26 and \$5,579,400 in 2026-27 to reflect the net effect of funding adjustments to certain appropriations funded from program revenue.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the DHS request, and the total amount that would be budgeted for these appropriations under the Department of Natural Resources (DNR) request.

Program Revenue Appropriation Funding Adjustments

	Base	2025-26			2026-27		
		This Item	Other Items	Total	This Item	Other Items	Total
Public Health							
Vital Records	\$9,970,700	\$267,900	-\$354,000	\$9,884,600	\$356,000	-\$442,100	\$9,884,600
Cancer Information	18,000	82,000	0	100,000	82,000	0	100,000
Radiation Monitoring	226,700	4,900	7,100	238,700	4,900	7,100	238,700
EMS Licensing Fees	31,600	38,400	0	70,000	38,400	0	70,000
Interagency and Intra-agency Programs	8,548,300	304,000	91,700	8,944,000	304,000	91,700	8,944,000
Interpretive Services for Hearing Impaired	39,900	10,000	0	49,900	10,000	0	49,900
Congenital Disorders -- Operations	616,600	650,000	0	1,266,600	650,000	0	1,266,600
Asbestos Abatement Certification	798,900	38,400	-16,900	820,400	38,400	-754,900	82,400
Mental Health and Developmental Disabilities Facilities							
Gifts and Grants	93,800	131,200	0	225,000	131,200	0	225,000
Medicaid Services							
Interagency and Intra-agency Programs	8,866,600	871,800	-150,900	9,587,500	871,800	-278,100	9,460,300
Quality Assurance							
Caregiver Background Checks	1,672,300	1,000,000	9,700	2,682,000	1,000,000	9,700	2,682,000
General Administration							
Administrative Support -- Adult							
Protective Services	87,600	400	0	88,000	400	0	88,000
Bureau of Information and Technology Services							
Technology Services	37,305,200	1,000,000	212,700	38,517,900	1,000,000	212,700	38,517,900
Gifts and Grants	10,000	562,700	0	572,700	562,700	0	572,700
Interagency and Intra-agency Programs	41,800	<u>529,600</u>	0	571,400	<u>529,600</u>	0	571,400
Total		\$5,491,300			\$5,579,400		

4. INFORMATION TECHNOLOGY AND FACILITY REPAIR AND MAINTENANCE

GPR	\$2,194,000
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Request \$1,097,000 annually to fund projected increases in costs to maintain the Department's internal information technology (IT) network (\$1,061,200) and to provide a 5% increase in funding to support repair and maintenance costs at the DHS residential facilities (\$35,800).

The costs of IT personnel that assist DHS employees, network infrastructure, personal computer replacements, and software are funded through charges to DHS divisions and offices, based on the number of users in each division and office. In 2023-24, these costs totaled \$22,515,500 (all funds). This item would increase GPR appropriations for DHS divisions and offices that support these IT network costs by 5%, beginning in 2025-26. DHS indicates that PR-supported appropriations have sufficient expenditure authority to support the projected cost increases in IT network charges.

5. ADMINISTRATIVE TRANSFERS

Request funding and position transfers to reflect the net effect of position transfers that occurred within the Department in the 2023-25 biennium. These transfers are intended to more accurately align base staff costs with funding sources that reflect the positions' current responsibilities.

The following table summarizes the funding and position transfers the Department requests.

Administrative Transfers

	Source	Annual Change	
		Funding	Positions
Public Health			
Federal Projects Operations	FED	-\$124,200	-1.00
Maternal and Child Health Block Grant -- Operations	FED	-22,900	-0.20
Mental Health and Developmental Disabilities Facilities			
General Program Operations	GPR	-4,905,600	-30.60
Wisconsin Resource Centers -- Units for Males	GPR	229,200	1.80
Sand Ridge Secure Treatment Center	GPR	4,384,700	26.75
Alternative Services of Institutes and Centers	PR	493,100	3.10
Developmental Disabilities State Centers -- Operations	PR	-512,800	-3.30
Mental Health Institutes -- Operations (Budget Line Transfer)	PR	0	0.00
Division of Medicaid Services			
General Program Operations	GPR	-284,500	0.00
Care and Treatment Services			
General Program Operations	GPR	291,700	2.05
Alcohol and Drug Abuse Initiatives	PR	12,300	0.10
Quality Assurance			
Caregiver Background Check Fees	PR	7,400	0.10
Medicaid Survey and Certification Operations	FED	37,100	0.50
General Administration			
General Program Operations	GPR	284,500	0.00
Indirect Cost Reimbursements	FED	-74,700	-0.80
Federal Program Operations	FED	161,800	1.30
Federal WIC Program Operations	FED	<u>22,900</u>	<u>0.20</u>
Total		\$0	0.00

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
1. Decrease the following GPR appropriations:			
Division of Medicaid Services (DMS) -- General Program			
Operations	GPR	-\$149,700	-\$149,700
Division of Quality Assurance (DQA) General Program			
Operations	GPR	-10,000	-10,000
2. Increase the following GPR appropriations:			
Facilities -- General Program Operations	GPR	34,886,300	34,886,300
DMS -- Contracts	GPR	28,163,200	28,163,200
Sand Ridge Secure Treatment Center	GPR	15,828,300	15,828,300
Wisconsin Resource Center -- Male Units	GPR	4,526,200	4,526,200
Care and Treatment Services (DCTS) -- General Program			
Operations	GPR	423,800	423,800
Wisconsin Resource Center -- Female Units	GPR	343,600	343,600
Departmentwide Administration -- General Program			
Operations	GPR	247,800	247,800
Facilities -- Repair and Maintenance	GPR	35,800	35,800
Office of the Inspector General -- General Program			
Operations	GPR	33,800	33,800
Division of Public Health (DPH) General Program			
Operations	GPR	29,500	29,500
3. Decrease the following PR appropriations:			
DPH Gifts and Grants	PR	-18,168,500	-18,168,500
Facilities -- Interagency and Intra-Agency Programs	PR	-14,279,000	-14,279,000
Vital Records	PR	-9,551,400	-9,551,400
DMS -- Interagency and Intra-Agency Programs	PR	-8,588,500	-8,588,500
DPH Interagency and Intra-Agency Programs	PR	-8,548,300	-8,548,300
State Centers -- Operations	PR	-6,969,000	-6,969,000
Bureau of Information Technology -- Pass Through			
Funding	PR	-4,000,000	-4,000,000
Radiation Protection	PR	-2,901,800	-2,901,800
BadgerCare, Hospital Assessments -- Administration	PR	-2,030,200	-2,030,200
Nursing Facility Resident Protection	PR	-2,000,000	-2,000,000
Administrative and Support Services -- Fiscal Services	PR	-1,877,900	-1,877,900
Administrative and Support Services	PR	-1,690,200	-1,690,200
Office of the Inspector General -- Intra- and Inter-Office			
Operations	PR	-1,119,500	-1,119,500
Health Care Information -- General Program Operations	PR	-1,023,300	-1,023,300
Fraud and Error Reduction	PR	-810,900	-810,900
Asbestos Abatement Certification	PR	-785,900	-785,900
Congenital Disorders -- General Program Operations	PR	-616,600	-616,600
Alternative Services for Institutes and State Centers	PR	-583,200	-583,200
Lead Abatement Certification	PR	-452,600	-452,600
Activity Therapy	PR	-250,800	-250,800
Radiation Monitoring	PR	-226,700	-226,700
Recovery of Costs -- Birth to 3 Program	PR	-186,100	-186,100

	Fund	Amount	
		2025-26	2026-27
Base Level Plan (continued)			
Fees for Administrative Services	PR	-\$118,500	-\$118,500
Facilities -- Gifts and Grants	PR	-93,800	-93,800
Farm Operations	PR	-50,000	-50,000
WIC Supplemental Food Program -- Administration	PR	-48,200	-48,200
Administration -- Interagency and Intra-Agency Programs	PR	-41,800	-41,800
Interpreter Services for the Hearing Impaired	PR	-39,900	-39,900
Emergency Medical Services -- Licensing Fees	PR	-31,600	-31,600
Fees for Administrative Services	PR	-23,900	-23,900
Cancer Information	PR	-18,000	-18,000
Licensing and Support Services	PR	-14,800	-14,800
State-Owned Housing Maintenance	PR	-11,400	-11,400
Departmentwide Administration -- Gifts and Grants	PR	-10,000	-10,000
Health Facilities Regulation -- License Fees	PR	-9,700	-9,700
Medicare -- State Administration	PR	-6,600	-6,600
Administrative and Support Services -- Personnel Services	PR	-2,600	-2,600
Administration and Support -- FMS	PR	-800	-800
Licensing, Review and Certification	PR	-500	-500
4. Increase the following PR appropriations:			
Caregiver Background Checks	PR	1,001,000	1,001,000
Bureau of Information Technology Services	PR	951,700	951,700
Mental Health Institutes -- Operations	PR	498,400	498,400
Power Plant Operations	PR	360,100	360,100
Alcohol and Drug Abuse Initiatives	PR	12,300	12,300
Administration and Support -- Adult Protective Services	PR	400	400
Total		0	0
	GPR	(\$84,358,600)	(\$84,358,600)
	PR	(-\$84,358,600)	(-\$84,358,600)
5% Budget Reduction Plan			
1. Decrease the following GPR appropriations:			
Division of Medicaid Services (DMS) -- General Program Operations	GPR	-\$149,700	-\$149,700
Division of Quality Assurance (DQA) General Program Operations	GPR	-10,000	-10,000
2. Increase the following GPR appropriations:			
Facilities -- General Program Operations	GPR	34,886,300	34,886,300
DMS -- Contracts	GPR	28,163,200	28,163,200
Sand Ridge Secure Treatment Center	GPR	15,828,300	15,828,300
Wisconsin Resource Center -- Male Units	GPR	4,526,200	4,526,200
Care and Treatment Services (DCTS) -- General Program Operations	GPR	423,800	423,800
Wisconsin Resource Center -- Female Units	GPR	343,600	343,600
Departmentwide Administration -- General Program Operations	GPR	247,800	247,800
Facilities -- Repair and Maintenance	GPR	35,800	35,800
Office of the Inspector General -- General Program Operations	GPR	33,800	33,800

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan (continued)			
Division of Public Health (DPH) General Program			
Operations	GPR	\$29,500	\$29,500
3. Decrease the Following PR Appropriations			
Bureau of Information Technology Services	PR	-34,302,900	-34,302,900
DPH Gifts and Grants	PR	-18,168,500	-18,168,500
Facilities -- Interagency and Intra-Agency Programs	PR	-14,279,000	-14,279,000
Vital Records	PR	-9,551,400	-9,551,400
DMS -- Interagency and Intra-Agency Programs	PR	-8,588,500	-8,588,500
DPH Interagency and Intra-Agency Programs	PR	-8,548,300	-8,548,300
State Centers -- Operations	PR	-6,969,000	-6,969,000
Power Plant Operations	PR	-6,058,500	-6,058,500
Administrative and Support Services -- Fiscal Services	PR	-4,732,300	-4,732,300
Bureau of Information Technology -- Pass Through			
Funding	PR	-4,000,000	-4,000,000
DMS -- Gifts and Grants	PR	-3,385,900	-3,385,900
Radiation Protection	PR	-2,901,800	-2,901,800
BadgerCare, Hospital Assessments -- Administration	PR	-2,030,200	-2,030,200
Nursing Facility Resident Protection	PR	-2,000,000	-2,000,000
Administrative and Support Services	PR	-1,690,200	-1,690,200
Office of the Inspector General -- Intra- and Inter-Office			
Operations	PR	-1,119,500	-1,119,500
Health Care Information -- General Program Operations	PR	-1,023,300	-1,023,300
Administration and Support -- FMS	PR	-891,800	-891,800
Fraud and Error Reduction	PR	-810,900	-810,900
Asbestos Abatement Certification	PR	-785,900	-785,900
Congenital Disorders -- General Program Operations	PR	-616,600	-616,600
Alternative Services for Institutes and State Centers	PR	-583,200	-583,200
Alcohol and Drug Abuse Initiatives	PR	-494,400	-494,400
Lead Abatement Certification	PR	-452,600	-452,600
Activity Therapy	PR	-250,800	-250,800
Radiation Monitoring	PR	-226,700	-226,700
Recovery of Costs -- Birth to 3 Program	PR	-186,100	-186,100
Fees for Administrative Services	PR	-118,500	-118,500
Facilities -- Gifts and Grants	PR	-93,800	-93,800
Administration and Support -- Adult Protective Services	PR	-87,600	-87,600
Farm Operations	PR	-50,000	-50,000
WIC Supplemental Food Program -- Administration	PR	-48,200	-48,200
Administration -- Interagency and Intra-Agency Programs	PR	-41,800	-41,800
Interpreter Services for the Hearing Impaired	PR	-39,900	-39,900
Emergency Medical Services -- Licensing Fees	PR	-31,600	-31,600
Fees for Administrative Services	PR	-23,900	-23,900
Cancer Information	PR	-18,000	-18,000
Licensing and Support Services	PR	-14,800	-14,800
State-Owned Housing Maintenance	PR	-11,400	-11,400
Departmentwide Administration -- Gifts and Grants	PR	-10,000	-10,000
Health Facilities Regulation -- License Fees	PR	-9,700	-9,700
Medicare -- State Administration	PR	-6,600	-6,600
Administrative and Support Services -- Personnel Services	PR	-2,600	-2,600
Licensing, Review and Certification	PR	-500	-500

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan (continued)			
4. Increase the following PR appropriations:			
Caregiver Background Checks	PR	\$1,001,000	\$1,001,000
Mental Health Institutes -- Operations	PR	<u>498,400</u>	<u>498,400</u>
 Total		-\$49,399,200	-\$49,399,200
	GPR	(\$84,358,600)	(\$84,358,600)
	PR	<u>(-\$133,757,800)</u>	<u>(-\$133,757,800)</u>

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$142,878,500	\$142,870,200	\$142,863,200	-\$23,600	0.0%	11.50	11.50	11.50	0.00	0.0%
FED	150,000	150,000	150,000	0	0.0	0.00	0.00	0.00	0.00	N.A.
PR	<u>1,667,400</u>	<u>1,667,400</u>	<u>1,667,400</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$144,695,900	\$144,687,600	\$144,680,600	-\$23,600	0.0%	11.50	11.50	11.50	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$102,600
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Request adjustments to the base budget of -\$47,800 in 2025-26 and -\$54,800 in 2026-27 including: (a) -\$41,100 annually for full funding of continuing position salaries and fringe benefits; and (b) -\$6,700 in 2025-26 and -\$13,700 in 2026-27 for full funding of lease and directed moves costs.

2. SUPPLIES AND SERVICES 5% INCREASE

GPR	\$79,000
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Request \$39,500 annually to increase the general program operations appropriation supply funding by 5%. The agency indicates that the funding would be used to cover increased costs due to inflation, including increased computer support and maintenance costs.

2015 Act 201 Plan

Fund	Amount	
	2025-26	2026-27
5% Budget Reduction Plan		
Reduce operations funding which could delay the transfer of financial aid funds to students and institutions.	GPR	-\$94,000
	-\$94,000	-\$94,000

HISTORICAL SOCIETY

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$27,318,800	\$31,262,900	\$30,667,000	\$7,292,300	13.3%	112.65	112.65	121.65	9.00	8.0%
FED	2,777,800	2,814,800	2,708,500	- 32,300	- 0.6	15.86	14.86	11.86	- 4.00	- 25.2
PR	5,791,600	6,800,700	6,962,500	2,180,000	18.8	23.95	23.95	23.95	0.00	0.0
SEG	<u>6,836,300</u>	<u>6,214,700</u>	<u>6,401,800</u>	<u>- 1,056,100</u>	- 7.7	<u>32.09</u>	<u>32.09</u>	<u>32.09</u>	<u>0.00</u>	0.0
TOTAL	\$42,724,500	\$47,093,100	\$46,739,800	\$8,383,900	9.8%	184.55	183.55	189.55	5.00	2.7%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$494,700 GPR, \$37,000 FED, \$133,200 PR, \$53,100 SEG, and -1.0 FED position in 2025-26 and \$494,700 GPR, -\$69,300 FED, \$135,000 PR, \$53,400 SEG and -4.0 FED positions in 2026-27 for: (a) turnover reduction (-\$257,800 GPR annually); (b) removal of non-continuing elements from the base (-\$258,500 FED and -1.0 FED position in 2025-26 and -\$365,000 FED and -4.0 FED positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$741,200 GPR, \$294,700 FED, \$126,200 PR and \$49,100 SEG annually); (d) reclassifications and semiautomatic pay progression (\$2,400 PR and \$4,000 SEG in 2025-26 and \$2,500 PR and \$4,300 SEG in 2026-27); (e) overtime (\$7,300 GPR annually); (f) night and weekend differential pay (\$12,400 GPR annually); and (g) full funding of lease and directed moves costs (-\$8,400 GPR, \$800 FED, and \$4,600 PR in 2025-26 and -\$8,400 GPR, \$1,000 FED, and \$6,300 PR in 2026-27).

	Funding	Positions
GPR	\$989,400	0.00
FED	- 32,300	- 4.00
PR	268,200	0.00
SEG	<u>106,500</u>	<u>0.00</u>
Total	\$1,331,800	- 4.00

2. WISCONSIN HISTORY CENTER

Request \$2,300,000 in 2025-26 and \$1,700,000 in 2026-27 and 9.0 positions beginning in 2026-27 to support the opening of the new Wisconsin History Center, which is an enumerated state building program project scheduled to open in fiscal year 2026-27 and expected to serve 200,000 visitors annually. The Historical Society indicates that the funding and position authority would be used to support one-time and ongoing costs, including marketing and advertising services, furniture and office equipment, custodial and security services, IT supplies and services, and staff needed to prepare and operate the Wisconsin History Center.

	Funding	Positions
GPR	\$4,000,000	9.00

3. FULL FUNDING OF DOA PROVIDED SERVICES

GPR	\$868,700
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Request \$393,300 in 2025-26 and \$475,400 in 2026-27 to fully fund the increased cost of services provided by the Department of Administration, including personnel, human resources, financial, legal, procurement, and STAR operations and development services. The Historical Society indicates that the costs for these services increased by more than 50% between 2018-19 and 2023-24, and that the amount requested would provide funding to offset the increases since 2018-19 as well as the projected increases in the 2025-27 biennium.

4. SECURITY AND SAFETY

GPR	\$796,400
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Request \$437,200 in 2025-26 and \$359,200 in 2026-27 to make security improvements to protect visitors, employees, artifacts, and collections of the Society's historic sites and facilities. Of the \$359,000 in 2026-27, \$222,000 would be one-time and \$137,200 would be ongoing. The Historical Society indicates that this funding would be used to support one-time and ongoing costs, including infrastructure upgrades, security systems, electronic access controls, equipment installation and configuration, ongoing maintenance, and contracted security services Circus World Museum and Old World Wisconsin, the two largest and most attended locations, and select special events at other locations. The request is informed by a recent safety and risk assessment conducted in collaboration with the Capitol Police, which indicated security vulnerabilities that would be addressed by the requested funding.

5. SUPPLIES AND SERVICES

GPR	\$637,800
PR	11,800
SEG	<u>200</u>
Total	\$649,800

Request \$318,900 GPR, \$5,900 PR, and \$100 SEG annually beginning in 2025-26 to support increased supplies and services costs. These amounts represent 5% of the appropriations' supplies and services allotment.

6. REVENUE REESTIMATES FOR CONTINUING APPROPRIATIONS

PR	\$1,900,000
SEG	<u>-1,222,800</u>
Total	\$677,200

Request \$165,200 (\$870,000 PR, and -\$704,800 SEG) in 2025-26 and \$512,000 (\$1,030,000 PR, and -\$518,000 SEG) in 2026-27 to reflect current revenue and expenditure projections for the following continuing PR and SEG appropriations:

- a. \$900,000 PR in 2025-26 and \$1,050,000 PR in 2026-27 for foundation contributed income for the gifts, grants, and membership sales appropriation;
- b. -\$30,000 PR in 2025-26 and -\$20,000 PR in 2026-27 for general donations for the gifts, grants, and membership sales appropriation;
- c. \$226,900 SEG annually for general program operations for the endowment appropriation; and

d. -\$931,700 SEG in 2025-26 and -\$744,900 SEG in 2026-27 for the history preservation partnership trust fund appropriation.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
1. Increase funding for general program operations	GPR	\$1,149,400	\$1,153,500
2. Decrease funding in the appropriation for gifts, grants, and membership sales	PR	-30,000	-20,000
3. Increase funding for storage facility	PR	4,600	4,600
4. Increase funding for the Northern Great Lakes Center	PR	1,300	1,300
5. Decrease funding in the appropriation for the history preservation partnership trust fund	SEG	-1,155,400	-1,169,500
6. Increase funding for the Northern Great Lakes Center interpretive programming	SEG	<u>30,100</u>	<u>30,100</u>
Total		\$0	\$0
	GPR	(\$1,149,400)	(\$1,153,500)
	PR	(\$24,100)	(\$14,100)
	SEG	(\$1,125,300)	(\$1,139,400)
5% Budget Reduction Plan			
1. Increase funding for general program operations	GPR	\$1,149,400	\$1,153,500
2. Decrease funding in the appropriation for gifts, grants, and membership sales	PR	-530,000	-620,000
3. Increase funding for storage facility	PR	4,600	4,600
4. Increase funding for the Northern Great Lakes Center	PR	1,300	1,300
5. Decrease funding in the appropriation for general program operations-service funds	PR	-500,000	-500,000
6. Decrease funding in the appropriation for endowment	SEG	0	-50,000
7. Decrease funding in the appropriation for the history preservation partnership trust fund	SEG	-1,803,000	-1,667,100
8. Increase funding for the Northern Great Lakes Center interpretive programming	SEG	<u>30,100</u>	<u>30,100</u>
Total		-\$1,647,600	-\$1,647,600
	GPR	(\$1,149,400)	(\$1,153,500)
	PR	(\$1,024,100)	(\$1,114,100)
	SEG	(\$1,772,900)	(\$1,687,000)

INSURANCE

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$16,535,000	\$30,851,300	\$30,851,300	\$28,632,600	86.6%	0.00	0.00	0.00	0.00	N.A.
FED	213,465,000	199,148,700	199,148,700	-28,632,600	-6.7	0.00	0.00	0.00	0.00	N.A.
PR	23,080,200	24,034,700	24,056,100	1,930,400	4.2	132.15	132.15	132.15	0.00	0.0%
SEG	<u>63,098,900</u>	<u>63,081,700</u>	<u>63,081,700</u>	<u>-34,400</u>	0.0	<u>10.68</u>	<u>10.68</u>	<u>10.68</u>	<u>0.00</u>	0.0
TOTAL	\$316,179,100	\$317,116,400	\$317,137,800	\$1,896,000	0.3%	142.83	142.83	142.83	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

PR	\$989,800
SEG	<u>-34,400</u>
Total	\$955,400

Request \$477,700 (\$494,900 PR and -\$17,200 SEG) annually to reflect the following standard budget adjustments: (a) -\$319,600 PR annually for turnover reduction; (b) \$1,230,500 PR and -\$12,500 SEG annually for full funding of continuing position salaries and fringe benefits; and (c) -\$416,000 PR and -\$4,700 SEG annually for full funding of lease and directed move costs.

2. WISCONSIN HEALTHCARE STABILITY PLAN

GPR	\$28,632,600
FED	<u>-28,632,600</u>
Total	\$0

Request a funding increase of \$14,316,300 GPR annually and a corresponding funding decrease of \$14,316,300 FED annually to reflect reestimates of the funding needed to make reinsurance payments under the Wisconsin healthcare stability plan (WHSP).

WHSP is a state-operated reinsurance program, supported with state and federal funding, that is intended to reduce premiums for health insurance policies sold in the individual market. Reinsurance payments reimburse insurers for a portion of the total annual claims for individuals with high costs. Each year, the Office of the Commissioner of Insurance (OCI) establishes reinsurance payment parameters based on a total expenditure target, set by statute at \$230,000,000. Reinsurance payments are made with a combination of state funds, paid with a sum sufficient GPR appropriation, and federal funds the state receives under the terms of a reinsurance waiver program established under the Affordable Care Act.

The following table shows the appropriation base and estimated funding for reinsurance payments in the 2025-27 biennium with these requested adjustments.

	Base	Change to Base		Total Funding	
		2025-26	2026-27	2025-26	2026-27
GPR	\$16,535,000	\$14,316,300	\$14,316,300	\$30,851,300	\$30,851,300
FED	<u>213,465,000</u>	<u>-14,316,300</u>	<u>-14,316,300</u>	<u>199,148,700</u>	<u>199,148,700</u>
Total	\$230,000,000	\$0	\$0	\$230,000,000	\$230,000,000

The amount of GPR funding used for payments is the difference between the total of all reimbursement claims and the amount of federal "pass through" funding available for the plan year. The state will receive \$195,640,448 in federal pass through funds for plan year 2024. When combined with \$4,508,282 in unused pass through funding from the prior year (due to total claims coming in below the \$230 million target), the state will have \$199,148,730 available for making the 2024 plan year reinsurance payments, which will be made in state fiscal year 2025-26. This request item adjusts the GPR appropriation to provide the difference between available pass through funding at the \$230 million target. In addition, the request assumes that the same amount of federal pass through funding will be available for the 2025 plan year reinsurance payments, which will be made in 2026-27.

3. INFORMATION TECHNOLOGY

PR	\$618,000
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Request \$309,000 annually for projected increases in OCI's information technology costs, including for contracted staffing, equipment replacement and maintenance, and software.

2015 Act 201 Plan

	Fund	Amount	
		2025-26	2026-27
5% Budget Reduction Plan			
1. Reduce IT equipment, software, and services purchases.	PR	-\$1,202,700	-\$1,202,700
2. Reduce IT equipment, software, and services purchases.	SEG	<u>-149,000</u>	<u>-149,000</u>
Total		-\$1,351,700	-\$1,351,700
	PR	(-\$1,202,700)	(-\$1,202,700)
	SEG	(-\$149,000)	(-\$149,000)

INVESTMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
PR	\$102,814,700	\$102,814,700	\$102,814,700	\$0	0.0%	298.00	298.00	298.00	0.00	0.0%

Under current law, the State of Wisconsin Investment Board (SWIB) is authorized to independently establish its operating budget each year and monitor the fiscal management of the budget. Further, SWIB is also authorized to independently create or abolish staff positions for the agency. Program revenue to support SWIB operations is generated from assessments of funds under management. The Investment Board is required to provide quarterly reports to the Department of Administration, the Co-Chairpersons of the Joint Committee on Finance, and the Co-Chairpersons of the Joint Committee on Audit, identifying all operating expenditures and the number of full-time equivalent positions created or abolished during that quarter. Finally, SWIB officials are required to appear each fiscal year at the first quarterly meeting of the Joint Committee on Finance under s. 13.10 of the statutes to provide an update of SWIB's budget changes, position authorization changes, assessment of the funds under management, and performance of the funds under management for the current and next fiscal year.

In 2023-24, total expenditures for the Board were \$126,335,400 with 290.0 positions approved in June, 2023. In June, 2024, the Board approved an operating budget for 2024-25 of \$102,814,700 (a decrease of 18.6% from 2023-24 expenditures) and 298.0 positions (an increase of 8.0 positions from 2023-24). Note that the Board approved the 8.0 additional positions in December, 2023, resulting in the current 298.0 positions. In the table above, the amount is indicated for the adjusted base in 2024-25. The SWIB budget request also utilizes this amount for 2025-26 and 2026-27. Since 2020, SWIB's budget has operated on a calendar-year basis. As a result, SWIB has modified the process by which the fiscal year budget is approved. Each year, the Board adopts the preliminary fiscal year budget in June, and finalizes the budget in December, including an estimate of incentive compensation payments. A final adjustment to the budget is made in March or April of the following calendar year, once actual incentive compensation payments are made.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce expenditures by \$5.1 million by removing 14.9 FTEs.	PR	-\$5,140,700	-\$5,140,700

JUDICIAL COMMISSION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$363,500	\$379,300	\$379,600	\$31,900	4.4%	2.00	2.00	2.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$31,900
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Request \$15,800 in 2025-26 and \$16,100 in 2026-27 associated with: (a) full funding of continuing position salaries and fringe benefits (\$17,400 annually); and (b) full funding of lease and directed moves costs (-\$1,600 in 2025-26 and -\$1,300 in 2026-27).

JUDICIAL COUNCIL

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$0	\$124,500	\$158,000	\$282,500	N.A.	0.00	1.00	1.00	1.00	N.A.

Major Request Item

1. JUDICIAL COUNCIL ATTORNEY AND FUNDING

	Funding	Position
GPR	\$282,500	1.00

Request \$124,500 in 2025-26, \$158,000 in 2026-27, and 1.0 position annually for the following: (a) \$109,500 in 2025-26 and \$146,000 in 2026-27 for salary and fringe benefits for 1.0 unclassified attorney position; (b) \$12,000 annually for supplies and services; and (c) \$3,000 in 2025-26 for one-time financing for costs associated with the establishment of an attorney position. While a veto in 2017 Act 59 eliminated annual funding of \$111,400 PR and the 1.0 PR staff position for the Judicial Council beginning in 2017-18, appropriations for the Council remained in statute.

JUSTICE

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$84,380,000	\$133,139,400	\$140,287,500	\$104,666,900	62.0%	412.28	482.38	482.38	70.10	17.0%
FED	55,775,500	24,008,400	20,606,200	-66,936,400	-60.0	68.93	54.43	50.43	-18.50	-26.8
PR	53,704,600	57,503,000	58,319,800	8,413,600	7.8	275.88	262.69	262.69	-13.19	-4.8
SEG	<u>9,232,600</u>	<u>9,312,200</u>	<u>9,312,500</u>	<u>159,500</u>	0.9	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>	0.0
TOTAL	\$203,092,700	\$223,963,000	\$228,526,000	\$46,303,600	11.4%	759.84	802.25	798.25	38.41	5.1%

Major Request Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$1,292,900 GPR, \$1,115,400 FED, \$3,490,900 PR, \$79,600 SEG, and -2.0 FED and -17.2 PR positions in 2025-26; and \$3,308,000 GPR, \$973,100 FED, \$4,221,700 PR, \$79,900 SEG, and -6.0 FED and -17.2 PR positions in 2026-27. Adjustments are for: (a) turnover reduction (-\$985,000 GPR and -\$173,200 PR annually); (b) removal of non-continuing elements from the base (-\$95,400 FED, -\$576,500 PR, and -2.0 FED and -17.2 PR positions in 2025-26; and -\$391,700 FED, -\$1,152,300 PR, and -6.0 FED and -17.2 PR positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$1,701,400 GPR, \$1,062,800 FED, \$2,858,000 PR, and \$69,300 SEG annually); (d) overtime (\$710,700 GPR, \$532,700 PR, and \$11,000 SEG annually); (e) night and weekend differential pay (\$9,600 GPR and \$2,100 PR annually); and (f) full funding of lease and directed moves costs (-\$143,800 GPR, \$148,000 FED, \$847,800 PR, and -\$700 SEG in 2025-26; and \$1,871,300 GPR, \$302,000 FED, \$2,154,400 PR, and -\$400 SEG in 2026-27).

	Funding	Positions
GPR	\$4,600,900	0.00
FED	2,088,500	- 6.00
PR	7,712,600	- 17.20
SEG	<u>159,500</u>	<u>0.00</u>
Total	\$14,561,500	- 23.20

2. STANDARD BUDGET ADJUSTMENT -- MINOR TRANSFERS WITHIN THE SAME APPROPRIATION

Request to transfer funding and positions annually within appropriations in DOJ between different subprograms, as identified in the table below, in order to align budgeted funding and position authorization with assigned programmatic duties.

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram Title</u>	<u>Positions</u>	<u>Funding</u>	
GPR				
<i>Law enforcement services</i>				
General program operations	Crime laboratories	2.00	-\$872,400	
	Crime information bureau	0.00	-34,200	
	Criminal investigation	20.50	3,199,500	
	Administrative services	-2.10	-338,100	
	Computing services	0.00	9,500	
	Narcotics Enforcement	-2.25	-263,200	
	Internet Crimes Against Children Task Force	-16.50	-1,610,700	
	DNA Analysis Resources	-2.65	-383,700	
	Office of Victim Services	-1.00	-90,900	
	Criminal Justice Programs	1.30	297,100	
	Office of School Safety	0.70	87,100	
	Officer training reimbursement	Training and standards bureau	0.00	-150,000
		Office of Victim Services	0.00	0
Criminal Justice Programs		0.00	150,000	
Law enforcement agency drug trafficking response grants	Training and standards bureau	0.00	-1,000,000	
	Criminal Justice Programs	0.00	1,000,000	
Alternatives to prosecution and incarceration for persons who use alcohol or other drugs; presentencing assessments	Training and standards bureau	0.00	-2,150,000	
	Criminal Justice Programs	0.00	2,150,000	
<i>Administrative services</i>				
General program operations	Administrative services	1.00	100,400	
	Computing services	-1.00	-100,400	
FED				
<i>Law enforcement services</i>				
Federal aid, state operations	Training and standards bureau	1.00	197,500	
	Narcotics Enforcement	-1.00	-197,500	
<i>Victims and witnesses</i>				
Federal aid; state operations relating to crime victim services	Training and standards bureau	-1.00	-104,700	
	Office of Victim Services	1.00	104,700	
PR				
<i>Law enforcement services</i>				
Criminal history searches; fingerprint identification	Crime laboratories	0.00	1,369,500	
	Crime information bureau	0.00	-1,369,500	
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	Crime information bureau	-1.00	-140,800	
	Training and standards bureau	-0.50	-49,100	
	Administrative services	0.50	56,900	
	Criminal Justice Programs	1.00	133,000	

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram Title</u>	<u>Positions</u>	<u>Funding</u>
Law enforcement training fund, state operations	Legal services	1.00	\$128,800
	Crime laboratories	0.00	-62,000
	Crime information bureau	-4.00	-496,700
	Training and standards bureau	0.70	-1,076,200
	Administrative services	-0.20	-33,800
	Criminal Justice Programs	2.50	1,539,900
Interagency and intra- agency assistance	Crime information bureau	0.00	-281,600
	Training and standards bureau	-0.20	-26,300
	Criminal Justice Programs	0.20	307,900
Transaction information management of enforcement system	Crime information bureau	4.00	502,600
	Training and standards bureau	-4.00	-402,600
	Computing services	0.00	-100,000
Drug law enforcement, crime laboratories, and genetic evidence activities	Legal services	0.25	\$6,500
	Crime laboratories	0.60	-488,100
	Narcotics Enforcement	0.00	533,300
	DNA Analysis Resources	-0.85	-51,700
Drug enforcement intelligence operations	Criminal investigation	1.00	124,400
	Narcotics Enforcement	-1.00	-124,400
Wisconsin justice information sharing program	Crime information bureau	0.00	-153,000
	Administrative services	0.00	-6,900
	Computing services	0.00	-142,300
	Criminal Justice Programs	0.00	302,200
Drug crimes enforcement; local grants	Narcotics Enforcement	0.00	-717,900
	Criminal Justice Programs	0.00	717,900
County law enforcement services	Administrative services	0.00	-490,000
	Criminal Justice Programs	0.00	490,000
County-tribal programs, local assistance	Administrative services	0.00	-631,200
	Criminal Justice Programs	0.00	631,200
Tribal law enforcement assistance	Administrative services	0.00	-695,000
	Criminal Justice Programs	0.00	695,000
Law enforcement programs and youth diversion – administration	Administrative services	0.00	-19,600
	Criminal Justice Programs	0.00	19,600

3. CYBER SECURITY AND COMPLIANCE ENHANCEMENTS

GPR	\$14,427,600
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Request \$6,811,300 in 2025-26 and \$7,616,300 in 2026-27 for supplies and services costs to meet federal requirements for criminal justice data and information systems security published

by the U.S. Department of Justice in July, 2024. The requirements set standards for cybersecurity measures for governmental agencies that access and store sensitive criminal justice information. Without cybersecurity upgrades, DOJ may have more limited access to federal criminal justice information. Further, request creation of a continuing PR appropriation under the administrative services program titled, "Interagency and intra-agency assistance" to charge other agencies or units within DOJ for services provided.

4. PUBLIC RECORDS STAFFING

	Funding	Positions
GPR	\$432,400	2.60

Request \$201,500 in 2025-26 and \$230,900 in 2026-27 and 2.6 positions annually to increase current part-time employees to full-time employees and create new records positions in the Division of Criminal Investigation and the Office of Open Government. DOJ is required to respond to public records requests as soon as practicable and additional staff are requested to help meet this requirement.

Forensic Science

1. STAFFING FOR THE WISCONSIN STATE CRIME LABORATORIES

	Funding	Positions
GPR	\$2,781,600	19.00

Request \$1,226,000 in 2025-26 and \$1,555,600 in 2026-27 and 19.0 positions annually to improve timeliness of analyses conducted by the State Crime Laboratories. In particular, the 19.0 positions would consist of: 10.0 DNA analysts, 3.0 controlled substance analysts, 2.0 firearms/toolmark examiners, 2.0 forensic science supervisors, 1.0 crime scene response specialist, and 1.0 business automation specialist to assist with the WSCL's laboratory information system upgrade.

Victim and Witness Services

1. OFFICE OF CRIME VICTIM SERVICES

	Funding	Positions
GPR	\$70,175,800	17.00
FED	<u>- 69,294,100</u>	<u>-14.00</u>
Total	\$881,700	3.00

Request \$33,409,800 GPR and -\$33,000,600 FED in 2025-26 and \$36,766,000 GPR, -\$36,293,500 FED in 2026-27 and 17.0 GPR and -14.0 FED positions annually to provide state funding and positions for crime victim services. Further, request: (a) creation of a biennial GPR appropriation titled, "Community-based crime victim services" to provide grants for sexual assault victim services; and (b) amend the general program operations appropriations for victim and witness services to include administration of programs under Chapter 165 of the statutes (DOJ).

The Department indicates that state funding is intended to address a reduction in federal funding that was used to provide state services to victims of crime. Federal Victims of Crime Act (VOCA) grant awards decreased from \$60.5 million in federal fiscal year (FFY) 2018 to \$16.6 million in FFY 2024.

Of the amounts requested, \$31.5 million GPR and -\$31.5 million FED in 2025-26 and \$34.65 million GPR, -\$34.65 million FED in 2026-27 are for awards to victim service providers for crime victim services.

In addition, DOJ is requesting position authority and funding (\$1,909,800 GPR and -\$1,500,600 FED in 2025-26, \$2,116,000 GPR and -\$1,643,500 FED in 2026-27, and 17.0 GPR and -14.0 FED positions annually) to: (a) administer the grants of \$31.5 million in 2025-26 and \$34.65 million in 2026-27; and (b) enable it to retain staff who have been VOCA-funded and who currently work on programs for victims of crime that DOJ is required by statute to administer (including the Crime Victim Compensation program and Safe at Home, Wisconsin's address confidentiality program).

2. MISSING AND MURDERED INDIGENOUS WOMEN AND RELATIVES TRIBAL COORDINATION

	Funding	Position
GPR	\$3,582,600	1.00

Request \$1,780,100 in 2025-26 and \$1,802,500 in 2026-27 and 1.0 position annually to create a dedicated Tribal Liaison Coordinator program, which would include dedicated grant funding for each of Wisconsin's 11 federally-recognized tribes to provide direct victim services to families. Further, request creation of an annual GPR appropriation for Tribal Liaison program grants. Of the amounts requested, \$1,650,000 annually would be provided to the newly-created appropriation to fund \$150,000 grants to each tribe. The remainder would be provided to the general program operations appropriation for victim and witness services. The Wisconsin Missing and Murdered Indigenous Women and Relatives Task Force was created in 2020.

3. TASK FORCE ON MISSING AND MURDERED AFRICAN AMERICAN WOMEN AND GIRLS

	Funding	Position
GPR	\$179,700	1.00

Request \$80,200 in 2025-26 and \$99,500 in 2026-27 and 1.0 position annually for the Department to create and operate a Task Force on Missing and Murdered African American Women and Girls. Requested funding would be provided to the general program operations appropriation for victim and witness services.

4. OFFICE OF CRIME VICTIM SERVICES STAFFING AND COUNTY REIMBURSEMENTS

	Funding	Positions
GPR	\$3,102,300	2.00

Request \$1,531,900 in 2025-26 and \$1,570,400 in 2026-27 and 2.0 positions annually to increase reimbursements to counties (\$1,391,500 annually) and support processing of victim compensation payments and staffing for the Crime Victims' Rights Board (\$140,400 in 2025-26 and \$178,900 in 2026-27 and 2.0 positions annually). Request conversion of the existing annual

GPR appropriation for county victim and witness reimbursement payments to a sum sufficient appropriation with expenditures limited to 60% of costs submitted to DOJ. Further, request that the existing annual PR appropriation for crime victim and witness assistance surcharge general services be converted to a continuing appropriation for which expenditures are not limited to the amounts in the Chapter 20 schedule of appropriations.

Base funding for the annual appropriation that reimburses counties for victim and witness services is \$2,740,400 GPR annually. Base funding for the affected annual PR appropriation funded from the crime victim and witness assistance surcharge is \$4,866,900 PR annually.

5. HUMAN TRAFFICKING COUNCIL STAFFING

	Funding	Positions
GPR	\$319,400	2.00

Request \$140,400 in 2025-26 and \$179,000 in 2026-27 and 2.0 positions annually to meet requirements associated with 2023 Act 239, which created the Human Trafficking Council. The Human Trafficking Council is statutorily required to perform certain functions, including gathering data and maintaining databases associated with human trafficking.

Law Enforcement

1. SCHOOL SAFETY OPERATIONS

	Funding	Positions
GPR	\$2,307,500	14.00

Request \$1,013,900 in 2025-26 and \$1,293,600 in 2026-27 and 14.0 positions annually related to the Office of School Safety (OSS). According to DOJ, resources would be utilized to continue the operations of the Office of School Safety, including a statewide threat reporting tipline, Speak Up Speak Out Wisconsin resource center, threat assessment consultation services, and the Critical Incident Response program.

In 2024-25, budgeted funding for the OSS is \$564,200 GPR and 3.8 GPR positions. (Note that under the standard budget adjustment for minor transfers within the same appropriation, the OSS would gain another \$87,100 GPR and 0.7 GPR position annually.) The remaining funding for OSS administration has been federally funded since its creation in 2019. However, with federal funds expiring, under 2023 Act 240, from January 1, 2025, to October 1, 2025, the OSS will be funded from PR from the handgun purchaser record check; checks for licenses or certifications to carry concealed weapons appropriation. As a result, the request would provide nine months of funding for positions in 2025-26.

2. DIVISION OF CRIMINAL INVESTIGATION STAFFING

	Funding	Positions
GPR	\$1,143,700	7.00

Request \$502,600 in 2025-26 and \$641,100 in 2026-27 and 7.0 positions annually for

additional staffing to incorporate new technology related to the investigation and prosecution of crime. Requested positions would include 4.0 special agents, 2.0 criminal analysts, and 1.0 crime scene response specialist.

3. STATE FIRE MARSHAL SAFETY EQUIPMENT AND TRAINING

GPR	\$670,000
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Request \$335,000 annually to provide training resources and safety equipment for the State Fire Marshal's Office.

4. TRAINING AND STANDARDS STAFFING

	Funding	Positions
PR	\$381,600	2.00

Request \$167,100 in 2025-26 and \$214,500 in 2026-27 and 2.0 positions annually to develop an online-based curriculum for a portion of the law enforcement academy coursework, which has been requested by law enforcement leaders across the state to reduce travel time. These positions would be funded through the penalty surcharge. One project position, approved by the Joint Committee on Finance at a meeting under s. 13.10 for this purpose, will expire in September, 2025.

5. RESOURCES FOR EXPANDED MISSING CHILD ALERTS

	Funding	Positions
GPR	\$319,300	2.00

Request \$140,400 in 2025-26 and \$178,900 in 2026-27 and 2.0 positions annually to accommodate the increased number of alerts due to the expansion of alerts for missing adults to include missing children as specified under 2023 Act 272. The alert system requires 24/7 staffing.

6. TREATMENT AND DIVERSION PROGRAMS

	Funding	Position
PR	\$159,700	1.00

Request \$70,200 in 2025-26 and \$89,500 in 2026-27 and 1.0 position annually to provide program development and technical assistance services and administer grants issued to local agencies operating criminal justice treatment and diversion programs (\$10,150,000 GPR in 2024-25) and grants to local governments without an established drug court (\$500,000 GPR in 2024-25). The position would be funded through the justice information surcharge.

7. BUREAU OF JUSTICE INFORMATION AND ANALYSIS RESEARCH AND DATA STAFFING

	Funding	Position
PR	\$159,700	1.00

Request \$70,200 in 2025-26 and \$89,500 in 2026-27 and 1.0 position annually to support data collection programs mandated in state law. The source of funding would be the justice information surcharge.

Legal Services

1. ASSISTANT ATTORNEY GENERAL STAFFING

	Funding	Positions
GPR	\$540,300	2.00

Request \$257,000 in 2025-26 and \$283,300 in 2026-27 and 2.0 positions annually for one Assistant Attorney General (AAG) in the Criminal Appeals Unit and one AAG in the Criminal Litigation Unit. The appellate position would be dedicated to defending convictions. The litigation position would be 70% dedicated to child abuse, neglect, and death case work and 30% to training, resource development, and collaboration.

2. MEDICAID FRAUD STAFFING

	Funding	Positions
GPR	\$83,800	0.50
FED	<u>269,200</u>	<u>1.50</u>
Total	\$353,000	2.00

Request \$36,400 GPR and \$118,100 FED in 2025-26 and \$47,400 GPR and \$151,100 FED in 2026-27 and 0.5 GPR and 1.5 FED positions annually for the Medicaid Fraud Control and Elder Abuse Unit. The Unit investigates and prosecutes crimes committed against vulnerable adults and fraud perpetrated by providers against the Medicaid program. The requested GPR position authority would serve to meet the 25% match requirement for federal funding.

2015 Act 201 Plan

	<u>Amount</u>	
	<u>2025-26</u>	<u>2026-27</u>
Base Level Plan		
Across-the-board reduction including elimination of 99.7 positions and management of departmental workload.	-\$14,278,000	-\$16,540,600
5% Budget Reduction Plan		
Across-the-board reduction including elimination of 134 positions and management of departmental workload.	-\$19,622,100	-\$21,884,700

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
PR	\$259,300	\$264,800	\$276,100	\$22,300	4.3%	1.25	1.75	1.75	0.50	40.0%
SEG	<u>899,500</u>	<u>885,000</u>	<u>896,300</u>	<u>- 17,700</u>	- 1.0	<u>2.75</u>	<u>3.25</u>	<u>3.25</u>	<u>0.50</u>	18.2
TOTAL	\$1,158,800	\$1,149,800	\$1,172,400	\$4,600	0.2%	4.00	5.00	5.00	1.00	25.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

PR	- \$46,200
SEG	<u>- 72,400</u>
Total	- \$118,600

Request adjustments to the base budget totaling -\$59,300 annually (-\$23,100 PR and -\$36,200 conservation SEG from the forestry account) in the 2025-27 biennium. Adjustments are for the full funding of continuing positions salaries and fringe benefits (-\$23,800 PR and -\$38,500 SEG annually) and overtime (\$700 PR and \$2,300 SEG annually).

2. MARKETING SPECIALIST

	Funding	Positions
PR	\$68,500	0.50
SEG	<u>35,500</u>	<u>0.50</u>
Total	\$104,000	1.00

Request \$40,700 (\$28,600 PR and \$12,100 SEG) in 2025-26 and \$63,300 (\$39,900 PR and \$23,400 SEG) in 2026-27 and 1.0 (0.5 PR and 0.5 SEG) position annually to hire a marketing specialist. The request would increase funding for salaries and fringe benefits by \$69,000 in 2025-26 and by \$91,600 in 2026-27 and decrease funding for limited-term employee (LTE) salaries by \$28,300 annually in the 2025-27 biennium. The marketing specialist position would replace approximately two LTEs and would perform guest services, public relations, and wildlife and recreation management functions.

The Kickapoo Valley Reserve consists of approximately 8,600 acres of land north of La Farge in Vernon County. The property was the site of a U.S. Army Corps of Engineers dam and reservoir project on the Kickapoo River that was abandoned around 1975. The Corps transferred ownership of approximately 7,400 acres to the State of Wisconsin in December, 2000. Additionally, 1,200 acres were transferred to the Bureau of Indian Affairs in trust for sites sacred to the Ho-Chunk Nation. A 1997 memorandum of understanding between the state and the Ho-Chunk Nation stipulates the entire 8,600 acres will be managed as one property. The Reserve is supported mostly by forestry SEG, but it also receives program revenue from recreational and camping fees, educational programming, timber sales, and agricultural leases.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce summer LTE staffing.	PR	-\$5,900	-\$5,900
2. Reduce operations, including: (a) decreasing LTE staffing of property management and maintenance duties; (b) potentially decreasing operational hours; and (c) reducing supplies and services utilized for the maintenance of recreational infrastructure.	SEG	<u>-32,100</u>	<u>-32,100</u>
 Total		 -\$38,000	 -\$38,000
	PR	(-\$5,900)	(-\$5,900)
	SEG	(-\$32,100)	(-\$32,100)

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$167,600	\$165,800	\$165,800	-\$3,600	- 1.1%	0.80	0.80	0.80	0.00	0.0%
PR	2,265,800	2,286,100	2,286,100	40,600	0.9	13.70	13.70	13.70	0.00	0.0
SEG	<u>746,300</u>	<u>760,600</u>	<u>760,600</u>	<u>28,600</u>	1.9	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$3,179,700	\$3,212,500	\$3,212,500	\$65,600	1.0%	18.70	18.70	18.70	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments of \$32,800 annually. The adjustments are for full funding of continuing position salaries and fringe benefits (\$700 GPR, \$18,400 PR, and \$13,700 SEG) and full funding of lease and directed moves costs (-\$2,500 GPR, \$1,900 PR, and \$600 SEG).

GPR	-\$3,600
PR	40,600
SEG	<u>28,600</u>
Total	\$65,600

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce travel, training and office supplies associated with the Commission's general program operations (GPR) and settling worker's compensation claims (SEG).	GPR	-\$7,300	-\$7,300
	SEG	<u>-38,400</u>	<u>-38,400</u>
Total		-\$45,700	-\$45,700
	GPR	(-\$7,300)	(-\$7,300)
	SEG	(-\$38,400)	(-\$38,400)

LEGISLATURE

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%			2025-26	2026-27	Number
GPR	\$97,973,400	\$99,556,400	\$99,542,700	\$3,152,300	1.6%	768.17	772.17	772.17	4.00	0.5%
PR	<u>2,617,100</u>	<u>2,731,400</u>	<u>2,731,800</u>	<u>229,000</u>	4.4	<u>19.80</u>	<u>19.80</u>	<u>19.80</u>	<u>0.00</u>	0.0
TOTAL	\$100,590,500	\$102,287,800	\$102,274,500	\$3,381,300	1.7%	787.97	791.97	791.97	4.00	0.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$715,400
PR	<u>81,700</u>
Total	\$797,100

Request adjustments to the base totaling \$357,700 GPR and \$38,800 PR in 2025-26 and \$357,700 GPR and \$42,900 PR in 2026-27.

Adjustments are for: (a) turnover reduction (-\$1,140,800 GPR annually); (b) full funding of continuing position salaries and fringe benefits (\$1,486,900 GPR annually and \$30,300 PR annually); (c) reclassifications and semiautomatic pay progression (\$11,600 GPR and \$8,500 PR in 2025-26 and \$11,600 GPR and \$12,600 PR in 2026-27); and (d) minor transfers within the same alpha appropriation (\$0 annually).

2. SUPPLIES AND SERVICES

GPR	\$1,000,000
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Request \$500,000 annually to increase supplies and services funding for the Assembly. Funding would cover expenses for continued costs for increased operational and legal expenses. Base funding for supplies and services for the Assembly is \$6,336,800 annually.

3. LEGISLATIVE DOCUMENTS

GPR	\$600,000
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Request \$300,000 annually for the Legislature's appropriation for legislative documents to cover increased costs for operational, technology, and publishing expenses. Base funding for the sum sufficient appropriation is \$3,919,100 annually.

4. TECHNOLOGY SERVICES POSITIONS

	Funding	Positions
GPR	\$771,400	4.00

Request \$385,700 and 4.0 positions annually for the Legislative Technology Services Bureau appropriation. Funding for the Bureau is supported from a biennial appropriation with base funding totaling \$5,791,100 and 43.0 positions annually.

LIEUTENANT GOVERNOR

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$521,000	\$492,800	\$492,800	-\$56,400	- 5.4%	5.00	5.00	5.00	0.00	0.0%

Major Request Item

1. STANDARD BUDGET ADJUSTMENT

GPR	- \$65,200
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Request an adjustment to the base totaling -\$32,600 annually for full funding of continuing position salaries and fringe benefits.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce expenditure authority for supplies and services.	GPR	-\$26,100	-\$26,100

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
SEG	\$276,100	\$284,000	\$284,000	\$15,800	2.9%	2.00	2.00	2.00	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	\$10,600
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Request adjustments to the agency base budget of \$5,000 annually for full funding of salaries and fringe benefits for continuing positions and \$300 annually for full funding of lease and directed moves costs. The Lower Wisconsin State Riverway Board is funded by the conservation fund, allocated from the water resources account (75%) and forestry account (25%).

2. INFORMATION TECHNOLOGY UPGRADES

SEG	\$5,200
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Request \$2,600 annually for information technology equipment upgrades. The Lower Wisconsin State Riverway Board reports new equipment would be used to conduct virtual board meetings, train board members, and improve public education and outreach efforts.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce expenses for travel, board meetings, subscriptions, outreach, and new equipment and office supply purchases.	SEG	-\$13,800	-\$13,800

MEDICAL COLLEGE OF WISCONSIN

Budget Summary					FTE Position Summary	
	2024-25	<u>Request</u>		2025-27 Change Over		The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, state-aided institution governed by a Board of Trustees.
Fund	Adjusted Base	2025-26	2026-27	Base Year Doubled	Amount	
				%		
GPR	\$13,603,000	\$13,603,000	\$13,603,000	\$0	0.0%	
PR	<u>247,500</u>	<u>247,500</u>	<u>247,500</u>	<u>0</u>	0.0	
TOTAL	\$13,850,500	\$13,850,500	\$13,850,500	\$0	0.0%	

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
<p>5% Budget Reduction Plan Reduce grants awarded for cancer research. These grants are funded with revenues generated by a checkoff on the state income tax form.</p>	PR	-\$12,400	-\$12,400

MILITARY AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$39,139,400	\$39,785,600	\$39,785,600	\$1,292,400	1.7%	82.48	82.48	82.48	0.00	0.0%
FED	113,587,000	143,781,600	143,784,700	60,392,300	26.6	483.40	481.40	480.40	- 3.00	- 0.6
PR	9,836,100	10,757,900	10,757,900	1,843,600	9.4	54.12	54.12	54.12	0.00	0.0
SEG	<u>43,084,900</u>	<u>43,170,000</u>	<u>43,170,000</u>	<u>170,200</u>	0.2	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$205,647,400	\$237,495,100	\$237,498,200	\$63,698,500	15.5%	625.00	623.00	622.00	- 3.00	- 0.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$558,900 GPR, \$3,637,500 FED, \$321,800 PR, \$85,100 SEG, and -0.4 GPR and -3.6 FED positions in 2025-26 and \$558,900 GPR, \$3,640,600 FED, \$321,800 PR, \$85,100 SEG, and -0.4 GPR and -4.6 FED positions in 2026-27. Adjustments are for: (a) turnover reduction (-\$166,400 GPR and -\$606,400 FED annually); (b) removal of noncontinuing elements from the base (-0.4 GPR and -3.6 FED positions in 2025-26 and -0.4 GPR and -4.6 FED positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$690,000 GPR, \$3,779,800 FED, \$360,600 PR, and \$85,100 SEG annually); (d) overtime (\$35,300 GPR, \$385,400 FED, and \$9,800 PR annually); (e) full funding of lease and directed moves costs (\$78,700 FED and -\$48,600 PR in 2025-26, and \$81,800 FED and -\$48,600 PR in 2026-27); and (f) minor transfers within the same alpha appropriation. Regarding transfers within the same alpha appropriation, a portion of transfers would be made from certain special purpose lines in the budget system to the supplies and services line for special purposes that are no longer used by the Department.

	Funding	Positions
GPR	\$1,117,800	- 0.40
FED	7,278,100	- 4.60
PR	643,600	0.00
SEG	<u>170,200</u>	<u>0.00</u>
Total	\$9,209,700	- 5.00

2. PROGRAM REVENUE ADJUSTMENTS

Request \$26,557,100 FED and \$600,000 PR annually to reflect current program revenue and federal revenue projections for the program revenue appropriations identified below.

FED	\$53,114,200
PR	<u>1,200,000</u>
Total	\$54,314,200

a. \$450,000 PR annually for the National Guard military property appropriation. Expenditures support maintenance and operation costs for armories across the state, including lawn care, snow clearing services, minor repairs, and pest control. Base funding for the appropriation is

\$1,590,500 PR.

b. \$26,307,100 FED annually for the National Guard federal aid appropriation for improvement, repair, maintenance, and/or operation of armories or other military property. Base funding for the appropriation is \$51,968,000 FED.

c. \$250,000 FED annually for the National Guard indirect cost reimbursements appropriation to support human resources, budget, financial, and procurement activities. Base funding for the appropriation is \$1,259,000 FED.

d. \$50,000 PR annually for the emergency planning and reporting administration appropriation. Expenditures support operating expenses for the federal Emergency Planning and Community Right to Know Act, including payments for licensing, software, travel, and supplies. Base funding for the appropriation is \$1,516,200 PR.

e. \$50,000 PR annually for the public safety interoperable communication system state fees appropriation. Establishing expenditure authority would support WISCOM (Wisconsin Interoperable System for Communications). Base funding for the appropriation is \$0 PR.

f. \$50,000 PR annually for the public safety interoperable communication system general usage fees appropriation. Establishing expenditure authority would support WISCOM. Base funding for the appropriation is \$0 PR.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
This plan would reduce estimated expenditures for state active duty responses to local units of government for disaster response and recovery and national security events.			
<i>1. Increase the following appropriations:</i>			
National Guard Operations -- General Program Operations	GPR	\$27,700	\$27,700
National Guard Operations -- Repair and Maintenance	GPR	46,300	46,300
National Guard Operations -- Military Property	PR	450,000	450,000
Emergency Management Services -- General Program Operations	GPR	13,300	13,300
Emergency Management Services -- Emergency Planning and Reporting; Administration	PR	50,000	50,000

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
2. <i>Reduce the following appropriation:</i>			
National Guard Operations -- Public Emergencies	GPR	<u>-\$587,300</u>	<u>-\$587,300</u>
Total		\$0	\$0
	GPR	(-\$500,000)	(-\$500,000)
	PR	(\$500,000)	(\$500,000)

5% Budget Reduction Plan

This plan would reduce estimated expenditures for state active duty responses to local units of government for disaster response and recovery and national security events. In addition, it would reduce funding available for Next Generation 911 grants.

1. <i>Increase the following appropriations:</i>			
National Guard Operations -- General Program Operations	GPR	\$27,700	\$27,700
National Guard Operations -- Repair and Maintenance	GPR	46,300	46,300
National Guard Operations -- Military Property	PR	450,000	450,000
Emergency Management Services -- General Program Operations	GPR	13,300	13,300
Emergency Management Services -- Emergency Planning and Reporting; Administration	PR	50,000	50,000
2. <i>Reduce the following appropriations:</i>			
National Guard Operations -- Public Emergencies	GPR	-3,000,000	-3,000,000
Emergency Management Services -- Next Generation 911	SEG	<u>-1,100,500</u>	<u>-1,100,500</u>
Total		-\$3,513,200	-\$3,513,200
	GPR	(-\$2,912,700)	(-\$2,912,700)
	PR	(\$500,000)	(\$500,000)
	SEG	(-\$1,100,500)	(-\$1,100,500)

MISCELLANEOUS APPROPRIATIONS

Budget Summary					FTE Position Summary	
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		
		2025-26	2026-27	Amount	%	
GPR	\$196,521,000	\$207,513,200	\$214,137,400	\$28,608,600	7.3%	There are no authorized positions for Miscellaneous Appropriations.
SEG	32,371,000	32,303,100	32,242,500	- 196,400	- 0.3	
TOTAL	\$228,892,000	\$239,816,300	\$246,379,900	\$28,412,200	6.2%	

Major Request Items

1. ILLINOIS-WISCONSIN RECIPROCITY REESTIMATE

GPR	\$20,700,000
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Request reestimates of funding under the Illinois-Wisconsin individual income tax reciprocity agreement of \$7,200,000 in 2025-26 and \$13,500,000 in 2026-27. Compared to base funding of \$148,600,000, total funding is estimated at \$155,800,000 in 2025-26 and \$162,100,000 in 2026-27.

2. INTEREST ON OVERPAYMENT OF TAXES

GPR	\$8,000,000
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Request reestimates of \$4,000,000 annually for interest owed to taxpayers on the overpayment of taxes. This appropriation provides interest on tax overpayments refunded to taxpayers as the result of a settlement or decision by the Department of Revenue, the Tax Appeals Commission, or a court. Compared to base funding of \$1,000,000, total funding is estimated at \$5,000,000 in 2025-26 and 2026-27.

**3. TRANSFERS TO THE CONSERVATION FUND --
RECREATIONAL VEHICLES**

SEG	- \$196,400
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Request reestimates of transfers to the conservation fund from the transportation fund for motorized recreational vehicles by -\$67,900 in 2025-26 and -\$128,500 in 2026-27. Transfers are deposited in the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. By statute, the snowmobile, motorboat, and ATV and UTV transfers are based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year.

Recreational Vehicle Transfers Reestimates

<u>Source</u>	Base	<u>2025-26</u>		<u>2026-27</u>	
		<u>Change to Base</u>	<u>Reestimate</u>	<u>Change to Base</u>	<u>Reestimate</u>
Motorboats	\$13,190,500	-\$23,600	\$13,166,900	-\$231,200	\$12,959,300
Snowmobiles	5,319,500	-114,200	5,205,300	-115,800	5,203,700
ATVs & UTVs	<u>3,097,700</u>	<u>69,900</u>	<u>3,167,600</u>	<u>218,500</u>	<u>3,316,200</u>
Total	\$21,607,700	-\$67,900	\$21,539,800	-\$128,500	\$21,479,200

NATURAL RESOURCES

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$99,220,700	\$100,294,500	\$100,304,000	\$2,157,100	1.1%	219.77	219.77	219.77	0.00	0.0%
FED	101,315,300	101,199,400	98,158,000	- 3,273,200	- 1.6	544.09	535.09	498.09	- 46.00	- 8.5
PR	35,293,700	34,423,100	34,456,600	- 1,707,700	- 2.4	212.63	212.63	212.63	0.00	0.0
SEG	<u>366,823,100</u>	<u>380,134,700</u>	<u>380,307,000</u>	<u>26,795,500</u>	3.7	<u>1,563.43</u>	<u>1,563.43</u>	<u>1,563.43</u>	<u>0.00</u>	0.0
TOTAL	\$602,652,800	\$616,051,700	\$613,225,600	\$23,971,700	2.0%	2,539.92	2,530.92	2,493.92	- 46.00	- 1.8%
BR		\$960,000,000								

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget totaling \$10,382,800 and -9.0 positions in 2025-26 and \$7,556,700 and -46.0 positions in 2026-27. Adjustments are: (a) -\$4,123,000 annually for reductions due to staff turnover (-\$479,600 GPR, -\$679,200 FED, and -\$2,964,200 SEG); (b) -\$531,100 and -9.0 FED positions in 2025-26 and -\$3,592,100 and -46.0 FED positions in 2026-27 for removal of non-continuing elements from the base; (c) \$11,053,800 annually for full funding of continuing position salaries and fringe benefits (\$1,320,200 GPR, \$864,500 FED, -\$838,700 PR, and \$9,707,800 SEG); (d) \$282,800 in 2025-26 (\$12,200 GPR, \$13,500 FED, \$51,300 PR, and \$205,800 SEG) and \$475,700 in 2026-27 (\$19,400 GPR, \$22,700 FED, \$84,800 PR, and \$348,800 SEG) for reclassification and semi-automatic pay increases; (e) \$3,332,100 annually for overtime (\$8,000 PR and \$3,324,100 SEG); (f) \$224,900 SEG annually for night and weekend differential pay; and (g) \$143,300 in 2025-26 (\$1,400 GPR, \$216,400 FED, and -\$74,500 SEG) and \$185,300 in 2026-27 (\$3,700 GPR, \$226,800 FED, and -\$45,200 SEG) for full funding of lease and directed moves costs.

	Funding	Positions
GPR	\$1,717,900	0.00
FED	- 3,273,200	- 46.00
PR	- 1,525,300	0.00
SEG	<u>21,020,100</u>	<u>0.00</u>
Total	\$17,939,500	- 46.00

2. STEWARDSHIP PROGRAM REAUTHORIZATION AND LAPSE CORRECTION

BR	\$920,000,000
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Request reauthorization of the Warren Knowles-Gaylord Nelson Stewardship Program from 2026-27 through 2035-36, including a total bonding authority of \$920,000,000 over the 10-year period.

The stewardship program was last reauthorized in 2021 Wisconsin Act 58 for a four-year

period from 2022-23 to 2025-26. Under the stewardship program, the Department of Natural Resources (DNR) is authorized to incur debt for the purposes of: (a) acquiring land to expand recreational opportunities and protect environmentally sensitive areas; (b) developing outdoor recreational facilities on state conservation lands; (c) providing grants to local governments and nonprofit conservation organizations (NCOs) typically for up to 50% of the cost of acquiring or developing land for outdoor recreational activities; and (d) providing grants to counties for up to 50% of the cost of acquiring forestry land.

Under current law, DNR is authorized \$25,250,000 bonding authority and \$8,000,000 conservation SEG annually (forestry account) for the stewardship program. The following table shows allocations by stewardship subprogram.

Annual Stewardship Program Allocations

	2022-23 through 2025-26		
	Bonding	SEG	Total
Land Acquisition			
DNR Acquisitions	\$1,000,000	\$5,000,000	\$6,000,000
NCO Acquisitions	7,000,000		7,000,000
County Forest Grants		<u>3,000,000</u>	<u>3,000,000</u>
Subtotal	<u>\$8,000,000</u>	<u>\$8,000,000</u>	<u>\$16,000,000</u>
Recreational Boating Aids	\$3,000,000	\$0	\$3,000,000
Property Development and Local Assistance			
DNR Property Development	\$5,000,000	\$0	\$5,000,000
Local Assistance Grants	<u>9,250,000</u>	<u>0</u>	<u>9,250,000</u>
Subtotal	<u>\$14,250,000</u>	<u>\$0</u>	<u>\$14,250,000</u>
Total	\$25,250,000	\$8,000,000	\$33,250,000

DNR did not request a change to the \$8,000,000 forestry SEG funding the stewardship program is currently authorized annually for DNR acquisitions and county forest grants, suggesting that a statutory increase in bonding authority would be necessary to attain the requested level of funding. Subprogram funding levels are not specified in the request and are to be determined.

DNR also included a request to modify statutory language to provide that unobligated amounts from the forestry SEG funding lapse to the account balance at the end of each fiscal year under the current authorization of the stewardship program. This would be intended to clarify the effect of statutory provisions that transfer forestry SEG for DNR acquisitions and county forest grants to the capital improvement fund each fiscal year.

3. FIRE SUPPRESSION FUNDING

SEG	\$1,146,600
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Request \$573,300 annually in the 2025-27 biennium from the forestry account to fund the

following fire suppression related costs: (a) maintenance of radios, a service DNR reported is no longer provided by the Department of Transportation; (b) procurement, replacement, and maintenance of DNR ground vehicles for firefighting; (c) maintenance and modernization of DNR firefighting aircraft; and (d) contracts with third-party firefighting aircraft services.

4. PROPERTY MAINTENANCE AND REPAIR

GPR	\$90,000
SEG	<u>1,038,200</u>
Total	\$1,128,200

Request \$564,100 (\$45,000 GPR and \$519,100 SEG) annually in the 2025-27 biennium for engineering and construction costs related to the maintenance and repair of DNR properties and assets. The request includes \$280,100 forestry SEG annually for road construction and maintenance in state parks, state forests, and the Lower Wisconsin State Riverway and \$239,000 conservation SEG annually (parks account) for state parks and trails development and maintenance.

5. STATE PARKS SYSTEM OPERATIONS FUNDING

SEG	\$691,800
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Request \$345,900 annually in the 2025-27 biennium from the parks, forestry, and all-terrain vehicles (ATV)/utility terrain vehicles (UTV) accounts for increased costs for supplies for Wisconsin State Parks and recreational properties. The request includes \$317,000 annually for general operations at state parks and southern forests and \$28,900 annually for state ATV/UTV projects.

DNR park staff operate 78 recreational properties open to the public, including: (a) 46 state parks; (b) 14 state trails; (c) two national scenic trails; (d) eight southern forests; (e) seven recreation areas; and (f) the Lake Michigan Water Trail. Operational costs for the parks system that would be supported under the request include utilities, cleaning, and maintenance. The state also administers 633 miles of ATV/UTV trails in state recreational properties. Funding for additional maintenance or expansion of these trails would be supported by the request.

6. HATCHERY AND CREEL SURVEY FUNDING

GPR	\$182,000
PR	185,000
SEG	<u>21,600</u>
Total	\$388,600

Request \$194,300 (\$91,000 GPR, \$92,500 PR, and \$10,800 conservation SEG from the fish and wildlife account) annually in the 2025-27 biennium for increased costs at state-owned fish hatcheries and to fund creel surveys of anglers and fish characteristics throughout the ceded territory in northern Wisconsin.

DNR monitors, maintains, and enhances aquatic ecosystems and sport and commercial fisheries. Fisheries population and habitat surveys are conducted to monitor the status and health of the state's fisheries and aquatic habitat, and to evaluate regulation effectiveness and needs. DNR also operates 14 facilities for fish propagation and stocking activities across the state.

7. CONSERVATION WARDEN COMPUTER FUNDING

GPR	\$26,200
PR	22,200
SEG	<u>561,800</u>
Total	\$610,200

Request \$305,100 (\$13,100 GPR, \$11,100 PR, and \$280,900 SEG) annually in the 2025-27 biennium to purchase 240 Toughbook computers, related hardware, and cellular plans for conservation wardens. Funding from segregated funds would include: (a) \$230,400 annually split-funded among conservation SEG accounts, but primarily supported by the fish and wildlife account; (b) \$29,100 annually from the boat account of the conservation fund; (c) \$12,500 annually from the ATV/UTV account; and (d) \$8,900 annually from the environmental fund (environmental management account).

8. eGRANTS SYSTEM LICENSING AND SUPPORT

SEG	\$700,000
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Request \$350,000 annually in the 2025-27 biennium for licensing fees and maintenance services related to the eGrants system. DNR administers approximately 60 grant programs annually to local units of governments, tribal nations, nonprofit organizations, private businesses, and individuals. DNR reports its current grant processing and administration system is more than 20 years old and requires manual data entry by DNR staff and paper document storage. The current system also requires that applicants download grant application documents to fill out and does not allow applicants to view the status of applications. The eGrants system would be a web-based grant processing and administration system integrated with DNR's fiscal management system. Funding would include \$245,000 annually from the conservation fund (split-funded) and \$105,000 annually from the environmental fund (split-funded).

9. INFORMATION TECHNOLOGY SYSTEMS MAINTENANCE AND FIELD EQUIPMENT FUNDING

GPR	\$141,000
SEG	<u>556,000</u>
Total	\$697,000

Request \$348,500 annually, including \$70,500 GPR, \$152,300 SEG from the environmental fund and \$125,700 SEG from the petroleum inspection fund, for maintenance of information technology (IT) systems and replacement of IT field equipment for staff in the Division of Environmental Management. Environmental SEG funding would include \$149,900 from the environmental management account and \$2,400 from the nonpoint account.

10. WATER E-PERMITTING SYSTEM MAINTENANCE FUNDING

SEG	\$669,800
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Request \$334,900 environmental management SEG each year for electronic water permitting. The electronic water permitting system allows the public to apply for permits and track permit status. The funding is requested to hire a contractor to perform system maintenance and to integrate system enhancements.

11. URBAN NONPOINT AND MUNICIPAL FLOOD CONTROL BONDING

BR	\$11,000,000
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Request \$11,000,000 nonpoint SEG-supported bonding authority for the urban nonpoint source and storm water management (UNPS) program and the municipal flood control and riparian restoration (MFC) program. The UNPS program supports structural projects to improve state surface water quality by managing storm water runoff in urban settings. The MFC program supports flood-control and flood-proofing projects in urban settings, including property acquisition and structure removal. The Department determines the allocation of bonding authority between the two programs. DNR has customarily been authorized new bonding authority for these purposes each biennium. Under 2023 Act 19, one-time funding of \$4 million GPR was provided in a biennial appropriation in place of additional bonding authority for the MFC and UNPS programs.

12. TARGETED RUNOFF MANAGEMENT BONDING

BR	\$10,000,000
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Request \$10,000,000 in additional nonpoint SEG-supported bonding authority for small-scale and large-scale targeted runoff management (TRM) projects and for notice of discharge (NOD) cost-sharing grants. The TRM program provides grants to local governments and landowners for controlling nonpoint source pollution in areas with surface water or groundwater quality concerns. Funding is also provided to certain animal feeding operations that have been issued an NOD or a notice of intent to issue an NOD for impermissible runoff of animal waste to state waters. Funding for the programs has historically been provided through bonding, with principal and interest payments on bonds being supported by the nonpoint account of the segregated environmental fund. In place of additional bonding, 2023 Act 19 provided DNR \$6.5 million GPR in one-time funding to support the program.

13. MUNICIPAL DAM REPAIR BONDING

BR	\$10,000,000
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Request \$10,000,000 in GPR-supported general obligation bonding authority for dam repair, reconstruction, and removal projects. The dam safety grant program provides matching grants to counties, cities, villages, towns, public inland lake protection and rehabilitation districts, and other dam owners for the repair, reconstruction, or removal of dams. To qualify for a grant, a dam must be inspected and be under a DNR directive to repair or remove the dam. DNR has received an additional \$4 million in bonding authority for this purpose each biennium from 2009-11 to 2019-21 and \$10 million in 2021-23. 2023 Act 19 provided \$4 million in GPR in one-time funding in a biennial appropriation for the municipal dam safety program, rather than providing additional bonding authority.

14. CONTAMINATED SEDIMENT BONDING

BR	\$9,000,000
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Request \$9,000,000 of additional bonding authority for removing contaminated sediments in the St. Louis River Area of Concern (Douglas County). Since 2007, DNR has been authorized \$40 million of contaminated sediment bonding authority, and \$7.5 million GPR was provided as one-time funding in lieu of additional bonding in 2023 Act 19. Debt service for contaminated

sediment bonding is supported by the environmental management account of the segregated environmental fund. As of July, 2024, DNR has expended or encumbered \$35.8 million of the available \$40 million of bonding authority. In 2023-24, \$1.9 million SEG was expended on debt service costs for this purpose. The requested bonding authority, along with other non-federal sponsor contributions, would likely match federal funding under such programs as the Great Lakes Restoration Initiative and Great Lakes Legacy Act.

15. POSITIONS REALLOCATION UNDER 2023 ACT 19

2023 Senate Bill 70, as passed by the Legislature, directed DNR to reallocate 3.0 positions and funding from existing vacancies within DNR to all-terrain vehicle (ATV) and utility terrain vehicle (UTV) law enforcement, and to report the reallocation to the Joint Committee on Finance for inclusion in the final appropriations schedule for the 2023-25 biennium. The Governor's partial veto removed mention to the number of positions that must be reallocated and specific positions for ATV or UTV enforcement. Additionally, the partial veto deleted the requirement that DNR report position reallocations to the Joint Committee on Finance.

As a result, Act 19 directs the DNR Secretary to "assign from the existing position authority of the Department of Natural Resources FTE to serve a conservation purpose." Allocations are at the agency's discretion. DNR was to report any position reallocations for inclusion in the final appropriations schedule for the 2023-25 biennium.

In May, 2024, DNR reported to DOA and the Legislative Fiscal Bureau on the positions that were to be reallocated under the provision. The following table summarizes the net changes by fund source, with additional detail provided for affected segregated funds.

DNR Act 19 Discretionary Position Reallocations by Fund Source

<u>Fund Source</u>	<u>Positions</u>
GPR	0.00
FED	-3.89
PR	-19.26
SEG	
Environmental Fund	35.05
Conservation Fund	0.60
Petroleum Inspection Fund	0.00
Dry Cleaner Environmental Response Fund	-2.00
Environmental Improvement Fund	<u>-10.50</u>
SEG Subtotal	23.15
Total	0.00

Conservation fund position changes would include the following changes: (a) 2.0 positions transferred to the ATV/UTV account; (b) 2.0 positions transferred to the boat account; (c) 0.3 position transferred to the parks account; (d) 0.03 position transferred to the fish and wildlife

account; (e) -1.0 position transferred from the forestry account; and (f) -2.73 positions transferred from split-funded appropriations, which would affect multiple accounts.

It should be noted that although 23.15 net positions were transferred between fund sources, a total of 55.57 positions were affected under the reallocations. This count includes position authority moved between budgetary subprograms of the same appropriation and position authority moved between appropriations of the same fund source.

The following paragraphs summarize the changes, as grouped by the Department's objective in making the reallocation. Each table shows the appropriation (s. 20.370) in DNR from which positions were transferred, the receiving appropriation, the title or a description of the appropriation, and the number of positions transferred between each. For positions reallocated within an appropriation, descriptions include notation of the budgetary subprograms affected. The positions described in the following paragraphs are reflected in the adjusted base shown at the beginning of this section.

ATV-UTV Wardens and Other Law Enforcement

Reallocate 6.0 positions from the primary conservation SEG law enforcement appropriation to other program areas or fund sources for the Division of Public Safety and Resource Protection (PSRP). Law enforcement operations are mostly funded by the fish and wildlife account of the conservation fund, with additional support from the forestry and parks accounts. The reallocations would transfer positions from these sources to other accounts or environmental fund SEG as shown.

Law Enforcement Positions

Source			Destination			Positions
Approp.	Description	Fund	Approp.	Description	Fund	
3 (mu)	General law enforcement	SEG	3 (as)	Law enforcement - ATV acct.	SEG	2.00
3 (mu)	General law enforcement	SEG	3 (ar)	Law enforcement - Boat acct.	SEG	2.00
3 (mu)	General law enforcement	SEG	3 (mq)	Law enforcement - Environmental	SEG	<u>2.00</u>
					Subtotal	6.00

Air Management -- Federally-Regulated Sources (Title V) Fees

Reallocate 7.75 PR positions funded from permit fees for federally-regulated sources of air pollutants to environmental fund SEG. Permit fee revenues from federally-regulated sources, also known as Title V sources, are insufficient to fund all currently authorized positions. Of the positions transferred, 3.0 are budgeted as managers in the Division of Environmental Management, 1.0 is a warden in the PSRP Division, and 3.75 are associated with the Division of External Services, including 2.5 in the Bureau of Environmental Analysis and Sustainability and 1.25 in the Bureau of Customer and Outreach Services.

Air Management Title V Positions

Source			Destination			Positions
Approp.	Description	Fund	Approp.	Description	Fund	
4 (co)	Title V sources - Division admin.	PR	4 (mq)	Env. Management ops. -- Admin.	SEG	3.00
3 (bg)	Law enforcement - Air programs	PR	3 (mq)	Law enforcement - Environmental	SEG	1.00
9 (mh)	External Services Division ops.	PR	9 (mv)	External Services Division ops.	SEG	<u>3.75</u>
					Subtotal	7.75

Air Management -- New Source Construction Permit Fees

Reallocate 10.0 PR positions for air pollution management to environmental fund SEG. Permit fee revenues are from construction permits for new sources of air pollution. The Clean Air Act requires stationary sources that emit air pollution to obtain a construction (new source) permit before beginning construction of the air pollution source. DNR administers construction permit requirements in Wisconsin and assesses fees that vary by the type of request, type of pollutant, whether emission testing is required, and whether the applicant requests expedited review. DNR is pursuing fee increases and position reallocations to address anticipated funding shortfalls for these program activities.

Air Management New Source Construction Permit Positions

Source			Destination			Positions
Approp.	Description	Fund	Approp.	Description	Fund	
4 (bo)	New source construction permits	PR	4 (mq)	Env. Management ops. - Air mgmt.	SEG	10.00

Information Technology

Reallocate 6.0 positions related to information technology (IT) services from various programs and bureaus throughout the Department to the designated IT budgetary subprogram in the Division of Internal Services.

Information Technology Positions

Source			Destination			Positions
Approp.	Description	Fund	Approp.	Description	Fund	
4 (co)	Title V air pollution sources	PR	8 (mu)	Internal Services - IT	SEG	2.00
2 (mv)	Forestry operations	SEG	8 (mu)	Internal Services - IT	SEG	1.00
4 (dw)	Waste and environmental repair	SEG	8 (mq)	Mobile air pollution sources	SEG	1.00
9 (mu)	External Services - Customer srvcs.	SEG	8 (mu)	Internal Services - IT	SEG	1.00
8 (mv)	Internal Services - Finance	SEG	8 (mv)	Internal Services - IT	SEG	0.50
8 (mz)	Federal indirect costs - Finance	FED	8 (mz)	Federal indirect costs - IT	FED	<u>0.50</u>
					Subtotal	6.00

Energy-Generation and Transmission Facility Project Reviews

Reallocate 2.0 positions to the Bureau of Environmental Analysis and Sustainability to accommodate environmental reviews of energy-generation and transmission projects. Certain large projects for energy-generating facilities or transmission infrastructure undergo Public Service Commission (PSC) regulatory review and must have environmental assessments or environmental impact statements prepared under the Wisconsin Environmental Policy Act before project approval is granted. Positions reallocated are intended to accommodate recent increases in PSC-reviewed projects, and the expectation for such review volume to continue.

Energy Project Review Positions

Source			Destination			Positions
Approp.	Description	Fund	Approp.	Description	Fund	
4 (mm)	Waste management ops.	FED	9 (mk)	External Services - Env. analysis	PR	1.50
9 (mk)	External Services - Customer srvc.	PR	9 (mk)	External Services - Env. analysis	PR	<u>0.50</u>
Subtotal						2.00

Environmental Improvement Fund Positions

Reallocate 8.3 positions in the Bureau of Community Financial Assistance and 2.0 positions in the Bureau of Watershed Management from environmental improvement fund (EIF) SEG to environmental fund SEG. (Environmental SEG positions would be split-funded between the environmental management and nonpoint accounts.) DNR reports that the reallocation is intended to preserve available loan fee and other EIF revenues. DNR reports that while certain funding under the federal Infrastructure Investment and Jobs Act has been able to support EIF administration, funding from that source will expire beginning in the 2025-27 biennium.

Environmental Improvement Fund Positions

Source			Destination			Positions
Approp.	Description	Fund	Approp.	Description	Fund	
9 (mt)	EIF operations - Grant/loan mgmt.	SEG	9 (mv)	External Srvs. - Grant/loan mgmt.	SEG	8.30
9 (mt)	EIF operations - Watershed mgmt.	SEG	9 (mv)	External Srvs. - Watershed mgmt.	SEG	<u>2.00</u>
Subtotal						10.30

Office of Agriculture and Water Quality

Reallocate 3.0 positions for the Office of Agriculture and Water Quality. The Office, created in 2022, consolidated some responsibilities from existing DNR programs and offices, such as watershed management, drinking and groundwater, water quality, and the Office of Great Waters, into one office focused on non-regulatory aspects of agriculture and water quality policy, research, programs, funding, and outreach. Primary responsibilities include: (a) promoting analysis of major policies addressing agricultural impacts on water; (b) serving as a liaison between other

Department offices to help with prioritization and coordination of research, policy, and funding initiatives; and (c) serving as the Department's single point of contact for stakeholders engaging in agriculture and water quality issues.

Office of Agriculture and Water Quality Positions

Source			Destination			Positions
Approp.	Description	Fund	Approp.	Description	Fund	
8 (mu)	Internal Services - Facilities/lands	SEG	9 (mv)	External Services - Watershed mgmt.	SEG	1.00
4 (mm)	Water quality ops.	FED	9 (mm)	External Services - Watershed mgmt.	FED	1.00
9 (ma)	External Services - Waterways	GPR	9 (ma)	External Services - Watershed mgmt.	GPR	<u>1.00</u>
Subtotal						3.00

Miscellaneous Transfers

Reallocate 10.52 positions for the following purposes: (a) combining partial position authorizations to create a full-time position, or other partial position that would be more typically filled by a part-time employee; (b) aligning a position's current responsibilities with a corresponding budgetary source; or (c) transferring positions from sources without available funding to other viable sources.

Miscellaneous Position Transfers

Source			Destination			Positions
Approp.	Title	Fund	Approp.	Title	Fund	
4 (eq)	Dry cleaner site cleanups admin.	SEG	4 (mq)	Env. Management - Remediation ops.	SEG	2.00
4 (mm)	Waste management ops.	FED	4 (mq)	Env. Management - Waste mgmt. ops.	SEG	2.00
8 (mu)	Internal Services - IT	SEG	8 (mu)	Internal Services - Division admin.	SEG	1.00
9 (mk)	External Services - Env. analysis	PR	9 (hu)	Licensing handling fees	SEG	1.00
4 (mm)	Air management ops.	FED	4 (nz)	Safe drinking water program ops.	FED	1.00
9 (mz)	Federal indirect costs - Cust. Srvs.	FED	9 (mz)	Federal indirect costs - Communications	FED	1.00
8 (ma)	Internal Services - Finance	GPR	9 (ma)	External Services - Communications	GPR	1.00
8 (mk)	Internal Services - Facilities/lands	PR	8 (mu)	Internal Services - Facilities/lands	SEG	0.50
4 (mm)	Remediation and redevelop. ops.	FED	9 (fL)	Water system operator certification fees	PR	0.35
3 (mu)	General law enforcement	SEG	1 (mu)	Parks general operations	SEG	0.30
9 (mt)	EIF operations - Grant/loan mgmt.	SEG	8 (mu)	Internal Services - Facilities/lands	SEG	0.20
9 (mu)	External Services - Cust. Service	SEG	9 (fL)	Water system operator certification fees	PR	0.10
4 (mm)	Drinking and groundwater ops.	FED	9 (fL)	Water system operator certification fees	PR	0.04
3 (mu)	General law enforcement	SEG	1 (mu)	Fisheries management operations	SEG	<u>0.03</u>
Subtotal						10.52

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
1. Provide for minor position transfers and expenditure authority changes, as included in the agency request.	PR	-\$194,800	-\$194,800
	SEG	<u>194,800</u>	<u>194,800</u>
Total		\$0	\$0
	PR	(-\$194,800)	(-\$194,800)
	SEG	(\$194,800)	(\$194,800)
5% Budget Reduction Plan			
1. Reduce Fish, Wildlife, and Parks Division operations by \$3,672,900 conservation SEG as follows: (a) \$1,068,100 for wildlife management; (b) \$1,006,900 for parks; (c) \$806,300 for fisheries management; (d) \$366,800 for southern forests; (e) \$275,300 for property and recreational management; (f) \$75,900 for endangered resources activities; and (g) \$73,600 for Division administration. Delete \$500,000 GPR for walleye production contracts. Reduce \$420,600 conservation SEG for state ATV/UTV projects and \$68,000 conservation SEG for state snowmobile trail projects. Reduce \$57,000 GPR for fisheries management general operations. Reduce \$36,000 tribal gaming PR for whooping crane reintroduction. Reduce \$33,000 conservation SEG for the aquatic and terrestrial resources inventory. Reestimate fish and wildlife account SEG expenditures by -\$290,000 annually.	GPR	-\$557,000	-\$557,000
	PR	-36,000	-36,000
	SEG	-4,484,500	-4,484,500
2. Reduce Forestry Division operations by \$3,394,000 conservation SEG (forestry account) and eliminate 2.5 positions. Reduce prescribed burn activities by \$350,000 forestry SEG and eliminate 2.5 positions.	SEG	-3,744,000	-3,744,000
3. Reduce air management PR appropriations by \$569,700 and 6.5 positions. Reduce funding for spills response by \$390,600 environmental management SEG. Reduce various Environmental Management Division operations as follows: (a) \$520,100 environmental SEG and 3.5 positions; and (b) \$100,700 GPR with 1.0 position. Reduce lake, river, and aquatic invasive species management by \$297,100 conservation SEG (water resources). Reduce petroleum inspection SEG-funded operations for remediation and redevelopment by \$138,300 with 1.0 position. Reestimate various PR continuing (all monies received) appropriations by -\$752,700 and eliminate 4.0 positions. Reduce Great Lakes remedial action funding by \$35,000 GPR.	GPR	-135,700	-135,700
	PR	-1,322,400	-1,322,400
	SEG	-1,346,100	-1,346,100
4. Reduce Internal Services Division operations by \$1,688,200 conservation SEG (split-funded).	SEG	-1,688,200	-1,688,200

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan (continued)			
5. Reduce External Services Division operations by \$1,376,600 environmental fund SEG (split-funded) and eliminate 9.5 positions. Reduce operations by \$548,200 conservation SEG (split-funded) and 5.0 positions. Delete \$267,600 SEG for nonpoint source pollution-related research and other contracts. Delete \$76,300 PR for nonferrous metallic mining regulation. Reestimate general operations by -\$310,500 PR annually and eliminate 3.0 PR positions.	PR	-\$386,800	-\$386,800
	SEG	-2,192,400	-2,192,400
6. Provide for minor position transfers and expenditure authority changes, as included in the agency request.	PR	-194,800	-194,800
	SEG	<u>194,800</u>	<u>194,800</u>
Total		-\$15,893,100	-\$15,893,100
	GPR	(-\$692,700)	(-\$692,700)
	PR	(-\$1,940,000)	(-\$1,940,000)
	SEG	(-\$13,260,400)	(-\$13,260,400)

PROGRAM SUPPLEMENTS

Budget Summary					FTE Position Summary	
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		There are no authorized positions for program supplements.
		2025-26	2026-27	Amount	%	
GPR	\$332,100	\$332,100	\$332,100	\$0	0.0%	

PUBLIC DEFENDER

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$132,777,800	\$138,836,600	\$150,114,100	\$23,395,100	8.8%	614.85	690.45	690.45	75.60	12.3%
FED	1,600	0	0	- 3,200	- 100.0	0.00	0.00	0.00	0.00	0.0
PR	1,498,700	1,510,400	1,511,100	24,100	0.8	5.00	5.00	5.00	0.00	0.0
TOTAL	\$134,278,100	\$140,347,000	\$151,625,200	\$23,416,000	8.7%	619.85	695.45	695.45	75.60	12.2%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$7,854,600
FED	- 3,200
PR	24,100
Total	\$7,875,500

Request adjustments to the base totaling \$3,910,700 GPR, -\$1,600 FED, and \$11,700 PR in 2025-26 and \$3,943,900 GPR, -\$1,600 FED, and \$12,400 PR in 2026-27. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits (\$3,710,500 GPR and \$23,900 PR annually); (b) overtime (\$220,300 GPR and \$2,900 PR annually); and (d) full funding of lease and directed moves costs (-\$20,100 GPR, -\$1,600 FED, and -\$15,100 PR in 2025-26 and \$13,100 GPR, -\$1,600 FED, and -\$14,400 PR in 2026-27).

Note that the request includes turnover reduction (-\$1,603,500 GPR annually) and restoration of funding (\$1,603,500 GPR annually) for a net change of \$0 GPR annually. Under the Constitution and U.S. Supreme Court case law, the SPD is required to provide representation for all financially eligible individuals accused of a crime. The agency provides that representation through both staff and private bar attorneys. Restoration of the turnover reduction is requested because, if turnover reductions are taken and staff positions not filled, cases will be handled by private bar attorneys. Since staff handle a higher caseload than private attorneys and generally cost less than private bar attorneys, not filling staff attorney positions may result in higher costs to provide representation.

2. CHARGING AND SENTENCING ALTERNATIVES

GPR	- \$11,504,800
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Request a reduction to funding for private bar appointments of -\$3,317,600 in 2025-26 and -\$8,187,200 in 2026-27, associated with adoption of the following law changes intended to reduce the number of SPD appointments. [Note that estimated annual savings from all requested law changes are approximately halved in 2025-26 since private bar attorneys generally bill the SPD six months after being assigned a case.]

a. Modify current law to remove the words "indecent, profane, boisterous, unreasonably loud" as the basis for s. 947.01 Disorderly Conduct. The SPD estimates that this law change would affect 2,989 cases and reduce SPD costs in the 2025-27 biennium by \$3,153,400.

b. Modify current law to provide that possession of marijuana be reclassified as an ordinance violation, provided that there are no allegations that the individual is manufacturing, distributing, or delivering a controlled substance. The SPD estimates that this law change would affect 4,717 cases and reduce SPD costs in the 2025-27 biennium by \$6,690,800.

c. Modify current law to cap community supervision at two years. The SPD estimates that this law change would affect 1,062 cases and reduce SPD costs by \$1,660,600 in the 2025-27 biennium reflecting a decrease in the number of administrative hearings for revocation of community supervision initiated by the Department of Corrections. Individuals under Corrections' supervision have generally been convicted of one or more felony charges. Under current law, depending on the class of felony, the maximum extended supervision sentences range from two years per charge to 20 years per charge.

3. WORKLOAD STAFFING

	Funding	Positions
GPR	\$7,707,600	52.50

Request \$3,777,900 in 2025-26 and \$3,929,700 in 2026-27 and 52.5 positions annually to address workload issues that contribute to delays in the provision of constitutionally-required representation. This request would include: 6.5 appellate attorneys; 24.0 paralegals; 9.0 investigators, 4.0 client services specialists, 7.0 legal secretaries, 1.0 human resources specialist, and 1.0 information technology specialist position.

4. INDIGENCY CRITERIA

	Funding	Positions
GPR	\$5,844,400	23.10

Request \$2,271,100 in 2025-26 and \$3,573,300 in 2026-27 and 23.1 positions annually to update the financial eligibility criteria to 115% of the current (instead of 2011) federal poverty guideline to qualify for public defender representation effective January 1, 2026. The Public Defender estimates that an additional 4,563 appointments would be made based on the 2024 federal poverty guideline. Assuming current caseload requirements and appointment ratios between staff and private bar attorneys, SPD estimates that additional staffing needs could be met by 9.5 trial attorneys, 1.5 appellate attorneys, 2.8 legal secretaries, 2.8 paralegals, 2.8 investigators, 3.7 client service specialists at a total cost of \$1,668,000 in 2025-26 and \$2,069,900 in 2026-27. In addition, increased private bar appointment costs would be estimated to be \$603,100 in 2025-26 and \$1,503,400 in 2026-27.

5. PAY PROGRESSION

GPR	\$5,467,900
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Request \$1,814,800 in 2025-26 and \$3,653,100 in 2026-27 to support pay progression. The pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary (\$76,378 as of June 30, 2024) and the highest annual salary (\$158,122 as of June 30, 2024). The value of one hourly salary step

equals \$4,805 annually. Funding requested is approximately equal to one step at the beginning of each year of the biennium.

Request non-statutory language specifying that: (a) notwithstanding statutory provisions requiring that pay progression be based entirely on merit, in 2025-26, pay progression may be based on equity criteria to address cases where an employee's base pay rate is lower than that of employees with fewer years of service; and (b) notwithstanding statutory provisions establishing maximum annual salary increases in connection with pay progression at no more than 10%, salary increases in 2025-26 may be more than 10%.

6. PRIVATE BAR REIMBURSEMENT RATES

GPR	\$3,830,300
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Request \$1,101,400 in 2025-26 and \$2,728,900 in 2026-27 to increase the private bar rate paid for violent felony cases from \$100 to \$125 per hour effective July 1, 2025, to increase the mileage reimbursement rate to match the Internal Revenue Service standard mileage rate for businesses (\$0.67 per mile in 2024), and to allow reimbursement for time spent compiling and submitting invoices to the SPD. In addition, grant the SPD authority to update rules to reflect changes in the rates. Under current law, private bar attorneys are compensated at a rate of \$100 per hour for time spent related to a case, regardless of the case type, and are reimbursed at a rate of \$0.51 per mile for travel. The increase in hourly compensation would apply to cases assigned on or after July 1, 2025.

7. GEOGRAPHIC ADD-ON PAY

GPR	\$2,765,600
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Request \$1,382,800 annually to provide location-based hourly add-on pay to encourage recruitment of staff attorneys in rural and difficult to recruit offices. For cost estimation purposes, SPD assumed staff attorneys with offices located in Appleton, Peshtigo, Oshkosh, La Crosse, Portage, Milwaukee Youth and Mental Health, Merrill, Wausau, Spooner, and West Bend would receive a \$3 per hour add-on. This cost would be limited with turnover-based criteria determined by the Division of Personnel Management in the Department of Administration.

8. PRIVATE BAR COST TO CONTINUE

GPR	-\$2,353,700
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Request -\$6,773,900 in 2025-26 and \$4,420,200 in 2026-27 for private bar and investigator reimbursement payments. The requested reduction in 2025-26 is based on the expectation that expenditures for this purpose will be less than budgeted funding due to the number of bills still being paid out at the \$70 per hour rate for cases appointed before July 1, 2023. Base funding for private bar reimbursements is \$49,822,800.

9. EXPERT WITNESS SERVICES COST TO CONTINUE

GPR	\$2,088,000
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Request \$1,044,000 annually to support payments for expert witnesses. The base allocation for expert witnesses within funding budgeted for trial representation is \$337,600. In recent years,

the SPD has reallocated funding from trial representation and appellate representation to support the costs of expert witnesses. In 2023-24, the SPD incurred \$1,381,600 in expert witness costs.

10. LOAN ASSISTANCE

GPR	\$1,000,000
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Request \$500,000 annually to conduct a pilot loan assistance program for staff and private bar attorneys who accept public defender appointments and who meet certain additional criteria. Under the SPD's request, some suggested criteria for private bar attorneys to qualify and meet terms for student loan payment assistance would be: (a) licensed to practice in Wisconsin; (b) maintain a law practice with headquarters or majority of legal work performed in a county that is located in certain economic development regions; and (c) an annual caseload threshold of 50 SPD-assigned cases. The request would provide loan assistance of up to \$10,000 per year.

11. COURT TRANSCRIPTS, DISCOVERY, AND INTERPRETER FUNDING

GPR	\$695,200
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Request \$347,600 annually to support payments for: (a) transcripts of court proceedings; (b) discovery materials; and (c) interpreters. Base funding for transcripts, discovery, and interpreters is \$2,129,700. In recent years, the SPD has reallocated funding from trial representation and appellate representation to support the costs of transcripts, discovery, and interpreters. In 2023-24, the SPD incurred \$2,477,300 in transcript, discovery, and interpreter costs.

12. PILOT CHIPS EXTENSION

Request an extension of the sunset date on the pilot program to provide counsel for parents of a child subject to a Child in Need of Protection or Services (CHIPS) proceeding in five counties from June 30, 2025 to June 30, 2027. The pilot program began July 1, 2018, and funding for the five-county program is included in the agency's base budget. The SPD indicates that although the program has been successful, it is not seeking an expansion beyond the current five counties due to the "ongoing status of workload issues and attorney availability."

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
1. Combination of the following: (a) statutory changes to the charging process for certain offenses to reduce the number of cases in which the SPD must appoint an attorney in both years; (b) discontinue the CHIPS pilot program; and (c) partially remove the private bar cost to continue.	GPR	-\$10,061,163	-\$6,467,800

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Base Level Plan (continued)			
2. Increase the program operation allocation.	GPR	\$191,300	\$184,000
3. Increase the appellate representation allocation.	GPR	720,800	907,700
4. Increase the trial representation allocation.	GPR	9,064,100	5,350,700
5. Increase the private bar administration allocation.	GPR	100	0
6. Increase the transcripts, discovery, and interpreter allocation.	GPR	347,600	0
7. Adjust the conferences and training allocation.	PR	<u>-262,737</u>	<u>25,400</u>
Total		\$0	\$0
	GPR	(\$262,737)	(-\$25,400)
	PR	(\$262,737)	(\$25,400)
5% Budget Reduction Plan			
1. Combination of the following: (a) statutory changes to the penalty surcharge and/or charging process for certain offenses to reduce the number of cases in which the SPD must appoint an attorney in both years; (b) remove private bar rate increase; and (c) remove private bar cost to continue.	GPR	-\$12,102,600	-\$11,156,400
2. Increase the program operation allocation.	GPR	191,300	184,000
3. Increase the appellate representation allocation.	GPR	720,800	907,700
4. Increase the trial representation allocation.	GPR	4,739,337	3,451,000
5. Increase the private bar administration allocation.	GPR	100	0
6. Reduce the conferences and training allocation.	PR	<u>-262,737</u>	<u>-100,100</u>
Total		\$5,197,500	\$4,258,600
	GPR	(\$6,451,063)	(-\$6,613,700)
	PR	(\$262,737)	(\$100,100)

PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$7,868,908,000	\$9,558,044,100	\$10,510,795,900	\$4,331,024,000	27.5%	247.29	256.29	256.29	9.00	3.6%
FED	886,146,800	888,745,300	888,113,100	4,564,800	0.3	332.99	323.99	316.99	- 16.00	- 4.8
PR	55,396,000	57,726,000	57,751,800	4,685,800	4.2	75.99	79.99	79.99	4.00	5.3
SEG	<u>82,196,900</u>	<u>102,921,600</u>	<u>105,065,600</u>	<u>43,593,400</u>	26.5	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	N.A.
TOTAL	\$8,892,647,700	\$10,607,437,000	\$11,561,726,400	\$4,383,868,000	24.6%	656.27	660.27	653.27	- 3.00	- 0.5%

Major Request Items

General School Aids and Revenue Limits

1. GENERAL SCHOOL AIDS FUNDING

GPR	\$1,005,075,000
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Request \$332,759,000 in 2025-26 and \$672,316,000 in 2026-27 above base level funding of \$5,581,190,000 for general school aids. The general school aids appropriation funds equalization, integration, and special adjustment aid. The requested funding would represent an increase of 6.0% in 2025-26 and 5.7% in 2026-27 compared to the prior year.

2. GENERAL SCHOOL AID FORMULA PROVISIONS

Request statutory language to make the following changes to the general school aid formula, beginning in 2025-26:

a. Set the secondary cost ceiling at 100% of the prior year statewide shared cost per member.

Under current law, the secondary cost ceiling is set at 90% of the prior year statewide shared cost per member. Had this item applied in 2024-25, the secondary cost ceiling would have been \$13,270 per pupil, rather than \$11,943 per pupil as under current law. Under this item, more costs would have been aided at the secondary level with its higher guarantee, so that the lower level of state aid under the tertiary guarantee would only apply to school districts for shared costs that exceed the statewide average.

b. Specify that special adjustment aid would be calculated based on 90% of a district's

prior year general aid payment.

Under current law, special adjustment aid is equal to the amount needed to make an eligible district's total general aid eligibility equal to 85% of the district's prior year general aid payment. This item would raise the percentage to 90%, further limiting year-to-year declines in a district's general aid payment.

3. REVENUE LIMIT PROVISIONS

Request statutory language to make the following changes to school district revenue limits:

a. Set the per pupil adjustment at \$425 in 2025-26 and create an inflationary adjustment beginning in 2026-27.

Under revenue limits, the amount of revenue a school district can raise from general school aids, property taxes, and exempt property aids is restricted. A district's base revenue in a given year is equal to the restricted revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine its base revenue per pupil. Under current law, in 2024-25 and each year thereafter until 2425 (due to a gubernatorial veto), a \$325 per pupil adjustment is made to base revenue per pupil to determine a district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's enrollments in the current and prior two years to determine the district's initial revenue limit.

Prior to 2009-10, the per pupil adjustment was adjusted for inflation, using the percentage change, if positive, in the consumer price index for all urban consumers between the preceding March and second-preceding March. The following table shows the per pupil adjustment under the request compared to current law. Based on current enrollment figures, it is estimated that the proposed per pupil adjustments would provide approximately \$80 million in 2025-26 and \$170 million in 2026-27 in additional revenue limit authority statewide compared to current law, before consideration of any offsetting changes in other revenue limit adjustments.

Per Pupil Adjustment

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Current Law	\$325	\$325	\$325
Request	325	425	438*

*Estimated.

b. Beginning in 2025-26, set the low revenue adjustment equal to the prior year statewide average revenue per member attributable to the per pupil, low revenue, and prior year base hold harmless adjustments, and delete the statutory provisions generally restricting otherwise-eligible districts from any low revenue adjustment increases for three years after a failed operating referendum.

Under the low revenue adjustment, if the sum of the base revenue per pupil and the per pupil adjustment described above for a district is below the statutorily-specified amount, a district may increase its revenue to that amount. The low revenue adjustment amount in 2024-25 and each year thereafter is \$11,000 per pupil, with the three-year exception for districts with failed referenda. The following table shows the estimated low revenue adjustment amount under the request compared to current law.

Low Revenue Adjustment -- Per Pupil Amount

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Current Law	\$11,000	\$11,000	\$11,000
Request	11,000	11,700*	12,300*

*Estimated

c. Delete the prohibition on school boards adopting resolutions to use the revenue limit adjustment for energy efficiency measures, beginning in 2025-26.

Under current law, there is a nonrecurring adjustment for energy efficiency measures. Under the adjustment, a school board could adopt a resolution to increase the district's revenue limit by the amount spent to implement energy efficiency measures or to purchase energy efficient products, including the payment of debt service to finance a project, subject to various statutory requirements. Under the 2017-19 budget act, as a result of a gubernatorial veto, school districts were prohibited from adopting a resolution to use this adjustment after December 31, 2017, and the adjustment is suspended until after December of 3018. Thus, while districts are prohibited from funding new projects under the adjustment, it can still be used for the payment of debt service for previously-approved projects.

d. Create a nonrecurring revenue limit adjustment for expenses for school safety and cybersecurity, beginning in 2025-26. Specify that a school district may use funding generated by the adjustment to pay for school safety and cybersecurity, including staff, equipment, software, security systems, and other services. Specify that the adjustment would be equal to \$100 times the number of pupils enrolled in the district or \$60,000, whichever is greater.

4. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP

Request statutory language to specify that four-year-old kindergarten pupils in full-day programs would be counted as 1.0 pupil for membership purposes, beginning in 2025-26. This membership change would apply to school district revenue limits and general aid and payments to schools in private school choice programs and the independent charter school program.

Under current law, a four-year-old kindergarten pupil is counted as 0.5 member if the pupil attends for at least 437 hours, unless the program provides at least 87.5 additional hours of outreach activities, in which case the pupil is counted as 0.6 member.

Categorical Aids

1. SPECIAL EDUCATION

GPR	\$1,987,067,600
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Request \$820,517,300 in 2025-26 and \$1,166,550,300 in 2026-27 for special education categorical aid. Base level funding is \$574,777,700, which DPI estimates will reimburse approximately 32% of eligible costs in 2024-25. DPI estimates the additional aid would allow for reimbursement of 75% of special education costs in 2025-26 and 90% in 2026-27.

Additionally, request statutory language modifying the appropriation to be sum sufficient, and establishing the targeted reimbursement rates of 75% in 2025-26 and 90% in 2026-27 in statute.

2. HIGH COST SPECIAL EDUCATION AID

GPR	\$42,244,000
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Request \$20,424,000 in 2025-26 and \$21,820,000 in 2026-27 for high-cost special education categorical aid. Base level funding is \$14,480,000, which will reimburse approximately 25% of eligible costs in 2024-25. DPI estimates the additional aid would allow for reimbursement of 60% of high cost special education costs in 2025-26 and 2026-27.

Additionally, request statutory language modifying the appropriation to be sum sufficient, establishing the targeted reimbursement rate of 60% in statute.

Under current law, applicants are eligible for high-cost aid for 90% of non-administrative costs above \$30,000 for an individual pupil in the previous school year, if the costs were not reimbursed by the state special education categorical aid, federal Individuals with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient, payments are prorated.

3. EARLY CHILDHOOD SPECIAL EDUCATION

GPR	\$11,200,000
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Request \$600,000 in 2025-26 and \$10,600,000 in 2026-27 for a new program to support local educational agencies and non-school childcare settings in providing required special education services to young children. Of the total, \$600,000 annually would be for contracts with cooperative educational service agencies (CESAs) to support four regional collaboration coaching positions to focus on promoting child find (a process designed to identify and refer as early as possible all children with disabilities) with childcare providers, facilitating services between childcare centers and school districts, and providing training and technical assistance. The remaining \$10,000,000 in 2026-27 would be used to reimburse local educational agencies and childcare providers for the allowable costs of providing special education services in early childhood care settings that are not covered by existing state or federal special education funding.

4. SPECIAL EDUCATION TRANSITION READINESS GRANT PROGRAM

GPR	\$3,000,000
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Request \$1,500,000 annually above base level funding of \$1,500,000 to expand access to the special education transition readiness grant program, and request statutory language establishing minimum and maximum grant award amounts be eliminated.

Under the program, grants of not less than \$25,000 nor more than \$100,000 are awarded to school districts and independent charter schools to fund special education workforce transition support services, including pupil transportation, professional development for school personnel, and employing adequate school personnel.

5. SPECIAL EDUCATION TRANSITION INCENTIVE GRANT PROGRAM

GPR	\$700,000
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Request \$300,000 in 2025-26 and \$400,000 in 2026-27 above base level funding of \$3,600,000 for the special education transition incentive grant program. Under the program, school districts and independent charter schools are eligible to receive a grant of \$1,000 for each pupil who was enrolled in the district or school in the prior year and exited from high school, had an individualized education plan, and, within one year of exiting high school, met one of the following criteria: (a) enrolled in a higher education program; (b) enrolled in other postsecondary education or training; or (c) remained competitively employed for at least 90 days. Payments are prorated if funding is insufficient to meet eligible claims. In 2024-25, the proration rate is 94.8%. DPI estimates the additional aid would allow for full funding of claims.

6. SUPPLEMENTAL NUTRITION AID

	Funding	Position
GPR	\$294,145,100	1.00

Request \$146,256,000 in 2025-26 and \$147,720,000 in 2026-27 a new, sum-sufficient appropriation to provide supplemental aid payments to eliminate fees charged to pupils for meals served in schools. School districts, independent charter schools, private schools, and other educational entities that participate in the National School Lunch Program would be eligible for aid payments equal to the difference in the federal reimbursement amount between a free meal, a reduced-price meal and full-price meal, multiplied by the number of reduced-price and full-price meals served in the prior year.

Additionally, request \$72,500 in 2025-26 and \$96,600 in 2026-27 and 1.0 position beginning in 2025-26 in the Department's appropriation for general program operations. The position would administer the program and be funded with \$42,200 salary, \$17,700 fringe benefits, and \$12,600 supplies and services in 2025-26 and \$56,200 salary, \$23,600 fringe benefits, and \$16,800 supplies and services in 2026-27.

7. LOCAL FOOD TO SCHOOLS PROGRAM

GPR	\$10,000,000
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Request \$5,000,000 annually for a new categorical aid program to provide grants to schools

and other organizations to strengthen local food supply chains and expand access to local foods in school meals.

8. SCHOOL BREAKFAST PROGRAM

GPR	\$6,109,500
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Request \$3,027,400 in 2025-26 and \$3,082,100 in 2026-27 above base level funding of \$2,510,500 for the school breakfast program to increase the state reimbursement rate to 15.0 cents per meal served. Under the program, participating agencies are eligible for reimbursements of 15.0 cents per meal served if funding is available. The Department estimates that payments will be prorated at approximately 7 cents per meal served in 2024-25.

Additionally, request statutory language to allow independent charter schools, the state's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired, and residential care centers to be eligible for reimbursement, and to specify that schools that cease operations are not eligible for reimbursement for breakfasts served in the previous school year.

9. SAFE DRINKING WATER IN SCHOOLS

GPR	\$2,500,000
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Request \$2,500,000 in 2026-27 in a new, annual appropriation to provide grants to school districts to purchase water bottle filling equipment that includes a water filtration component.

10. SCHOOL DAY MILK PROGRAM

GPR	\$458,900
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Request \$211,100 in 2025-26 and \$247,800 in 2026-27 above base level funding of \$1,000,000 to fully fund projected claims for the school day milk program. Under the program, DPI is required to reimburse the cost of milk provided to low-income children in preschool through fifth grade in public, private, and tribal schools that do not participate in the federal special milk program. If funding is insufficient, payments are prorated.

11. GRANTS FOR MILK COOLERS AND DISPENSERS

GPR	\$150,000
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Request \$150,000 beginning in 2026-27 to create a new categorical aid program to reimburse school districts, independent charter schools, private schools, and other educational entities that participate in the National School Lunch Program for the cost of purchasing milk coolers and milk dispensers that do not qualify for reimbursement under a federally-funded program.

12. PER PUPIL AID

GPR	\$212,013,800
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Request \$88,581,900 in 2025-26 and \$123,431,900 in 2026-27 above base level funding of \$587,812,400 for per pupil aid. Request statutory language to make the following changes to per pupil aid:

a. Increase the aid payment from \$742 per pupil under current law to \$800 per pupil in 2025-26 and \$850 per pupil in 2026-27.

b. Specify that economically disadvantaged pupils (generally defined as pupils who meet the eligibility criteria for a free or reduced price lunch) would be weighted by an additional 20% (be counted as 1.2 pupil rather than 1.0 pupil) for the purpose of calculating per pupil aid.

The 2013-15 budget act established a sum sufficient per pupil aid appropriation. Each school district receives a \$742 per pupil aid payment in 2024-25 and each year thereafter under current law, outside of revenue limits, from this appropriation. A district's current three-year rolling average pupil count under revenue limits, less the independent charter pupils included in those counts, is used to calculate the aid payment. DPI estimates that per pupil aid enrollment will be 780,000 in 2025-26 and 771,900 in 2026-27, and that the weighting for economically disadvantaged pupils would add an equivalent of 65,500 pupils in 2025-26 and 64,800 pupils in 2026-27 to the aid calculation.

13. SCHOOL-BASED MENTAL HEALTH SERVICES

GPR	\$167,776,000
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Request \$83,888,000 annually above base level funding of \$10,000,000 for school-based mental health services to expand the capacity of school districts and independent charter schools to offer mental health services and support to pupils, and rename the appropriation to "aid for comprehensive school mental health services."

Additionally, request statutory language to modify the method for allocating aid to specify that payments would be equal to \$100 per pupil with a guaranteed minimum payment of \$100,000 to each school district and independent charter school, specify that aid is determined based on prior year membership and enrollment data, and expand the allowable purposes for which funding may be used to include offsetting the costs of employing school-based mental health professionals and collaborating or contracting with community mental health providers and other organizations to provide training, mentoring, and consultation.

Under current law, aid is distributed on a per pupil basis using the current year revenue limit membership for school districts and the third Friday in September enrollment count for independent charter schools. In 2024-25, it is estimated that payments will equal approximately \$31 per pupil. Funds may be used for the purpose of collaborating with mental health providers to provide mental health services to pupils.

14. AID FOR SCHOOL MENTAL HEALTH PROGRAMS

GPR	\$129,989,000
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Request \$62,752,000 in 2025-26 and \$67,237,000 in 2026-27 above base level funding of \$12,000,000 to expand aid for school mental health programs and rename the appropriation to "aid for school mental health programs; pupil services staff."

Additionally, request expansion of the program to include expenditures for all pupil services staff, which would include school counselors, psychologists, and nurses, in addition to social

workers as under current law, and to eliminate the tiered structure of the program under current law. Under this modification, eligible districts and schools would receive reimbursement for a portion of their total expenditures on pupil services staff in the prior year.

Under current law, the program reimburses eligible districts and schools for expenditures on school social workers as follows: (a) 50% reimbursement of the increase in expenditures for school social worker services from one year to the next; and (b) a proportion of unreimbursed expenditures for social workers, based on the amount remaining in the appropriation after payments are made under (a). Eligible districts and schools are defined as school districts, independent charter schools, and private choice schools that increased their expenditures on social workers from one year to the next.

15. PEER TO PEER SUICIDE PREVENTION GRANTS

GPR	\$700,000
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Request \$350,000 annually above base level funding of \$250,000 to expand the peer-to-peer suicide prevention grant program and request statutory language increasing the maximum grant award from \$1,000 to \$6,000 to reflect the costs to a school to implement such a program.

16. ENGLISH LEARNER CATEGORICAL AID

GPR	\$53,500,000
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Request \$26,750,000 annually for a new categorical aid program to support English learner (EL) pupils in school districts and independent charter schools. Under the program, funding would be provided to each school district and independent charter school serving at least one EL in a flat amount per EL pupil to ensure support for all EL pupils in public schools.

17. BILINGUAL-BICULTURAL EDUCATION AID

GPR	\$42,515,200
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Request an increase of \$18,125,500 in 2025-26 and \$24,389,700 in 2026-27 above base level funding of \$10,089,800 for bilingual-bicultural education aid. The Department estimates the additional aid would allow for reimbursement of approximately 25% of program costs in 2025-26 and 30% in 2026-27.

Under current law, school districts are required to establish a bilingual program if, within a language group at a given school, there are 10 or more English learner (EL) pupils in kindergarten to grade three, or 20 or more ELs in grades four to eight or grades nine to 12. Aid is provided to districts to reimburse eligible costs related to providing services for English learners. Districts in which English learners comprise 15% or more of total enrollment are eligible for additional aid from a \$250,000 set-aside, which is divided proportionately among eligible districts based on their costs. In 2023-24, the reimbursement rate under the program was approximately 9.2%.

18. EXPANDING CAREER AND TECHNICAL EDUCATION AND CAREER PATHWAYS

	Funding	Position
GPR	\$44,984,100	1.00

Request \$72,500 in 2025-26 and \$44,911,600 in 2026-27 and 1.0 position beginning in

2025-26 for a new program to expand career and technical education courses and career pathway offerings for high school students enrolled in school districts and independent charter schools.

Of this amount, \$44,815,000 in 2026-27 would be placed in a new, sum-sufficient appropriation to allocate funds to school districts and independent charter schools under a tiered structure, based on the number of pupils enrolled in a high school in the school or district in the prior year as described in the table below. Funds could be used on activities such as work-based learning programs and activities, expenses incurred by pupils for dual enrollment courses, teacher training, employing a career coordinator, career development activities, and development or expansion of pathway instruction. Districts would access their allocations by submitting claims with documentation of expenditures for allowable uses of the funds.

<u>Number of High School Pupils</u>	<u>Base Award Amount</u>	<u>Additional Per Pupil Amount</u>	<u>Number of Districts</u>
1-125	\$25,000	\$0	76
126-250	50,000	0	88
251-500	50,000	200 (each pupil above 250)	95
501-750	100,000	175 (each pupil above 500)	37
751-1,000	143,750	150 (each pupil above 750)	23
1,001-5,000	181,250	125 (each pupil above 1,000)	69
5,001-10,000	681,250	100 (each pupil above 5,000)	4
10,001-15,000	1,181,250	75 (each pupil above 10,000)	0
15,001-20,000	1,556,250	50 (each pupil above 15,000)	1

The position would be a grant specialist to administer the new program, and would be funded through the Department's existing general program operations appropriation with \$42,200 salary, \$17,700 fringe benefits, and \$12,600 supplies and services in 2025-26 and \$56,200 salary, \$23,600 fringe benefits, and \$16,800 supplies and services in 2026-27.

19. GRANTS FOR INFORMATION TECHNOLOGY INFRASTRUCTURE AND CYBERSECURITY GPR \$27,000,000

Request \$13,500,000 annually for a new grant program to improve information technology infrastructure for public school districts, independent charter schools, the Wisconsin Center for the Blind and Visually Impaired, the Wisconsin Educational Services Program for the Deaf and Hard of Hearing, tribal schools, and public libraries. Of the total, \$12,000,000 annually would be dedicated to local educational agencies (LEAs), \$1,000,000 would be dedicated to public libraries, and \$500,000 would be used by DPI to purchase software licenses and other services to be made available to libraries and LEAs. Each LEA would receive a minimum allocation of \$10,000 plus a per pupil amount, not to exceed \$100,000. The per pupil amount would be set to fully allocate the available funding. Funding would be allocated to public library systems using factors such as population density and unemployment in each public library system.

20. GRANTS FOR INFORMATION TECHNOLOGY EDUCATION

GPR	\$1,250,000
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Request \$625,000 annually above base level funding of \$875,000 for grants for information technology education. Additionally, request statutory language allowing DPI to award more than one grant under the program and allowing for more flexible use of funds by recipients.

Under current law, the program awards a grant to an entity to develop an instructional program to be operated in 225 sites, including 16 public libraries, and to provide information technology opportunities to public school pupils in grades 6 to 12, technical college district students, and patrons of public libraries. The program is required to include a research-based curriculum with online access, instructional software for use in the classroom and at home, alignment with coding and other techniques on the computer science Advanced Placement examination, certifications of skills and competencies in a broad range of IT related skills areas, professional development for teachers, deployment and program support, and opportunities for pupils completing the program to earn college credit.

21. GRANTS FOR OUT-OF-SCHOOL TIME PROGRAMS

GPR	\$20,000,000
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Request \$20,000,000 in 2026-27 in a new appropriation to create a grant program to support the implementation and expansion of after-school and other out-of-school time programs offered through local educational agencies and community-based organizations for school age children and youth.

22. PEER REVIEW AND MENTORING GRANT

GPR	\$7,426,800
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Request \$3,713,400 annually above base level funding of \$1,606,700 for the peer review and mentoring grant program. Under current law, the program provides grants of up to \$25,000 to cooperative educational service agencies (CESAs) or consortia consisting of two or more school districts or CESAs, or a combination thereof, to provide technical assistance and training for teachers to implement peer review and mentoring programs. Grantees are required to provide at least 20% matching funds, which may be in the form of money, in-kind services, or both.

Additionally, request statutory language expanding access to the grant program by: (a) increasing the maximum award amount to \$50,000, except that the five largest school districts in the state may receive grants up to \$100,000; (b) eliminating the requirement that school districts must apply for a grant as a consortia; and (c) modifying the matching requirement to the lesser of 20% of the grant award or \$5,000, except that the five largest districts' maximum matching requirement equal \$10,000. In 2023-24, the five largest districts were Milwaukee, Madison, Kenosha, Green Bay, and Racine.

23. GROW YOUR OWN EDUCATOR PROGRAMS

	Funding	Position
GPR	\$5,169,100	1.00

Request \$72,500 in 2025-26 and \$5,096,600 in 2026-27 and

1.0 position beginning in 2025-26 for a new grant program to reimburse school districts and independent charter schools for programs and initiatives to build the educator workforce in Wisconsin schools.

Of the total, \$5,000,000 beginning in 2026-27 would be awarded directly to districts and schools based on factors such as school enrollment, existing resources, and specific teacher recruitment challenges. Funds could be used on activities such as paying the costs for paraprofessionals and other current staff to complete education necessary to obtain licensure, partnering with community organizations to attract and develop new teachers, and supporting student organizations that encourage high school students to pursue careers in education.

The position would administer the program and would be funded with \$42,200 salary, \$17,700 fringe benefits, and \$12,600 supplies and services in 2025-26 and \$56,200 salary, \$23,600 fringe benefits, and \$16,800 supplies and services in 2026-27.

24. EARLY LITERACY SUMMER READING PROGRAM

GPR	\$5,000,000
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Request \$5,000,000 in 2026-27 to provide aid to local education agencies to offset the costs of providing intensive summer reading programs as required under 2023 Wisconsin Act 20, and request rule-making authority to promulgate an emergency rule establishing the parameters and procedures of the aid program.

Act 20 requires school districts and independent charter schools to create a personal reading plan for pupils in kindergarten through third grade identified as at risk on a universal screening assessment or diagnostic assessment of early literacy skills. School districts and independent charter schools must also provide an intensive summer reading program to any pupil promoted to fourth grade who has not completed a personal reading plan, until the pupil scores at grade-level in a summative assessment. Act 20 did not provide funding for the purpose of providing required intensive summer reading programs.

25. EARLY LITERACY DIAGNOSTIC ASSESSMENT AID

GPR	\$5,000,000
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Request \$2,500,000 annually in a new appropriation to provide aid to local education agencies to offset the costs of administering diagnostic assessments of early literacy skills.

Under 2023 Wisconsin Act 20, school districts and independent charter schools are required to administer a universal screening assessment of early literacy skills to pupils in kindergarten through third grade at least three times each year, and a diagnostic assessment to pupils scoring below a certain level on the universal screening assessment. DPI is required to make a universal screening assessment available at no cost, and to reimburse school districts and independent charter schools for the cost of diagnostic assessments. An appropriation exists under current law for assessments of reading readiness (\$2,151,000 GPR annually), and this appropriation will be used to fund both screening and diagnostic assessments, with payments to local education agencies prorated if existing funding is insufficient. Funding for the requirements under Act 20 was provided in the Joint Committee on Finance's supplemental appropriation under 2023 Act 19, but

has not yet been released and, if not released, will lapse at the end of the current fiscal year.

26. ALCOHOL AND OTHER DRUG ABUSE PROGRAMS

GPR	\$4,520,000
PR	467,800
Total	\$4,987,800

Request \$4,520,000 GPR beginning in 2026-27 in a new continuing appropriation to provide funding for grants for alcohol and other drug abuse (AODA) programs. In addition, request \$233,900 PR annually above base level funding of \$1,284,700 PR to expand support for grants for AODA programs provided under current law.

Under current law, DPI awards two-year competitive grants to school districts or consortia of school districts for projects designed to assist minors experiencing problems resulting from the use of alcohol or other drugs or to prevent alcohol or other drug abuse by minors. Maximum grant amounts range from \$15,000 to \$45,000 annually, based on the size of the school district or consortium. In 2023-24, DPI awarded 46 grants representing 63 school districts. Program revenue from the penalty assessment surcharge on court fines and forfeitures collected by the Department of Justice funds these grants.

Under the new program, school districts could use the additional financial support to implement or expand AODA prevention and intervention programs by funding the salary of positions to coordinate AODA programming. Th Department indicates it would award grants based on school district size and the quality of applications.

27. INNOVATIVE EDUCATION PRACTICES

	Funding	Position
GPR	\$2,669,100	1.00

Request \$572,500 in 2025-26 and \$2,096,600 in 2026-27 and 1.0 position beginning in 2025-26 to create a new program to implement and encourage adoption of innovative education practices focused on career-connected learning and personalized competency-based learning. The program would provide one-time funding of \$500,000 in 2025-26 in a new, biennial appropriation to create a statewide model "Portrait of a Graduate" resource to outline the skills students should have by the time they graduate high school, and \$2,000,000 annually beginning in 2026-27 to award funds to school districts to implement the model program and incorporate innovative education practices.

The position would be funded with \$42,200 salary, \$17,700 fringe benefits, and \$12,600 supplies and services in 2025-26 and \$56,200 salary, \$23,600 fringe benefits, and \$16,800 supplies and services in 2026-27, and would coordinate the development of the model program and administer the proposed grants.

28. SPARSITY AID

GPR	\$2,012,000
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Request \$896,000 in 2025-26 and \$1,116,000 in 2026-27 above base level funding of \$28,614,000 for sparsity aid.

Under current law, districts qualify for \$400 per pupil if, in the prior school year, they had an enrollment of less than 745 pupils and had a population density of fewer than 10 pupils per

square mile of district attendance area. Districts qualify for \$100 per pupil if, in the prior year, they had an enrollment of between 745 and 1,000 pupils and had a population density of fewer than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. In 2024-25, 156 districts qualified for \$400 per pupil aid and 27 districts qualified for \$100 per pupil aid. One district received aid under the stop gap provision. Payments were prorated at 96.9%. The requested increases are intended to fully fund aid for school districts that qualify.

Additionally, request a modification to the stop-gap measure that exists under current law. Currently, any district that qualified for sparsity aid in one year but did not qualify the following year due to an increase in its enrollment receives 50% of its prior year award. Request statutory language allowing a district that loses its eligibility as a result of an increase in its pupil population density to also receive the stop-gap funds.

29. TRANSFER EARLY COLLEGE CREDIT PROGRAM FROM DEPARTMENT OF WORKFORCE DEVELOPMENT

GPR	\$1,728,000
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Request that statutory authority for administering the early college credit program and related funding be transferred from the Department of Workforce Development to DPI beginning in 2025-26. Additionally, request an increase of \$323,500 in 2025-26 and \$447,500 in 2026-27 above base level funding of \$478,500 to fully fund anticipated claims from schools for tuition reimbursement. Request the creation of a new, sum sufficient appropriation to fully fund anticipated claims for reimbursement.

The early college credit program allows high school pupils to take one or more courses at an institution of higher education for high school and college credit, or college credit only. Tuition costs are shared between the school, the state, and in some cases, the pupil, depending on whether the course is comparable to one offered by the school and whether it fulfills a graduation requirement. A school may request reimbursement of a portion of tuition costs from the state if a comparable course is not offered by the school. If funding is insufficient to pay the full amount of claims, payments are prorated. In 2023-24, the proration rate was 79.6%.

For additional information see "Department of Workforce Development."

30. ACCESS TO PERIOD PRODUCTS IN SCHOOLS

GPR	\$1,000,000
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Request \$500,000 annually in a new, annual appropriation for aid for school districts and independent charter schools to offset the costs of purchasing feminine hygiene products. Additionally, require school districts and independent charter schools to provide access to feminine hygiene products to pupils who need them, at no cost to the pupil. Under the program, aid would be distributed to schools with the highest concentrations of economically disadvantaged pupils (defined as meeting the federal income eligibility guidelines for free and reduced price meals). A school or district would be eligible for a share of the available funding if its rate of economically disadvantaged pupils is greater than the statewide average, with a minimum award of \$100 per eligible district or school.

31. DISTRICT REORGANIZATION FEASIBILITY STUDY GRANT

GPR	\$300,000
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Request \$300,000 in 2026-27 in a new, continuing appropriation for grants to school districts to conduct feasibility studies for potential school district reorganization.

32. TRANSFER HEAD START STATE SUPPLEMENT PROGRAM TO DEPARTMENT OF CHILDREN AND FAMILIES

GPR	- \$12,528,200
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Request that statutory authority for administering the Head Start state supplement program and related funding of \$6,264,100 annually be transferred from DPI to the Department of Children and Families (DCF) beginning in 2025-26. Head Start is a federal program that supports the growth and development of children under the age of five from low-income families. Participating children and families engage in a variety of educational and health activities.

The Head Start state supplement supports quality improvement efforts and expands Head Start enrollment for children who may be on waiting lists to access federally-funded programming. The current state supplement provides \$6.2 million GPR to 40 grantees.

For additional information see "Department of Children and Families."

33. SCHOOL LIBRARY AIDS

SEG	\$36,000,000
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Request \$18,000,000 annually above base level funding of \$52,000,000 for school library aids.

Under the program, each school district receives a per capita payment based on its proportionate share of the total number of children in the state between the ages of 4 and 20 residing in each district (according to an annual school census). In 2023-24, the payment was equal to \$56.87 per child.

The segregated revenue is provided from the state common school fund, which receives its funding primarily through interest payments on loans made from the fund to municipalities and school districts by the Board of Commissioners of Public Lands, and also revenues from certain fines and forfeitures and sales of public lands.

34. TRIBAL LANGUAGE REVITALIZATION GRANT

PR	\$554,400
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Request \$277,200 annually above base level funding of \$222,800 for the tribal language revitalization grant program and request statutory language modifying the program to include independent charter schools as eligible grant applicants.

Under the program, a school district or cooperative educational service agency (CESA) in conjunction with a tribal authority may apply for a grant for the purpose of supporting innovative,

effective instruction in one or more American Indian languages. Funding is provided from tribal gaming program revenue transferred from the Department of Administration.

35. PUPIL TRANSPORTATION AID

Request a statutory language modification to increase the reimbursement rate for pupils transported over 12 miles to and from school in the regular school year from \$400 to \$450 beginning in the 2025-26 school year. It is estimated that the current funding level (\$24.0 million GPR) would fully fund payments at the increased rate.

Choice, Charter, and Open Enrollment

1. MILWAUKEE CHOICE PROGRAM REESTIMATE

GPR	\$21,293,400
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Request \$1,068,700 in 2025-26 and \$20,224,700 in 2026-27 for payments under the Milwaukee private school choice program. Total funding would change from \$313,658,100 in 2024-25 to \$314,726,800 in 2025-26 and \$333,882,800 in 2026-27. DPI estimates that 29,440 pupils in 2025-26 and 30,690 pupils in 2026-27 will participate in the program, and that, based on the relevant provisions requested by DPI, the per pupil payment under the program would remain at \$10,237 in 2025-26 and 2026-27 for pupils in grades K-8, and would decrease from \$12,731 in 2024-25 to \$11,700 in 2025-26 and then increase to \$12,300 in 2026-27 for pupils in grades 9-12.

2. RACINE AND STATEWIDE CHOICE PROGRAM REESTIMATE

GPR	\$74,783,000
Aid	
Reduction	- 86,772,200
Net GPR	- \$11,989,100

Request \$16,813,500 in 2025-26 and \$57,969,500 in 2026-27 for payments under the Racine and statewide private school choice programs. Total funding would change from \$275,299,900 in 2024-25 to \$292,113,400 in 2025-26 and \$333,269,500 in 2026-27. DPI estimates that 27,610 pupils in 2025-26 and 31,085 pupils in 2026-27 will participate in the program, and that, based on the relevant provisions requested by DPI, the per pupil payment under the program would remain at \$10,237 in 2025-26 and 2026-27 for pupils in grades K-8, and would decrease from \$12,731 in 2024-25 to \$11,700 in 2025-26 and then increase to \$12,300 in 2026-27 for pupils in grades 9-12.

Under current law, payments for incoming pupils in the Racine and statewide choice program (incoming pupils are pupils who first participated in the 2015-16 school year or later) are fully offset by a reduction in the state aid that would otherwise be paid to those pupils' school districts of residence. Therefore, the increase in funding requested for these pupils will be offset by an aid reduction. However, the number of legacy pupils who are fully funded by GPR is declining.

The following table shows the funding under the program as a change to the 2024-25 base year.

<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Change to Base Year Doubled</u>	
\$275,299,900	\$292,113,400	\$333,269,500	\$74,783,100	GPR
<u>-266,323,300</u>	<u>-288,486,400</u>	<u>-330,932,400</u>	<u>-86,772,200</u>	Aid Reduction
\$8,976,600	\$3,627,000	\$2,337,100	-\$11,989,100	Net GPR

3. SPECIAL NEEDS SCHOLARSHIP PROGRAM REESTIMATE

GPR	\$13,075,700
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Request \$2,755,100 in 2025-26 and \$10,320,600 in 2026-27 for payments under the special needs scholarship program, over base level funding of \$45,143,200 in 2024-25. DPI estimates that participation in the program will total 3,440 pupils in 2025-26 and 3,870 pupils in 2026-27. Based on the relevant provisions requested by DPI, the per pupil payment under the program would decrease from \$15,409 in 2024-25 to \$14,297 in 2025-26 and \$14,785 in 2026-27. It is estimated that payments would total \$47,898,300 in 2025-26 and \$55,463,800 in 2026-27.

Additionally, request repeal of statutory language allowing private schools to submit a statement of actual costs and receive additional reimbursement for individual pupils whose costs exceed 150% of the per pupil payment in that year.

Under current law, payments are fully funded through a reduction in the state aid that would otherwise be paid to those pupils' school districts of residence. Therefore, the increase in funding requested would be fully offset by an aid reduction.

4. INDEPENDENT CHARTER SCHOOL PROGRAM

GPR	\$15,288,300
Aid	
Reduction	<u>5,239,900</u>
Net GPR	\$20,528,200

Request \$1,222,500 in 2025-26 and \$14,065,800 in 2026-27 as a reestimate of sum sufficient funding in the two appropriations for the independent charter school program. The associated statutory aid reductions for the program would decrease by \$4,427,100 in 2025-26 and \$812,800 in 2026-27, resulting in a net increase of \$5,649,600 in 2025-26 and \$14,878,600 in 2026-27.

The main appropriation for the program funds payments to schools authorized by the City of Milwaukee, UW-Milwaukee, UW-Parkside, and the Waukesha County Executive. The Department estimates that 10,288 pupils in 2025-26 and 10,621 pupils in 2026-27 will attend schools funded from this appropriation, including 588 pupils in 2025-26 and 621 pupils in 2026-27 attending schools authorized by the Waukesha County Executive.

A second appropriation funds payments to schools authorized by the Office of Educational Opportunity (OEO) in the UW System. The Department estimates that 2,252 pupils in 2025-26 and 2,379 pupils in 2026-27 will attend schools funded from this appropriation.

Based on the relevant provisions requested by the Department, the per pupil payment for independent charter schools of \$11,729 in 2024-25 would remain at \$11,729 in 2025-26 and increase to \$12,300 in 2026-27.

Pupils that attend charter schools authorized by the OEO or the Waukesha County Executive are counted by their district of residence for revenue limit and general aid purposes. DPI is required to reduce the district's general aid payment in an amount equal to the total of the per pupil payments made for pupils residing in the district. Districts are not allowed to levy to backfill, or replace, that aid reduction. By law, there is no general aid reduction related to payments to schools authorized by the City of Milwaukee, UW-Milwaukee, and UW-Parkside.

The following table shows the funding under the program as a change to the 2024-25 base year.

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Change to Base Year Doubled</u>	
Main appropriation					
	\$115,485,600	\$121,698,500	\$131,668,800	\$22,396,100	GPR
	<u>-6,333,700</u>	<u>-6,897,000</u>	<u>-7,638,300</u>	<u>-1,867,900</u>	Aid Reduction
	\$109,151,900	\$114,801,500	\$124,030,500	\$20,528,200	Net GPR
OEO appropriation					
	\$31,504,100	\$26,513,700	\$29,386,700	-\$7,107,800	GPR
	<u>-31,504,100</u>	<u>-26,513,700</u>	<u>-29,386,700</u>	<u>7,107,800</u>	Aid Reduction
	\$0	\$0	\$0	\$0	Net GPR
Total					
	\$146,989,700	\$148,212,200	\$161,055,500	\$15,288,300	GPR
	<u>-37,837,800</u>	<u>-33,410,700</u>	<u>-37,025,000</u>	<u>5,239,900</u>	Aid Reduction
	\$109,151,900	\$114,801,500	\$124,030,500	\$20,528,200	Net GPR

5. CHOICE, CHARTER, AND OPEN ENROLLMENT INDEXING MECHANISMS

Request statutory language to modify the indexing mechanism for the aid transfer amounts for the open enrollment program to specify that the transfer payments would increase by an amount equal to the per pupil revenue limit adjustment for the current year, if positive, plus the change in the categorical per pupil aid payment between the previous year and the current year, if positive.

Under current law, the per pupil transfer amounts under open enrollment (\$8,962 for a regular education pupil and \$13,814 for a special education pupil in 2024-25) are equal to the sum of the transfer amount in the previous year plus the per pupil adjustment under revenue limits for the current year, if positive, plus the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive.

Request statutory language to modify the indexing mechanism for the special needs scholarship program payment to set the payment equal to the aid transfer amount for a special education pupil in the open enrollment program.

Under current law, the per pupil payment under the special needs scholarship program (\$15,409 in 2024-25) is indexed, so that the payment in a given year is equal to the sum of the amount paid per pupil in the previous year plus the following amounts: (a) the per pupil adjustment under revenue limits for the current year, if positive; (b) the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive; and (c) the change in the low revenue adjustment amount under revenue limits between the previous year and the current year, if positive.

Request statutory language to modify the indexing mechanism for the independent charter school program payment to set the payment equal to the greater of the following amounts: (a) the per pupil payment in the previous school year; or (b) the low revenue adjustment amount under revenue limits.

Under current law, the per pupil payment under the independent charter school program (\$11,729 per pupil in 2024-25) is indexed, so that the payment in a given year is equal to the sum of the amount paid per pupil in the previous year plus the following amounts: (a) the per pupil adjustment under revenue limits for the current year, if positive; (b) the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive; and (c) the change in the low revenue adjustment amount under revenue limits between the previous year and the current year, if positive.

Request statutory language to modify the payment for pupils in grades K-8 in the private school choice programs to maintain the 2024-25 per pupil payment amount of \$10,237 in future years.

Under current law, the payment for pupils in grades K-8 in the private school choice programs (\$10,237 in 2024-25) is indexed, so that the payment in a given year is equal to the sum of the amount paid per pupil in the previous year plus the following amounts: (a) the per pupil adjustment under revenue limits for the current year, if positive; (b) the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive; and (c) 90% of the change in the low revenue adjustment amount under revenue limits between the previous year and the current year, if positive.

Request statutory language to modify the indexing mechanism for the payment for pupils in grades 9-12 in the private school choice programs in 2025-26 and 2026-27 to set the payment equal to the lesser of the following amounts: (a) the per pupil payment in the previous school year; or (b) the low revenue adjustment amount under revenue limits. Beginning in 2027-28, specify that the payment would be set equal to the 2026-27 amount.

Under current law, the per pupil payment for pupils in grades 9-12 in the private school choice programs (\$12,731 in 2024-25) is indexed, so that the payment in a given year is equal to the sum of the amount paid per pupil in the previous year plus the following amounts: (a) the per pupil adjustment under revenue limits for the current year, if positive; (b) the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive; and (c) the change in the low revenue adjustment amount under revenue limits between the previous year and the current year, if positive.

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$138,700 GPR, \$2,598,500 FED, \$603,000 PR, and -9.0 FED positions in 2025-26 and \$140,300 GPR, \$1,966,300 FED, \$603,000 PR, and -16.0 FED positions in 2026-27 for: (a) turnover reduction (-\$537,100 GPR and -\$610,200 FED annually); (b) removal of non-continuing elements from the base (-\$657,300 FED and -9.0 FED positions in 2025-26 and -\$1,289,500 FED and -16.0 FED positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$1,273,600 GPR, \$3,829,300 FED, and \$584,600 PR annually); (d) overtime (\$274,600 GPR, \$41,900 FED, and \$13,900 PR annually); (e) night and weekend differential pay (\$55,500 GPR, \$400 FED, and \$200 PR annually); and (f) full funding of lease and directed moves costs (-\$927,900 GPR, -\$5,600 FED, and \$4,300 PR in 2025-26 and -\$926,300 GPR, -\$5,600 FED, and \$4,300 PR in 2026-27).

	Funding	Positions
GPR	\$279,000	0.00
FED	4,564,800	- 16.00
PR	<u>1,206,000</u>	<u>0.00</u>
Total	\$6,049,800	- 16.00

2. SUPPORTING FUTURE EDUCATORS

GPR	\$46,800,000
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Request \$46,800,000 in 2026-27 to create two new sum-sufficient appropriations to provide stipends to support future educators. The amount includes \$36,000,000 to provide stipends of up to \$10,000 for one semester or \$5,000 per semester for two semesters for individuals completing a student teaching requirement as part of a DPI-approved educator preparation program. The remaining \$10,800,000 would provide \$3,000 stipends for licensed teachers working with interns or student teachers.

3. TEACHER APPRENTICESHIP

GPR	\$20,000,000
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Request \$10,000,000 annually in a new, continuing appropriation to contract with institutions of higher education, the Wisconsin Technical College System, and the Department of Workforce Development to develop a teacher apprenticeship program to address educator workforce needs.

4. EDUCATORS RISING

GPR	\$1,000,000
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Request \$500,000 annually to support Educators Rising-Wisconsin, an organization that encourages high school students to explore careers in education and works with partners in higher education to create education career pathways. The Department indicates that there are currently 98 chapters across Wisconsin, and funds could be used for fees for new chapters, including student membership fees and advisor stipends, conference attendance, and regional and national competitions.

5. EARLY LITERACY COACHES

GPR	\$22,018,000
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Request \$11,000,000 in 2025-26 and \$11,018,000 in 2026-27 to contract for literacy coaches and provide professional development to implement the requirements of the early literacy and reading improvement program created under 2023 Wisconsin Act 20.

Act 20 requires DPI to contract with up to 64 literacy coaches to work with school districts, independent charter schools, and private schools participating in a choice program. Under 2023 Wisconsin Act 19, \$50,000,000 was placed in the Joint Finance Committee supplemental appropriation for the literacy program. As of December, 2024, funding has not been released, and the coaching program has not been implemented. The funding will lapse if it is not released by the end of fiscal year 2024-25.

Additionally, request statutory modifications to expand the program to increase the maximum number of literacy coaches statewide from 64 to 100, the maximum number located within the boundaries of a first class city school district from 10 to 16, and the maximum number in other school districts from 4 to 6. The request includes \$11,000,000 annually to contract with 100 coaches at a cost of \$110,000 per coach for salary and fringe benefits, and \$18,000 in 2026-27 to provide two professional development training sessions for the coaches each month at an estimated cost of \$1,500 per month. The Department indicates that it intends to provide training sessions in both years of the biennium, therefore a modification to the funding amount requested in 2025-26 is required.

6. EARLY LITERACY TUTORING PROGRAM

GPR	\$10,000,000
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Request \$5,000,000 annually in a new, annual appropriation for grants to non-profit community-based organizations to provide tutoring services to pupils in kindergarten through third grade to improve early literacy. To be eligible for grants, organizations must provide science-based early literacy tutoring services, and cannot include three-cueing as a method for providing instruction.

7. CAREER AND TECHNICAL STUDENT ORGANIZATIONS

GPR	\$9,000,000
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Request \$4,500,000 annually in a new appropriation for grants to increase membership and participation in career and technical student organizations among various demographic groups of middle and high school pupils in Wisconsin. The Department indicates that there are six career and technical student organizations in Wisconsin, including: (a) DECA (formerly known as Distributive Education Clubs of America); (b) Future Business Leaders of America; (c) Family, Career and Community Leaders of America; (d) Association of FFA (formerly known as the Future Farmers of America); (e) HOSA-Future Health Professionals (formerly known as Health Occupations Students of America); and (f) SkillsUSA. Funds would be used to provide grants of \$750,000 annually to each of these six organizations, half of which would be dedicated to supporting membership affiliation dues at the state and national level, with the goal of eliminating financial barriers to student participation. The remaining portion would be directed towards workforce readiness skill programming, including program support through contracted services,

program resources, professional attire support, and career development programming.

8. GENERAL EQUIVALENCY DIPLOMA TEST FEE SUBSIDY

GPR	\$603,000
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Request \$194,500 in 2025-26 and \$408,500 in 2026-27 for a new sum-sufficient appropriation to subsidize test fees for Wisconsin residents taking the general equivalency diploma (GED) tests beginning on January 1, 2026. Test takers would be required to pay \$13.75 for each individual test with the remainder covered by the subsidy.

The GED consists of tests to measure competency in math, science, social studies, and language arts. A Wisconsin-specific version of the test called the High School Equivalency Diploma (HSED) includes the four GED subject areas plus health, civic literacy, employability skills, and career awareness. Each of the four sections of the test costs \$39.75, with an additional \$3.75 credentialing fee. In 2023, Wisconsin residents took 15,155 GED tests.

9. ACADEMIC AND CAREER PLANNING

GPR	\$390,000
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Request \$83,000 in 2025-26 and \$307,000 in 2026-27 over annual base level funding of \$1,100,000 to support the academic and career planning program that was created in the 2013-15 budget. The Department indicates that carryover funding used in previous years will be exhausted in 2025-26, and annual costs associated with program software and contracts with CESAs will exceed annual base level funding.

10. IT SYSTEMS MODERNIZATION

GPR	\$6,000,000
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Request \$5,000,000 in 2025-26 and \$1,000,000 in 2026-27 in a new continuing appropriation to support the work of modernizing several information technology systems maintained by the Department to more efficiently administer core functions, facilitate grant management, and fulfill statutory requirements.

The Department indicates that the funding would be used to complete the following: (a) improve efficiency of conducting background checks within the Educator Licensing Online (ELO) system; (b) prepare for the replacement of the ELO system through data migration and integration, system implementation, testing and deployment, and training; (c) develop and implement a public dashboard system for financial reporting; (d) standardize and automate the grant application process by integrating competitive grants into the existing WISEgrants system; (e) modernize the open enrollment application log system; (f) modernize the private school choice online application system; and (g) combine the private school choice program databases into one integrated database.

11. SUPPLIES AND SERVICES

GPR	\$2,954,000
PR	1,366,800
SEG	<u>211,000</u>
Total	\$4,531,800

Request \$1,477,000 GPR, \$683,400 PR, and \$105,500 SEG annually to increase the supplies and services budget for the general program operations, operations of the Wisconsin Educational Services Program for the Deaf and Hard of

Hearing and Wisconsin Center for the Blind and Visually Impaired, pupil assessment, personnel licensure, alcohol and other drug abuse program, services for drivers, and digital learning collaborative appropriations.

12. SUPPORT FOR STATE PROGRAMS

Request \$467,100 (\$381,800 GPR and \$85,300 PR) in 2025-26 and \$675,300 (\$564,200 GPR and \$111,100 PR) in 2026-27 and 6.0 positions (5.0 GPR and 1.0 PR) beginning in 2025-26.

	Funding	Positions
GPR	\$946,000	5.00
PR	<u>196,400</u>	<u>1.00</u>
Total	\$1,142,400	6.00

Additionally, request the creation of a new appropriation for financial audits of the special needs scholarship program and a statutory modification to require private schools participating in the special needs scholarship program to pay an annual auditor fee, to be deposited in the new appropriation.

DPI indicates that two of the GPR positions would be education consultants, one who would support the career and technical education team, and the other who would support the special education team. Two GPR positions would be school administration consultants, one who would work with school districts to provide training and technical assistance in grant management, and the other who would provide support to the parental education options team dedicated to the special needs scholarship program. The fifth GPR position would be an information systems development specialist who would work with the parental education options team to plan, develop, implement, upgrade, and support software applications used by the team. The PR position would be an auditor dedicated to supporting audit functions required by state law for the special needs scholarship program.

The five GPR positions would be funded with a total of \$217,900 salary, \$91,100 fringe benefits, and \$72,700 supplies and services in 2025-26 and \$334,200 salary, \$139,900 fringe benefits, and \$90,200 supplies and services in 2026-27. The PR position would be funded with \$49,300 salary, \$20,600 fringe, and \$15,400 supplies and services in 2025-26 and \$65,700 salary, \$27,500 fringe, and \$17,900 supplies and services in 2026-27.

13. LICENSING APPLICATION FEE REVENUE AND OPERATIONS

Request that all program revenue received in the appropriation for teacher licensure would be credited to the appropriation for that purpose, rather than 90% of certain revenues as under current law. This would result in an estimated decrease of GPR-Earned equal to \$450,000 annually.

	Funding	Positions
GPR-REV	-\$900,000	0.00
PR-REV	<u>900,000</u>	<u>3.00</u>
Total	\$0	3.00

Additionally, request the creation of 3.0 positions for agency operations associated with teacher licensing and educator preparation program approval and that the appropriation be modified to be continuing, rather than sum certain as under current law.

14. MENTAL HEALTH TRAINING PROGRAMS

GPR	\$760,000
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Request \$380,000 annually above base level funding of \$420,000 for mental health training programs. The additional funding would expand the types of trainings offered to include programs such as bullying prevention, compassion resilience, and restorative practices, and would increase the number of training opportunities to support out-of-school time programs.

Under current law, DPI is required to provide training to school district staff and the instructional staff of independent charter schools regarding the following: (a) screening, brief interventions, and referral to treatment (SBIRT); (b) trauma sensitive schools; and (c) youth mental health first aid.

15. AMERICORPS FARM TO SCHOOL PROGRAM

GPR	\$500,000
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Request \$250,000 annually in a new appropriation to create a dedicated source of state matching funds for the AmeriCorps Farm-to-School federal grant program.

16. ARTS FOR ALL

GPR	\$200,000
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Request \$100,000 annually above base level funding of \$100,000 for Very Special Arts, which is a statewide arts organization that serves children and adults with disabilities. Additionally, rename the appropriation to Arts for All to reflect the organization's legal name change.

17. SPECIAL OLYMPICS WISCONSIN

GPR	\$200,000
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Request \$100,000 annually above base level funding of \$200,000 for Special Olympics Wisconsin.

18. ADULT LITERACY GRANTS

GPR	\$133,600
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Request \$66,800 annually above base level funding of \$83,200 for adult literacy grants, which are awarded to a nonprofit organization to support programs that train community-based adult literacy staff and to establish volunteer-based programs in areas of the state that have a demonstrated need for adult literacy services.

19. SUPPORTING FUTURE LIBRARIANS

GPR	\$125,000
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Request \$125,000 in 2026-27 in a new, sum-sufficient appropriation for a stipend program to support individuals pursuing a career as a public library professional and placed as an intern in a public library setting. Under the program, \$5,000 stipends would be provided to individuals pursuing a course of study in a master's degree level program leading to a career as a public library professional.

20. PUBLIC LIBRARY SYSTEM AID

SEG	\$6,000,000
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Request \$2,000,000 in 2025-26 and \$4,000,000 in 2026-27 above base level funding of \$24,013,100 for public library system aid. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

21. LIBRARY SERVICE CONTRACTS

SEG	\$1,285,800
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Request \$619,200 in 2025-26 and \$666,600 in 2026-27 above base level funding of \$1,397,500 to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information. DPI contracts with five service providers: (a) the Milwaukee Public Library; (b) the University of Wisconsin-Madison; (c) the Wisconsin Talking Book and Braille Library; (d) the Cooperative Children's Book Center; and (e) Auto-Graphics. DPI indicates that projected costs for each of the contracts will increase over the biennium due to general operating cost increases, and insufficient funding would result in a cap on the amount of material that can be requested from the Milwaukee Public Library and the UW-Madison library. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

22. BADGERLINK AND NEWSLINE FOR THE BLIND

SEG	\$96,600
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Request \$96,600 beginning in 2026-27 above base level funding of \$3,486,300 to increase funding for the contracts with current BadgerLink vendors and to maintain the current level of services through Newsline for the Blind. BadgerLink is an online library that contracts with vendors to provide access to licensed content such as magazines, newspapers, scholarly articles, videos, images, and music. Newsline for the Blind provides access to newspapers on a daily basis for people who cannot read print newspapers via an automated electronic voice that can be accessed using a telephone.

The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

23. PROGRAM REVENUE REESTIMATES

PR	\$894,400
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Reestimate program revenue by \$447,200 annually. The reestimate includes -\$52,700 annually in the appropriation for publications; -\$6,300 annually in the appropriation for professionals services center charges; -\$8,100 annually in the appropriation for state agency library processing center; and \$514,300 annually in the appropriation for data procession.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. General program operations.	GPR	-\$709,100	-\$709,100
2. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired -- General program operations.	GPR	-714,100	-714,100
3. Energy Costs for Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired.	GPR	-25,400	-25,400
4. Electric energy derived from renewable resources.	GPR	-100	-100
5. Pupil assessment.	GPR	-777,900	-777,900
6. Student information system.	GPR	-170,000	-170,000
7. Education effectiveness evaluation system.	GPR	-48,700	-48,700
8. Longitudinal data system.	GPR	-151,900	-151,900
9. WISElearn.	GPR	-58,000	-58,000
10. Academic and career planning.	GPR	-55,000	-55,000
11. Mental health and school climate training program and grants.	GPR	-21,000	-21,000
12. Grants for information technology education.	GPR	-43,800	-43,800
13. Educator effectiveness evaluation system; fees.	PR	-215,500	-215,500
14. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired; Leasing of space.	PR	-600	-600
15. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired; Services.	PR	-400	-400
16. Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired; Pupil Transportation.	PR	-60,500	-60,500
17. Personnel licensure, teacher supply, information and analysis, and teacher improvement.	PR	-249,500	-249,500
18. General educational development and high school graduation equivalency.	PR	-6,500	-6,500
19. Services for drivers.	PR	-8,400	-8,400
20. Publications.	PR	-7,000	-7,000
21. Library products and services.	PR	-7,100	-7,100
22. Milwaukee parental choice program and the parental choice program for eligible school districts and other districts -- financial audits.	PR	-7,400	-7,400
23. School lunch handling charges.	PR	-500,900	-500,900
24. Professional services center charges.	PR	-5,300	-5,300
25. Gifts, grants and trust funds.	PR	-75,000	-75,000
26. School district boundary appeal proceedings.	PR	-500	-500
27. Alcohol and other drug abuse program.	PR	-33,100	-33,100
28. Funds transferred from other state agencies -- program operations.	PR	-157,600	-157,600
29. State agency library processing center.	PR	-400	-400

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan (continued)			
30. Data processing.	PR	-\$558,900	-\$558,900
31. Digital learning collaborative.	SEG	-50,000	-50,000
32. Library services contracts.	SEG	<u>-69,900</u>	<u>-69,900</u>
Total		-\$4,789,500	-\$4,789,500
	GPR	(-\$2,775,000)	(-\$2,775,000)
	PR	(-\$1,894,600)	(-\$1,894,600)
	SEG	(-\$119,900)	(-\$119,900)

PUBLIC SERVICE COMMISSION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
FED	\$3,628,700	\$6,513,400	\$6,027,600	\$5,283,600	72.8%	48.75	46.75	39.75	- 9.00	- 18.5%
PR	23,023,100	23,955,000	23,968,700	1,877,500	4.1	140.00	140.00	140.00	0.00	0.0
SEG	<u>8,603,100</u>	<u>8,647,200</u>	<u>8,647,200</u>	<u>88,200</u>	0.0	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>	<u>0.0</u>
TOTAL	\$35,254,900	\$39,115,600	\$38,643,500	\$7,249,300	10.3%	192.75	190.75	183.75	- 9.00	- 4.7%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$328,800 PR annually); (b) removal of noncontinuing elements from the base (-\$144,100 FED and -2.0 positions in 2025-26 and -\$629,900 FED and -9.0 positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$3,009,800 FED, \$727,500 PR, and \$39,800 SEG annually); (d) reclassifications and semi-automatic pay progression (\$13,700 PR in 2026-27); and (e) full funding of lease and directed moves costs (\$19,000 FED, -\$18,100 PR, and -\$1,900 SEG annually).

	Funding	Positions
FED	\$5,283,600	- 9.00
PR	774,900	0.00
SEG	<u>75,800</u>	<u>0.00</u>
Total	\$6,134,300	- 9.00

2. INFORMATION TECHNOLOGY RESOURCES

Request \$293,800 PR and \$6,200 SEG in ongoing funding annually for information technology (IT) resources at PSC. PSC intends to allocate \$250,000 for IT hardware costs associated with server replacements and \$50,000 for annual software licensing subscription costs. PSC reports server replacement and additional funding for software subscriptions would improve agency efficiency and cybersecurity measures.

PR	\$587,600
SEG	<u>12,400</u>
Total	\$600,000

3. INTERVENOR COMPENSATION FUNDING

Request \$207,500 PR each year in ongoing budget authority to support the intervenor compensation program. PSC's utility rate-setting process attempts to establish prices at levels that would occur naturally under competitive market forces and that are reasonable both to ratepayers and to utility owners. Through the intervenor compensation program, PSC reports typically providing financial support to parties that represent the interests of: (a) business or residential

PR	\$415,000
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ratepayers; (b) renewable energy advocates; or (c) entities representing the interests of low-income populations impacted by utility rate case decisions. Parties granted intervenor status are thought to improve PSC's ability to develop a broad perspective and set of evidence when making decisions.

PSC expects an influx of utility filings for construction cases in the 2025-27 biennium, including for transmission projects, which typically generate increased engagement with the intervenor compensation program. Additional funding under the request is intended to ensure that stakeholders receive financial support to participate in future proceedings. Intervenor compensation is funded by PSC assessments on regulated utilities, up to the amounts authorized each biennium.

4. OFFICE OF THE COMMISSIONER OF RAILROADS

PR	\$100,000
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Request \$50,000 in ongoing annual budget authority for supplies and services costs in the Office of the Commissioner of Railroads (OCR). OCR is administratively attached to PSC, and is a quasi-judicial agency responsible primarily for overseeing the 4,300 rail-highway crossings in Wisconsin. PSC reports funding would support subscription-based software license costs, rail safety inspection travel, and associated administrative costs.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce PSC supplies and services expenditure authority for telecommunication relay services (-\$739,100 PR), stray voltage investigation (-\$244,500 PR), and 911 fee administration (-\$139,700 SEG).	PR	-\$983,600	-\$983,600
	SEG	-139,700	-139,700
2. Eliminate a .5 rail safety analyst position and associated costs within the Office of Commissioner of Railroads.	PR	<u>-33,900</u>	<u>-33,900</u>
Total		-\$1,157,200	-\$1,157,200
	PR	(-\$1,017,500)	(-\$1,017,500)
	SEG	(-\$139,700)	(-\$139,700)

REVENUE

Budget Summary						FTE Position Summary				
Fund	2024-25	Request		2025-27 Change Over		2024-25	Request		2026-27	
	Adjusted Base	2025-26	2026-27	Base Year Doubled	Amount		%	2025-26	2026-27	Over 2024-25
GPR	\$212,334,600	\$217,011,700	\$217,017,600	\$9,360,100	2.2%	950.15	952.15	952.15	2.00	0.2%
PR	23,415,800	25,004,700	25,181,500	3,354,600	7.2	132.00	147.50	147.50	15.50	11.7
SEG	25,656,300	26,298,000	26,303,300	1,288,700	2.5	102.65	102.65	102.65	0.00	0.0
TOTAL	\$261,406,700	\$268,314,400	\$268,502,400	\$14,003,400	2.7%	1,184.80	1,202.30	1,202.30	17.50	1.5%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget for: (a) turnover reduction (-\$2,001,400 GPR and -\$158,900 SEG annually); (b) removal of noncontinuing elements from the base (-\$2,362,300 GPR in 2025-26 and -\$3,149,700 GPR in 2026-27 and -38.0 GPR positions annually); (c) full funding of continuing position salaries and fringe benefits (\$4,325,800 GPR, \$135,300 PR, and \$596,800 SEG annually); (d) reclassifications and semiautomatic pay progression (\$100,400 PR and \$13,900 SEG in 2025-26 and \$103,300 PR and \$19,100 SEG in 2026-27); (e) full funding of lease and directed moves costs (-\$72,300 GPR, \$1,600 PR, and \$69,900 SEG in 2025-26 and -\$66,400 GPR, \$1,900 PR, and \$70,000 SEG in 2026-27); and (f) minor transfers within the same alpha appropriation.

	Funding	Positions
GPR	-\$1,001,900	- 38.00
PR	477,800	0.00
SEG	<u>1,048,700</u>	<u>0.00</u>
Total	\$524,600	- 38.00
GPR-Tax	-\$75,800,000	

The 38 positions that would be removed as noncontinuing elements are revenue agent project positions scheduled to expire on September 30, 2025. The Department of Revenue (DOR) indicates that allowing the 38 project positions to expire would result in an increase of unpaid delinquent taxes and would reduce general fund tax collections by an estimated \$32,500,000 in 2025-26 and \$43,300,000 in 2026-27, offsetting the reduction of \$2,362,300 GPR in 2025-26 and \$3,149,700 GPR in 2026-27 associated with the expiration of these project positions.

2. CONVERT REVENUE AGENT PROJECT POSITIONS TO PERMANENT POSITIONS

Request \$2,362,300 in 2025-26 and \$3,149,700 in 2026-27 and 38.0 positions annually to convert 38.0 existing project positions to permanent positions. DOR estimates that converting these project positions to permanent positions, rather than allowing them to expire, would increase general fund tax

	Funding	Positions
GPR	\$5,512,000	38.00
GPR-Tax	\$75,800,000	

collections by \$32,500,000 in 2025-26 and \$43,300,000 in 2026-27.

The 38 project positions are located within DOR's Division of Income, Sales, and Excise Tax, and consist of: (a) 17 audit revenue agent positions and one supervisor position in the Division's Audit Bureau; and (b) 19 tax collection revenue agent positions and one supervisor position in the Division's Compliance Bureau. Of these positions, 33 were first created by 2013 Act 20 as four-year project positions, and five more (38 total) were authorized under 2017 Act 59. These 38 project positions were further extended under 2019 Act 9 and 2023 Act 19, and are scheduled to expire on September 30, 2025.

3. TARGETED OPERATIONAL IMPROVEMENTS

GPR	\$4,139,200
PR	<u>400,000</u>
Total	\$4,539,200

Request \$2,069,600 GPR and \$200,000 PR annually for various operational improvements. These improvements include: (a) contract information technology (IT) work; (b) a new mail truck; (c) new furniture at DOR's headquarters in Madison; (d) IT infrastructure improvements; (e) improvements to DOR's enterprise tax processing system (WINPAS); (f) legal services; (g) training and travel costs; and (h) an upgrade in payment processing from DOR's third-party vendor.

4. STATEWIDE DEBT COLLECTION POSITIONS

	Funding	Positions
PR	\$1,464,600	8.00
GPR-REV	\$2,045,400	
PR-REV	\$3,510,000	

Request \$668,700 in 2025-26 and \$795,900 in 2026-27 and 8.0 positions annually to support the statewide debt collection (SDC) program. DOR estimates that the provision of six debt collection agents, one lead worker, and one supervisor would increase overall SDC collections by \$7.8 million in 2025-26 and \$15.6 million in 2026-27.

Debts collected by DOR are remitted to the respective state agency or governmental entity. Additionally, fees are imposed on debtors and collected by the Department to offset its administrative expenses for this program. At the end of each fiscal year, any fee revenue exceeding DOR's administrative costs transfers to the general fund. DOR estimates that providing these eight positions would: (a) increase debts remitted to agency partners by \$6.6 million in 2025-26 and \$13.3 million in 2026-27; (b) increase fees collected by DOR by \$1,170,000 PR-REV in 2025-26 and \$2,340,000 PR-REV in 2026-27; and (c) increase the year end transfer to the general fund by an estimated \$501,300 GPR-REV in 2025-26 and \$1,544,100 GPR-REV in 2026-27.

5. GPR-EARNED ESTIMATE

GPR-REV	- \$3,212,500
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Request a reduction from the administration's 2024-25 GPR-REV estimate for DOR (\$33,060,700) of \$991,900 in 2025-26 and \$2,220,600 in 2026-27 to reflect current law estimates. With these changes and the increased GPR-REV estimated from DOR's request for additional SDC positions, DOR's GPR-REV is estimated at \$32,570,100 in 2025-26 and \$32,384,200 in 2026-27.

Under current law, any revenues received by DOR (excluding certain refunds by the

Secretary of the Department of Administration) in connection with a general purpose revenue appropriation in the course of accomplishing program objectives are deposited into the general fund, unless a program revenue appropriation has been created for such revenues. In addition, certain DOR program revenue appropriations (including the debt collection appropriation) specify that all (or some) of the unencumbered balance of the appropriation lapses to the general fund at the end of the fiscal year.

6. FEDERAL POSTAGE INCREASES

GPR	\$317,200
PR	<u>557,800</u>
Total	\$875,000

Request \$158,600 GPR and \$278,900 PR annually to address the increasing cost of postage.

7. UNCLAIMED PROPERTY ADMINISTRATION

	Funding	Positions
PR	\$454,400	2.50

Request \$204,000 in 2025-26 and \$250,400 in 2026-27 and 2.5 permanent positions annually to support increased growth within the unclaimed property program. DOR indicates that the requested positions would consist of: (a) one unclaimed property specialist; (b) one revenue auditor 3; and (c) one information system (IS) business automation specialist. For the IS business automation specialist, the Department is requesting new position authority and funding for 0.5 positions and that a vacant revenue auditor position be reallocated to provide the other 0.5 positions and funding.

8. CONVERT STATE AND LOCAL FINANCE PROJECT POSITIONS TO PERMANENT

	Funding	Positions
GPR	\$393,600	2.00

Request \$196,800 and 2.0 IS business analyst positions annually. The 2023-25 biennial budget act authorized the 2.0 project positions to support the implementation of programs created in 2023 Act 12, from July 1, 2023, to June 30, 2025. This provision would effectively convert these two positions as permanent positions in the Division of State & Local Finance to help with the administration of the ongoing Act 12 programs.

9. MUNICIPAL SALES TAX ENFORCEMENT

	Positions
PR	5.00

Request 5.0 permanent revenue agent positions to enforce the City of Milwaukee municipal sales tax, which first became effective on January 1, 2024. DOR indicates that these positions would cost \$303,000 in 2025-26 and \$403,900 in 2026-27, and would be funded from base expenditure authority within the administration of municipality taxes appropriation. The administration of municipality taxes appropriation currently has base expenditure and position authority of \$1,103,700 PR and 1.0 PR position, annually.

Under current law, the unencumbered balance in the administration of municipality taxes appropriation is transferred to the baseball park district's facilities improvement fund at the end of the fiscal year for the purpose of making the City of Milwaukee's required payments to the

professional baseball park district. Moneys deposited in the fund can generally be used for the development, construction, improvement, repair, and maintenance of baseball park facilities.

10. LOTTERY SALES PROJECTIONS

Projected lottery sales provide the basis for estimating the lottery and gaming property tax credit in the next biennium. In addition, the projected sales directly affect appropriations for retailer compensation and lottery vendor fees after accounting for GPR funding provided for these purposes. DOR's request projects sales of \$859.9 million annually in the 2025-27 biennium. The following table shows these projections by game type, as well as 2023-24 actual lottery sales and the 2024-25 sales estimates under 2023 Act 19. [No reestimates of the amount of lottery fund revenues needed to fund retailer compensation and vendor fees were included in the agency request.]

Lottery Sales Projections (\$ in Millions)

<u>Game Type</u>	<u>Actual 2023-24</u>	<u>Act 19 2024-25</u>	<u>DOR 2025-26</u>	<u>% Change from 2024-25</u>	<u>DOR 2026-27</u>	<u>% Change from 2025-26</u>
Scratch	\$611.7	\$643.5	\$591.0	-8.2%	\$591.0	0.0%
Pull-tab	1.2	1.3	1.2	-8.3	1.2	0.0
Lotto	<u>341.9</u>	<u>267.3</u>	<u>267.7</u>	<u>0.1</u>	<u>267.7</u>	<u>0.0</u>
Total	\$954.8	\$912.1	\$859.9	-5.7%	\$859.9	0.0%

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount 2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Eliminate 20.0 vacant revenue auditor positions. DOR estimates that deleting the vacant revenue auditor Positions would reduce state revenues by \$17.24 million annually.	GPR	-\$1,647,000	-\$1,647,000
2. Eliminate three months of funding for 38.00 project positions that expire September 30, 2025. DOR estimates state revenues would be reduced by \$10.8 million in 2025-26.	GPR	-829,000	0
3. Eliminate 4.3 positions and associated funding from DOR's state and local finance general program operations appropriation.	GPR	-352,900	-352,900

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
4. Eliminate supplies and services and rent expenses by closing DOR offices in Edina, Glen Ellyn, and Eau Claire, and vacating the 2nd and 3rd floor of the Madison Rimrock building.	GPR	-\$759,100	-\$1,194,900
5. Eliminate 6.0 positions and associated funding from DOR's administrative services and space rental general program operations appropriation.	GPR	-572,900	-572,900
6. Eliminate funding for LTE positions, including three seasonal income tax positions and a lottery intern.	GPR	-105,300	-105,300
7. Reduce GPR funding for the lottery retailer compensation appropriation. This reduction would result in a smaller lottery credit.	GPR	-5,577,300	-5,677,300
8. Reduce supplies and services funding.	GPR	-135,500	-135,500
	PR	-2,659,400	-2,952,600
	SEG	-95,900	-95,900
9. Eliminate 1.0 manufacturing property assessment position and associated funding.	PR	-85,800	-85,800
10. Increase tax incremental district fees to increase state revenues, rather than reducing DOR expenditures.	PR	-210,000	-210,000
11. Eliminate 0.2 railroad and air carrier tax administration positions and associated funding.	SEG	-20,000	-20,000
12. Reduce funding for innovation grant administration.	SEG	<u>-20,500</u>	<u>-20,500</u>
Total		-\$13,070,600	-\$13,070,600
	GPR	(-\$9,979,000)	(-\$9,685,800)
	PR	(-\$2,955,200)	(-\$3,248,400)
	SEG	(-\$136,400)	(-\$136,400)

SAFETY AND PROFESSIONAL SERVICES

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
FED	\$574,800	\$580,700	\$580,700	\$11,800	1.0%	1.70	1.70	1.70	0.00	0.0%
PR	<u>74,968,600</u>	<u>79,681,500</u>	<u>80,235,300</u>	<u>9,979,600</u>	6.7	<u>256.19</u>	<u>282.19</u>	<u>282.19</u>	<u>26.00</u>	10.1
TOTAL	\$75,543,400	\$80,262,200	\$80,816,000	\$9,991,400	6.6%	257.89	283.89	283.89	26.00	10.1%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$617,300 (\$5,900 FED and \$611,400 PR) and -6.0 PR positions in 2025-26 and \$517,000 (\$5,900 FED and \$511,100 PR) and -6.0 PR positions in 2026-27 to reflect the net effect of the following standard budget adjustments: (a) turnover reduction (-\$402,500 PR annually); (b) removal of non-continuing elements (-\$303,600 PR and -6.0 PR positions in 2025-26 and -\$404,700 PR and -6.0 PR positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$5,900 FED and \$1,405,600 PR annually); and (d) full funding of lease and directed moves costs (-\$88,100 PR in 2025-26 and -\$87,300 PR in 2026-27).

	Funding	Positions
FED	\$11,800	0.00
PR	<u>1,122,500</u>	<u>-6.00</u>
Total	\$1,134,300	-6.00

2. CALL CENTER STAFF

Request ongoing funding of \$707,000 in 2025-26 and \$938,700 in 2026-27 with 14.0 office operations associate permanent positions to provide additional customer service call center staff in the Department of Safety and Professional Services (DSPS) Customer Service Center (CSC) within the Division of Professional Credential Processing (DPCP). Currently, CSC is authorized 6.0 full-time permanent positions, 2.0 limited-term employees (LTEs), and 6.0 two-year project positions. In addition, DSPS has 15.0 employees contracted through a third-party company using funds from the federal American Rescue Plan Act (ARPA). The Department requests state-funded staff to handle ongoing call volumes, as federal ARPA funds must be obligated by December 31, 2024. Funding under the request would be used to add an additional 8.0 permanent positions and to convert 6.0 two-year project positions to permanent positions.

	Funding	Positions
PR	\$1,645,700	14.00

3. CREDENTIAL PROCESSING STAFF

	Funding	Positions
PR	\$1,535,100	10.00

Request ongoing funding of \$659,600 in 2025-26 and \$875,500 in 2026-27 and 10.0 permanent positions to process license applications in the DPCP. DPCP administers the biennial renewal process for active credential holders in health and business professions and in building trades professions. Permanent positions would include 9.0 license permit program associate positions and 1.0 paralegal position, and would replace 10.0 expiring project positions currently funded by ARPA. ARPA funds must be obligated by December 31, 2024.

4. INFORMATION TECHNOLOGY CONSULTING SERVICES, SUBSCRIPTIONS, AND EQUIPMENT

PR	\$1,928,400
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Request \$546,000 annually to support costs charged by the Division of Enterprise Technology (DET) in the Department of Administration (DOA), which provides information technology (IT) functions to DSPS. The request includes ongoing funding to support services provided by three DET contracted staff that were approved for one-time funding under 2023 Act 19. Services include IT programming enhancements, process improvements, and service delivery.

The request also includes ongoing funding of \$265,800 in 2025-26 and \$274,700 in 2026-27 for software subscriptions and maintenance, and one-time funding of \$149,400 in 2025-26 and \$146,500 in 2026-27 to maintain IT equipment for staff, including laptops, monitors, and docking stations.

5. LEGAL SUPPORT STAFF

	Funding	Positions
PR	\$630,100	4.00

Request 4.0 permanent positions and ongoing funding of \$271,800 in 2025-26 and \$358,300 in 2026-27 for the Division of Legal Services and Compliance (DLSC) Business Team. The 4.0 requested positions would include 3.0 paralegals and 1.0 attorney. Requested staff would provide casework for the investigation and discipline of DSPS-licensed credential holders for violating professional regulations. Attorneys are responsible for creating plans for investigations, which are then carried out by paralegals and consumer protection investigators. DSPS reports that additional staff would improve the speed and quality of investigations and enforcement activities. DSPS reports having 950 pending investigations.

6. PRESCRIPTION DRUG MONITORING PROGRAM STAFF

	Funding	Positions
PR	\$441,300	2.00

Request \$190,900 in 2025-26 and \$250,400 in 2026-27 in ongoing funding to support 2.0 attorney positions for the state's Prescription Drug Monitoring Program (PDMP). PDMP was created under 2009 Wisconsin Act 362 and assists health care professionals in their prescribing and dispensing decisions by providing them with information about controlled substance prescriptions dispensed in the state. PDMP attorneys work on investigating and prosecuting cases of dangerous conduct by a prescriber or pharmacy. DSPS reports that current staffing levels are

insufficient to manage an increasing number of referred opioid cases in recent years.

7. PHARMACY INSPECTOR POSITION

	Funding	Position
PR	\$290,600	1.00

Request \$126,200 in 2025-26 and \$164,400 in 2026-27 to support 1.0 pharmacy inspector permanent position. Position duties would include performing more complex facility inspections, such as inspections of specialized pharmacies, drug device manufacturers, home medical oxygen providers, and wholesale prescription drug distributors. Inspections are performed for initial licensure, for significant changes to a facility with an existing license, or for misconduct complaints from consumers. DSPTS reports that pharmacy inspection has become more complex in recent years as the number of specialized pharmacies has increased. DSPTS performs approximately 80 pharmacy inspections and investigates 100 theft or loss reports annually. Additional funding would be used to improve expertise and timeliness of inspections and investigations.

8. SUPPLIES AND SERVICES FUNDING

PR	\$418,000
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Request \$209,000 annually in the 2025-27 biennium for ongoing supplies and services to reflect cost increases associated with: (a) maintaining service levels for credential holders and credentialing boards; and (b) one-time expenses associated with credentialing operations.

9. PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM GRANT PROGRAM CONTINUATION

PR	\$1,680,000
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Request ongoing funding of \$840,000 each year for the private onsite wastewater treatment system (POWTS) rehabilitation and replacement grant program. Additionally, request changes to statutory grant eligibility provisions such that: (a) systems installed prior to July 1, 1988, would become eligible for assistance (rather than systems installed prior to July 1, 1978, as under current law); and (b) household incomes at or below 250% of the federal poverty level (FPL) would become eligible for assistance. Currently, the statutes limit family income to \$45,000; the request would increase program income limits to an estimated \$78,000 for a four-person household based on 2024 FPL.

The POWTS grant program provides financial assistance to certain owners of a principal residence or small commercial establishment to cover a portion of the cost of repairing or replacing failing private onsite wastewater treatment (septic) systems. Under 2023 Act 19, the grant program is to be repealed on June 30, 2025. Additional statutory language would be required to extend the sunset date. The last year of funding for the program is 2024-25. The program is funded from a transfer from the DSPTS safety and buildings operations appropriation, which receives program revenue from sanitary permits and private onsite wastewater treatment system plan review fees, as well as fees from other building permit, plan review, inspection, and credentialing activities.

10. YOUTH FIREFIGHTER TRAINING GRANT PROGRAM

PR	\$150,000
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Request \$75,000 each year in ongoing funding to continue the Youth Volunteer Firefighter Training Program. The program provides grants to fire departments to create and operate youth firefighter training programs with the goal of increasing recruitment and retention of volunteer firefighters in the state. 2023 Act 19 provided \$75,000 PR each year in one-time funding. DSPS reports that in 2023-24, the grant program received 11 applications for requests totaling \$252,329.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce supplies and services intended for IT system hardware, software, and maintenance, including \$1,329,000 from safety and buildings regulatory activities and \$935,900 from health and business occupation regulation. Delete 6.0 positions as follows: (a) 2.4 from the appropriation for medical professional credentialing; and (b) 1.8 positions each from the health and business credentialing appropriations and the safety and buildings operations appropriations.	PR	-\$2,264,900	-\$2,264,900

SECRETARY OF STATE

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
FED	\$0	\$20,000	\$20,000	\$40,000	N.A.	0.00	0.00	0.00	0.00	N.A.
PR	<u>291,800</u>	<u>594,300</u>	<u>681,800</u>	<u>692,500</u>	118.7%	<u>2.00</u>	<u>5.00</u>	<u>5.00</u>	<u>3.00</u>	150.0%
TOTAL	\$291,800	\$614,300	\$701,800	\$732,500	125.5%	2.00	5.00	5.00	3.00	150.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENT

PR	\$48,000
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Request an adjustment to the base budget for full funding of continuing position salaries and fringe benefits (\$24,000 annually).

2. INCREASED FUNDING FOR PROGRAM FEES APPROPRIATION

PR	\$77,300
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Request an increase in expenditure authority for the Office of the Secretary of State's (SOS) program fees appropriation of \$22,100 in 2025-26 and \$55,200 in 2026-27. This increase would fund: (a) additional supplies and services (\$17,700 in 2025-26 and \$18,100 in 2026-27), including news subscriptions, two cellphones for existing staff communication, membership dues to the National Association of Secretaries of State, and consulting services provided by the Department of Administration (DOA) associated with the Office's technology modernization efforts; (b) network services billed to the Office by DOA (\$4,400 annually); and (c) funding related to the relocation of the SOS to a new office space (\$32,700 in 2026-27, including \$15,000 of one-time funding). The Office indicates that these increases would align expenditure authority with current operational expenditure needs.

3. ADDITIONAL PERMANENT POSITIONS

	Funding	Positions
PR	\$351,500	2.00

Request \$157,600 in 2025-26 and \$193,900 in 2026-27 and 2.0 permanent records/form management specialist positions annually. According to the SOS, the records/forms management positions would perform apostille and authentication services and would assist the current records management specialist with various office operations.

4. ADDITIONAL PROJECT POSITION

	Funding	Position
PR	\$175,700	1.00

Request \$78,800 in 2025-26 and \$96,900 in 2026-27 and 1.0 records filing project position annually. The project position would be authorized for two years, beginning on October 1, 2025. According to the SOS, the records filing project position would create procedures for the intake, filing, storage, and retrieval of documents. The Office indicates that the position would work to address the multi-year backlog of documents that must be examined and properly archived.

5. APPROPRIATION MODIFICATION

GPR-REV	- \$359,600
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Request that the Office's program fees appropriation be converted from an annual appropriation to a continuing, all moneys received appropriation. Eliminate the current annual statutory transfer (lapse) from that appropriation to the general fund.

Operations of the SOS are primarily funded from its program fees appropriation. Revenues deposited into this appropriation are from the Department of Financial Institutions' (DFI) transfer and from fees charged by the SOS for services performed by the Office. Under current law, any unencumbered balance at the close of a fiscal year exceeding 10% of that fiscal year's expenditures in this appropriation lapse to the general fund. Under this request, the transfer to the general fund would be reduced by \$179,800 annually, relative to the administration's estimated 2024-25 transfer.

6. INCREASE TRANSFER FROM DFI

PR-REV	\$240,000
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Request an increase in the amount of funds transferred from DFI's general program operations appropriation that are deposited to the SOS's program fees appropriation by \$90,000 in 2025-26 and \$150,000 in 2026-27. The SOS states that the increased revenue transfer would support expenditure authority for the additional requested positions and resources.

Under current law, an annual transfer of \$150,000 is made from DFI's general program operations appropriation to the SOS's program fees appropriation. Under the request, this amount would be increased to a transfer of \$240,000 in 2025-26 and \$300,000 in 2026-27 and annually thereafter.

7. APPROPRIATION CREATION

FED	\$40,000
PR	<u>40,000</u>
Total	\$80,000

Request the creation of two new continuing, all moneys received appropriations for: (a) gifts, grants and bequests; and (b) federal aid. Provide annual expenditure authority of \$20,000 PR and \$20,000 FED, respectively, to the new appropriations. The SOS indicates that the creation of these appropriations would mirror the appropriation structure of other state agencies.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Reduce the program operations LTE budget and the agency collections appropriation.	PR	-\$14,600	-\$14,600

SHARED REVENUE AND TAX RELIEF

Budget Summary					FTE Position Summary	
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		
		2025-26	2026-27	Amount	%	
GPR	\$1,926,612,100	\$1,973,004,500	\$1,980,775,200	\$100,555,500	2.6%	There are no positions authorized for Shared Revenue and Tax Relief.
PR	65,002,000	65,002,000	65,002,000	0	0.0	
SEG	<u>1,774,788,600</u>	<u>1,798,432,500</u>	<u>1,819,464,300</u>	<u>68,319,600</u>	1.9	
TOTAL	\$3,766,402,700	\$3,836,439,000	\$3,865,241,500	\$168,875,100	2.2%	

Major Request Items

Refundable Income and Franchise Tax Credits

1. VETERANS PROPERTY TAX CREDIT REESTIMATE

GPR	\$40,000,000
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Request increased funding for the veterans and surviving spouses property tax credit of \$15,800,000 in 2025-26 and \$24,200,000 in 2026-27. Compared to base funding of \$59,700,000, total funding for the credit is estimated at \$75,500,000 in 2025-26 and \$83,900,000 in 2026-27. The increased estimate is based on: (a) recent historical data showing a considerable increase in the percentage of veterans nationwide with high service-connected disability ratings; (b) strong growth in state credit expenditures (21% increase in 2023-24); and (c) increasing property tax liabilities among credit claimants (22% increase in the average credit over the last five fiscal years).

Under current law, the credit is equal to 100% of real and personal property taxes paid on a principal dwelling by eligible veterans and surviving spouses. The credit is refundable, such that if the amount of the credit exceeds the claimant's tax liability, the balance is paid to the claimant by check via a sum sufficient GPR appropriation. A claimant cannot claim the credit if they also file a claim for the property tax/rent credit (nonrefundable), homestead credit (refundable), or farmland preservation credit (refundable) in the same tax year.

2. ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING (EITM) ZONE CREDIT REESTIMATE

GPR	\$13,769,000
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Request increases of \$2,411,000 in 2025-26 and \$11,358,000 in 2026-27 for the sum sufficient appropriation for refundable EITM zone tax credits (Foxconn). Total funding would increase from base funding of \$6,332,000 to \$8,743,000 in 2025-26 and \$17,690,000 in 2026-27.

The EITM zone tax credit program provides a refundable payroll tax credit based upon 17% of the EITM zone payroll of full-time employees employed by the claimant. In addition, if the Wisconsin Economic Development Corporation (WEDC) determines that a certified business makes a significant capital expenditure in the EITM zone, it can certify the business to receive additional tax benefits in an amount to be determined by WEDC, but not exceeding 15% of the business's capital expenditures in the EITM zone in the taxable year. The estimate reflects the administration's review of the jobs, payroll, and capital expenditure targets established under the amended contract dated April 20, 2021, that WEDC entered into with certain Wisconsin corporations that are affiliated with Foxconn.

3. BUSINESS DEVELOPMENT CREDIT REESTIMATE

GPR	- \$12,100,000
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Request decreases of \$6,600,000 in 2025-26 and \$5,500,000 in 2026-27 for the sum sufficient appropriation for business development tax credits to reestimate anticipated claims during the 2025-27 biennium. The reestimate reflects the administration's projections of credit claims for economic development projects based on recent trends of tax credit claims. With the adjustments, estimated total funding would decrease from base funding of \$22,000,000 to \$15,400,000 in 2025-26 and \$16,500,000 in 2026-27.

Businesses certified by WEDC can earn credits for a portion of wages paid to employees, training costs for employees, personal property investments, real property investments, wages paid to employees performing corporate headquarters functions in Wisconsin, investment in workforce housing, and investment in employee child care programs.

4. HOMESTEAD CREDIT REESTIMATE

GPR	- \$10,370,000
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Request decreased funding under the homestead tax credit program of \$3,770,000 in 2025-26 and \$6,600,000 in 2026-27. Under current law, the homestead credit is provided as a property tax relief mechanism for lower-income homeowners and renters. Compared to base funding of \$37,700,000, estimated expenditures would be \$33,930,000 in 2025-26 and \$31,100,000 in 2026-27.

5. ENTERPRISE ZONE CREDIT REESTIMATE

GPR	- \$7,269,200
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Request an increase of \$5,765,400 in 2025-26 and a decrease of \$13,034,600 in 2026-27 for the sum sufficient appropriation for refundable enterprise zone tax credits to reestimate anticipated claims during the 2025-27 biennium. The reestimate reflects projections of credit claims for major economic development projects for which WEDC has contracted and amended tax credit awards. With the adjustments, estimated total funding would increase from base funding of \$42,234,600 to \$48,000,000 in 2025-26 and decrease to \$29,200,000 in 2026-27. Businesses that operate in enterprise zones established by WEDC can claim tax credits for jobs created and retained, training costs, capital expenditures, and purchases from Wisconsin vendors.

6. REFUNDABLE RESEARCH CREDIT REESTIMATE

GPR	\$6,500,000
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Request funding increases for refundable research tax credit claims by \$2,000,000 in 2025-26 and \$4,500,000 in 2026-27. With the adjustments, estimated total funding would increase from \$25,500,000 to \$27,500,000 in 2025-26 and \$30,000,000 in 2026-27.

The state provides research credits to businesses equal to a percentage of the increase in a business's qualified research expenses, as defined under the Internal Revenue Code, for research conducted in Wisconsin. For taxable years beginning on or after January 1, 2024, up to 25% of the amount of new credits computed may be claimed as a refundable credit. The remaining portion of the credit is nonrefundable. The amounts shown above reflect only the administration's estimated cost of the refundable portion of research credit claims in the 2025-27 biennium.

7. EARNED INCOME CREDIT REESTIMATE

GPR	- \$5,085,000
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Request decreased GPR funding for the state earned income tax credit (EITC) of \$2,672,000 in 2025-26 and \$2,413,000 in 2026-27. Compared to base funding of \$30,000,000, estimated GPR expenditures would be \$27,328,000 in 2025-26 and \$27,587,000 in 2026-27.

Under current law, the state EITC is paid from two sources: (a) a sum sufficient GPR appropriation; and (b) federal funding from the Temporary Assistance to Needy Families (TANF) program. TANF funding may only be used under federal law to finance the refundable portion of the state EITC. Requested TANF funding for the EITC in 2025-26 and 2026-27 is unchanged from base funding of \$65,002,000. Total EITC funding is estimated to decrease from base funding of \$95,002,000 to \$92,330,000 in 2025-26 and \$92,589,000 in 2026-27.

8. JOBS TAX CREDIT REESTIMATE

GPR	- \$1,000,000
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Request funding decreases of \$500,000 annually for the sum sufficient appropriation for jobs tax credits to reestimate claims during the 2025-27 biennium. With the adjustments, estimated total funding would decrease from base funding of \$500,000 to \$0 in each year.

Pursuant to 2015 Act 55, the refundable jobs tax credit was consolidated with the nonrefundable economic development tax credit into the refundable business development tax credit beginning in 2016. The jobs tax credit was sunset after 2015. However, if WEDC allocated tax benefits in a contract to claimants prior to December 31, 2015, or if WEDC had entered into a letter of intent to enter into a contract before that date, claimants may compute and claim the credit for as long as the contract specifies. WEDC entered into contracts through tax year 2023 for businesses to earn, compute, and claim the credit. The reestimate reflects the sunset of the credit and that WEDC will no longer verify any credit amounts.

Direct Aid Payments

1. PUBLIC UTILITY AID

GPR	\$18,854,000
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Request increases of \$7,601,700 in 2025-26 and \$11,252,300 in 2026-27 to the sum sufficient public utility distribution account appropriation to reflect the estimated payment amounts. With these adjustments, base level funding of \$96,197,700 in the appropriation would increase to \$103,799,400 in 2025-26 and \$107,450,000 in 2026-27. The public utility distribution account appropriation is used to make aid payments to counties and municipalities containing certain types of public utility property that are exempt from local property taxation.

2. COUNTY AND MUNICIPAL AID ACCOUNT

SEG	\$50,049,400
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Request increases of \$17,320,700 in 2025-26 and \$32,728,700 in 2026-27 to the sum sufficient county and municipal aid account in the local government fund to fully-fund the 2026 and 2027 county and municipal aid statutory distribution amounts. Beginning in 2025-26, 2023 Act 19 requires that the amount credited to this account be equal to the amount that was credited to the account in the previous fiscal year, multiplied by the percentage change in the estimated amount of state sales and use tax revenues, as outlined in the Legislative Fiscal Bureau's (LFB) summary of general fund taxes under each biennial budget act, for the previous fiscal year compared to the preceding fiscal year. The same adjustment is made for the supplemental county and municipal aid account (see "Direct Aid Payments -- Supplemental County and Municipal Aid Account").

For 2025-26, the increase in the transfer to the account is calculated using the estimated percentage change in state sales and use taxes between 2023-24 and 2024-25, as outlined in the LFB summary of general fund taxes in the 2023-25 biennial budget act. The 2026-27 transfer is calculated using the estimated percentage change in state sales and use taxes between 2024-25 and 2025-26, based on a preliminary estimate of the 2025-26 state sales and use taxes that will be included in the 2025-27 biennial budget act.

These transfer amounts reflect an increase of 2.3% in 2025-26 and an estimated increase of 2.0% in 2026-27. The 2025-26 increase is associated with the 2.3% growth in sales and use tax revenues shown in the LFB 2023-25 budget summary for 2024-25 compared to those same amounts shown in that summary for 2023-24. The 2026-27 increase is associated with the estimated 2.0% growth in sales and use tax revenues in 2025-26 over the amount of those revenues shown in the LFB 2023-25 budget summary for 2024-25. With these adjustments, base level funding of \$753,075,300 would increase to \$770,396,000 in 2025-26 and \$785,804,000 in 2026-27.

3. SUPPLEMENTAL COUNTY AND MUNICIPAL AID ACCOUNT

SEG	\$18,267,800
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Request increases of \$6,322,000 in 2025-26 and \$11,945,800 in 2026-27 to the sum sufficient supplemental county and municipal aid account in the local government fund to fully-fund the 2026 and 2027 supplemental county and municipal aid statutory distribution amounts. Beginning in 2025-26, 2023 Act 19 requires that the amount credited to this account be equal to the amount that was credited to the account in the previous fiscal year, multiplied by the percentage change in the estimated amount of state sales and use tax revenues, as outlined in the Legislative Fiscal Bureau's (LFB) summary of general fund taxes under each biennial budget act, for the previous fiscal year compared to the preceding fiscal year.

These transfer amounts reflect an increase of 2.3% in 2025-26 and an estimated increase of 2.0% in 2026-27. The 2025-26 increase is associated with the 2.3% growth in sales and use tax revenues shown in the LFB 2023-25 budget summary for 2024-25 over those same amounts shown in that summary for 2023-24. The 2026-27 increase is associated with the 2.0% estimated growth in sales and use tax revenues in 2025-26 over the amount of those revenues shown in the LFB 2023-25 budget summary for 2024-25. With these adjustments, base level funding of \$274,867,200 would increase to \$281,189,200 in 2025-26 and \$286,813,000 in 2026-27.

Property Tax Credits

1. FIRST DOLLAR CREDIT

GPR	- \$2,426,900
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Request decreases of \$1,566,000 in 2025-26 and \$860,900 in 2026-27 to the sum sufficient appropriation to reflect the estimated cost of the first dollar credit. With these adjustments, estimated total funding available for the credit would decrease from an adjusted base level of \$148,228,000 to \$146,662,000 in 2025-26 and \$147,367,100 in 2026-27.

These adjustments represent the estimated actual total costs of the first dollar credit to be distributed in each year of the biennium. Each year, DOR establishes a credit base for the first dollar credit that is meant to distribute the \$150,000,000 GPR available for the credit. The credit base is the amount of improved value on which the credit is to be paid. The actual credit amounts distributed to municipalities have consistently been less than the \$150,000,000 available. The estimated amounts would align more closely with the actual amounts distributed each year.

2. FARMLAND PRESERVATION TAX CREDIT

GPR	- \$780,000
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Request decreases of \$390,000 annually to the sum-sufficient appropriations for the farmland preservation tax credit, which applies to certain lands in farmland preservation zoning districts and under farmland preservation agreements. With these reestimates, budgeted credits would decrease from an adjusted base level of \$21,640,000 to \$21,250,000 annually.

Other Property Tax Relief

1. FORESTRY TRANSFER

GPR	\$60,339,600
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Request increases of \$27,700,300 in 2025-26 and \$32,639,300 in 2026-27 for the transfer from the general fund to the forestry account of the conservation fund for the purposes of acquiring, preserving, and developing the forests of the state. 2017 Act 59 replaced the state forestry mill tax with a sum sufficient appropriation from the general fund equal to the value of the tax, or 0.1697 mills for each dollar of the assessed valuation of the property in the state. As a result, as assessed values of property in the state increase, the amount of the transfer increases. Under the request, the transfer to the forestry account would be estimated at \$164,635,100 in 2025-26 and \$169,574,100 in 2026-27. Base funding for the transfer is \$136,934,800.

STATE FAIR PARK

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$2,440,300	\$2,440,300	\$2,440,300	\$0	0.0%	0.00	0.00	0.00	0.00	0.0%
PR	<u>20,896,500</u>	<u>39,000,000</u>	<u>42,000,000</u>	<u>39,207,000</u>	93.8	<u>54.00</u>	<u>54.00</u>	<u>54.00</u>	<u>0.00</u>	0.0
TOTAL	\$23,336,800	\$41,440,300	\$44,440,300	\$39,207,000	84.0%	54.00	54.00	54.00	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

PR	\$1,194,000
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Request adjustments to the agency base budget for the following: (a) turnover reduction (-\$124,400 annually); (b) full funding of continuing position salaries and fridge benefits (\$524,800 annually); and (c) overtime (\$196,600 annually).

2. PARK OPERATIONS REESTIMATE

PR	\$38,013,000
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Request reestimates of \$17,506,500 in 2025-26 and \$20,506,500 in 2026-27 to reflect anticipated supplies and services costs primarily related to: (a) safety (metal detectors, cameras, fencing, etc); (b) rides and games on the Wisconsin State Fair midway, known as Spin City; and (c) entertainment options.

State Fair Park operations are funded by revenues generated from admissions, parking, and a percentage of sales made by vendors and concessionaires at Park events, primarily the annual Wisconsin State Fair. The Park may expend all monies it receives, subject to approval by the Department of Administration, and amounts budgeted for Park operations reflect the most reliable estimates for a fiscal year. The provision is intended to align budgeted Park operations with anticipated expenditures. State Fair Park supplies and services base funding is \$8.6 million; the request would reestimate supplies and services at \$26.1 million in 2025-26 and \$29.1 million in 2026-27.

2015 Act 201 Plan

		<u>Amount</u>	
	<u>Fund</u>	<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reestimate expenditures to reflect the deferral or reduction of facility upgrades and maintenance.	PR	-\$972,500	-\$972,500
2. Reestimate expenditures to reflect the deferral or reduction of capital projects.	PR	<u>-9,000</u>	<u>-9,000</u>
Total		-\$981,500	-\$981,500

STATE TREASURER

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
PR	\$133,000	\$222,300	\$245,300	\$201,600	75.8%	1.00	2.00	2.00	1.00	100.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENT

PR	\$7,800
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Request an adjustment to the base totaling \$3,900 annually for full funding of continuing position salaries and fringe benefits.

2. INCREASED RESOURCES FOR OFFICE

	Funding	Position
PR	\$185,000	1.00

Request \$81,000 in 2025-26, \$104,000 in 2026-27, and 1.0 program and policy analyst project position annually. Under current law, the Treasurer's Office must provide services related to the promotion of the unclaimed property program in consultation with the Department of Revenue (DOR). Requested funding would support salary and fringe benefits and supplies and services costs for the new two-year project position. The position would work in coordination with DOR to connect Wisconsin residents with unclaimed property in the unclaimed property program and for general promotion of the program. The source of funding would be revenue transferred from DOR's appropriation for unclaimed property claims.

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
5% Budget Reduction Plan		<u>2025-26</u>	<u>2026-27</u>
Reduce unclaimed property supplies and services.	PR	-\$6,700	-\$6,700

SUPREME COURT

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$20,660,900	\$21,987,400	\$21,925,600	\$2,591,200	6.3%	115.50	123.90	123.90	8.40	7.3%
FED	1,054,700	1,041,300	1,041,800	- 26,300	- 1.2	5.00	5.00	5.00	0.00	0.0
PR	16,094,700	19,981,300	20,140,800	7,932,700	24.6	111.00	111.00	111.00	0.00	0.0
SEG	<u>339,700</u>	<u>338,800</u>	<u>339,100</u>	<u>- 1,500</u>	- 0.2	<u>1.60</u>	<u>1.60</u>	<u>1.60</u>	<u>0.00</u>	0.0
TOTAL	\$38,150,000	\$43,348,800	\$43,447,300	\$10,496,100	13.8%	233.10	241.50	241.50	8.40	3.6%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base totaling \$429,400 in 2025-26 and \$459,300 in 2026-27 associated with: (a) full funding of continuing position salaries and fringe benefits (\$112,500 GPR, -\$14,500 FED, \$367,700 PR, and -\$500 SEG annually); and (b) full funding of lease and directed moves costs (-\$24,300 GPR, \$1,100 FED, -\$12,200 PR, and -\$400 SEG in 2025-26 and -\$12,100 GPR, \$1,600 FED, \$4,700 PR, and -\$100 SEG in 2026-27).

GPR	\$188,600
FED	- 26,300
PR	727,900
SEG	<u>- 1,500</u>
Total	\$888,700

2. OFFICE OF SUPREME COURT MARSHAL

Request \$1,238,300 in 2025-26, \$1,164,300 in 2026-27, and 8.4 positions annually for the creation of an Office of Supreme Court Marshal to serve as a specialized law enforcement agency for the Wisconsin court system. Staff for the office would total 10.0 FTE, including 1.6 GPR positions currently authorized under the appropriation for Supreme Court proceedings general program operations [s. 20.680(1)(a)]. Duties of the office would include providing protective services for Supreme Court justices during the course of official duties, working with local law enforcement to provide security assessments, and providing support in high-risk or high-visibility circuit court proceedings, when requested.

	Funding	Positions
GPR	\$2,402,600	8.40

In addition, request statutory language to create a biennial GPR appropriation under a newly-created Program 4 under the Supreme Court for the Office of Supreme Court Marshal [s. 20.680(4)(a)]. Specify in statute that the Office of Supreme Court Marshal would have law enforcement powers.

Funding would include: (a) \$749,900 in 2025-26 and \$999,800 in 2026-27 for salaries and fringe benefits; and (b) \$488,400 in 2025-26 and \$164,500 in 2026-27 for supplies and services.

Requested position authority would include: (a) 8.0 law enforcement officers (1.0 chief marshal, 1.0 chief deputy marshal, and 6.0 deputy marshals); and (b) 0.4 civilian staff positions (the Office would also include the existing 1.6 positions noted above as additional civilian staff). The law enforcement officers would serve as peace officers with statewide jurisdiction, arresting authority, and permission to carry firearms. The civilian staff would be responsible for administrative functions. According to the Director of State Courts Office, the Office of Supreme Court Marshal would provide mutual aid to local law enforcement agencies as needed and would generally not provide direct security to circuit court judges or in county courthouses.

Currently, the existing 1.6 positions are utilized as a civilian marshal position (1.0) and deputy marshal position (0.6). Neither position has law enforcement powers. According to the request, the marshal attends the public sittings of the court and performs the duties assigned by the Chief Justice, the Supreme Court, and the Director of State Courts, while the deputy marshal assists in the marshal duties.

**3. CONSOLIDATED COURT AUTOMATION PROGRAMS
(CCAP) PROGRAM REVENUE REESTIMATE**

PR	\$7,204,800
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Request \$3,531,100 in 2025-26 and \$3,673,700 in 2026-27 in the court information systems appropriation to reflect anticipated CCAP supplies and services spending levels in the 2025-27 biennium. Reestimated expenditures for CCAP supplies and services would be for the maintenance and support of the following technology costs for the circuit courts: security improvements, performance enhancements to county networks, maintenance and updates to the electronic filing system, and information technology equipment for counties.

TOURISM

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$8,330,200	\$8,991,900	\$9,091,700	\$1,423,200	8.5%	33.00	33.00	33.00	0.00	0.0%
FED	785,400	833,200	833,200	95,600	6.1	1.00	1.00	1.00	0.00	0.0
PR	9,271,100	9,071,100	9,071,100	- 400,000	- 2.2	0.00	0.00	0.00	0.00	0.0
SEG	<u>1,603,500</u>	<u>1,603,500</u>	<u>1,603,500</u>	<u>0</u>	0.0	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.0
TOTAL	\$19,990,200	\$20,499,700	\$20,599,500	\$1,118,800	2.8%	34.00	34.00	34.00	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base for the following: (a) -3.00 GPR project positions budgeted to the Office of Outdoor Recreation that expire June 30, 2025; (b) \$220,500 GPR and \$47,800 FED annually for full funding of continuing position salaries and fringe benefits; (c) \$7,800 GPR annually for position reclassifications and semiautomatic pay progressions; (d) -\$300 GPR annually for full funding of costs of leases and directed moves.

	Funding	Positions
GPR	\$456,000	- 3.00
FED	<u>95,600</u>	<u>0.00</u>
Total	\$551,600	- 3.00

2. OFFICE OF OUTDOOR RECREATION

Request \$199,300 in 2025-26 and \$254,000 in 2026-27 with 3.0 permanent positions each year for the Office of Outdoor Recreation. The Office of Outdoor Recreation (OOR) is responsible for promoting Wisconsin's outdoor recreational opportunities and connecting businesses in the outdoor recreation industry. 2019 Act 9, 2021 Act 58, and 2023 Act 19 each provided 3.0 two-year project positions and one-time funding in each biennium for OOR operations. Current funding and positions expire on June 30, 2025, and authorized positions are removed under standard budget adjustments.

	Funding	Positions
GPR	\$453,300	3.00

3. MARKETING FUNDING INCREASE

Request \$200,100 each year in additional funding for Tourism's GPR biennial marketing appropriation. Tourism has base expenditure authority totaling \$14.3 million in its GPR, tribal gaming PR, and transportation SEG appropriations for marketing activities. This funding supports promotion of the state and its destinations through contract services with advertising agencies, public relations activities, and marketing grants to local entities. Tourism indicates the requested

GPR	\$400,200
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increase would primarily support costs of printing and distributing travel guides, including through the mail, as well as other costs of marketing functions.

4. ARTS BOARD MATCHING FUNDING

GPR	\$113,700
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Request \$34,300 in 2025-26 and \$79,400 in 2026-27 in aids for state arts organizations to match anticipated annual federal grants from the National Endowment for the Arts (NEA). The Arts Board uses NEA grants for both agency operations and grants to artists and arts organizations throughout Wisconsin. NEA grants require at least an equal (dollar-for-dollar) match of state funding. In 2024-25, the Arts Board has match-eligible state funding of \$1,078,000; the awarded state partnership grant from the NEA is \$1,083,000, or \$5,000 more than the budgeted state amount. The request assumes federal grants may increase by approximately 4% over the next biennium.

5. NATIVE AMERICAN TOURISM OF WISCONSIN CONTRACT TRANSFER

PR	-\$400,000
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Request the transfer of the management of Tourism's marketing contract with Native American Tourism of Wisconsin (NATOW) to the Department of Administration (DOA). Further, transfer \$200,000 tribal gaming PR each year for the NATOW contract from Tourism's marketing appropriation to the DOA appropriation for American Indian economic development. Currently, Tourism administers \$200,000 each year under contract with NATOW, a part of the Great Lakes Inter-Tribal Council (GLITC), for marketing tribal destinations and producing promotional materials. The transfer is intended to combine the marketing funding for NATOW programs with existing tribal PR-funded grants to GLITC that are administered by DOA. [See "Administration."]

2015 Act 201 Plan

	Fund	Amount	
		2025-26	2026-27
Base Level Plan			
1. Request 3.0 positions and associated funding to permanently authorize the Office of Outdoor Recreation.	GPR	\$199,100	\$253,800
2. Request the transfer of the contract for Native American Tourism of Wisconsin to the Department of Administration.	PR	-200,000	-200,000
3. Request additional GPR marketing funding, as under the agency request, with modified amounts.	GPR	119,900	65,200
4. Reestimate Tourism and Arts Board continuing (all monies received) appropriations.	PR	<u>-119,000</u>	<u>-119,000</u>
Total		\$0	\$0
	GPR	(\$319,000)	(\$319,000)
	PR	(-\$319,000)	(-\$319,000)

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Request 3.0 positions and associated funding to permanently authorize the Office of Outdoor Recreation.	GPR	\$199,100	\$253,800
2. Request the transfer of the contract for Native American Tourism of Wisconsin to the Department of Administration.	PR	-200,000	-200,000
3. Reduce marketing funding from tribal gaming proceeds.	PR	-794,500	-849,200
4. Reestimate Tourism and Arts Board continuing (all monies received) appropriations.	PR	<u>-119,000</u>	<u>-119,000</u>
Total		-\$914,400	-\$914,400
	GPR	(\$199,100)	(\$253,800)
	PR	(-\$1,113,500)	(-\$1,168,200)

TRANSPORTATION

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$192,499,200	\$193,505,500	\$196,524,300	\$5,031,400	1.3%	0.00	0.00	0.00	0.00	N.A.
FED	1,126,538,200	1,231,604,500	1,235,123,500	213,651,600	9.5	886.32	886.32	842.32	- 44.00	- 5.0%
PR	11,533,400	22,182,700	22,182,900	21,298,800	92.3	18.00	18.00	18.00	0.00	0.0
SEG	2,072,681,900	2,123,612,200	2,117,212,000	95,460,400	2.3	2,393.61	2,399.61	2,399.61	6.00	0.3
SEG-L	123,706,600	149,326,400	150,155,800	52,069,000	21.0	0.00	0.00	0.00	0.00	N.A.
SEG-S	<u>42,081,900</u>	<u>37,635,400</u>	<u>37,625,100</u>	<u>- 8,903,300</u>	- 10.6	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$3,569,041,200	\$3,757,866,700	\$3,758,823,600	\$378,607,900	5.3%	3,302.93	3,308.93	3,264.93	- 38.00	- 1.2%
BR		\$126,750,000								

Major Request Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the 2025-27 transportation fund condition statement under the Department of Transportation (DOT) agency budget request. The amounts shown for "Transfer of 0.25% of General Fund Taxes" are the annual statutory transfers that will be made from the general fund to the transportation fund based on estimated general fund tax revenues under the Department of Administration's November 20 report on agency budget requests and revenue estimates. The amounts shown for "Registration Revenues" include estimated revenues from DOT's request to introduce "blackout" and "retro" special license plates in the state, discussed in a separate item (see "Division of Motor Vehicles").

	<u>2025-26</u>	<u>2026-27</u>
Unappropriated Balance, July 1	\$157,398,300	\$194,449,700
Revenues		
Motor Fuel Tax	\$1,088,041,200	\$1,084,646,800
Registration and Title Fee Revenues		
Registration Revenues	724,867,700	730,083,200
Title Revenues	214,765,100	221,037,700
Miscellaneous Motor Vehicle Fees	30,277,700	30,666,300
Less Revenue Bond Debt Service	-175,099,700	-187,683,300
Petroleum Inspection Fee One-Cent Deposit	39,124,100	39,002,000
Driver's License Fees	36,714,100	36,168,400
Aeronautical Fees and Taxes	6,852,500	7,262,100
Railroad Property Taxes	27,589,900	29,374,600
Miscellaneous Departmental Revenues	16,658,600	15,966,200
Investment Earnings	65,000,000	60,000,000
Transfers to the Fund		
Transfer of 0.25% of General Fund Taxes	56,643,000	57,599,800
Electric Vehicle Sales Tax Transfer	45,000,000	50,000,000
Petroleum Inspection Fund Unencumbered Balance	14,691,200	14,728,000
Petroleum Inspection Fund Ongoing Transfer	6,258,500	6,258,500
Railroad Personal Property Tax Transfer	<u>8,000,000</u>	<u>8,000,000</u>
Total Revenues	\$2,205,383,900	\$2,203,110,300
Total Available	\$2,362,782,200	\$2,397,560,000
Appropriations and Reserves		
DOT Appropriations	\$2,123,127,500	\$2,116,727,300
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	20,000,000	20,000,000
Other Agency Appropriations	<u>28,205,000</u>	<u>28,149,500</u>
Net Appropriations and Reserves	\$2,168,332,500	\$2,161,876,800
Unappropriated Balance, June 30	\$194,449,700	\$235,683,200

DOT appropriations represent the bulk of the appropriations from the transportation fund. However, appropriations are also made for the following purposes, which are shown in the table, in total, as "Other Agency Appropriations": (a) to the Department of Revenue for the administration of the motor fuel tax, the air carrier and railroad property taxes, and the rental vehicle fee; (b) to the conservation fund to reflect estimated motor fuel taxes paid by users of motorboats, snowmobiles, all-terrain vehicles, and utility-terrain vehicles; (c) railroad terminal tax distributions, which are payments made to local governments where railroad terminal property is located; and (d) payment of reissued checks related to DOT.

2. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

The following table shows estimated transfers from other funds to the transportation fund in the 2025-27 biennium, and compares these amounts with transfers in the 2023-25 biennium. Under current law, the transportation fund receives annual transfers of revenue from the general fund and the petroleum inspection fund (PIF). From the general fund, the transportation fund receives an ongoing annual transfer of 0.25% of general fund tax revenues, as published in the general fund condition statement of the biennial budget act. It also receives an annual transfer from the general fund for estimated sales tax revenue from the sale of electric vehicles in the state. Two annual transfers are also made from the PIF: (a) an ongoing transfer of \$6,258,500 annually; and (b) the transfer of the unencumbered balance of the PIF, except for an amount not less than 5% of the gross annual revenues to the PIF during the fiscal year in which the transfer is made. The table does not include the ongoing annual transfer of \$8,000,000 from the local government fund, which compensates the transportation fund for reduced railroad property tax revenue associated with the repeal of railroad and other personal property from state or local taxation under 2023 Act 12.

Use of Other Funds for Transportation Purposes -- Biennial Comparison

	<u>2023-25</u>	Agency Request <u>2025-27</u>	<u>Biennial Change</u>	<u>% Change</u>
General Fund				
Transfer of 0.25% of General Fund Taxes	\$99,812,000	\$114,242,800	\$14,430,800	14.5%
Electric Vehicle Sales Tax Transfer	94,400,000	95,000,000	600,000	0.6
One-Time Transfers	<u>555,523,900</u>	<u>0</u>	<u>-555,523,900</u>	-100.0
Subtotal	\$749,735,900	\$209,242,800	-\$540,493,100	-72.1%
Petroleum Inspection Fund				
Annual Transfer Unencumbered Balance	\$29,135,100*	\$29,419,200	\$284,100	1.0%
Ongoing Appropriation Transfer	<u>12,517,000</u>	<u>12,517,000</u>	<u>0</u>	0.0
Subtotal	\$41,652,100	\$41,936,200	\$284,100	0.7%
Total	\$791,388,000	\$251,179,000	-\$540,209,000	-68.3%

*Includes the actual unencumbered balance transfer in 2023-24 and the estimated amount to be transferred in 2024-25 under DOT's agency request.

Note: Excludes debt service amounts on general fund-supported bonds issued for transportation purposes, other GPR appropriations provided for specific transportation purposes, and the direct deposit of one cent of the two-cent petroleum inspection fee to the transportation fund.

3. ALLOCATION OF FEDERAL HIGHWAY AID

Estimate federal highway formula aid to be \$1,068,129,000 in 2025-26 and \$1,071,650,900 in 2026-27, which represents increases of \$106,756,500 in 2025-26 and \$110,278,400 in 2026-27 relative to the 2024-25 appropriation adjusted base. The increased federal highway formula aid in the 2025-27 biennium is due to the passage of the Infrastructure Investment and Jobs Act (IIJA) in November, 2021, which authorized higher baseline funding levels for federal highway formula aid than the prior federal reauthorization act.

The actual amount of the state's federal highway aid in the 2025-27 biennium will be determined on an annual basis under federal transportation appropriation acts by Congress. Some uncertainty remains regarding the amount of federal transportation aid that will be appropriated by the federal government and available to the state in the biennium. In addition, DOT indicates that its agency budget request has not allocated all of the federal highway aid that is anticipated in the biennium. As a result, additional funding will be available for distribution among DOT state and local highway programs under the Governor's 2025-27 budget recommendations.

The following table shows the changes to the appropriation adjusted base requested by the Department and the resulting distribution of federal highway formula aid. As shown in the table, of the funds allocated, DOT is requesting the largest increase for the local transportation facility improvement assistance appropriation, which would be provided to the surface transportation program and carbon reduction program. The Department also requests increases in federal funding for the transportation alternatives program, congestion mitigation and air quality improvement program, the railroad crossing improvement program, and the departmental management and operations appropriation, as discussed in later items (see "Local Transportation Assistance" and "Departmentwide"). Other appropriations would also see minor changes due to standard budget adjustments.

<u>Appropriation</u>	<u>Base</u>	<u>Change to Base</u>		<u>Agency Request</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
State Highway Rehabilitation	\$542,122,500	\$2,030,500	\$1,934,300	\$544,153,000	\$544,056,800
Major Highway Development	192,149,400	0	0	192,149,400	192,149,400
Local Transportation Facility Improvement Assistance	72,651,200	82,025,100	85,116,600	154,676,300	157,767,800
Local Bridge Improvement	59,685,600	0	0	59,685,600	59,685,600
Southeast Freeway Megaprojects	49,460,700	0	0	49,460,700	49,460,700
Transportation Alternatives	7,049,300	12,047,500	12,429,400	19,096,800	19,478,700
Congestion Mitigation/Air Quality Improvement	10,719,000	4,962,300	5,061,500	15,681,300	15,780,500
Departmental Mgmt. and Ops.	10,272,900	2,322,500	2,261,900	12,595,400	12,534,800
Highway System Mgmt. and Ops.	8,907,300	100,500	92,500	9,007,800	8,999,800
Railroad Crossing Improvements	3,291,800	3,061,600	3,188,700	6,353,400	6,480,500
Administration and Planning	<u>5,062,800</u>	<u>206,500</u>	<u>193,500</u>	<u>5,269,300</u>	<u>5,256,300</u>
Total	\$961,372,500	\$106,756,500	\$110,278,400	\$1,068,129,000	\$1,071,650,900

4. TRANSPORTATION-RELATED BOND SUMMARY

The following table summarizes the biennial usage of bonds for transportation projects in the 2023-25 biennium and under the Department's 2025-27 agency budget request. These projects may be initially financed through a temporary use of cash balances from the respective funds. Eventually, bonds are sold to replenish those balances and this becomes the ultimate financing source for these projects. The Department's request does not include any additional bonding for the major highway development or southeast Wisconsin freeway megaproject components of the state highway improvement program.

	<u>2023-25</u>	Agency Request <u>2025-27</u>
Transportation Fund-Supported, General Obligation Bonds		
State Highway Design-Build Projects	\$0	\$92,500,000
Harbor Assistance Program	0	15,000,000
Freight Rail Preservation Program	0	5,000,000
Major Interstate Bridge Program	<u>352,800,000</u>	<u>0</u>
Subtotal	\$352,800,000	\$112,500,000
Transportation Revenue Bonds		
Administrative Facilities -- 2025-27 Capital Building Projects	\$0*	\$9,500,000
Administrative Facilities -- 2027-29 Program Continuation	<u>0</u>	<u>4,750,000</u>
Subtotal	\$0	\$14,250,000
 Total	 \$352,800,000	 \$126,750,000

*The 2023-25 budget allocated \$18.5 million in existing transportation revenue bond proceeds for DOT administrative facilities, but did not authorize any new bonds for this purpose.

5. TRANSPORTATION REVENUE BOND AUTHORIZATION BR \$14,250,000

Request an increase in transportation revenue bond authority of \$14,250,000 to fund the Department's anticipated capital building projects on DOT administrative facilities. Of this total, the Department indicates that it would use \$9,500,000 for administrative facility construction projects in the 2025-27 biennium, while the remaining \$4,750,000 would be used for projects that would be initiated, but not completed in the 2025-27 biennium.

Transportation revenue bonds are issued for the major highway development program and DOT administrative facility projects. Debt service payments on these bonds are first draw on revenues from vehicle registration and title fees. Estimated debt service on outstanding transportation revenue bonds in the biennium would equal \$169.7 million in 2025-26 and \$181.9 million in 2026-27. These figures would increase to \$175.1 million in 2025-26 and \$187.7 million in 2026-27 when including projected issuances of the requested 2025-27 bonds and DOT's existing unissued bonding authority in 2024-25.

6. ESTIMATED DEBT SERVICE ON REQUESTED DESIGN-BUILD BONDING SEG \$3,194,500

Request \$317,500 in 2025-26 and \$2,877,000 in 2026-27 to fund estimated debt service costs associated with the Department's request for \$92.5 million in transportation fund-supported, general obligation bonds for state highway design-build projects (see "State Highway Program"). This would increase funding for DOT's southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects, state funds debt service appropriation from a base amount of \$90,177,500 to \$90,495,000 in 2025-26 and \$93,054,500 in 2026-27.

Local Transportation Aid

1. TIER C TRANSIT OPERATING ASSISTANCE

GPR	\$5,031,400
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Request \$1,006,300 in 2025-26 and \$4,025,100 in 2026-27 to increase mass transit operating assistance to Tier C transit systems for calendar year 2026, and thereafter. Set the statutory calendar year distribution amount for Tier C to be \$9,423,700 for calendar year 2026, and thereafter. Under current law, the calendar year distribution amount for Tier C is set at \$5,398,600. Tier C provides funding for smaller bus and shared-ride taxi systems that serve urbanized areas having a population of at least 2,500 and less than 50,000.

The Department states that the additional funding requested for Tier C systems reflects changes in the definition of urbanized area boundaries resulting from the 2020 decennial census. DOT states that three cities and two counties previously within Tier B (systems that service populations between 50,000 and 200,000), have been reclassified as Tier C systems as a result of the most recent census. In addition, DOT notes that three new transit agencies have been added to the funding distribution for Tier C within the last five years.

Under the request, Tier B funding levels and Tier B calendar year distribution amounts would remain unchanged, despite five systems migrating from Tier B to Tier C associated with the 2020 census. As a result, the remaining systems in Tier B would have the same funding level available for fewer systems in the tier.

2. URBAN MASS TRANSIT SYSTEM TIER DEFINITION CHANGES

Request that the current statutory definition for Tier A-1 (Milwaukee County) be modified to include an urban mass transit system with operating expenditures of \$100,000,000 or more. Also request that the current statutory definition for Tier A-2 (Madison) be modified to include an urban mass transit system with operating expenses of \$30,000,000 to \$100,000,000. The Department states that these statutory changes would reflect the anticipated increases in annual operating costs for these systems in future years. Under current law, a Tier A-1 system is defined as an urban mass transit system having annual operating expenses of \$80,000,000 or more, and a Tier A-2 system is defined as a system having annual operating expenses in excess of \$20,000,000 but less than \$80,000,000.

Request that the current statutory definition of Tier B and Tier C be modified to change the population basis from the 2010 federal decennial census to the most recent decennial census. Under current law, Tier B is defined as an urban mass transit system operating within an urbanized area having a population as shown in the 2010 federal decennial census of at least 50,000, and Tier C is defined as an urban mass transit system operating within an area having a population as shown in the 2010 federal decennial census of less than 50,000.

Local Transportation Assistance

1. HARBOR ASSISTANCE PROGRAM

BR	\$15,000,000
SEG	<u>789,400</u>
Total	\$15,789,400

Request \$15,000,000 in transportation fund-supported, general obligation bonds for the harbor assistance program, which provides grants for making capital improvements to harbors on the Great Lakes or the Mississippi River system. In addition, request \$93,800 SEG in 2025-26 and \$695,600 SEG in 2026-27 to reflect estimated debt service on these bonds.

2. HARBOR ASSISTANCE PROGRAM -- FUNDING SOURCES FOR FUEL PIPE-LINE IN MILWAUKEE COUNTY

Request modifications to a nonstatutory provision from 2023 Act 19 (the 2023-25 biennial budget) that would allow the Department to award a \$10.0 million SEG grant in the 2025-27 biennium for a fuel pipeline extension project in Milwaukee County if the Department receives any source of federal funding for the project. The grant would be for the construction of a fuel pipeline extension from the Mitchell International Airport to the Port of Milwaukee.

Act 19 authorized DOT to make a \$10.0 million SEG grant to the project in the 2023-25 biennium from DOT's harbor assistance program, notwithstanding the program eligibility requirements. However, the grant could only be made if the project receives a grant from the federal Port Infrastructure Development Program (PIDP). The requested change would allow the Department to release the funds set aside for the project under Act 19 if any source of federal funds is provided to the project, rather than specifying that federal funding must be provided from the PIDP.

3. FREIGHT RAIL PRESERVATION PROGRAM

BR	\$5,000,000
SEG	<u>463,700</u>
Total	\$5,463,700

Request \$5,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program (FRPP), which provides grants for the purpose of preserving and improving freight rail service in the state. Request \$62,500 SEG in 2025-26 and \$401,200 SEG in 2026-27 to reflect estimated debt service on these bonds. In addition, request a statutory modification to reduce the minimum local match requirement for FRPP grant-funded railroad projects from 20% to 10% when federal funding is used for the project.

4. LOCAL TRANSPORTATION FACILITY IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$167,141,700
SEG-L	<u>41,785,500</u>
Total	\$208,927,200

Request \$82,025,100 FED and \$20,506,300 SEG-L in 2025-26, and \$85,116,600 FED and \$21,279,200 SEG-L in 2026-27 for the Department's local transportation facility improvement

assistance appropriations, which are used to award grants of federal funds to local units of government for transportation projects. The federal funding increases are associated with the additional amount of estimated annual federal funding expected from the federal highway formula amounts authorized under the IIJA, while the additional SEG-L reflects the federal requirement that grant recipients provide a 20% match on the total cost of an awarded project.

Of this funding, the Department indicates that \$65,168,300 FED and \$16,292,100 SEG-L in 2025-26, and \$67,922,700 FED and \$16,980,700 SEG-L in 2026-27 will be allocated to the DOT surface transportation program, which provides grants to local units of government primarily for projects to rehabilitate local roads. The remaining funding of \$16,856,800 FED and \$4,214,200 SEG-L in 2025-26, and \$17,193,900 FED and \$4,298,500 SEG-L in 2026-27 will be provided from the federal carbon reduction program, which was created under IIJA with the goal of reducing carbon dioxide emissions from on-road highway sources. The Department indicates that these funds could be awarded for several eligible activities, including projects to replace street lighting and traffic control devices with energy-efficient alternatives, projects to deploy advanced transportation and congestion management technologies, and public transportation projects.

The requested funding would increase the adjusted base funding for DOT's local transportation facility improvement assistance appropriations from \$72,651,200 FED to \$154,676,300 FED in 2025-26 and \$157,767,800 FED in 2026-27, and from \$43,898,600 SEG-L to \$64,404,900 SEG-L in 2025-26 and \$65,177,800 SEG-L in 2026-27.

5. TRANSPORTATION ALTERNATIVES PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$24,476,900
SEG-L	<u>6,119,300</u>
Total	\$30,596,200

Request \$12,047,500 FED and \$3,011,900 SEG-L in 2025-26, and \$12,429,400 FED and \$3,107,400 SEG-L in 2026-27 for the DOT transportation alternatives program (TAP). TAP provides grants to local governments for a variety of non-motorized vehicle transportation projects. Eligible activities include construction and planning of on-road and off-road bicycle, pedestrian, and other non-motorized vehicle facilities, viewing areas such as overlooks and turnouts, and safe routes to school projects. The federal funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the SEG-L increase reflects the federally-required 20% local match from grant recipients. The requested funding would increase the adjusted base funding for the program from \$7,049,300 FED to \$19,096,800 FED in 2025-26 and \$19,478,700 FED in 2026-27, and from \$2,012,300 SEG-L to \$5,024,200 SEG-L in 2025-29 and \$5,119,700 SEG-L in 2026-27.

6. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$10,023,800
SEG-L	<u>2,506,000</u>
Total	\$12,529,800

Request \$4,962,300 FED and \$1,240,600 SEG-L in 2025-26, and \$5,061,500 FED and \$1,265,400 SEG-L in 2026-27 for the DOT congestion mitigation and air quality improvement (CMAQ) program. CMAQ provides grants using federal funds for projects designed to reduce

transportation-related air pollution or reduce traffic congestion. Under federal law, CMAQ funds may only be used in counties that are classified as non-attainment or maintenance areas for ozone, carbon monoxide, or particulate matter pollution. In Wisconsin these counties are Door, Kenosha, Kewaunee, Manitowoc, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Washington, and Waukesha. The federal funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the additional SEG-L reflects the federally-required 20% local match from grant recipients. The requested funding would increase the adjusted base funding for the program from \$10,719,000 FED to \$15,681,300 FED in 2025-26 and \$15,780,500 FED in 2026-27, and from \$3,124,700 SEG-L to \$4,365,300 SEG-L in 2025-26 and \$4,390,100 SEG-L in 2026-27.

7. RAILROAD CROSSING IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION

FED	\$6,250,300
SEG-L	<u>1,562,600</u>
Total	\$7,812,900

Request \$3,061,600 FED and \$765,400 SEG-L in 2025-26, and \$3,188,700 FED and \$797,200 SEG-L in 2026-27 for the DOT railroad crossing improvement program, which improves the safety of railroad crossings with projects such as the installation of railroad gates and signal lights. The federal funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the additional SEG-L reflects additional matching funds from local project sponsors. The requested funding would increase the adjusted base funding for the program from \$3,291,800 FED to \$6,353,400 FED in 2025-26 and \$6,480,500 FED in 2026-27. No base level SEG-L funding is currently provided to the program.

8. TRANSPORTATION ECONOMIC ASSISTANCE PROGRAM

Request the following statutory modifications for the DOT transportation economic assistance (TEA) program: (a) increase the award ceiling for TEA grants from \$5,000 to \$15,000 per job created or retained to reflect the increased costs of these projects; and (b) allow recipients to use TEA grant funds for the costs of hiring an independent certified public accountant (CPA) when they receive a grant or loan of at least \$100,000, if the grant or loan requires the submission of a verified statement by a CPA on the number of jobs created by the project.

The TEA program provides grants to units of local government for projects to improve road, rail, harbor, and airport facilities when the project is a component of an economic development project that creates or retains jobs in the state. Under current law, the amount of a TEA grant is capped at the lower of the following: (a) 50% of the total estimated cost of the transportation improvement project; or (b) an amount equal to \$5,000 per job created or retained resulting directly from the economic development project. DOT indicates that this grant amount per job threshold was last increased in 1997.

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

The following tables compare total funding for state highway improvement programs under 2024-25 adjusted base plus bonding and DOTs 2025-27 agency budget request. Since the state highway improvement programs receive both current revenues (SEG and FED) and bond proceeds, both tables show the 2024-25 SEG and FED appropriation base, plus the amount of bonding that was allocated in 2024-25. The first table shows the amounts requested compared to the base year funding doubled for each fund source (SEG/FED/bond proceeds), while the second table breaks down these figures for each individual program.

The agency request would provide the adjusted base funding, including standard budget adjustments, for the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs, while authorizing \$92.5 million in bonds for design-build projects.

TABLE 1

**State Highway Improvement Program Summary --
Base Funding to 2025-27 Agency Request Comparison**

<u>Fund Source</u>	<u>2024-25 Base Plus Bonds</u>	<u>Agency Request*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$638,583,400	\$639,952,300	\$639,952,300	\$2,737,800	0.2%
FED	783,732,600	785,763,100	785,666,900	3,964,800	0.3
Bonds	<u>176,400,000</u>	<u>25,400,000</u>	<u>67,100,000</u>	<u>-260,300,000</u>	-73.8
Total	\$1,598,716,000	\$1,451,115,400	\$1,492,719,200	-\$253,597,400	-7.9%

*Amounts shown include adjustments to the base and standard budget adjustments.

TABLE 2

**State Highway Improvement Program Summary --
Base Funding to 2025-27 Agency Request Comparison**

<u>Fund Source</u>	2024-25	<u>Agency Request*</u>	
	<u>Base Plus Bonds</u>	<u>2025-26</u>	<u>2026-27</u>
State Highway Rehabilitation			
SEG	\$592,412,100	\$593,781,000	\$593,781,000
FED	<u>542,122,500</u>	<u>544,153,000</u>	<u>544,056,800</u>
Subtotal	\$1,134,534,600	\$1,137,934,000	\$1,137,837,800
Major Highway Development			
SEG	\$37,884,700	\$37,884,700	\$37,884,700
FED	<u>192,149,400</u>	<u>192,149,400</u>	<u>192,149,400</u>
Subtotal	\$230,034,100	\$230,034,100	\$230,034,100
SE Wis. Freeway Megaprojects			
SEG	\$8,286,600	\$8,286,600	\$8,286,600
FED	<u>49,460,700</u>	<u>49,460,700</u>	<u>49,460,700</u>
Subtotal	\$57,747,300	\$57,747,300	\$57,747,300
Major Interstate Bridge			
Gen. Ob. Bonds (SEG)	\$176,400,000	\$0	\$0
Design-Build Projects			
Gen. Ob. Bonds (SEG)	\$0	\$25,400,000	\$67,100,000
Total	\$1,598,716,000	\$1,451,115,400	\$1,492,719,200

*Amounts shown include adjustments to the base and standard budget adjustments.

The following tables compare total funding for state highway improvement programs in the 2023-25 biennium with the Department's 2025-27 agency budget request. The tables show biennial program resources by fund source and the percentage change to the composition of program funding. The amounts shown for the 2023-25 biennium include additional FED associated with the IJA that was appropriated under DOT's 2023-24 federal expenditure plan.

TABLE 3

**State Highway Improvement Program Summary --
2023-25 to 2025-27 Agency Request Comparison**

<u>Fund Source</u>	<u>2023-25</u>	<u>Agency Request 2025-27*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
SEG	\$1,571,207,700	\$1,279,904,600	-\$291,303,100	-18.5%
FED	1,576,357,100**	1,571,430,000	-4,927,100	-0.3
Bonds	<u>352,800,000</u>	<u>92,500,000</u>	<u>-260,300,000</u>	-73.8
Total	\$3,500,364,800	\$2,943,834,600	-\$556,530,200	-15.9%

*Amounts shown include adjustments to the base and standard budget adjustments.

**Includes \$37.9 million FED appropriated under 2023-24 DOT federal plan. Does not include \$1.05 billion awarded from the federal INFRA grant program in January, 2024 for the Blatnik Bridge project, a joint Minnesota-Wisconsin project, for which Minnesota is the lead agency.

TABLE 4

**State Highway Improvement Program Summary --
2023-25 to 2025-27 Agency Request Comparison**

<u>Fund Source</u>	<u>2023-25</u>	<u>Agency Request 2025-27*</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
State Highway Rehabilitation				
SEG	\$1,156,611,300	\$1,187,562,000	\$30,950,700	2.7%
FED	<u>1,113,684,400**</u>	<u>1,088,209,800</u>	<u>-25,474,600</u>	-2.3
Subtotal	\$2,270,295,700	\$2,275,771,800	\$5,476,100	0.2%
Major Highway Development				
SEG	\$210,068,600	\$75,769,400	-\$134,299,200	-63.9%
FED	<u>381,839,700</u>	<u>384,298,800</u>	<u>2,459,100</u>	0.6
Subtotal	\$591,908,300	\$460,068,200	-\$131,840,100	-22.3%
SE Wis. Freeway Megaprojects				
SEG	\$157,327,800	\$16,573,200	-\$140,754,600	-89.5%
FED	<u>80,833,000</u>	<u>98,921,400</u>	<u>18,088,400</u>	22.4
Subtotal	\$238,160,800	\$115,494,600	-\$122,666,200	-51.5%
Major Interstate Bridge***				
SEG	\$47,200,000	\$0	-\$47,200,000	-100.0%
Gen. Ob. Bonds (SEG)	<u>352,800,000</u>	<u>0</u>	<u>-352,800,000</u>	<u>-100.0</u>
Subtotal	\$400,000,000	\$0	-\$400,000,000	-100.0%
Design-Build Projects				
Gen. Ob. Bonds (SEG)	\$0	\$92,500,000	\$92,500,000	N.A.
Total	\$3,500,364,800	\$2,943,834,600	-\$556,530,200	-15.9%

*Amounts shown include adjustments to the base and standard budget adjustments.

**Includes \$37.9 million FED appropriated under 2023-24 DOT federal plan.

***Does not include \$1.05 billion awarded from the federal INFRA grant program in January, 2024 for the Blatnik Bridge project, a joint Minnesota-Wisconsin project, for which Minnesota is the lead agency.

2. STATE HIGHWAY DESIGN-BUILD PROJECTS

BR	\$92,500,000
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Authorize \$92,500,000 in transportation fund-supported, general obligation bonds for projects utilizing the design-build method under the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs. The Department estimates that it will issue \$25,400,000 of the requested bonds in 2025-26, and the remaining \$67,100,000 in 2026-27 to help fund the following three projects: (a) the replacement of two overpasses on southbound I-94 at the "cranberry interchange" where I-90 and I-94 meet in Monroe County; (b) a pavement and bridge rehabilitation project on USH 51 and STH 29 in Marathon County; and (c) the replacement of the two eastbound and two westbound bridges on I-94 over the Crawfish and Rock Rivers in Jefferson County.

Estimated debt service of \$317,500 in 2025-26 and \$2,877,000 in 2026-27 associated with the issuance of these bonds in the biennium is included under a separate item (see "Transportation Finance").

Division of Motor Vehicles

1. MODERNIZATION OF DMV SOFTWARE SYSTEM

SEG	\$14,800,000
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Request \$7,800,000 SEG in 2025-26 and \$7,000,000 SEG in 2026-27 for the Division of Motor Vehicles (DMV) general operations appropriation to fund the modernization of DMV software systems. The Division utilizes several software programs to perform essential functions including providing customers with driver's licenses and vehicle registrations, processing revenue, sharing information with external agencies, and storing data and files including customers' personal identifiers. The Department indicates that DMV's current software systems are dated, inefficient, and subject to cybersecurity risks. The requested funding would be used to replace DMV's software systems and establish a 15-year master lease to fund the system upgrade.

2. ISSUANCE OF LICENSE PLATES

SEG	\$14,786,700
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Request \$7,005,000 SEG in 2025-26 and \$7,781,700 SEG in 2026-27 for the DMV general operations appropriation to cover the ongoing costs of issuing license plates. 2021 Act 163 required DOT to replace all primary vehicle license plates that are 10 years or older by 2032 and required all plates issued be covered with a more expensive prismatic sheeting. DOT estimates that in order meet the 2032 deadline for replacing license plates, the Department must issue 435,000 "replacement" license plates each year. The Department also issues approximately 952,000 "standard" license plates for newly titled new and used automobiles, trucks, motorcycles, and other vehicle types that are required to meet the Act 163 sheeting requirements.

2023 Act 19 provided the Department with \$3,168,000 annually, which was primarily

provided to meet the Act 163 requirements for replacing older plates. Subsequently, the Department indicates postage and handling costs associated with issuance of the plates have increased in recent years. Also, the production costs associated with the Act 163 requirements are higher than was expected during the 2023-25 budget deliberations. A portion of the additional funding being requested is needed to cover these costs, which will allow the Department to meet the 2032 deadline for replacing plates. However, the Department's request is primarily associated with the costs of issuing standard plates using the more expensive prismatic sheeting required under Act 163 and to assist with the higher costs of postage and handling associated with issuing standard plates.

3. INTRODUCTION OF SPECIAL LICENSE PLATES -- BLACKOUT AND RETRO PLATES

SEG	\$5,528,300
SEG-REV	16,655,400

Request \$1,860,900 SEG in 2025-26 and \$3,667,400 SEG in 2026-27 to introduce two new special license plates in the state: (a) a "blackout" plate with white letters on a black background; and (b) a "retro" plate featuring black letters on a yellow background. Like many existing special license plates, the Department requests the authority to charge a \$15 issuance fee when the plates are initially issued, and a special license plate fee of \$25 annually when registering vehicles with the plates. Estimate additional revenues to the transportation fund of \$4,607,300 SEG-REV in 2025-26 and \$12,048,100 SEG-REV in 2026-27 associated with the proposed issuance and special plate fees. The Department estimates that the revenues would cover the costs to issue the plates, with any surplus revenues being available to the transportation fund.

4. PROGRAM REVENUE REESTIMATES

PR	\$20,734,000
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Request increases of \$10,367,000 PR annually for DMV's program revenue appropriations to more accurately reflect annual collections. Increase estimated annual revenues from credit card, debit card, and electronic payment convenience fees, and reestimate annual revenues for payments to 13 special group license plate entities, as shown in the table below.

Program Revenue Reestimates

<u>Appropriation</u>	<u>Annual Amounts</u>		
	<u>Adjusted Base</u>	<u>Total Funding</u>	<u>Funding Request</u>
Convenience fees	\$118,400	\$8,650,000	\$8,531,600
Special Group License Plates			
Wisconsin Trout Unlimited	\$0	\$21,000	\$21,000
Baseball plate licensing fees	5,000	290,000	285,000
Issuance of certain special plates	5,000	1,060,000	1,055,000
Boy Scouts of America National Foundation	5,000	10,400	5,400
Whitetails Unlimited	5,000	43,000	38,000
Wisconsin Rocky Mountain Elk Foundation	5,000	18,000	13,000
Wisconsin Organization of Nurse Executives	5,000	36,500	31,500
Milwaukee Bucks Foundation	5,000	20,000	15,000
Midwest Athletes Against Childhood Cancer	5,000	18,000	13,000
Wisconsin Women's Health Foundation	0	13,500	8,500
Donate Life Wisconsin	0	300,000	300,000
Wisconsin Law Enforcement Memorial, Inc.	0	25,000	25,000
National Law Enforcement Officers Memorial Fund	<u>0</u>	<u>25,000</u>	<u>25,000</u>
Annual Total	\$158,400	\$10,525,400	\$10,367,000
Biennial Total	\$316,800	\$21,055,800	\$20,734,000

State Patrol

1. BODY-WORN CAMERAS AND STAFFING FOR OPEN RECORDS REQUESTS

	Funding	Positions
SEG	\$4,195,900	6.00

Request \$3,628,200 SEG in 2025-26 for the one-time purchase of 320 body-worn cameras for State Troopers. In addition, request 6.00 FTE, \$247,600 SEG in 2025-26, and \$320,100 SEG in 2026-27 to hire additional staff for open records requests. The Department indicates that the requested positions would be necessary to process data and respond to open records requests from the additional body-worn cameras. The requested funding and positions would be provided to the Division of State Patrol general operations appropriation.

2. STATE TROOPER OVERTIME

SEG	\$4,211,200
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Request \$2,105,600 annually for the Division of State Patrol general operations appropriation to fund overtime pay for Wisconsin State Troopers. Troopers earn overtime wages of 1.5 times their regular hourly pay when they work more than 40 hours a week, including for unscheduled activities such as crash responses, intoxicated driver arrests, severe weather events, and sick leave coverage for other officers. DOT indicates that State Patrol's current overtime

budget was funded at \$1.0 million annually in 2015-16, while actual overtime expenditures in the past six years have exceeded this allocation by between \$1.4 million and \$2.0 million annually.

3. DATA STORAGE FOR IN-VEHICLE VIDEO CAMERAS

SEG	\$3,980,300
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Request \$3,980,300 in 2025-26 for the Division of State Patrol general operations appropriation to provide data storage for in-vehicle video cameras. State Patrol currently operates 320 in-vehicle dash video cameras, which were purchased in 2023-24 and have a useful life of five years. The request would fund a three-year contract to provide cloud data storage for the cameras, rather than the transportable hard drives that are currently used for storage, and also provide maintenance for the cameras through their projected end of useful life in 2027-28.

4. MICROWAVE RADIO NETWORK

SEG	\$2,507,000
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Request \$1,253,500 annually for the Division of State Patrol general operations appropriation to upgrade 59 communications links on the statewide microwave radio network. DOT operates and maintains a system of 70 communications towers and 92 network locations throughout the state, which provides telephone and internet connectivity for DOT and other state agencies, and also serves as the backbone for the Wisconsin Interoperable System for Communications (WISCOM), a radio system that allows emergency responders to communicate across jurisdictions. The Department indicates that the request would fund the first two years of a seven-year, \$8.8 million master lease to upgrade communications links on the network that are at the end of their useful life.

5. UPGRADED TASERS

SEG	\$2,437,200
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Request \$2,437,200 in 2025-26 for the Division of State Patrol general operations appropriation to purchase 500 tasers for State Troopers. The Department indicates that its existing inventory of tasers was purchased in 2015 and 2016, and that the model is now obsolete. The requested funding would be used to purchase 500 new tasers, and also fund a five-year support contract for the devices.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the agency base budget for: (a) turnover reduction (-\$1,959,000 FED and -\$5,233,300 SEG annually); (b) removal of noncontinuing elements from the base (-\$281,800 FED and -44.00 FED project positions in 2026-27); (c)

	Funding	Positions
FED	\$2,912,000	- 44.00
PR	564,800	0.00
SEG	36,942,200	0.00
SEG-S	<u>96,700</u>	<u>0.00</u>
Total	40,515,700	- 44.00

full funding of continuing position salaries and fringe benefits (\$2,557,000 FED, \$12,100 PR, \$19,718,800 SEG, and \$8,800 SEG-S annually); (d) overtime (\$978,100 FED, \$256,900 PR, and \$4,184,800 SEG annually); (e) night and weekend differential pay (\$20,800 FED and \$399,300 SEG annually); and (f) full funding of lease and directed moves costs (\$13,300 PR, \$506,600 SEG, and \$44,700 SEG-S in 2025-26, and \$13,500 PR, -\$1,703,600 SEG, and \$34,400 SEG-S in 2026-27).

2. DOT ADMINISTRATIVE FACILITIES -- MAINTENANCE SEG \$1,500,000

Request \$500,000 in 2025-26 and \$1,000,000 in 2026-27 for DOT's departmental management and operations appropriation to provide additional funding for maintenance of DOT facilities. Funding for maintenance of DOT facilities, including DMV customer service centers and a variety of other buildings, is provided from DOT's departmental management and operations appropriation. The Department indicates that the requested funding would be used to replace flooring at DMV customer service centers, complete parking lot, sidewalk, and exterior grounds upgrades, install lighting improvements, perform HVAC maintenance and upgrades, and fulfill various other maintenance needs.

3. DOT ADMINISTRATIVE FACILITIES -- CAPITAL BUILDING PROJECTS SEG-S - \$9,000,000

Request a decrease in expenditure authority of \$4,500,000 annually for transportation revenue bond proceeds to fund capital building projects on DOT administrative facilities. DOT's capital building SEG-S continuing appropriation expends the transportation revenue bond proceeds of bonds issued to finance capital improvements to the Department's various facilities. In the 2023-25 biennium, the Department was provided \$9,250,000 annually, or \$18,500,000 in the biennium, to expend revenue bond proceeds for these purposes. This request would decrease annual expenditure authority from that base level of \$9,250,000 to \$4,750,000 annually, for a total spending level of \$9,500,000 in the biennium. The table below lists the anticipated projects that would be included in the Department's capital building budget and completed using these funds. The Department also requested a corresponding increase in the transportation revenue bonds to be issued in the biennium to fund these projects, as shown in a separate item (see "Transportation Finance").

<u>Location</u>	<u>Project</u>	<u>Amount</u>
State Patrol Academy, Tomah	HVAC Replacement	\$2,000,000
State Patrol Academy, Tomah	Bathroom Remodeling and Window Replacement	800,000
State Patrol Headquarters, DeForest	HVAC Replacement	600,000
Multiple Statewide Locations	Small Projects: Roofing, Generators, HVAC & Electrical	<u>6,100,000</u>
 Total		 \$9,500,000

4. DEPARTMENTAL MANAGEMENT AND OPERATIONS	FED	\$2,846,900
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FEDERAL FUNDING ALLOCATION

Request \$1,372,900 in 2025-26 and \$1,474,000 in 2026-27 for DOT's departmental management and operations appropriation. This funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula amounts authorized under the IIJA. The Department indicates that it would allocate the requested funding to its highway research program, which conducts research to improve DOT operations, including discovering better ways to design, build, and reconstruct the state's highways. The requested funding would increase the adjusted base funding level for the departmental management and operations appropriation from \$10,272,900 to \$11,645,800 in 2025-26 and \$11,746,900 in 2026-27, excluding funding for standard budget adjustments (shown in a separate item).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
Aids			
1. Reduce child abuse and neglect prevention expenditure authority.	PR	-\$6,300	-\$6,300
Local Transportation Assistance			
1. Reduce aviation career education appropriation.	SEG	-8,900	-8,900
2. Reduce congestion mitigation and air quality improvement expenditure authority.	SEG-L	-156,200	-156,200
3. Reduce transportation infrastructure loans appropriation.	SEG	-200	-200
State Highway Improvement Program			
1. Reduce southeast Wisconsin freeway megaprojects appropriation.	SEG	-414,300	-414,300
2. Reduce major highway development appropriation.	SEG	-1,894,200	-1,894,200
3. Reduce state highway rehabilitation appropriation.	SEG	-29,620,600	-29,620,600
4. Reduce state highway rehabilitation expenditure authority.	SEG-L	-103,000	-103,000
5. Reduce supplement from sponsorship agreements expenditure authority.	PR	-500	-500
6. Reduce highway system management and operations appropriation.	SEG	-5,241,700	-5,241,700
7. Reduce state-owned lift bridge operations and maintenance appropriation.	SEG	-119,000	-119,000
8. Reduce routine maintenance activities appropriation.	SEG	-9,615,800	-9,615,800
9. Reduce intelligent transportation systems and traffic control signals appropriation.	SEG	-490,900	-490,900
10. Reduce highway system management and operations expenditure authority.	SEG-L	-95,000	-95,000
11. Reduce administration and planning appropriation.	SEG	-753,400	-753,400

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
State Highway Improvement Program (continued)			
12. Reduce surveying reference station system expenditure authority.	PR	-\$29,500	-\$29,500
13. Reduce utility facilities withing highway rights-of-way expenditure authority.	PR	-14,000	-14,000
14. Reduce damage claims expenditure authority.	PR	-204,400	-204,400
General Operations			
1. Reduce departmental management and operations appropriation.	SEG	-3,711,800	-3,711,800
2. Reduce transit safety oversight appropriation.	SEG	-3,600	-3,600
3. Reduce capital building projects appropriation.	SEG-S	-462,500	-462,500
4. Reduce demand management appropriation.	SEG	-22,900	-22,900
5. Reduce data processing services appropriation.	SEG-S	-752,900	-752,900
6. Reduce fleet operations appropriation.	SEG-S	-631,800	-631,800
7. Reduce other department services, operations appropriation.	SEG-S	-257,000	-257,000
8. Reduce highways, bridges and local transportation assistance clearing account appropriation.	SEG	-257,400	-257,400
Motor Vehicle Services and Enforcement			
1. Reduce convenience fees expenditure authority.	PR	-5,900	-5,900
2. Reduce repaired salvage vehicle examinations expenditure authority.	PR	-7,300	-7,300
3. Reduce breath screening instruments expenditure authority.	PR	-21,000	-21,000
4. Reduce vehicle registration, inspection and maintenance, driver licensing and aircraft registration appropriation.	SEG	-4,660,400	-4,660,400
5. Reduce escort, security and traffic enforcement services expenditure authority.	PR	-45,500	-45,500
6. Reduce traffic academy tuition payments expenditure authority.	PR	-32,800	-32,800
7. Reduce chemical testing training and services expenditure authority.	PR	-92,500	-92,500
8. Reduce public safety radio management expenditure authority.	PR-S	-52,400	-52,400
9. Reduce public safety radio management expenditure authority.	PR	-8,000	-8,000
10. Reduce vehicle inspection, traffic enforcement and radio management appropriation.	SEG	-4,349,000	-4,349,000
11. Reduce transportation safety appropriation.	SEG	-107,300	-107,300
12. Reduce motorcycle safety program supplement expenditure authority.	PR	-1,900	-1,900
13. Reduce payments to Wisconsin Trout Unlimited expenditure authority.	PR	-300	-300
14. Reduce payments resulting from the issuance of certain special plates expenditure authority.	PR	-300	-300
15. Reduce payments to the Boy Scouts of America National Foundation expenditure authority.	PR	-300	-300

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Motor Vehicle Services and Enforcement (continued)			
16. Reduce payments to Whitetails Unlimited expenditure authority.	PR	-\$300	-\$300
17. Reduce payments to the Wisconsin Rocky Mountain Elk Foundation expenditure authority.	PR	-300	-300
18. Reduce payments to Wisconsin Organization of Nurse Executives expenditure authority.	PR	-300	-300
19. Reduce basketball plate payments to the Milwaukee Bucks Foundation expenditure authority.	PR	-300	-300
20. Reduce payments to Midwest Athletes Against Childhood Cancer expenditure authority.	PR	-300	-300
21. Reduce motor vehicle emission inspection and maintenance program; contractor costs and equipment grants appropriation.	SEG	<u>-159,700</u>	<u>-159,700</u>
Total		-\$64,413,900	-\$64,413,900
	SEG	(-\$61,431,100)	(-\$61,431,100)
	SEG-S	(-\$2,104,200)	(-\$2,104,200)
	SEG-L	(-\$354,200)	(-\$354,200)
	PR	(-\$472,000)	(-\$472,000)
	PR-S	(-\$52,400)	(-\$52,400)

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$1,346,632,600	\$1,745,282,400	\$1,804,697,400	\$856,714,600	31.8%	17,697.49	17,904.49	17,911.49	214.00	1.2%
FED	1,893,123,900	1,893,123,900	1,893,123,900	0	0.0	5,791.48	5,791.48	5,791.48	0.00	0.0
PR	4,663,345,000	4,663,345,000	4,663,345,000	0	0.0	14,598.88	14,598.88	14,598.88	0.00	0.0
SEG	<u>41,750,200</u>	<u>41,815,700</u>	<u>41,815,700</u>	<u>131,000</u>	0.2	<u>151.55</u>	<u>151.55</u>	<u>151.55</u>	<u>0.00</u>	0.0
TOTAL	\$7,944,851,700	\$8,343,567,000	\$8,402,982,000	\$856,845,600	5.4%	38,239.40	38,446.40	38,453.40	214.00	0.6%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$63,658,000
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Request adjustments to the agency base budget of \$31,829,000, including \$31,361,000 annually for full funding of continuing position salaries and fringe benefits and \$468,000 annually for full funding of lease and directed moves costs.

2. GENERAL OPERATIONAL INCREASE

GPR	\$191,897,600
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Request \$81,948,800 in 2025-26 and \$109,948,800 annually beginning in 2026-27 in the UW System's largest GPR appropriation for general program operations to provide additional funding to all system campuses to offset increased inflationary costs of goods and services and provide ongoing support for general operations. Base-level funding is \$1,012,292,600.

3. PAY PLAN INCREASES

GPR	\$147,280,000
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Request \$56,000,000 (\$48,359,200 salary and \$7,640,800 fringe) in 2025-26 and \$91,280,000 (\$78,825,600 salary and \$12,454,400 fringe) in 2026-27 to support a 5% wage adjustment for UW System employees on July 1, 2025, and an additional 3% wage adjustment on July 1, 2026, for UW System's faculty, academic staff, and university staff.

4. TUITION SHARE OF PAY PLAN INCREASES

GPR	\$63,120,000
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Request \$24,000,000 in 2025-26 and \$39,120,000 annually beginning in 2026-27 to provide funding for the tuition share of a 5% wage adjustment for UW System employees on July 1, 2025, and an additional 3% wage adjustment on July 1, 2026, for UW System's faculty, academic staff,

and university staff.

Traditionally, GPR has funded approximately 70% of general wage adjustment costs while tuition funds 30% of costs. This request would provide funding for the tuition share of wage adjustment costs.

5. VETERAN TUITION REMISSION AND SUPPORT SERVICES

GPR	\$84,000,000
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Request \$42,000,000 GPR annually for veteran tuition and fee remissions provided to eligible veterans and their family members as well as expanding wrap-around student support services for veterans such as advising.

Under current law, the UW System Board of Regents (and technical college district boards) must remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, for up to 128 credits or eight semesters, whichever is longer, to eligible veterans. Veterans who are eligible for benefits under the federal Post-9/11 G.I. Bill are required to use those benefits before accessing state tuition and fee remissions. The federal Post-9/11 G.I. Bill provides education benefits, including the direct payment of tuition and fees, a monthly housing allowance, and an annual books and supplies stipend, to veterans who served at least 90 days of active duty (or 30 days in the case of a service-related disability) after September 10, 2001. In addition, the UW System Board of Regents (and each technical college district board) must remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, to the spouse, unremarried surviving spouse, and children of eligible veterans. The Montgomery G.I. Bill provides a monthly stipend to veterans who are enrolled as students, which can be used for tuition, books and supplies, and living expenses. Veterans whose stipend under the Montgomery G.I. Bill or certain other federal education programs would have exceeded the amount of the monthly housing allowance provided under the Post-9/11 G.I. Bill (adjusted to reflect the annual books and supplies stipend) are reimbursed by the institution attended for the difference in those benefits. A GPR appropriation under the Higher Educational Aids Board (HEAB) has been provided to reimburse, in part, the UW Board of Regents and technical college district boards for remissions provided to veterans, for remissions provided to the children and spouses of certain veterans, and for reimbursement/supplemental payments made to veterans, children, and spouses.

In fall, 2023, UW-System institutions provided remissions to 3,795 students under veterans and related veteran family member remission programs.

6. MERIT AND MARKET PAY ADJUSTMENTS

GPR	\$56,000,000
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Request \$28,000,000 (\$24,179,600 salary and \$3,820,400 fringe) annually for merit-based salary increases and other market-based compensation salary increases to attract and retain high performing faculty, particularly at campuses outside of UW-Madison.

According to data from the American Association of University Professors 2023-24 Annual Report on the Economic Status of the Profession, outside of UW-Madison, average salaries of full-time, nine-month faculty at all other UW System campuses are below the national average for

public comprehensive universities (with the exception of assistant professors at UW-Eau Claire, where average salaries were slightly above the national average), and average salaries at UW-Milwaukee are also below the national average of public doctoral universities. According to UW System, the additional funding under the request would allow institutions to raise starting salaries to be more competitive as well as provide for limited merit and market-based salary increases.

7. TUITION SHARE OF MERIT AND MARKET ADJUSTMENTS

GPR	\$24,000,000
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Request \$12,000,000 annually to provide funding for the tuition share of merit-based salary increases and other market-based compensation salary increases to attract and retain high performing faculty, particularly at campuses outside of UW-Madison.

8. TUITION PROMISE EXPANSION

GPR	\$39,970,000
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Request \$11,860,000 GPR in 2025-26 and \$28,110,000 GPR annually beginning in 2026-27 to expand the tuition promise initiative to all campuses in the UW System outside of UW-Madison. Beginning with the fall, 2025, semester, the program would provide a waiver of tuition and segregated fees for students who are Wisconsin residents and whose household adjusted gross income is \$71,000 or less. Incoming freshmen would be eligible for waivers for eight consecutive semesters (four years) and transfer students would be eligible for waivers for four consecutive semesters (two years).

The Bucky's Tuition Promise program at UW-Madison was implemented beginning in fall, 2018, and provides scholarships and grants to cover tuition and segregated fees for students whose household adjusted gross income is \$65,000 or less (\$60,000 under the original program). Incoming freshmen are eligible for eight consecutive semesters (four years) and transfer students are eligible for four consecutive semesters (two years). Eligible students are required to file a Federal Application for Federal Student Aid (FAFSA) by UW-Madison's December 1 priority enrollment deadline. Aid is provided after other student aid, such as grants and scholarships are applied, resulting in a student's net cost of zero for tuition and fees. UW System provided funding for one cohort of an expanded Wisconsin tuition promise program for resident students whose household adjusted gross income is \$62,000 or less and who enrolled in fall, 2023. UW System estimates 5,000 students would receive assistance through the proposed expanded tuition program in the first two years.

9. ARTIFICIAL INTELLIGENCE RESEARCH AND INFRASTRUCTURE

GPR	\$37,625,000
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Request \$37,625,000 in 2025-26 in one-time funding to provide artificial intelligence (AI) infrastructure resources such as servers and research facilities at all UW System campuses.

10. STUDENT MENTAL HEALTH SUPPORT

	Funding	Positions
GPR	\$22,000,000	57.00

Request \$11,000,000 (\$4,080,000 salary, \$1,572,400 fringe, and \$5,347,600 unallotted reserve) annually with 57.0 psychologist, counselor, and/or clinical social worker positions to expand student mental health support. In addition to the increased staff, funding would support telehealth services, counseling, telepsychiatry, an online wellness platform, and 24/7 peer and crisis support services.

11. STUDENT RETENTION

	Funding	Positions
GPR	\$19,800,000	87.00

Request \$9,900,000 annually (\$4,800,000 salary, \$1,849,900 fringe, and \$3,250,100 unallotted reserve) with 87.00 positions for student support services. Funding would support 60.0 academic advisors to improve the ratio of advisors to students. According to UW System, funding would also provide 13.0 student affairs assistant directors/financial aid assistant directors (one per campus) to support students who have aged out of the foster care system; and 13.0 associate director/director of academic advising positions (one per campus) to connect students to on and off-campus resources to address their basic needs. Funding would also support 1.0 disability services director position to assure compliance with the Americans with Disabilities Act's digital accessibility requirements.

12. DUAL ENROLLMENT

	Funding	Positions
GPR	\$14,500,000	12.00

Request \$7,250,000 (\$600,000 salary, \$231,200 fringe, and \$6,418,800 unallotted reserve) annually with 12 dual enrollment program director positions beginning in 2025-26. Funding would support staff to develop capacity for an additional 15,000 high school students to access dual enrollment options at their high school or at a UW campus.

13. CAREER READINESS

	Funding	Positions
GPR	\$11,500,000	15.00

Request \$5,750,000 (\$975,000 salary, \$375,800 fringe, and \$4,399,200 unallotted reserve) annually with 15.0 career development manager positions for career readiness programming. Funding would support scholarships/financial aid for student experiential learning and internships and outreach to private sector entities to create new student opportunities. Funding would also be used for professional development for career services professionals and faculty, and new technology for career exploration and readiness skills development.

14. TEACHER LOAN FORGIVENESS

GPR	\$10,500,000
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Request \$5,250,000 annually for a teacher loan forgiveness program. UW System indicates the program would build upon the existing teacher loan program administered by the Higher Educational Aids Board (HEAB). The HEAB program provides loans of up to \$10,000 annually to resident students enrolled in programs leading to a teacher's license in a teacher shortage area

identified for this state by the U.S. Department of Education. Eligible loan recipients may have 25% of the loan forgiven for each year that the recipient teaches full-time at a public or private school in the designated shortage areas (including the city of Milwaukee and school districts in certain rural counties).

15. CONTINUING EDUCATION

GPR	\$10,000,000
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Request \$5,000,000 annually to support continuing education departments at UW System campuses. Funding would expand training in employer-chosen, on-demand online seminars, as well as reskilling and upskilling programming.

16. CURRICULUM AND CLASSROOM ARTIFICIAL INTELLIGENCE APPLICATIONS

GPR	\$10,000,000
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Request \$5,000,000 annually for Artificial Intelligence (AI) curriculum development, teaching methods, and professional development. This would include convening representatives from various disciplines to establish systemwide discipline-specific AI learning goals.

17. ARTIFICIAL INTELLIGENCE FACULTY RECRUITMENT AND DEVELOPMENT

	Funding	Positions
GPR	\$8,360,000	14.00

Request \$2,660,000 (\$1,414,700 salary and \$545,300 fringe, and \$700,000 unallotted reserve) in 2025-26 with 7.0 positions and \$5,700,000 (\$3,103,800 salary, \$1,196,200 fringe, and \$1,400,000 unallotted reserve) in 2026-27 with 14.0 positions to hire seven Artificial Intelligence (AI) faculty members in 2025-26 and an additional 7.0 AI faculty members in 2026-27. Faculty would be recruited in such areas as computer science, data sciences, mathematics and statistics, engineering and robotics, machine learning, natural language processing, computer vision, and cognitive sciences.

18. DAIRY INNOVATION HUB

GPR	\$7,000,000
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Request an additional \$3,500,000 annually for the Dairy Innovation Hub at UW-Madison, UW-Platteville, and UW-River Falls.

Under 2019 Act 9, \$1,000,000 GPR in 2019-20 and \$7,800,000 GPR in 2020-21 was provided in the Joint Committee on Finance supplemental appropriation for release to the UW System upon request and approval by the Committee for a UW System Dairy Initiative (Innovation Hub). On October 2, 2019, the Committee approved the UW System's request for release of the funds, including the specification that the \$7.8 million GPR in fiscal year 2020-21 be ongoing. The Hub is a collaboration between UW-Madison, UW-Platteville, and UW-River Falls to utilize research and development to support Wisconsin's dairy community. The Hub focuses on four priority areas: (1) stewarding land and water resources; (2) enriching human health and nutrition; (3) ensuring animal health and welfare; and (4) growing farm businesses and communities.

19. EXPANDING RECRUITMENT AND OUTREACH

	Funding	Positions
GPR	\$6,000,000	5.00

Request \$3,000,000 (\$375,000 salary, \$144,500 fringe, and \$2,480,500 unallotted reserve) annually with 5.0 positions including 3.0 admissions and recruitment coordinators, 1.0 assistant director of admissions, and 1.0 multimedia designer beginning in 2025-26. According to the request, funding would support student outreach and recruitment including for marketing materials and state and regional travel.

20. TRIBAL EDUCATIONAL PROMISE EXPANSION

GPR	\$5,000,000
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Request \$2,500,000 annually to expand the tribal educational promise initiative to all campuses outside of UW-Madison.

The Wisconsin Tribal Education Promise program at UW-Madison was announced in December, 2023, and first offered to all eligible students enrolling for an on-campus program for fall, 2024. To be eligible, students must be a Wisconsin resident, be pursuing their first undergraduate degree, and be verified as an enrolled member of any one of the eleven federally-recognized American Indian Tribes in Wisconsin. The program covers tuition and fees for eligible students. Aid is provided after other student aid, such as grants and scholarships are applied, resulting in a student's net cost for tuition and fees of zero.

21. PROFESSIONAL DEVELOPMENT TRAINING

GPR	\$5,000,000
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Request \$2,500,000 annually to continue offering the Discussion Project professional development series. Offered by the School of Education at UW-Madison, the program provides faculty and staff training on utilizing research-based techniques to design and implement equitable, inclusive, and engaging classroom discussion.

22. FRESHWATER COLLABORATIVE

GPR	\$5,000,000
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Request \$2,500,000 annually in additional ongoing funding for the UW Freshwater Collaborative.

2021 Act 58, the 2021-23 biennial budget act, provided \$2.5 million GPR in 2021-22 and \$2.5 million in 2022-23 in the Joint Committee on Finance supplemental appropriation for release to the UW System upon request and approval by the Committee for the UW Freshwater Collaborative. The Act also created a new, continuing appropriation under the UW System for the Freshwater Collaborative to which funding would be transferred upon release by the Committee. The funding was released on February 1, 2022, and continues at \$2.5 million annually.

23. HIGH IMPACT PRACTICES

GPR	\$3,400,000
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Request \$1,700,0000 annually for High Impact Practices (HIP) programming. HIPs are evidence-based educational strategies associated with better student outcomes such as increased

student engagement, retention, and degree completion. Examples of HIPs include service learning, undergraduate research, and internships.

24. DIRECT ADMISSION

	Funding	Positions
GPR	\$3,000,000	2.00

Request \$1,500,000 annually (\$100,000 salary, \$38,500 fringe, and \$1,361,500 unallotted reserve) with 2.0 positions (1.0 program director and 1.0 business systems analyst) beginning in 2025-26 for a direct admission program that provides eligible Wisconsin high school graduates with guaranteed undergraduate admission to a UW System institution. The funding and positions would support implementation and expansion of the program including outreach and coordination between high schools and participating universities as well as technology, publication, and mailing costs.

Under 2023 Act 95, UW is required to offer guaranteed admission to Wisconsin high school pupils based on their class ranking. Pupils who finish in the top 5% of their class are guaranteed admission to UW-Madison, while pupils who finish in the top 10% of their class are guaranteed admission to other UW institutions. Direct Admission is another, UW-initiated program in which participating universities (all of the UW institutions except UW-Madison, UW-La Crosse, and UW-Eau Claire) offer admission to qualified pupils based on their grades and coursework at the end of their junior year without pupils needing to submit an application or standardized test scores or pay an application fee. Under the program, approximately 350 participating public and private high schools in the state provide data directly to UW to make admissions decisions.

25. NON-TRADITIONAL STUDENT PROGRAMMING

GPR	\$1,850,000
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Request \$600,000 in 2025-26 and \$1,250,000 annually beginning in 2026-27 for evidence-based strategies for outreach and recruitment of non-traditional students, particularly residents with some college and no degree. In addition to recruitment, funding may be utilized to waive or reduce outstanding balances for participants who left college without earning a credential.

26. TRANSFER STUDENT SUPPORT

	Funding	Positions
GPR	\$1,500,000	15.00

Request \$750,000 (\$541,400 salary and \$208,600 fringe) annually with 15.0 positions to support students transferring into and within the UW System. The 15 positions would include advisors, student success professionals, recruiters, and enrollment specialists.

27. PRIOR LEARNING ASSESSMENT

GPR	\$1,438,000
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Request \$719,000 annually for reviewing, improving, and expanding prior learning assessment activities at UW System campuses. Prior learning assessment involves evaluating college-level learning attained outside of a university setting, such as through industry-based training, professional development courses, private study, or work or volunteer experiences.

Universities may award credit for some prior learning outcomes after evaluation.

28. ARTIFICIAL INTELLIGENCE ONLINE COLLABORATIVE PROGRAMS

GPR	\$1,300,000
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Request \$1,300,000 in 2025-26 in one-time funding to develop online AI collaborative programs for the UW System institutions to best utilize both technological and faculty resources.

29. SUPPLIES AND SERVICES 5% INCREASE

GPR	\$444,400
SEG	<u>131,000</u>
Total	\$575,400

Request \$222,200 GPR and \$65,500 SEG annually to increase the following UW System sum certain appropriation's supplies and services funding by 5%: \$112,400 GPR annually for the UW freshwater collaborative (base funding of \$2,514,600); \$47,700 GPR annually for the Tommy G. Thompson Center on Public Leadership (base funding of \$1,550,500); \$62,100 GPR annually for the State Laboratory of Hygiene general program operations (base funding of \$12,975,400); \$12,800 SEG annually from the critical hospital assessment fund for the rural physician residency assistance program (base funding of \$874,800); and \$52,700 SEG annually from the universal service fund for UW System campus telecommunications services (base funding of \$1,054,800).

30. VETERINARY DIAGNOSTIC LABORATORY MICROBIOLOGISTS

	Funding	Positions
GPR	\$1,137,000	7.00

Request \$568,500 (\$418,000 salary and \$150,500 fringe) annually beginning in 2025-26 with 7.0 positions (6.0 microbiologists and 1.0 sample receiving technician) beginning in 2025-26.

The Veterinary Diagnostic Laboratory (VDL) is the sole provider of CWD and foreign animal disease (FAD) surveillance, investigation, and outbreak response for Wisconsin. Providing CWD diagnostic testing supports Department of Natural Resources (DNR) efforts to manage CWD (an infectious prion disease). In addition, the diagnostic testing provides hunters with important food safety information. Each year, the VDL provides testing for 16,000 to 24,000 whitetail deer samples and 75% of the samples are submitted within a four to six-week period following the November nine-day gun deer hunting season. During this testing surge, the CWD diagnostic facility operates for 20 hours per day, seven days per week. In 2021, VDL indicates a seasonal labor shortage and staff overload led to an increase in CWD testing turnaround time from nine to 19 days. The additional six microbiologists and one sample receiving technician would assist in decreasing testing turnaround time to a week or less to provide quicker results to Wisconsin hunters. VDL indicates that the six microbiologist positions would also be cross-trained for diagnostic testing so that they could be utilized to provide sustainable services to maintain Wisconsin agricultural industry testing services to support the poultry, dairy, and bovine genetics industries in the event of an FAD (such as was done with avian flu in 2022).

31. VETERINARY DIAGNOSTIC LABORATORY STAFF RETENTION

GPR	\$434,600
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Request \$217,300 (\$159,800 salary and \$57,500 fringe) annually to retain specialty-boarded veterinary staff.

Currently, the Wisconsin Veterinary Diagnostic Laboratory (VDL) staff include eight anatomic pathologists boarded by the American College of Veterinary Pathologists. In addition, VDL staff include client services veterinarians who provide animal and herd health consultation to complement diagnostics. The VDL specialists perform diagnostic and scientific duties similar to those of the faculty at the School of Veterinary Medicine (SVM). However, while the VDL is connected to UW-Madison and operates under the SVM umbrella, unlike the SVM, the VDL does not have dedicated funding for recruiting and retaining veterinary specialists at competitive salaries. Funding provided under the request would provide an increase in salary and fringe for eight VDL veterinary specialists and staff who have joint faculty appointments at UW-Madison including: bacteriology and serology section head (clinical associate professor), veterinary pathologist (clinical professor), large animal internal medicine specialist (clinical assistant professor); four veterinary pathologists (clinical assistant professors); and virology, molecular and genomics section head (clinical associate professor).

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
5% Budget Reduction Plan			
1. Reduce the UW GPR general program operations appropriation, which would result in a reduction in activities funded by that appropriation, including the elimination of 300 positions. These activities include instruction, research, public service, student services, academic support, farm operations, physical plant operations, institutional support, and services for students and staff and could result in fewer class sections and extended time to degree.	GPR	-\$53,869,800	-\$53,869,800
2. Reduce the GPR appropriation for electric energy derived from renewable resources.	GPR	-218,400	-218,400
3. Reduce the GPR appropriation for the freshwater collaborative, which would result in a reduction to freshwater research, student services, and academic support.	GPR	-125,700	-125,700
4. Reduce the GPR appropriation for the Tommy Thompson Center on Public Leadership, which would result in a reduction to public service.	GPR	-77,500	-77,500
5. Reduce GPR for graduate psychiatric nursing education, which would result in a reduction to instruction.	GPR	-13,500	-13,500

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
6. Reduce GPR for the State Laboratory of Hygiene (SLH) which would result in a reduction in services provided and general public health support.	GPR	-\$648,800	-\$648,800
7. Reduce the GPR appropriation for the Veterinary Diagnostic Laboratory (VDL), which would result in a reduction in public service and veterinary diagnostic services.	GPR	-292,600	-292,600
8. Reduce the UW System's PR general operations appropriation, which would result in a reduction in activities funded by that appropriation, including the elimination of 600 positions. Those activities include instruction, research, public service, student services, academic support, farm operations, auxiliary operations, physical plant operations, institutional support and services for students and staff and could result in fewer class sections and extended time to degree.	PR	-170,455,100	-170,455,100
9. Reduce the UW System's appropriation for gifts and nonfederal grants and contracts, which would result in a reduction in activities funded by that appropriation, including the elimination of 100 positions. Those activities include instruction, research, public service, student services, academic support, farm operations, physical plant operations, institutional support and a reduction in gift and non-federal grant expenditures.	PR	-49,085,100	-49,085,100
10. Reduce PR for the SLH, which would result in a reduction in services provided and general public health support.	PR	-1,888,800	-1,888,800
11. Reduce the amount of the driver improvement surcharge that is transferred to the SLH, which would result in a reduction in services provided and public health support.	PR	-168,500	-168,500
12. Reduce the PR appropriation for the VDL, which would result in a reduction in public service and veterinary diagnostic services.	PR	-472,300	-472,300
13. Reduce the UW System's appropriation for funds transferred from other state agencies, which would result in a reduction in research, public service, and student services activities and a reduction in services provided to the UW Hospital and Clinics Authority.	PR	-2,844,900	-2,844,900
14. Reduce the UW System's appropriation for funds received from other state agencies for the VDL, which would result in a reduction in public service and veterinary diagnostic services.	PR	-39,800	-39,800
15. Reduce the transfer from the universal service fund to fund telecommunications services at UW institutions, which would result in a reduction in academic support activities and services provided for students and staff.	SEG	-52,700	-52,700
16. Reduce the amount transferred from the critical access hospital fund for the rural residency assistance program, which would result in a reduction in public service activities.	SEG	-43,700	-43,700

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
17. Reduce the UW System's appropriation for trust fund income, which would reduce its research and public service activities.	SEG	<u>-\$1,938,800</u>	<u>-\$1,938,800</u>
Total		-\$282,236,000	-\$282,236,000
	GPR	(-\$55,246,300)	(-\$55,246,300)
	PR	(-\$224,954,500)	(-\$224,954,500)
	SEG	(-\$2,035,200)	(-\$2,035,200)

VETERANS AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$2,019,300	\$2,025,300	\$2,025,300	\$12,000	0.3%	0.00	0.00	0.00	0.00	N.A.
FED	3,119,800	3,196,500	3,196,500	153,400	2.5	16.50	16.50	16.50	0.00	0.0%
PR	132,375,100	144,800,500	144,800,500	24,850,800	9.4	1,119.81	1,117.81	1,117.81	- 2.00	- 0.2
SEG	<u>21,360,900</u>	<u>23,321,300</u>	<u>23,422,700</u>	<u>4,022,200</u>	9.4	<u>104.19</u>	<u>113.19</u>	<u>113.19</u>	<u>9.00</u>	8.6
TOTAL	\$158,875,100	\$173,343,600	\$173,445,000	\$29,038,400	9.1%	1,240.50	1,247.50	1,247.50	7.00	0.6%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request \$13,440,400 (\$6,000 GPR, \$76,700 FED, \$12,821,900 PR, and \$535,800 SEG) in 2025-26 and \$13,451,900 (\$6,000 GPR, \$76,700 FED, \$12,821,900 PR, and \$547,300 SEG) in 2026-27 to reflect the following standard budget adjustments: (a) -\$1,197,300 PR and -\$147,800 SEG annually for turnover reduction; (b) \$75,400 FED, \$11,035,700 PR, and \$817,200 SEG annually for full funding of continuing position salaries and fringe benefits; (c) \$950,500 PR annually for overtime; (d) \$2,116,300 PR annually for night and weekend differential pay; (e) \$6,000 GPR, \$1,300 FED, -\$83,300 PR, and -\$133,600 SEG in 2025-26 and \$6,000 GPR, \$1,300 FED, -\$83,300 PR, and -\$122,100 SEG in 2026-27 for full funding of lease and directed moves costs; and (f) minor transfers within the same appropriations (\$0).

GPR	\$12,000
FED	153,400
PR	25,643,800
SEG	<u>1,083,100</u>
Total	\$26,892,300

2. GENERAL FUND SUPPLEMENT FOR STATE VETERANS HOMES OPERATIONS

Request a transfer of \$15,000,000 in each year of the 2025-27 biennium from the general fund to the program revenue account for the state veterans homes. The Department indicates that, of the transferred revenue, \$11,250,000 would be used to support operations of the King veterans home and \$3,175,000 would support operations at the Union Grove veterans home. None of the transferred revenue would be credited to the program revenue account of the Chippewa Falls state veterans home.

GPR-Transfer	\$30,000,000
PR-Revenue	\$30,000,000

The operations of the state veterans homes are supported from revenues from five primary sources: (a) medical assistance program payments; (b) member payments; (c) federal per diem payments from the U.S. Department of Veterans Affairs; (d) federal USDVA service-connected

disability payments; and (e) Medicare payments. Veterans home expenditures have exceeded revenues at the King and Union Grove homes for each of the past three years. Accumulated balances from prior years, along with a budget surplus generated at the Chippewa Falls home have allowed the homes to maintain a positive balance in the combined program revenue appropriation, but the Department projects that continuing deficits and King and Union Grove will deplete most or all of the revenue reserves by the end of the 2023-25 biennium. The 2023-25 budget (Act 19) provided \$5,000,000 GPR in the Joint Committee on Finance program supplements appropriation to supplement state veterans homes operations, although the Department had not yet made a request for this funding at the time that the Department's request was submitted. This request item would make an additional \$15,000,000 available each year to support veterans homes operations.

3. VETERANS HOUSING AND RECOVERY PROGRAM

SEG	\$1,450,000
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Request \$725,000 annually for the veterans housing and recover program (VHRP) to increase funding for supplies and services costs in the program. The VHRP provides short-term housing and supportive services to veterans who are homeless or at risk of becoming homeless. The program provides services at three locations, in Chippewa Falls, Green Bay, and Union Grove. Total base funding for the program is \$2,136,600, which is composed of \$1,343,600 in federal funding, \$677,500 SEG from the veterans trust fund, and \$115,500 SEG received as receipts collected as rental payments collected from certain program participants.

4. VETERANS OUTREACH AND RECOVERY PROGRAM

	Funding	Positions
SEG	\$1,115,700	7.00

Request \$512,900 in 2025-26 and \$602,800 in 2026-27 and 7.0 positions, beginning in 2025-26 for the veterans outreach and recovery program (VORP), to replace 7.0 federally-funded project positions in the program. VORP provides outreach, treatment and support to veterans who have a mental health condition or a substance use disorder. The program employs outreach specialists to contact veterans to provide direct assistance and referral to social service programs. The project positions will expire in October, 2025. In addition to these positions, the program is currently authorized 15.0 permanent SEG positions.

5. PROGRAM REVENUE FUNDING ADJUSTMENTS

PR	- \$283,400
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Request funding adjustments to several PR appropriations, with a net effect of reducing PR funding by \$141,700 annually, to reflect reestimates of program revenues collected by the Department's state veterans homes and cemeteries. The following table shows the requested annual adjustments, by appropriation.

<u>Program Revenue Appropriation Account</u>	<u>Annual Adjustment</u>
State Veterans Home at Chippewa Falls	\$2,044,600
State Veterans Home at King	-2,197,500
Housing Maintenance	-44,000
King Home Exchange (Shop)	-69,800
Chippewa Falls Gifts and Bequests	25,000
Cemeteries Gifts and Bequests	<u>100,000</u>
Total	-\$141,700

2015 Act 201 Plan

	<u>Fund</u>	<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
1. State veterans homes budget adjustments	PR	-\$266,700	-\$266,700
2. Position fund source shift	PR	-254,800	-254,800
3. Position fund source shift	SEG	254,800	254,800
4. Unspecified funding adjustments	SEG	128,700	128,700
5. Veterans outreach and recovery program	SEG	512,900	1,637,800
6. Unspecified increase, Veterans Museum	SEG	0	11,500
7. Unspecified reduction, state veterans homes	PR	<u>-374,900</u>	<u>-1,511,300</u>
Total		\$0	\$0
	PR	(-\$896,400)	(\$2,032,800)
	SEG	(\$896,400)	(\$2,032,800)
5% Budget Reduction Plan			
1. State veterans homes budget adjustments	PR	-\$266,700	-\$266,700
2. Position fund source shift	PR	-254,800	-254,800
3. Position fund source shift	SEG	254,800	254,800
4. Unspecified funding adjustments	SEG	128,700	128,700
5. Veterans outreach and recovery program	SEG	512,900	1,637,800
6. Unspecified increase, Veterans Museum	SEG	0	11,500
7. Unspecified reduction, state veterans homes	PR	<u>-7,602,700</u>	<u>-8,739,100</u>
Total		-\$7,227,800	-\$7,227,800
	PR	(-\$8,124,200)	(\$9,260,600)
	SEG	(\$896,400)	(\$2,032,800)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary					FTE Position Summary	
	2024-25 Adjusted Base	<u>Request</u>		2025-27 Change Over Base Year Doubled		There are no authorized state positions for the Wisconsin Economic Development Corporation.
Fund		<u>2025-26</u>	<u>2026-27</u>	Amount	%	
SEG	\$45,870,000	\$45,870,000	\$45,870,000	\$0	0.0%	

2015 Act 201 Plan

5% Budget Reduction Plan

Reduce SEG expenditures to achieve target 5% reduction. The reduction from the all monies received continuing SEG appropriation could be enacted as a lapse to the general fund. The Board of Directors would adjust the annual budget as necessary to accommodate planned reductions.

		<u>Amount</u>	
<u>Fund</u>		<u>2025-26</u>	<u>2026-27</u>
SEG		-\$2,243,500	-\$2,243,500

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Major Request Items

1. STAFF SALARY DETERMINATION

Request a statutory change to eliminate salary caps for Wisconsin Health and Educational Facilities Authority (WHEFA) staff. WHEFA indicates this would enable the Authority to better recruit and retain staff.

Current law specifies that the Authority shall appoint an executive director and associate executive director who are not members of the Authority and who serve at the pleasure of the Authority and specifies that these directors receive compensation set by the Authority, except that the compensation of the executive director is capped at the maximum of the salary range established under s. 20.923 (1) for positions assigned to executive salary group 6 (currently \$175,300 annually) and the compensation of each other employee of the authority is capped at the maximum of the salary range established under s. 20.923 (1) for positions assigned to executive salary group 3 (currently \$139,100 annually).

2. FINANCING WORKING CAPITAL EXPENDITURES

Request a statutory change to authorize WHEFA to issue taxable bonds to finance working capital needs of any participating nonprofit entities.

Funds for projects financed by WHEFA are obtained through the sale of revenue bonds of WHEFA. Bond sale proceeds are loaned by WHEFA to the borrowing institution or project sponsor. No state or other public funds are used. The Authority's bonds are payable solely out of loan repayments from the borrowing institution, sponsor or guarantor. Under current law, the Authority may issue bonds or make loans to participating health institutions, educational institutions, and nonprofit or research institutions, primarily for capital projects such as the acquisition or expansion of a hospital or to refinance outstanding debt.

3. FINANCING PROJECTS WITH A PRESENCE IN WISCONSIN

Request a statutory change to authorize WHEFA to assist with financing the cost of projects if the participating tax-exempt organization has a presence in Wisconsin, is headquartered in Wisconsin, or serves Wisconsin populations. The proposal would replace a provision of current law that specifies that WHEFA can finance a project located in another state if the project includes a substantial component located in Wisconsin, as determined by the Executive Director of WHEFA.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Major Request Item

1. INCREASE CAPITAL RESERVE FUND BONDING AUTHORIZATION

Request an increase to the limit of outstanding bonds backed by the Wisconsin Housing and Economic Development Authority's (WHEDA) capital reserve fund from \$1 billion to \$1.3 billion. Under current law, WHEDA manages a capital reserve fund, which must maintain a balance sufficient to cover the maximum amount of debt service expected in one year for all bond issues backed by the fund. As of September 16, 2024, \$784 million in outstanding bonds were backed by the capital reserve fund. As WHEDA operates as an independent authority, bonds issued under its authority do not carry the general obligation of the state. However, the state has pledged its moral obligation to the capital reserve should it become deficient. No such deficiency has ever occurred, and this provision would not have a direct state fiscal effect.

WHEDA reports the proposed increase is necessary as WHEDA is at risk of reaching the maximum amount of outstanding bonds backed by the capital reserve fund by the end of calendar year 2025. This is largely due to demand for the state low-income housing tax credit under 2017 Wisconsin Act 176, as developments awarded state and certain federal housing tax credits also utilize financing from bonding supported by the capital reserve. WHEDA indicates there are \$140 million of approved multifamily developments for financing in calendar year 2024, which does not leave adequate capacity for 2025, as the average volume in bonds has been approximately \$124 million per year in recent years.

While WHEDA may elect to issue bonds without the backing of the capital reserve fund, the Authority reports that any such issuance would be expected to cost more for both borrowers and WHEDA. The increased cost would come from less favorable credit ratings on bonds not backed by the capital reserve fund.

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$587,442,900	\$614,120,400	\$620,120,400	\$59,355,000	5.1%	23.25	27.25	27.25	4.00	17.2%
FED	33,440,400	32,851,800	32,851,800	- 1,177,200	- 1.8	26.75	22.75	22.75	- 4.00	- 15.0
PR	<u>4,744,000</u>	<u>4,762,600</u>	<u>4,762,600</u>	<u>37,200</u>	0.4	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	0.0
TOTAL	\$625,627,300	\$651,734,800	\$657,734,800	\$58,215,000	4.7%	55.00	55.00	55.00	0.00	0.0%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	-\$67,400
FED	- 177,200
PR	<u>- 20,000</u>
Total	- \$264,600

Request adjustments to the base totaling -\$33,700 GPR, -\$88,600 FED, and -\$10,000 PR annually for: (a) full funding of continuing position salaries and fringe benefits (\$140,200 GPR, \$34,300 FED, and \$27,400 PR annually); and (b) full funding of lease and directed moves costs (-\$173,900 GPR, -\$122,900 FED, and -\$37,400 PR annually).

2. STATE AID FOR TECHNICAL COLLEGES

GPR	\$45,000,000
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Request \$20,000,000 in 2025-26 and \$25,000,000 in 2026-27 above base level funding of \$109,574,900 for state aid for technical colleges. The agency indicates this funding will provide technical colleges with the flexibility to expand their capacity and meet the unique, local needs of their communities.

3. PROFESSIONAL DEVELOPMENT FOR ARTIFICIAL INTELLIGENCE

GPR	\$10,000,000
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Request \$5,000,000 annually above base level funding of \$25,124,200 for grants to district boards to fund professional development and tools to support technical colleges in their adoption of artificial intelligence. The agency indicates that this funding would ensure technical college faculty, staff, and leaders are knowledgeable and prepared to incorporate artificial intelligence to meet the needs of students and the local community.

4. OPEN EDUCATIONAL RESOURCES

GPR	\$3,000,000
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Request \$1,000,000 in 2025-26 and \$2,000,000 in 2026-27 to increase the amount available for grants to technical colleges to create open educational resource textbooks and other materials that can be utilized by all students within the Wisconsin Technical College System. Open educational resources include teaching, learning, and research resources that reside in the public domain or are released under an intellectual property license that permits free use by others.

5. GENERAL PROGRAM OPERATIONS

	Funding	Positions
GPR	\$1,400,000	4.00
FED	<u>- 1,000,000</u>	<u>- 4.00</u>
Total	\$400,000	0.00

Request \$700,000 GPR annually above base level funding of \$3,175,400 GPR and 4.0 GPR positions for general program operations to fund information technology infrastructure needs for the System Office and to convert 4.0 FED positions to GPR. Delete 4.00 FED positions and \$500,000 FED in annual funding. The request indicates a shortfall in federal revenues for FED positions caused by general wage adjustments for state employees since 2013-15 without corresponding increases in federal funding.

2015 Act 201 Plan

		<u>Amount</u>		
		<u>2025-26</u>	<u>2026-27</u>	
5% Budget Reduction Plan				
1.	Reduce funding for text materials	PR	-\$115,500	-\$115,500
2.	Reduce funding for auxiliary services	PR	-15,200	-15,200
3.	Reduce funding for interagency projects state operations	PR	-500	-500
4.	Reduce funding for inter-agency and intra-agency programs	PR	-57,900	-57,900
5.	Reduce funding for services for district boards	PR	<u>-49,900</u>	<u>-49,900</u>
Total			-\$239,000	-\$239,000

WORKFORCE DEVELOPMENT

Budget Summary						FTE Position Summary				
Fund	2024-25 Adjusted Base	Request		2025-27 Change Over Base Year Doubled		2024-25	Request		2026-27 Over 2024-25	
		2025-26	2026-27	Amount	%		2025-26	2026-27	Number	%
GPR	\$61,045,900	\$64,690,400	\$66,117,800	\$8,716,400	7.1%	151.02	151.02	151.02	0.00	0.0%
FED	233,207,200	236,380,400	231,397,100	1,363,100	0.3	1,163.82	1,142.82	1,140.82	- 23.00	- 2.0
PR	80,017,200	80,836,300	80,836,300	1,638,200	1.0	210.11	210.11	210.11	0.00	0.0
SEG	<u>26,897,400</u>	<u>33,711,600</u>	<u>34,046,200</u>	<u>13,963,000</u>	26.0	<u>72.80</u>	<u>72.80</u>	<u>72.80</u>	<u>0.00</u>	0.0
TOTAL	\$401,167,700	\$415,618,700	\$412,397,400	\$25,680,700	3.2%	1,597.75	1,576.75	1,574.75	- 23.00	- 1.4%

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget of \$3,071,500 and -21.0 positions in 2025-26, and \$2,365,300 and -23.0 positions in 2026-27. The adjustments are for: (a) turnover reduction (-\$290,100 GPR, -\$2,096,100 FED, -\$516,000 PR, and -\$114,000 SEG annually); (b) removal of noncontinuing elements from the base (-\$959,500 FED and -21.0 FED positions in 2025-26 and -\$1,665,700 FED and -23.0 FED positions in 2026-27); (c) full funding of continuing position salaries and fringe benefits (\$911,300 GPR, \$5,759,800 FED, \$1,020,500 PR, and \$372,400 SEG annually); (d) overtime (\$154,200 PR annually); and (e) full funding of lease and directed moves costs (-\$455,600 GPR, \$70,900 FED, -\$628,600 PR, and -\$157,700 SEG annually).

	Funding	Positions
GPR	\$331,200	0.00
FED	4,844,000	- 23.00
PR	60,200	0.00
SEG	<u>201,400</u>	<u>0.00</u>
Total	\$5,436,800	- 23.00

2. VOCATIONAL REHABILITATION STATE MATCH

Request \$15,117,400 in 2025-26 (\$3,220,000 GPR and \$11,897,400 FED) and \$21,818,800 in 2026-27 (\$4,647,400 GPR and \$17,171,400 FED). The requested GPR funding would be used as a state match for the Title I-B federal formula grant, which is the primary source of funding for the Department of Workforce Development's (DWD) Division of Vocational Rehabilitation (DVR) services. Each year the federal government allocates a certain amount of Title I-B funds to each state to provide training, adaptive, or other employment services to disabled individuals and to cover administrative expenses. A match of 21.3% of state funds to 78.7% federal funds is required to receive federal monies. A state must provide the required amount of matching funds or it will not receive its total allotment for that year. The requested additional GPR funding is projected to draw down the full federal Title I-B dollars anticipated to be available to DVR in the 2025-2027 biennium.

GPR	\$7,867,400
FED	<u>29,068,800</u>
Total	\$36,936,200

3. SUPPLIES AND SERVICES INCREASES

GPR	\$517,800
PR	1,508,000
SEG	<u>916,800</u>
Total	\$2,942,600

Request \$1,471,300 (\$258,900 GPR, \$754,000 PR, and \$458,400 SEG) annually, to support the following annual increases in supplies and services costs in the following DWD sum certain appropriations: (a) \$258,900 GPR for general operations; (b) \$4,600 PR for child labor permit system fees; (c) \$749,400 PR-S for administrative and support services; and (d) \$458,400 SEG for worker’s compensation program administration.

According to the Department, the requested additional supplies and services funding would support cost increases in the following expenditure categories: (a) contracted services costs, such as interpreters, staffing agencies, and curriculum development; (b) contracted data processing and IT services costs, (c) mail, postage and freight costs; and (d) internal services costs, such as costs associated with DWD IT staff.

The Governor's 2025-27 Major Budget Policies document permitted agencies to request certain funding increases that would impact their state operations, sum certain appropriations' supplies and services lines. Agency requests were not allowed to exceed five percent of the supplies and services line in applicable state operations appropriations.

4. FEDERAL REESTIMATES

FED	-\$32,549,700
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Request adjustments of -\$11,499,300 in 2025-26 and -\$21,050,400 in 2026-27. The adjustments are to align expenditure authority with the amount of revenue that DWD estimates will be deposited into those appropriations. The Department requests adjustments to the following federal appropriations:

DWD Federal Reestimates

<u>Appropriation</u>	<u>2025-26</u>	<u>2026-27</u>
Workforce investment and assistance	-\$6,909,100	-\$9,449,000
Unemployment insurance administration	-8,561,200	-11,611,200
Equal rights	-175,000	-199,700
Vocational rehabilitation program aids	1,618,500	1,618,500
Vocational rehabilitation project aids	<u>2,527,500</u>	<u>-1,409,000</u>
Total	-\$11,499,300	-\$21,050,400

5. SUPPLEMENTAL BENEFITS APPROPRIATION

SEG	\$10,000,000
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Request \$5,000,000 annually in a new, annual appropriation from the Department's segregated worker's compensation operations fund (WCOF). 2015 Act 55 terminated reimbursements for certain supplemental benefits paid by insurers from the Department's segregated work injury supplemental benefits fund, and instead provided that an insurer paying supplemental benefits would be entitled to annual reimbursement from the WCOF. Under Act 55, annual reimbursements to insurers are supported by WCOF revenues from a special assessment

on insurers. Act 55 authorized DWD to collect and pay out a maximum of \$5,000,000 per year from the WCOF for supplemental benefit payments, but did not provide the additional budget authority needed to make those additional payments. Since this budget authority has not been provided, DWD has continued to issue reimbursement payments out of the Department's work injury supplemental benefits fund, contrary to the requirements specified in Act 55.

6. WORKER'S COMPENSATION OPERATIONS APPROPRIATION CHANGES SEG \$2,844,800

Request additional expenditure authority of \$1,255,100 in 2025-26 and \$1,589,700 in 2026-27 in worker's compensation operations fund appropriations, as follows:

Worker's Compensation Operations Fund Appropriations

<u>Appropriation</u>	<u>2025-26</u>	<u>2026-27</u>
Administration	\$1,101,800	\$1,408,500
Uninsured employers program; administration	<u>153,300</u>	<u>181,200</u>
Total	\$1,255,100	\$1,589,700

In addition, request that both appropriations shown in the table be changed from annual to continuing. The Department states that a continuing appropriation structure would allow these appropriations to cover operations cost increases with available revenues from annual assessments paid by insurers and self-insured employers.

7. YOUTH APPRENTICESHIP APPROPRIATION CHANGE

Request changing the Department's youth apprenticeship grants appropriation from continuing to sum sufficient. The Department states that the change would allow DWD to meet demand for grant awards, rather than restricting awards and potentially hindering program participation. Under current law, DWD's youth apprenticeship grants appropriation receives \$10,000,000 GPR annually in base funding. For 2024-25, the Department indicates that it received grant requests totaling \$12,588,500 from youth apprenticeship consortia applicants.

2015 Act 201 Plan

		<u>Amount</u>	
		<u>2025-26</u>	<u>2026-27</u>
Base Level Plan			
1.	Increase funding for general program operations	GPR	\$258,900
2.	Reestimate expenditures from the interagency and intra-agency agreements appropriation.	PR	-2,761,400
3.	Increase expenditure authority in auxiliary services and permit system for employment of minors; fees appropriations.	PR	39,600
4.	Increase expenditure authority for administrative services	PR	749,400
5.	Increase expenditure authority in worker's compensation administration appropriations	SEG	<u>1,713,500</u>
			<u>2,048,100</u>
Total			\$0
		GPR	(\$258,900)
		PR	(-\$1,972,400)
		SEG	(\$1,713,500)
5% Budget Reduction Plan			
1.	Increase funding for general program operations	GPR	\$258,900
2.	Reestimate expenditures from the interagency and intra-agency agreements appropriation.	PR	-8,242,000
3.	Increase expenditure authority in auxiliary services and permit system for employment of minors; fees appropriations	PR	39,600
4.	Increase expenditure authority for administrative services	PR	749,400
5.	Increase expenditure authority in worker's compensation administration appropriations	SEG	<u>1,713,500</u>
			<u>2,048,100</u>
Total			-\$5,480,600
		GPR	(\$258,900)
		PR	(-\$7,453,000)
		SEG	(\$1,713,500)